

Appropriations Committee Testimony

President Susan Herbst

University of Connecticut

-February 10, 2016-

Good morning and thank you for giving us the opportunity to be here with you today.

With me is Dr. Andrew Agwunobi, the Chief Executive Officer of UConn Health, Wayne Locust, our Vice President for Enrollment, Scott Jordan, our Chief Financial Officer, Sally Reis, our Vice Provost and Jeff Geoghegan the Chief Financial Officer for UConn Health.

I'll begin, then turn it over to Dr. Agwunobi.

No one envies the position that you and the governor are in or the choices you have to make.

UConn's faculty, students and staff demonstrate the university's value to the state. Their accomplishments – not my bragging on that excellence — is our justification for asking that you spare UConn from substantial cuts and continue to invest in your public research university.

We live in an era and in a part of the nation that offers great progress and possibility. At the same time, we have also faced more than our fair share of challenges and disappointing news, which has led to uncertainty about the future.

In the face of that doubt, a vibrant and healthy UConn stands as a pillar of strength, confidence and optimism for Connecticut.

UConn is one of the most important tools Connecticut has to help build its economic future.

Owing to two decades of investment – by you, Connecticut's leaders – UConn is a successful university that is keeping great students in Connecticut, drawing people and investment from around the nation, and producing thousands of highly-educated, highly-skilled graduates every year, building Connecticut's workforce and generating billions for the state's economy.

Connecticut set out to make UConn a great university for this very reason. It worked. UConn is a Connecticut success story.

There is a direct correlation between the quality of the education UConn offers and the quality of our graduates.

Each year, we award more than 8,000 degrees, from bachelors to PhDs.

Our graduates are highly sought-after by companies that also call Connecticut home – everything from insurance and financial services to jet engines and submarines – from small businesses to global corporations.

They are also teachers, physicians, dentists, lawyers, pharmacists, and social workers, to name a few.

They buy homes, they pay taxes, send their children to school, and live in every corner of this state.

What they all have in common is that they stayed in Connecticut or came to Connecticut to attend UConn.

In another era, many would have gone elsewhere.

UConn's graduation rate is 83%, including 77% for Pell Grant recipients, who come from very low income backgrounds and are statistically less likely to graduate. Both numbers are far above the national average for public flagships of 70%.

Of all last year's graduates from UConn who are working, 77%, more than three out of four, work in Connecticut.

And better than one-in-four of our out-of-state graduates who are working, are working in Connecticut.

We have nearly 250,000 living alumni, and most of them live here.

Our faculty brought in \$191 million in new research awards from around the nation to Connecticut last year.

An economic impact study in 2014 showed that UConn has a \$3.4 billion economic impact on the state.

We are in the midst of Next Generation Connecticut, and it is already showing the results it was designed to bring about.

Undergraduate enrollment in STEM fields at UConn grew by an incredible 22% at Storrs in the last four years.

This, along with new science and engineering buildings and a new residence hall, among other construction, is the effect of Next Gen.

This initiative had two parts: capital and operating. Given the realities of state's budget, we don't foresee the operating funds ever reaching their original projections.

Because the operating funds are critical to support the overall enrollment growth – not just STEM – we will revise our enrollment projections under Next Gen to match this reality.

Yet this program will continue to succeed. We project a continued increase in enrollment and graduation of STEM students in the years to come.

And the modern facilities and infrastructure made possible by Next Gen are essential to the success of all of our students and faculty.

Operating dollars are critical, far beyond STEM.

The liberal arts is at our core, too, hence our emphasis on the humanities, the social sciences, the life sciences, and the arts. Teaching young people to think, to analyze, to write. To become citizens and leaders.

Our enrollment has grown by 46% since 2000.

Leveling that growth off will enable the university to devote more funds to financial aid, to focus on the quality of the students we recruit, and lead to greater course availability and smaller classes.

In recent years UConn's state appropriation has been approximately 30% of our operating budget, with 70% funded by tuition, fees, outside grants and research awards, self-generated revenue such as corporate partnerships, and philanthropy.

The appropriation is essential and we are grateful for every penny.

Yet our appropriation for FY16 is approximately the same as it was in FY09. In that time, costs have risen by 36%.

This has required us to increase other revenue and make cuts. These have included:

Eliminating positions, through attrition and layoffs

Streamlining university operations

Carefully managing energy consumption

Closing programs, centers and institutes

Dramatically reducing the hiring of non-faculty staff

Slowing faculty hiring

And making across the board cuts to all schools, colleges, and divisions.

We must keep this in mind:

There is no university that cuts its way to success.

There is no university that strengthens academics or student outcomes through budget reductions.

Being more efficient is good. But “cutting costs” is sometimes another way of saying we are doing less of something we should be doing more of.

One example: not filling faculty vacancies would be a very effective way to keep costs down.

But what would that mean to students?

It would mean larger classes and fewer of them. It would mean sections filling up so students get locked out of courses they need. It would mean students possibly not graduating on time, increasing the cost of their education, and their debt.

The governor’s proposed budget calls for cuts to UConn – including UConn Health – that would amount to a combined total of \$31.2 million for the next fiscal year.

It is not this single shortfall that will make or break the university, though closing it will be very challenging.

Rather, it is accumulated years of cuts, rescissions and fund sweeps that are digging deeply into UConn’s fiscal health and threatening our ability to carry out our mission most effectively.

If the proposed budget is adopted, it would mean that combined cuts, rescissions and fund sweeps from UConn and UConn Health by the state over the last seven years will amount to \$139 million.

This pattern makes long term financial planning very difficult and leads to a greater reliance on tuition and fees, which UConn can set as a predictable source of revenue that can be planned on and allocated accordingly.

A word about affordability.

Every single school we compete with for students have something in common: they are all far more expensive for Connecticut students than UConn.

Even after two four-year tuition plans, UConn will still cost Connecticut students and families a fraction of what it would cost them to go to any competing school. The slide on page 40 shows this.

Additionally, UConn will spend almost \$100 million on financial aid for our students this year, nearly 80% of whom are Connecticut residents.

Yet even with tuition increases, UConn is up against a financial wall.

Next year, a tuition increase will generate an estimated \$12.8 million.

It seems likely that all of the new revenue from the tuition increase – and then some – will be lost due to cuts in state support, wiping out the increase and leaving the university deeper in deficit.

That means tuition will, in effect, be coming in the front door from students then going directly out the back door to the state.

Students and families will be paying more but the university will be forced to offer them less because of drops in state support.

This is self-defeating and makes it harder for us to keep our head above the financial water line.

My fear is that this cycle will grow worse, resulting in a shrinking faculty, the closure of academic programs or departments – or even entire schools. It could mean closing regional campuses, significantly reducing financial aid and cutting sports, among other possibilities.

None of this is about the U.S. News rankings. Those are just a measure. UConn's aim is to grow stronger academically. If that is reflected in the rankings, great. But the goal is strong academics and student outcomes, not winning a horse race.

We will never stop working to do our very best with what we have.

It is up to us to be innovative as we work to become as self-sufficient as possible, including our efforts to generate greater private philanthropic support for UConn through the UConn Foundation.

The state has invested so much in UConn, and it has grown to become one of the best public institutions in the nation.

To slide backwards, to see students go elsewhere, to see UConn's benefit to the state falter after coming so far would be a terrible waste.

I began this testimony by telling you about the critical place UConn holds in our state. But that place is fragile.

UConn is a fine institution climbing to real preeminence and is in brutal competition for national grants, great faculty and the best students in Connecticut and beyond.

But we can very easily lose that place because of persistent budget problems and allow institutions like Maryland, Delaware, or Rutgers to draw students, faculty and funding away from Connecticut.

When you fall behind in higher ed, it is very hard to recover.

None of us want to leave a mediocre university for future generations.

My plea is for the state to protect the investments it has made in our shared future.

Thank you. I'll now turn it over to Dr. Agwunobi.

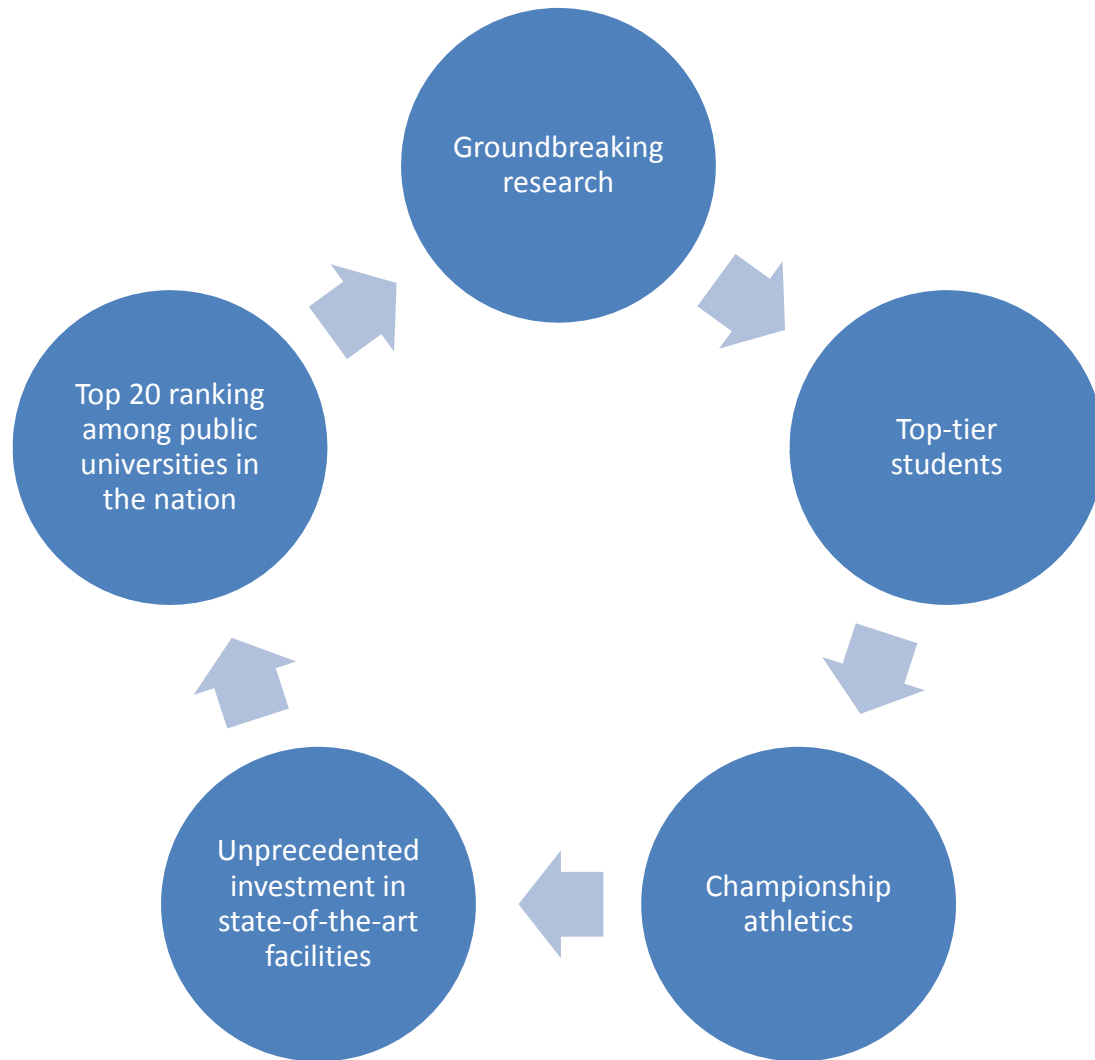
University Update



UConn

February 2016

UConn Today



Together, we all strive to help propel UConn on its upward trajectory as one of the nation's premier public research universities and the premier provider of health care in Greater Hartford

Measures of a Great University



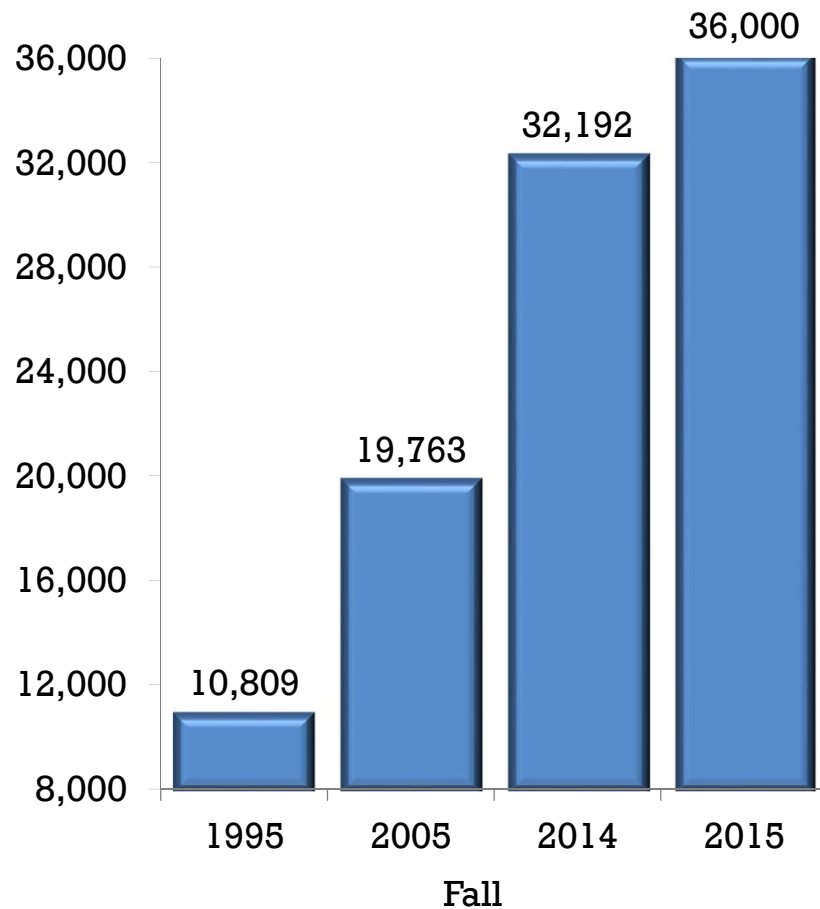
- Federal research
- Membership in national academies
- Faculty awards
- State/industrial research
- Doctoral degrees
- Post-doctoral fellows
- Undergrad education
- Academic reputation
- Student retention
- Faculty resources
- Student selectivity
- Financial resources
- Graduation rate
- Alumni giving rate
- Ability to attract & retain the best faculty & students
- Extensive resources to pursue teaching & research
- Freedom to pursue critical thinking, innovation & creativity

UConn Student Success

- Last fall, we welcomed 5,137 freshmen, including 3,774 at Storrs whose SAT scores place them among the most highly accomplished in UConn's history
- The growth in the freshmen class has come despite a dip in the number of high school graduates in Connecticut and nationwide
- A record number of the Class of 2019 were accepted into our competitive Honors Program and not only were 50% of the Storrs freshmen in the top 10% of their high school class, but 144 of them were valedictorians and salutatorians (all CT residents!)
- Almost one-third of the new students are from minority groups – making the class one of the most ethnically diverse to join the University
- The number of applications for the Class of 2020 has already reached more than 36,000 – another record setting year – and the strong applicant pool will continue UConn's momentum as it pushes toward becoming one of the nations public top-tier research institutions

Freshman Application Trends

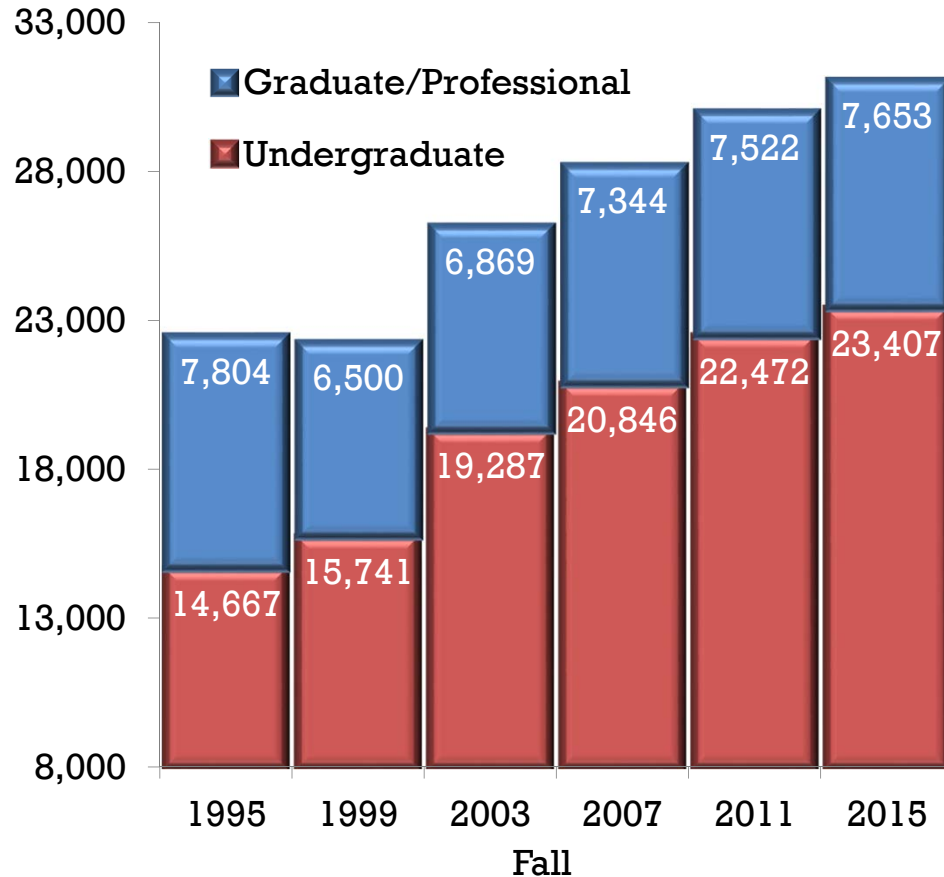
Storrs & Regional Campuses



- Applications at all campuses have increased 233% from Fall 1995 to Fall 2015
- STEM applicants at the Storrs Campus have increased 18% since Fall 2012
- Fall 2015 estimated STEM applicants at the Storrs Campus are almost 50% of the total number of applicants

Total Student Enrollment

Undergraduate enrollment has increased 60% from 1995 to 2015

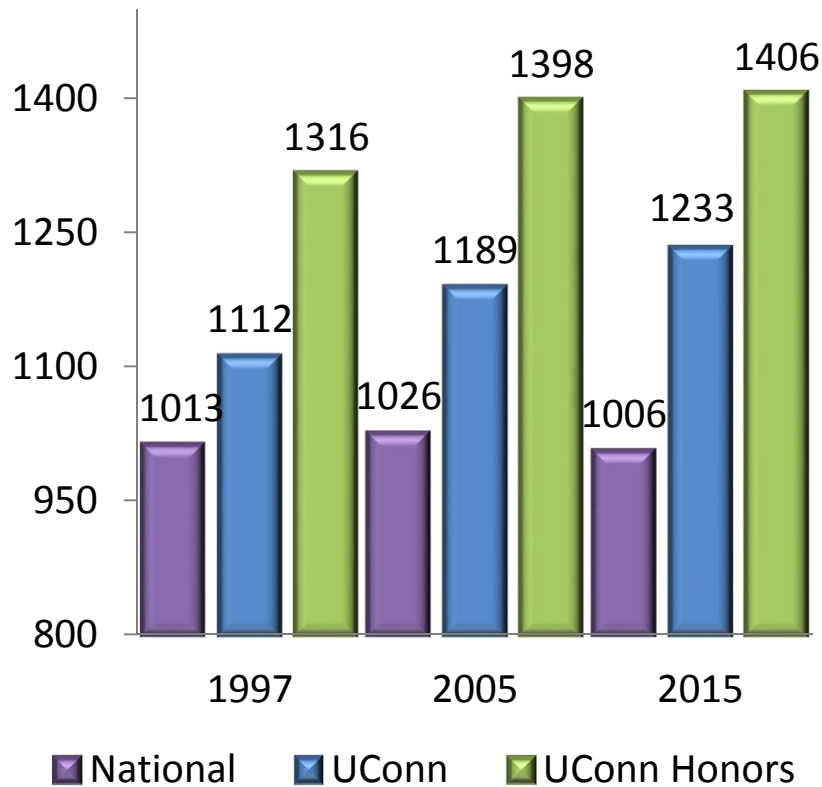


Residency (All Campuses)	1995	2005	2015
In-State Freshmen	83%	78%	68%
Out-of-State Freshmen	17%	22%	32%
In-State Undergrads	87%	81%	77%
Out-of-State Undergrads	13%	19%	23%

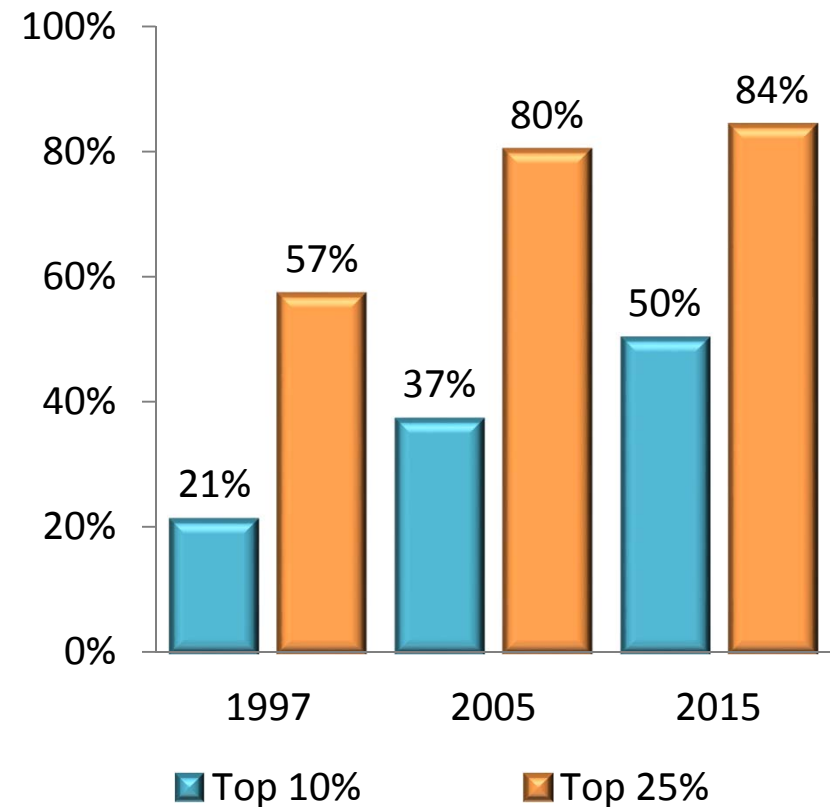
Freshmen Quality

Storrs Campus

Mean SAT Scores

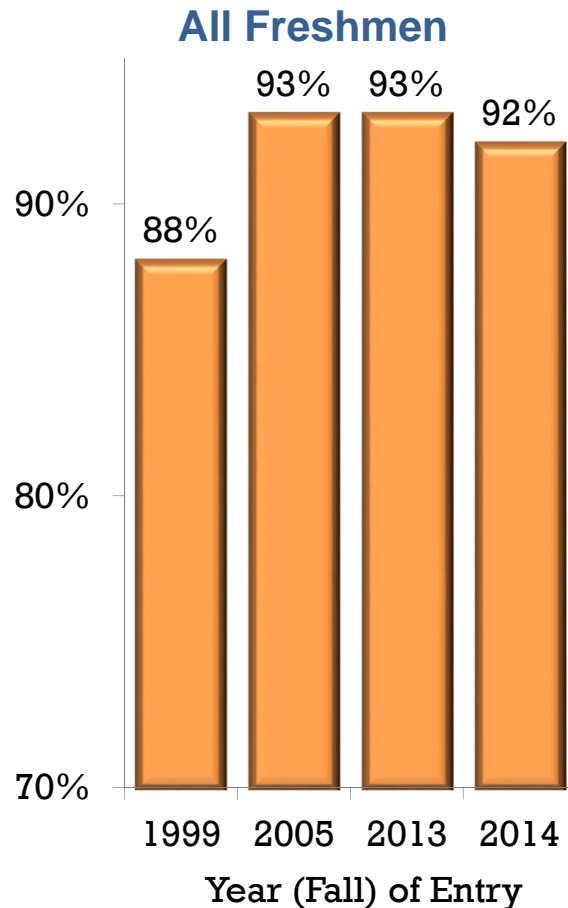


High School Class Rank

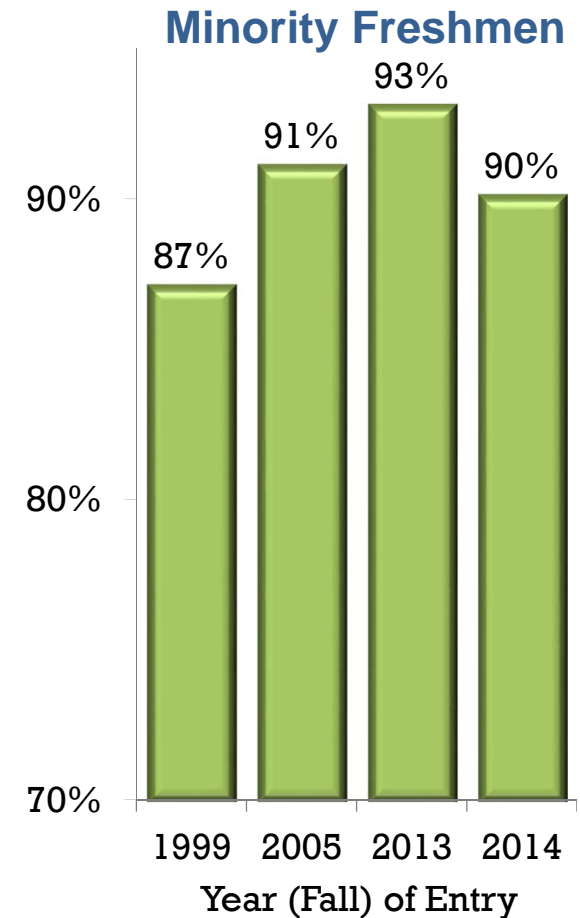


Freshmen Retention Trend

Storrs Campus



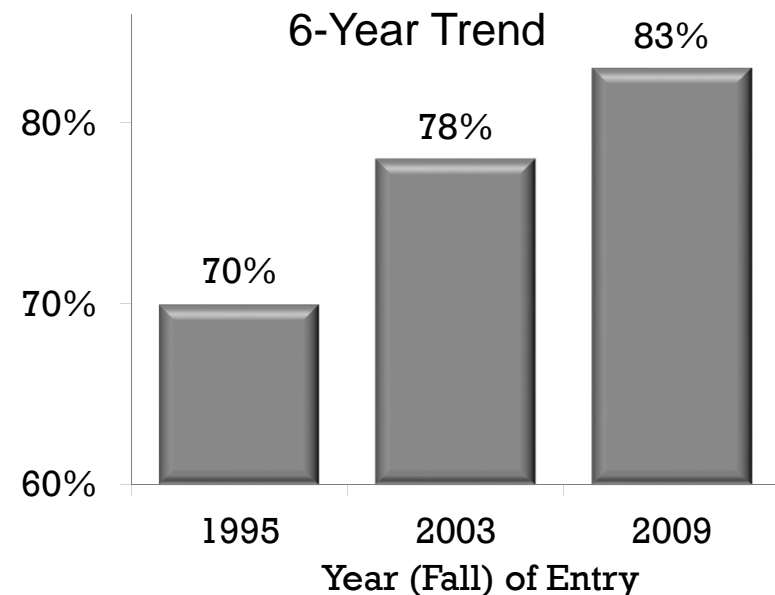
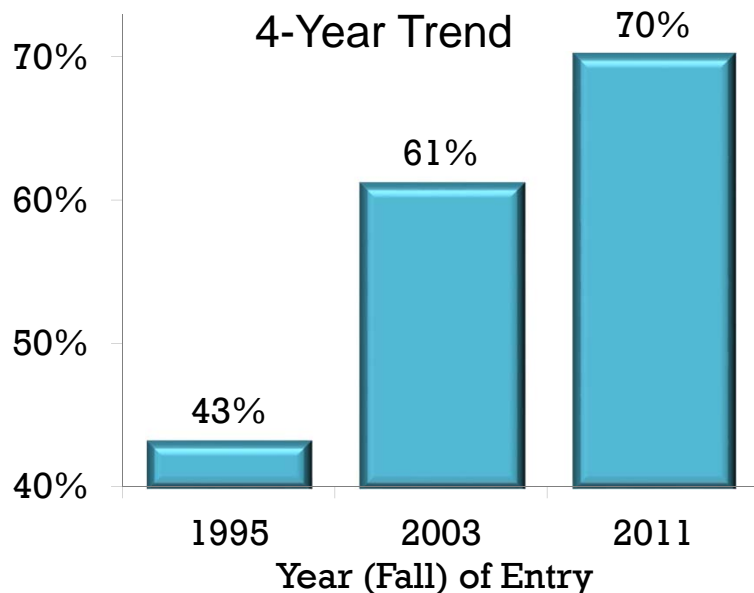
- Nationally, the total Fall 2013 rate ranks 14th among the 58 Public Research Peer Universities and it is substantially higher than the 82% average for 345 colleges & universities in the national Consortium for Student Retention Data Exchange
- Fall 2013 minority freshmen retention rate is also substantially higher than the national 80% average



Graduation Trends

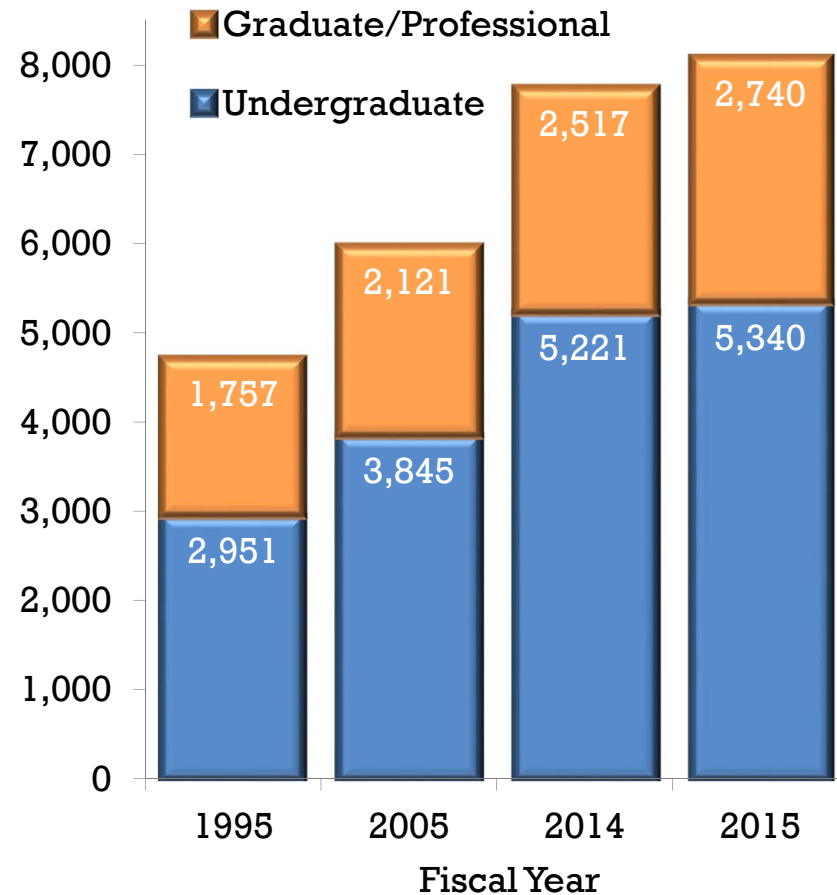
Storrs Campus

- UConn's 4-Year graduation rate of 70% and 6-year graduation rate of 83% are significantly higher than most of the 58 Public Research Peer Universities
- **UConn's average time to graduate of 4.2 years ranks 3rd**



Degrees Awarded

- Undergraduate degrees have increased 81% since 1995
- Undergraduate degrees in STEM have increased by 10% since FY13
- Master's degrees in STEM have increased 16% since FY13
- Doctoral degrees in STEM have increased 16% since FY13



Goals in Undergraduate Education

- Recruitment of outstanding students (SAT scores, rank in class, geographic & ethnic diversity)
- New concentrations, minors & majors to meet emerging workforce needs
- More students who conduct research, internships, global engagement and service learning
- More students receiving prestigious scholarships
- Improve rankings in *US News & World Report*



Undergraduate Researchers



- **Karen Vazquez '17**
- **Major:** PNB
- **Research Topic:**
Reversing
Encephalopathy-
Associated Potassium
Mutations
- *The Napier SURF Award*
- **Future Plans:** Ph.D. in
Neuroscience



- **Molly Rockett '15**
- **Major:** Political Science
- **Research Topic:** Trial
Court in a Politicized
Era
- *2014 Truman Scholar*
- **Current position:**
Truman-Albright Fellow
- **Future Plans:** 1600
PENN Avenue



- **Stephen Hawes '17**
- **Major:** Mechanical
Engineering
- **Research Topic:** 3D-
Printed Prosthetic
Hand
- *UConn IDEA! Grant*
- **Future Plans:** Broaden
access to prostheses
and keep inventing

Health & Wellness: Investment

- Targeted 'Poaching' of 4 faculty from the Rudd Center from Yale
- Investment of \$500,000
- Vision: Premier Center for Policy on Obesity & Food Security
 - Weight-based bullying
 - Nutrition in schools
 - Targeted food marketing to youth
- Result: Rudd Center current funding of \$5.1M



Marlene Schwartz, Yale



Jennifer Harris, Yale



Rebecca Puhl, Yale



Tatiana Andreyeva, Yale



Tracey Leahey (Brown U) received \$1M NIH award for her research on interventions to combat obesity

Artists, Scholars and Public Discourse

- **Vision:** Premier Institute for Public Discourse
 - \$1M Academic Plan investment
- **Results:**
 - \$100K grant from Mellon Foundation for *Digital Humanities Design Studio*
 - \$5.75M grant from the Templeton Foundation for *Intellectual Humility in Public Discourse Awarded to Professor Michael Lynch*



Michael Lynch – Director of the Humanities Institute & Pursuer of Reason and the Truth

Interdisciplinary Research Area: Sustainability & Resilience

- **Vision:** Premier Institutes for Water Resources & Storm Model Predictions—Investment in Engineering faculty
- **Results:**
 - \$4.3M NSF PIRE grant for water research & education programs in Ethiopia
 - \$9M EVERSOURCE Energy Center (EEC) for Storm Modeling



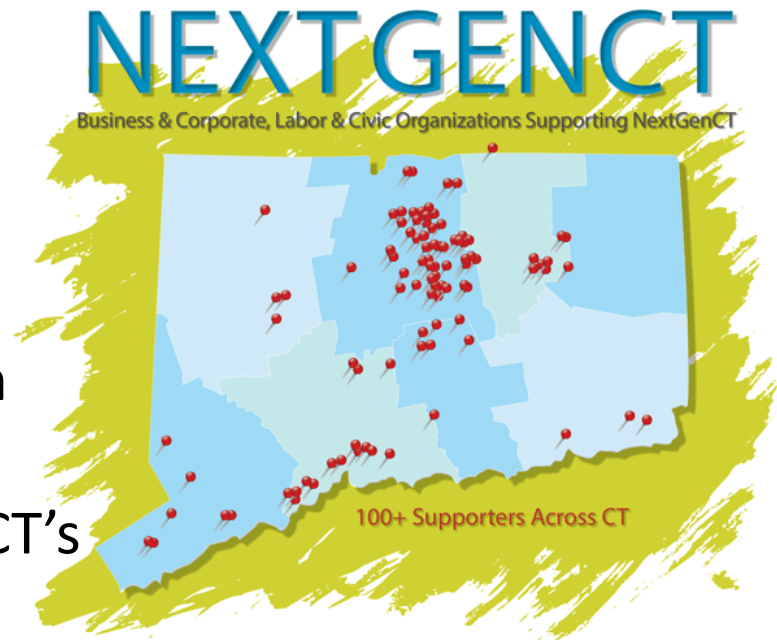
Ph.D. Graduation at Addis Ababa University



Manos Anagnostou is recipient of M. Curie Excellence Award, NSF CAREER & Pinus Medal

Next Generation Connecticut

- Initiative will expand critical STEM activities at UConn and drive innovation, enhancing job creation and economic growth, allowing our State and its workforce to flourish
- Return on investment will transform University into a top 20 public research institution which will fuel CT's economy with new technologies, highly-skilled graduates, marketable patents and licenses, and create new companies and high-wage jobs



Next Generation Connecticut Initiative

- \$1.5B capital funds & request for \$137M increase in operating budget by 2024
- Hiring new research and teaching faculty
- Increasing enrollment of undergraduate students at the Storrs and Stamford campuses
- Building research facilities to house materials science, physics, biology, engineering, cognitive science, genomics and related disciplines
- Constructing new teaching laboratories
- Creating a premier STEM Honors program to attract increasing numbers of high achieving undergraduates
- Upgrading aging infrastructure to accommodate new faculty and students
- Expanding degree programs and providing student housing in Stamford
- Relocating Greater Hartford Campus to downtown Hartford
- Better integrating the research activities of the Storrs and regional campuses with the UConn Health campus

Next Generation Connecticut Funding

- Given the State’s fiscal challenges, the FY15 and FY16 operating funds appropriated were significantly reduced compared to the plan
- This reduction in funding has negatively impacted our capacity to hire new faculty and will create significant challenges in meeting the enrollment goals of the initiative
 - It also makes the capital funding more critical than ever to ensure faculty have labs/equipment needed to compete for grants & STEM students have great facilities to support research & education

\$M	Original Plan	Actual/Proposed*	Change
FY15	\$17.4	\$7.6	(\$9.8)
FY16	\$33.8	\$9.6	(\$24.2)
FY17	\$54.0	\$19.2	(\$34.8)

*Due to mid-year rescissions in FY15 & FY16, UConn has utilized one-time funds to fulfill the financial commitments of this initiative

Next Generation Connecticut Progress

Applications/Enrollment/Degrees

	FY16 Actual	Change from FY13	
Freshmen Applications: STEM (est)	17,540	2,624	+18%
Freshmen Applications: Total (est)	36,000	4,637	+15%
Storrs Undergraduates: STEM	9,760	1,765	+22%
Storrs Undergraduates: Total	18,826	1,298	+7%
Undergraduates: Total	23,407	1,106	+5%
Graduates: Total	6,945	332	+5%
Bachelor's Degrees: STEM (FY15)	2,634	247	+10%
Bachelor's Degrees: Total (FY15)	5,320	198	+4%
Masters & Doctoral Degrees: STEM (FY15)	687	95	+16%
Masters & Doctoral Degrees: Total (FY15)	2,085	218	+12%

Next Generation Connecticut Progress

STEM Scholars



STEM Scholars receive a renewable scholarship for up to 8 semesters: 154 awards given over last 2 years

*99% retention of first year awardees who have an average GPA of 3.5

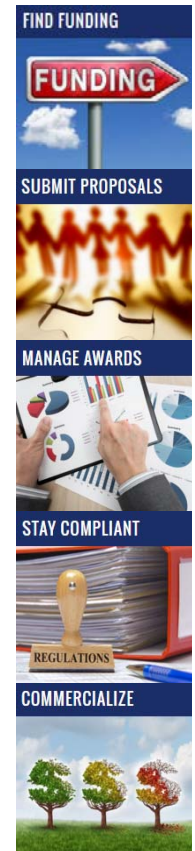
- Through research, courses, events and community engagement, STEM Scholars will make discoveries, build relationships with leading experts and peers, and prepare for their future
- STEM Scholar opportunities include: Living Learning Communities, STEM focused seminars/courses/events, special advisors & mentors, and research funding

Next Generation Connecticut Progress

Research Proposals/Awards/Expenditures

	FY15 Actual	Change from FY13	
Proposals: STEM (\$M)	\$639	\$178	+39%
Proposals: Total (\$M)	\$695	\$184	+36%
Awards: STEM (\$M)	\$107	\$43	+67%
Awards: Total (\$M)	\$121	\$42	+53%
Average Award Size/Faculty: STEM	\$204,519	\$69,765	+52%
Expenditures: STEM (\$M)	\$83	(\$1)	-1%
Est. Business Activity: STEM (\$M)	\$162	(\$2)	-1%

- The University has hired 94 NextGenCT faculty in FY15 - FY16 with 55 of those hires in the STEM fields
- These faculty have contributed to the increases in research proposals & awards which will positively impact expenditures and business activity in the next few years



Next Generation Connecticut & Bioscience Connecticut Progress

Research & Innovation

- More than 100 research centers, institutes and programs serve UConn's teaching, research, diversity and outreach missions
- Undergraduate, graduate and faculty research drives business development & enhances quality of life – UConn's research operations make real & vital contributions to the State's economy

Licensing & Commercialization	FY15 Actual	Change from FY13	
Invention Disclosures Received	93	22	+31%
Patent Applications Filed	116	21	+22%
Patents Issued	30	10	+50%
Licenses & Options Executed	10	(9)	-47%
Licensing Revenue (\$M)	\$1.1	\$0.1	+10%
Startup Companies Formed	3	(1)	-25%

Next Generation Connecticut & Bioscience Connecticut Progress Technology Incubation Program

- Incubator facilities in Storrs, Farmington & Avery Point offer technically-based start-up companies a unique range of unparalleled resources
- The current facilities are 98% occupied with 26 companies - although, that number is expected to grow due to the opening of the new facility at UConn Health in 2016 that doubles the space available

Company Patents	FY15 Actual	Change from FY13	
Filed	62	25	+68%
Granted	19	(3)	-14%
In Process	40	21	+111%

Next Generation Connecticut Progress

\$81.7M Breakthrough Industry Partnerships

- **\$25M UConn-FEI** Center for Advanced Microscopy & Materials Analysis
- **\$9M Eversource** Energy Center
- **\$7.5M GE** Advanced Technology Initiative
- **\$7.2M Fraunhofer** Center for Energy Innovation
- **\$10M UTC** Institute for Advanced Systems Engineering
- **\$7.5M** Additive Manufacturing & Innovation Center
- **\$7.5M** Flexible Hybrid Electronics Manufacturing Innovation Institute
- **\$6M Comcast** Center for Security Innovation
- **\$2M EDAX** Partnership for Advanced Electron Microscopy Cameras & Detectors



Next Generation Connecticut Progress

UConn Impact on Connecticut Economy

- From jobs on campus to partnerships with startup businesses, the economic impact of the University can be felt across the entire state
- UConn prepares the workforce of tomorrow, pioneers innovation in new products and research, and is responsible for 1 out of every 90 jobs in CT
- UConn is inseparable from its state and communities - especially in regard to the charitable & volunteer work done every year by students, faculty & staff
- For graduates of the class of 2015:
 - 77% of CT & 28% of non-CT residents, who are employed, are employed in CT
 - 55% of CT and 22% of non-CT residents currently continuing their education are doing so in CT



Next Generation Connecticut Capital Plan: Building Excellence

Next Generation Connecticut Hall

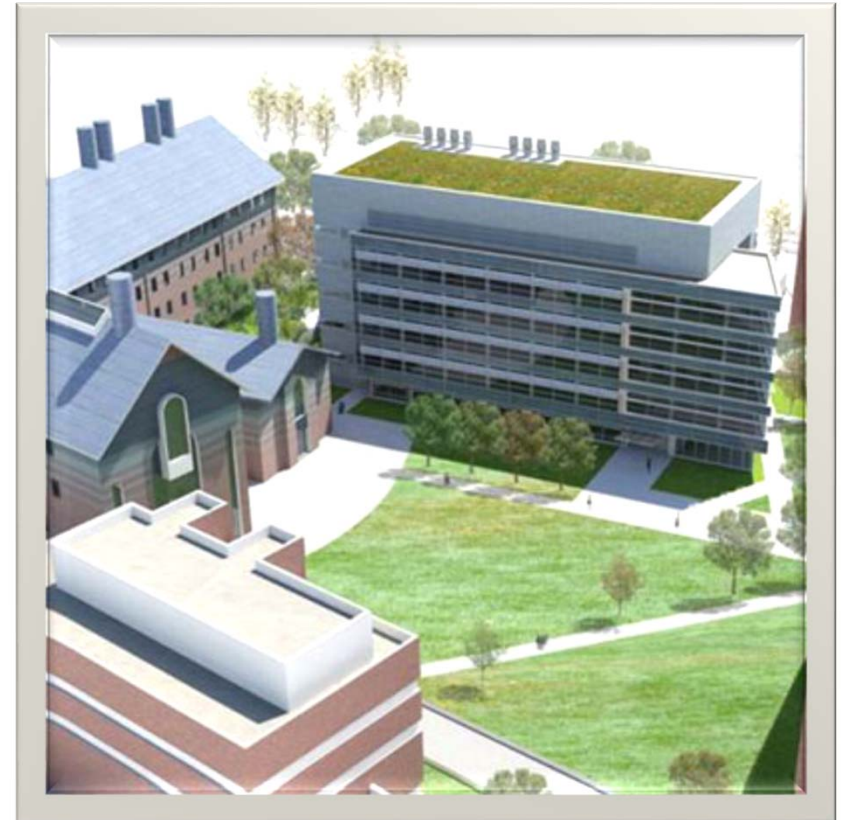
- This new 212,000-square-foot facility will house students participating in one of eight Living & Learning Communities who are developing skills in innovation and creativity to lead their generation
- Construction began in November 2014, with a budget of \$105 million and completion targeted for Fall 2016



Next Generation Connecticut Capital Plan: Building Excellence

Engineering and Science Building

- This 115,000-square-foot high-performance building and laboratory for interdisciplinary research will accommodate anticipated student and faculty growth in such fields as bio-nano engineering and cyber-physical systems engineering
- Construction on the five-story, \$95 million facility began in June 2015, with completion targeted for Summer 2017



Next Generation Connecticut Capital Plan: Building Excellence

Innovation Partnership Building

- This 115,000-square-foot facility, the first phase of UConn's expansive Technology Park, will house various specialized instruments, enabling UConn researchers to readily partner with industry scientists - in its first decade, those partnerships are expected to include collaborations on technologies such as 3-D printing and cybersecurity
- Construction began in June 2015, with completion targeted for Fall 2017



Next Generation Connecticut Capital Plan: Building Excellence

Putnam Refectory Renovation

- This 42,000-square-foot dining hall is undergoing \$23 million in renovations to improve and increase its seating capacity and self-service buffet areas, making room for students who will live in the new Next Generation Connecticut Residence Hall nearby
- Construction began in September 2015, with completion targeted for Summer 2016



Next Generation Connecticut Capital Plan: Building Excellence

Infrastructure Repairs/Replacement

- Utility infrastructure is the backbone of campus operations, supporting all buildings, services, and student and faculty needs.
- These systems represent a significant investment over decades of growth, requiring that future development considers carefully the integrity of existing infrastructure before expansion or repairs are made
- UConn has begun planning, design, and construction to improve its utilities, and will continue to do so pragmatically on an annual basis with as little disturbance to campus life as possible



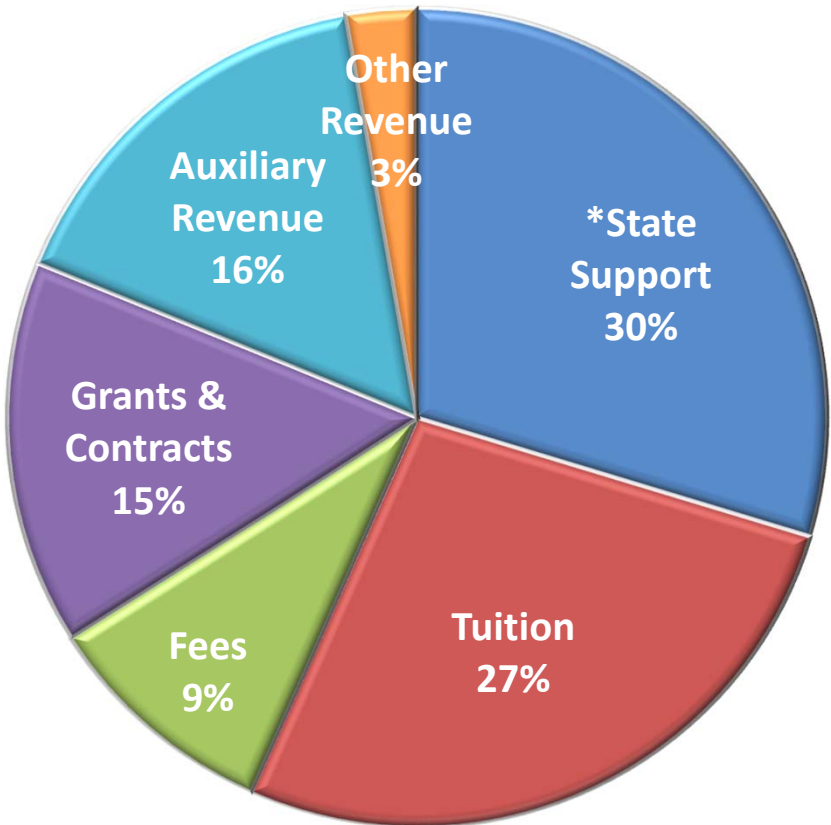
Financial Priorities

- To keep UConn great by protecting academic quality and the gains made over the last few years
- Honor the commitment to students, faculty and research – protect the physical & mental health of our community
- Accessibility & affordability for students & families while promoting diversity and continuing the strong investment in financial aid

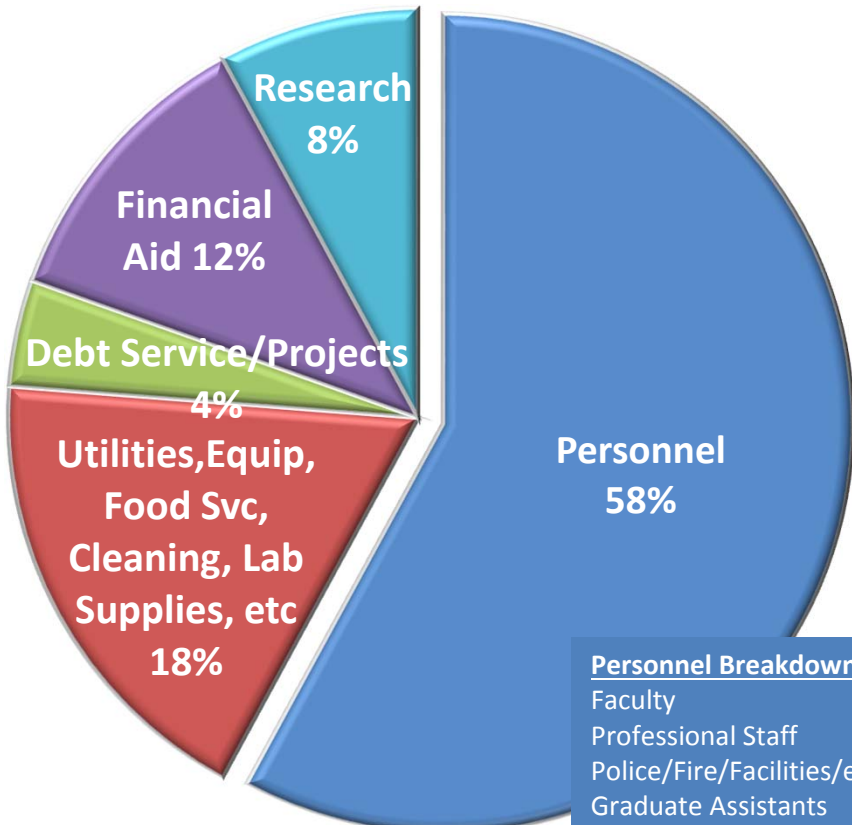


FY16 Operating Budget Forecast

Revenues: \$1,308.0M



Expenses: \$1,307.2M



Personnel Breakdown	
Faculty	41%
Professional Staff	33%
Police/Fire/Facilities/etc.	13%
Graduate Assistants	5%
Leadership	2%
Other (student labor, temps, etc.)	6%

*Reflects \$10.2M reduction

FY16 Commitment to Financial Aid for Undergraduate Students

	Amount Awarded	Number of Students	Percent of Students
UConn Grant*	\$70.1M	11,079	47%
CT Governor's Grant	7.8M	2,355	10%
Federal SEOG	0.7M	194	0.8%
Federal Pell Grant	24.3M	5,664	24%
Federal Perkins and Direct Stafford Loans	73.7M	11,406	49%
Financial Aid from All Sources	379M	17,837	76%

47% of students receive University financial aid

*Excludes \$26.5M of UConn scholarships awarded by departments such as Athletics

Commitment to Students & Faculty

Growth in Faculty:

- Full-time faculty net increase of 159 or 12% since FY12
 - Due to budget cuts, the number of faculty decreased by 28 or 2% from FY15 to FY16
- Goal is to decrease the student to faculty ratio
- Expanded course offerings to help students to graduate on time

Student to Faculty Ratio	
FY96	14.2
FY98	14.9
FY10	17.9
FY11	18.1
FY12	18.3
FY13	17.3
FY14	16.3
FY15	16.4
FY16	16.9

UConn Foundation

- While UConn was ranked 19th overall by *US News & World Report*, the endowment was ranked 75th
- The UConn endowment is nearly \$2B smaller than the Top 20 Public average & is 64% the size of the median Top 119 Public Universities
- Each year the endowment generates millions of dollars of support for the University (FY15=\$13.3M) and that support will only grow as the endowment grows
- Since endowments are supposed to last forever, the goal of maximizing returns must be balanced with the need to protect the principal
- It will likely take decades for UConn's endowment to reach \$1B given fundraising trends and projected investment returns
- The long-term goal is that the growth of the endowment leads to decreased reliance on State funding – \$13.3M in FY15 support would be more than \$40M once the endowment reaches \$1.0B
- Endowment grew by nearly \$130 million between June 2009 & June 2015 or by 51.4%
- It's important to remember that not all donors give endowed funds - some prefer that their gifts are spent right away in order to make an immediate impact: for FY15 that amounted to another \$24M in support provided to the University
- Approximately \$160M raised over last two FYs – best 2-year fundraising results in Foundation history
- Foundation launched \$150M scholarship initiative in 2015: \$54 million raised so far

Budget Impact: State Funding

State Support as % of Total Revenues	
FY91	50.0%
FY95	43.4%
FY11	31.1%
FY13	27.4%
FY14	27.6%
FY15	28.7%
FY16 est	30.0%

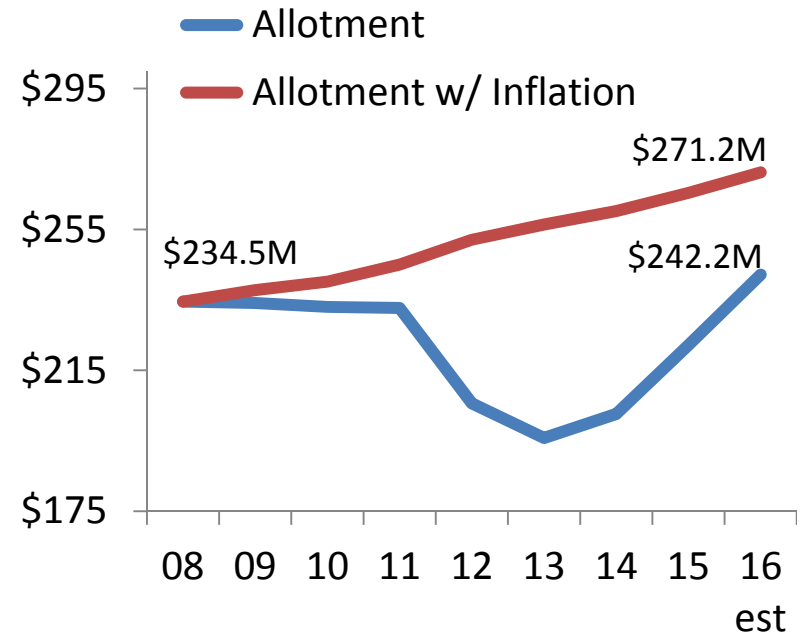
While the percent of support has increased since FY13, State funding has been \$32.4M less than mandatory salary & fringe increases

FY13-FY16 Total Shortfall (\$M)	
Contractual Wage Increases	\$60.4
Healthcare & Retirement Increases	<u>49.1</u>
Total Mandatory Increases	\$109.5
State Support Increase	<u>77.1</u>
Funding Gap	(\$32.4)

Trends in State Funding

Fiscal Year	Approp (\$M)	Actual Allotment (\$M)	Reductions (\$M)	% Perm Employees Funded by Allotment
'09	\$247.9	\$234.1	\$13.8	70%
'10	235.3	233.0	2.3	73%
'11	233.0	232.6	0.4	68%
'12	207.7	205.6	2.1	61%
'13	206.1	195.8	10.3	57%
'14	203.4	202.6	0.8	53%
'15	229.6	222.2	7.4	56%
'16 est	243.2	242.2	1.0	~58%
Total Reductions \$88.7M		Approximately \$38.1M or \$57.2M w/FB + \$31.5M of Fund Sweeps		

More UConn tuition, fees & other revenues are required to provide support for employees & the increase in students since FY08



Impact of Cuts

- UConn has done the following to balance the University budget as a result of State cuts:
 - Workforce reductions
 - Careful review and strict scrutiny of hiring decisions
 - Reduced faculty hiring
 - Academic program elimination and reduction
 - Consolidation of academic units
 - Less maintenance of facilities

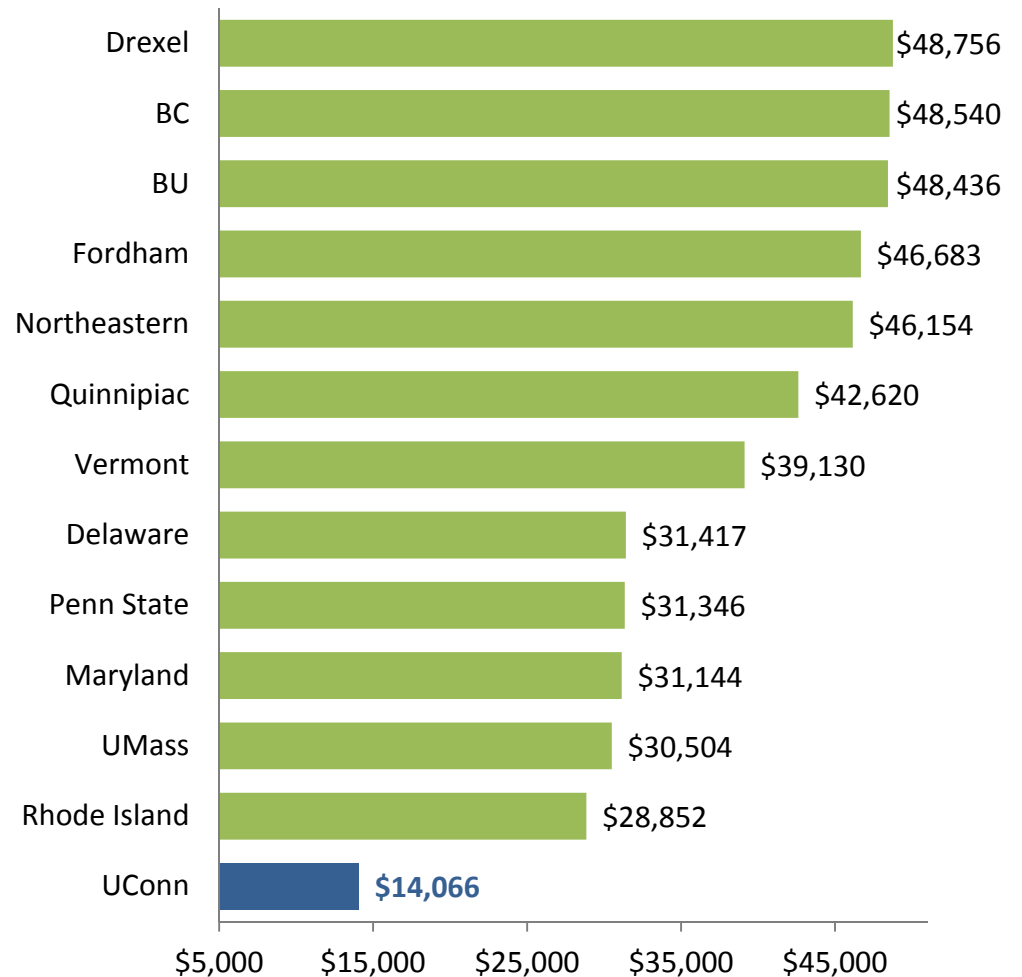
Tools Used for Balancing the Budget

UConn will continue to use the following tools to balance the budget

- Increased revenue options:
 - Grow philanthropy
 - Increase enrollment
 - Offer more online and summer programs
 - Grow entrepreneurial programs
 - Increase Technology Commercialization & Business Incubation
- Cost saving options:
 - Restricted hiring through strict scrutiny
 - Reduce workforce through position elimination
 - Cut academic programs and departments
 - Streamline processes for cost reductions
 - Promote efficiencies
 - Slow down faculty hiring
 - Analyze closing regional campuses

Affordability

- The new 4-year tuition plan focuses on maintaining academic excellence and financial affordability – it provides certainty for students and parents
- Using UConn’s FY17 tuition & fee rates vs competitors FY16 rates, **UConn still offers the best value for CT residents**



FY17 Proposed State Funding (\$M)

	Adopted	Gov Proposed	Gov Proposed Detail		Change from Adopted
Operating Expenses	\$225.0	\$272.5	\$210.2		(\$14.8)
Fringe-Operating				\$62.3	
Next Generation Connecticut	20.4	25.8	19.2		(1.2)
Fringe-NextGenCT				6.6	
Kirklyn M. Kerr Grant Program	0.4				(0.4)
Workers' Compensation Claims	3.1				(3.1)
Fringe-Accrued Pension Liabilities		76.8		76.8	
Estimated Block Grant	\$248.9		\$229.4		(\$19.5)
Fringe Benefit Total	\$160.8			\$145.7	(\$15.1)
Total Support	\$409.7	\$375.1			(\$34.6)

- Potential immediate impacts: freeze on most faculty hiring, bigger classes, fewer classes, admit less students next fall, decline in research support, inability for students to graduate in a timely way
- Same level of Next Generation Connecticut progress will be difficult to achieve, although capital funding of program increasingly important even as operating support declines

UConn FY17 Budget Projection (\$M)

Collective Bargaining Increases	(\$15.3)
Employee Benefit Increases	(14.1)
Other Expenses	(10.8)
Funding Gap Projection (Dec 2015)	(\$40.2)
New Tuition Rate Revenue	12.8
Governor's Proposed State Funding Changes	(19.5)
Planned Cuts & Attrition	8.5
Revised Funding Gap Projection (Feb 2016)	(\$38.4)

Consequences of Proposed Budget Cuts: What We Want to Avoid

- Quality of academic programs declines
- Less access for low-income students
- Drop in rankings
- Closing of Regional Campuses
- Increased class sizes
- Fewer courses offered
- Elimination of sports
- Lack of police and fire personnel
- Scarcity of mental health resources
- Reduced maintenance of facilities
- Elimination of academic programs or departments
- Less Graduate/Teaching Assistant support available

Summary

- UConn has increased academic quality over the last few years, including reduced time to graduation and smaller class sizes - we need to protect these investments and continue moving forward
- UConn budget pressures have multiplied due to increased costs and a decline in State funding
- Multiple strategies will be utilized to reach our goal - much work will need to be done on the cost cutting side in the coming months to close the budget gap
- UConn is a great university and a great deal for students

2016 Fact Sheet

THE UNIVERSITY

- Founded 1881
- Main Campus: Storrs
- 5 Regional Campuses: Avery Point, Hartford, Stamford, Torrington, Waterbury
- School of Law and Graduate Business Learning Center: Hartford
- School of Social Work: Hartford
- UConn Health: Farmington
(Schools of Medicine & Dental Medicine, graduate programs, medical & dental clinics, and UConn John Dempsey Hospital)
- Land Grant & Sea Grant college, Space Grant Consortium institution
- Storrs & Regionals = 4,107 acres; UConn Health = 209 acres

INITIATIVES

UConn 2000 – As of October 2015:

- 112 projects totaling \$2.9 billion in bonds have been authorized
- \$2.6 billion in construction-related contracts issued from all fund sources – 62% of funds to Connecticut contractors, 20% to set-aside contractors
- In excess of 4 million square feet of new space added, as well as a significant amount of renovated space
- Bond Credit Ratings by Fitch, Moody's, and Standard & Poor's remain consistently strong

Next Generation Connecticut

- Next Generation Connecticut: \$1.5 billion capital investment over 10 years includes construction, renovations, infrastructure, and equipment

Bioscience Connecticut

- Bioscience Connecticut: \$864 million investment in genomics and personalized medicine

STUDENTS – Fall 2015

Academic Programs & Degrees

14 Schools & Colleges

Agriculture, Health & Natural Resources, Business, Dental Medicine, Neag Education, Engineering, Fine Arts, Graduate, Law, Liberal Arts & Sciences, Medicine, Nursing, Pharmacy, Ratcliffe Hicks, Social Work

7 undergraduate degrees: 108 majors

17 graduate degrees: 79 research and professional practice fields of study

6 professional degree programs (J.D., LL.M., M.D., D.M.D., Pharm.D., S.J.D.)

Degrees 2014-15	8,080		
Bachelor's	5,320	Dental Medicine	45
Master's	1,713	Graduate/Professional	
Doctorates	372	Certificates	167
Law (J.D., LL.M.)	187	6 Yr. Education	69
Pharm.D.	95	2 Yr. Agriculture	20
Medicine	92		

Degrees by: Female 54% Minority 22%

Total Student Enrollment – 31,624

18,826 Undergraduate at Main Campus
4,581 Undergraduate at Regional Campuses

23,407 Subtotal Undergraduate

6,945 Graduate (M.A./Ph.D., incl. 321 at UConn Health)
505 Law
203 Pharm.D.
396 Medicine
168 Dental Medicine

8,217 Subtotal Graduate/Professional

Entering Freshmen at Main Campus – 3,774

- 50% were in top 10% of high school class
- 84% were in top 25% of high school class
- 68 valedictorians and 76 salutatorians
- 261% more minority freshmen than in Fall 1995
- Since 1995: 2,043 valedictorians and salutatorians enrolled at all campuses

Student Characteristics

	Undergraduate - 23,407	Grad/Professional - 8,217
Female	50%	51%
Minority	30%	18%
International ¹	5%	24%
Connecticut Residents ²	77%	64%

¹ 111 countries were represented in the Fall 2015 international student population.

² 73% of undergraduates on Main Campus are Connecticut residents.

All 169 Connecticut towns and 40 of 50 states are represented in the Fall 2015 total undergraduate student population.

SAT Scores and Retention & Graduation Rates

2015 SAT Scores (Critical Reading and Math)	National High School	Connecticut High School	Main Campus Entering Freshmen
	1006	1010	1233

Main Campus	All	Minority	
Freshmen Retention:	1-Year Rate	92%	90%
Graduation:	4-Year Rate	70%	61%
	6-Year Rate	83%	77%

UConn (Main Campus) ranks 21 out of 58 public research universities in graduation rate for all freshmen and 18 out of 58 public research universities for minority freshmen. (Sources: *U.S. News 2016 America's Best Colleges & 2014 IPEDS Graduation Rate Survey*) UConn (Main Campus) average time to graduate is 4.2 years among those who graduate within 6 years, and ranks 3 out of 58 public research universities.

Total Undergraduate Student Cost – 2015-2016

	In-State	Out-of-State
Tuition, Fees, Room ¹ & Board ²	\$25,538	\$47,082
Tuition & Mandatory Fees	13,364	34,908
Tuition Only	10,522	32,066

¹ 70% of Main Campus undergraduates live in campus housing (115 residential halls).

² Board rate shown reflects most popular plan available.

Student Financial Aid – Fiscal Year 2015

Financial Aid Support: \$457 million

	Main Campus/ Regional ¹	UConn Health
Scholarships & Grants	\$168.2 million	\$5.6 million
Loans	186.5 million	16.6 million
Student Employment	22.1 million	
Tuition Waivers	58.0 million	

¹ 38.7% of all tuition dollars are dedicated to financial aid. Approximately 21,800 students received financial aid packages in FY 2015.

UConn ranks among the Top 25 public universities in the nation

– *U.S. News & World Report America's Best Colleges* (2016)

2016 Fact Sheet



BUDGET – Fiscal Year 2016

Total Current Funds Budget: \$2.3 billion

MAIN & REGIONAL CAMPUSES

Revenues	In Millions
State Appropriation	\$243.1
Fringe Benefits	153.5
Student Tuition & Fees	653.8
Gifts, Grants & Contracts	188.4
Sales/Services - Auxiliary Enterprises	36.7
Sales/Services - Educational	18.4
Investment Income	0.7
Total	\$1,294.6
Expenditures	
Academic Services	\$597.4
Research Services	86.6
Student Services	427.1
Operating, Support & Physical Plant Services	181.3
Total	\$1,292.4

UConn Health

Revenues	In Millions
State Appropriation	\$137.3
Fringe Benefits	95.9
Student Tuition & Fees	22.6
Gifts, Grants & Contracts	78.7
Interns & Residents	64.6
Net Patient Care	445.8
Correctional Managed Care	92.4
All Other Revenues	49.7
Total	\$987.0
Expenditures	
Hospital & Health Services	\$458.7
Academic Services	180.3
Research Services	120.9
Operating, Support & Physical Plant Services	243.0
Total	\$1,002.9

STAFF – Fall 2015

Number of Full-time & Part-time Faculty & Staff: 9,861

	Main Campus/Regional	UConn Health
Full-time & Part-time Faculty & Staff	4,801	5,060
Full-time Faculty & Staff	4,612 (96%)	3,991 (79%)
Part-time Faculty & Staff ¹	189 (4%)	1,069 (21%)
Full-time Faculty	1,489	475
Tenured & Tenure Track	1,152 (77%)	168 (35%)
Non-Tenure Track	337 (23%)	307 (65%)
Full-time Staff	3,123	3,561
Full-time & Part-time Faculty		
Female	41%	42%
Minority	23%	31%
Full-time & Part-time Staff		
Female	57%	77%
Minority	17%	26%

¹An additional 679 adjunct lecturers teach one or more courses at Storrs and Regional Campuses.

Staff Covered by Collective Bargaining Agreements:

Main Campus & Regional Campuses	90%
UConn Health	80%

ALUMNI and GIVING

UConn Alumni

- Nearly 242,000 total alumni worldwide.
- More than 132,000 alumni live in Connecticut.

Private Giving Fiscal Year 2015

- In FY 2015 private donations to the University totaled \$78 million. Of that amount, \$16.3 million was donated for student support, \$5.2 million was donated for faculty support, \$9.6 million was donated for research, \$27.5 million was donated for program support, and \$19.4 million was donated for capital improvements.
- Alumni contributed \$30.8 million in FY 2015. Parents and other individuals donated \$26 million.*
- Funds made available to support the University in FY 2015 totaled \$37.4 million.
- The University endowment portfolio gained 2% for FY 2015, gaining in all quarters and was valued at approximately \$383 million at fiscal year-end.

*Corporations and organizations contributed \$21.2 million.

RESEARCH, TRAINING and PUBLIC SERVICE

Fiscal Year 2015 external funding, sponsored awards:

\$216.5 million (excluding financial aid):

Main & Regional Campuses:	\$146.9 million (68%)
UConn Health:	\$ 69.6 million (32%)

Total by Funding Source

Federal: 75.6% State: 13.6% Private/Other: 10.8%

Sponsored Awards at Main & Regional Campuses

Research	82%
Education and Training Programs	3%
Public Service	15%

Sponsored Awards at UConn Health

Research	70%
Education and Training Programs	1%
Public Service	29%



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