

University of Connecticut (Storrs & Regional Campuses)  
*FY 2012 Budget Review (unaudited)*

The following narrative and schedule provide information on the main drivers of the University of Connecticut Storrs-based operating budget. The amounts presented here are forecasts subject to year-end closeout and audit adjustments.

- **Total Revenue** – For the year ended June 30, 2012, total Operating and Research Fund revenues are forecasted to be \$1,028.9 million or \$0.3 million more than budgeted. The Operating Fund is expected to have a positive variance from budget of \$2.7 and the Research Fund is expected to have a negative variance from budget of \$2.4 million.
  - **State Support** – State support is \$281.0 or 1.1% less than budget. On January 23, 2012, the Governor issued a directive which reduced the allotment by \$2.1 million plus associated fringe benefit support. The forecasted state support represents 27.3% of total revenues.
  - **Tuition** – Total Tuition revenue is \$260.4 million or 1.7% greater than budget. Tuition revenue collections reflect a 2.4% rate increase coupled with a 2.9% increase in the number of undergraduate degree-seeking students who account for approximately 86.5% of budgeted tuition revenues.
  - **Sales & Service Education** – Due to greater activity in educational activities such as Study Abroad, Sales & Service Education revenue is \$1.3 million greater than budget.
  - **Auxiliary Enterprise Revenue** – This category is \$184.1 million or \$0.5 million more than budget primarily due to a greater amount of students housed and more meal plans than anticipated.
  - **Research Fund** – This category is \$95.7 million or 2.4% less than budgeted due to less research activity.
  
- **Total Expenditures** – Total Operating and Research Fund expenditures/transfers are forecasted to be \$1,024.4 million. Operating Fund expenditures are under budget by \$3.2 million and Research Fund expenditures are under by \$5.6 million.
  - **Personal Services** – Operating Fund Personal Services expenditures (including fringe benefits) will be \$568.6 million or \$4.1 million less than budget due to the limited strategic hiring and the amount of time it takes to refill positions, especially faculty.
  - **Other Expenses** – This category is \$161.5 million or 2.6% less than budgeted. This savings is attributed to procurement efficiencies and university-wide savings efforts.
  - **Energy** – Energy costs are \$4.6 million less than budget due to favorable gas prices and a mild winter.
  - **Transfers** – This line reflects transfers to Plant Funds for various construction projects and bond and installment loan payments, as well as payments for the capital lease for the Cogeneration plant. Transfers are expected to be over budget by \$10.7 million due to additional funds transferred to Plant for various construction projects.
  - **Research** – Research expenditures are expected to be \$5.6 million less than budgeted due to less personal services expenses as well as less commodities purchased.
  
- **Net Gain** – For the year ended June 30, 2012, a net gain of \$4.5 million is forecasted in the Operating and Research Funds combined.

**University of Connecticut (Storrs & Regionals)**  
**Statement of Current Funds Budget Operations<sup>1</sup> and Variance Analysis**  
**FY12 Forecast (Unaudited)**

(Dollars in Millions)

<b>Current Funds Revenues:</b>	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>	<b>% Change</b>
<b>Operating Fund</b>				
State Support	\$284.2	\$281.0	(\$3.2)	
Tuition	256.1	260.4	4.3	
Fees	97.7	97.7	0.0	
Grants & Contracts	63.6	64.2	0.6	
Foundation	22.8	22.0	(0.8)	
Investment Income	0.7	0.8	0.1	
Sales & Service Education	16.1	17.4	1.3	
Auxiliary Enterprise Revenue	183.6	184.1	0.5	
Other Revenue	<u>5.8</u>	<u>5.6</u>	<u>(0.2)</u>	
<b>Total Operating Fund</b>	<b>\$930.5</b>	<b>\$933.2</b>	<b>\$2.7</b>	<b>0.3%</b>
Research Fund	<u>98.1</u>	<u>95.7</u>	<u>(2.4)</u>	-2.4%
<b>Total Current Funds Revenues</b>	<b>\$1028.6</b>	<b>\$1028.9</b>	<b>\$0.3</b>	<b>0.0%</b>
 <b>Current Funds Expenditures/Transfers:</b>				
<b>Operating Fund</b>				
Personal Services	\$419.6	\$418.4	(\$1.2)	
Fringe Benefits	153.1	150.2	(2.9)	
Other Expenses	165.8	161.5	(4.3)	
Energy	26.9	22.3	(4.6)	
Equipment	16.8	16.0	(0.8)	
Student Financial Aid	122.1	121.9	(0.2)	
Transfers	<u>28.3</u>	<u>39.0</u>	<u>10.7</u>	
<b>Total Operating Fund</b>	<b>\$932.5</b>	<b>\$929.3</b>	<b>(\$3.2)</b>	<b>-0.3%</b>
Research Fund	<u>100.7</u>	<u>95.1</u>	<u>(5.6)</u>	-5.6%
<b>Total Current Funds Expenditures/Transfers</b>	<b>\$1033.2</b>	<b>\$1024.4</b>	<b>(\$8.8)</b>	<b>-0.9%</b>
 <b>Net Gain (Loss)<sup>2</sup></b>	 <b><u>(\$4.6)</u></b>	 <b><u>\$4.5</u></b>	 <b><u>\$9.1</u></b>	

<sup>1</sup> The University prepares and presents its Operating Budget requests and annual Spending Plan in a current funds format. The current funds format shows gross student tuition and fees and does not net out scholarship allowances, as required in the financial statements which are prepared in the GASB Nos. 34/35 format. Scholarship allowances are shown as an expense item. In addition, the University's current funds format includes equipment purchases as an expense, does not include depreciation or amortization and does not include the State debt service commitment for principal and interest.

<sup>2</sup> For the fiscal year ended June 30, 2012, the University is forecasted to have a net gain of \$4.5 million in the Operating (\$3.9 million) and Research Fund (\$0.6 million). The actual net gain will depend on year-end accruals and audit adjustments.

## University of Connecticut (Storrs & Regional Campuses)

	Fall 1995	Fall 1997	Fall 1999	Fall 2001	Fall 2003	Fall 2005	Fall 2007	Fall 2009	Fall 2010	Fall 2011	Fall 95-11 Growth
<b>Full-Time Staff Headcount*</b>	100	83	89	92	91	100	101	100	105	100	0.0%
Executive/Administrative/Managerial	2.6%	2.3%	2.3%	2.3%	2.4%	2.4%	2.4%	2.4%	2.4%	2.3%	
Executive/Administrative/Managerial-% of Total											
Faculty	1,148	1,040	1,122	1,130	1,107	1,251	1,294	1,286	1,304	1,330	15.9%
Faculty-% of Total	30.1%	29.3%	28.9%	28.3%	29.3%	30.3%	30.2%	30.9%	30.2%	31.0%	
Professional & Classified Support	2,562	2,429	2,678	2,776	2,584	2,779	2,893	2,779	2,912	2,856	11.5%
Professional & Classified Support-% of Total	67.3%	68.4%	68.9%	69.4%	68.3%	67.3%	67.5%	66.7%	67.4%	66.6%	
Total	3,810	3,552	3,889	3,998	3,782	4,130	4,288	4,165	4,321	4,286	12.5%
*Based on IPEDS reporting standards.											
<b>Student Headcount (Census)</b>											
Undergraduate	14,667	14,382	15,741	17,630	19,287	20,525	20,846	21,496	21,881	22,472	53.2%
Graduate/Professional	7,804	6,867	6,500	5,950	6,869	7,073	7,344	7,505	7,623	7,522	-3.6%
Total	22,471	21,249	22,241	23,580	26,156	27,598	28,190	29,001	29,504	29,994	33.5%
<b>Students Housed On-Campus</b>	6,957	6,898	8,248	8,856	11,053	11,524	11,205	12,315	12,462	12,661	82.0%
<b>Degrees Awarded</b>											
Bachelor's	2,941	2,757	2,852	2,837	3,477	3,816	4,354	4,610	4,606	4,747	61.4%
Total	4,708	4,623	4,461	4,572	5,304	5,966	6,542	6,862	6,931	7,046	49.7%
<b>State Funding</b>											
Total State Support	FY 1996 \$183.1	FY 1998 \$204.2	FY 2000 \$234.9	FY 2002 \$259.4	FY 2004 \$256.5	FY 2006 \$285.7	FY 2008 \$328.2	FY 2010 \$325.4	FY 2011 \$329.0	FY 2012 \$281.0	53.5%
<b>State Support as % of Revenues</b>	43.1%	44.8%	43.4%	41.0%	36.6%	35.4%	35.9%	32.6%	31.1%	27.3%	
<b>Student Costs</b>											
Tuition (In-State)	\$3,900	\$4,158	\$4,158	\$4,448	\$5,260	\$6,096	\$6,816	\$7,632	\$8,064	\$8,256	
Mandatory Fees	910	1,084	1,246	1,376	1,552	1,816	2,036	2,254	2,352	2,414	
Tuition & Mandatory Fees	\$4,810	\$5,242	\$5,404	\$5,824	\$6,812	\$7,912	\$8,852	\$9,886	\$10,416	\$10,670	
Tuition & Mandatory Fee Increases	2.08%	5.39%	1.39%	4.07%	10.69%	5.63%	5.86%	5.87%	5.36%	2.44%	Compounded 5.11%
Room & Board Rates	\$5,124	\$5,462	\$5,660	\$6,298	\$6,888	\$7,704	\$8,850	\$10,120	\$10,782	\$11,050	
Total Student Costs	\$9,934	\$10,704	\$11,064	\$12,122	\$13,700	\$15,616	\$17,702	\$20,006	\$21,198	\$21,720	
Total Cost Increases	1.53%	4.17%	1.75%	3.98%	7.91%	4.85%	6.46%	6.18%	5.96%	2.46%	Compounded 5.01%

# University of Connecticut Health Center

## *FY 2012 Budget Review (unaudited)*

The following narrative and chart provide information on the main drivers of the University of Connecticut Health Center financial results. The amounts presented here are forecasts subject to year-end closeout and audit adjustments.

- **Executive Summary** – The FY12 forecast is impacted negatively by lower than expected revenue for federal grants, lower auxiliary revenue from outside contracts and a reduction to the general fund appropriation, and higher expenditures for salary, fringe benefits costs and an increase to drugs. On the positive side, expense savings for medical supplies, outside purchased services, repairs and maintenance and utilities are forecasted to be achieved or under budget.

The overall loss for Fiscal Year 2012 is forecasted to be \$4.8 million. The following explanations exclude any impact of Correctional Managed Health Care. Any savings achieved by CMHC flow to the Department of Corrections and have no impact on UCHC.

- **Total Revenue** – For the year ended June 30, 2012, Total Revenues including total “State Support” are forecasted to be \$790.7 million. Total revenue is forecasted to be below budget projections by about \$10.3 million or 1.3%. Negative results in research revenues and auxiliary revenue are the primary drivers for the overall difference.
- **Research** – Forecasted Research revenues, for the year ended June 30, 2012, are unfavorable to budget by \$4.0 million or 4.7%. The unfavorable variance to budget is caused by lower Federal grants which impact the amount of Facilities and Administration Recovery.
- **Net Patient Revenue** – For the year ended June 30, 2012, Net Patient Revenue is forecasted to be below budget by \$0.7 million. The variances by unit are as follows:
  - JDH - \$3.8 million above budget due to an increase primarily in reimbursement rates.
  - UMG - \$3.8 million below budget, which is attributable to a decrease in volume and the result of a higher proportion of Medicare and Medicaid (mix change) to total visits.
  - Dental Implant Center - \$0.7 million below budget due to volume.
- **Auxiliary Revenue** – The unfavorable variance of \$1.1 million is due to outside contracts with the School of Medicine, School of Dental Medicine and lower than expected ambulance revenue. The budgeted revenue was \$16.7 million.
- **Total State Support** – The State appropriation budgeted for FY12 totaled \$168.4 million including the Fringe Benefit Differential of \$13.5 million. The appropriation was reduced during FY12 by \$1.2 million excluding the fringe benefit impact. The forecasted State appropriation represents 21.2% of UCHC revenues.

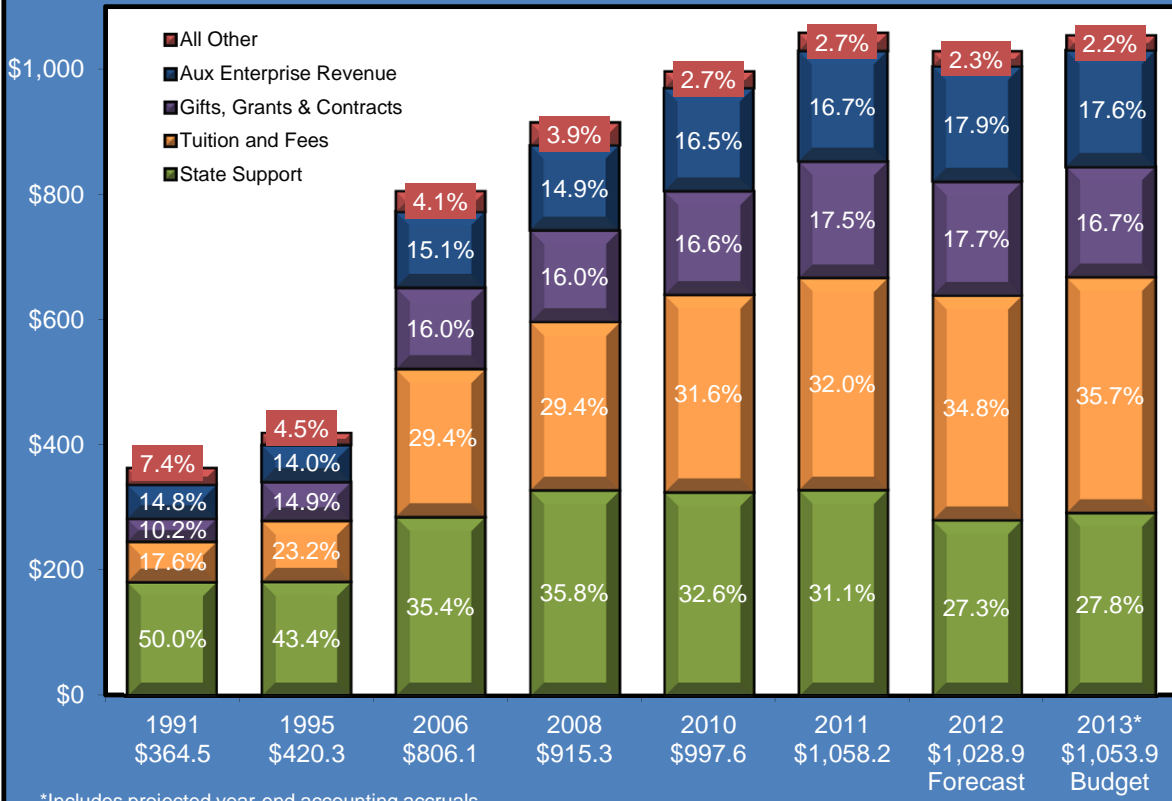
- **Total Expenditures** – For the year ended June 30, 2012, Total Expenditures are forecasted to be below budgeted amounts by \$9.7 million or 1.2 %. The following are variances by categories of expense:
  - **Personal Services** – For the year ended June 30, 2012, Personal Services expenditures are forecasted to be above budget by \$4.2 million. This increase is mainly attributed to faculty recruitment.
  - **Fringe Benefits** – For the year ended June 30, 2012, Fringe Benefit expenditures are forecasted to be above budget by \$1.8 million. The increase is attributable to the personal services increase noted above.
  - **Drugs and Medical supplies** – For the year ended June 30, 2012, drugs are forecasted to be above budget by \$1.8 million or 9.5%. The major driver for this is the drug expenses at John Dempsey Hospital related to Anticoag drug patients which is offset by an increase to Net Revenue. Medical supplies are forecasted to be under budget by \$5.0 due to surgical volume.
  - **Utilities** – For the year ended June 30, 2012, energy expenditures are forecasted to be below budget by about \$0.8 million or 5.3%.
  - **Insurance** - Medical malpractice insurance is forecasted to come within budget by approximately \$0.2 million.
  - **Outside Services** – For the year ended June 30, 2012, outside and other purchased services are forecasted to be under budget by \$2.5 or 4.7%. The decrease is attributable to decreased research volume and various other expenses in the John Dempsey Hospital.
- **Net Gain (Loss)** – For the year ended June 30, 2012, the Health Center is forecasting a loss of \$4.8 million.

University of Connecticut Health Center  
Statement of Current Funds Budget Operations and Variance Analysis  
FY12 Forecast (Unaudited)  
(Dollars in Millions)

<b>Current Funds Revenues:</b>	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>	<b>% Change</b>
State Support	\$168.4	\$167.6	(\$0.8)	
Tuition and Fees	17.7	17.6	(0.1)	
Gifts, Grants & Contracts	85.7	81.7	(4.0)	
Auxiliary Enterprise	16.7	15.6	(1.1)	
Interns & Residents	53.5	53.7	0.2	
Net Patient Care	344.7	344.0	(0.7)	
Correctional Managed Health Care	92.6	88.0	(4.6)	
Investment Income	0.2	0.2	0.0	
Other Income	<u>21.5</u>	<u>22.3</u>	<u>0.8</u>	
<b>Total Current Funds Revenues</b>	<b>\$801.0</b>	<b>\$790.7</b>	<b>(\$10.3)</b>	<b>-1.3%</b>
<b>Current Funds Expenditures / Transfers:</b>				
Personal Services	\$321.8	\$326.0	\$4.2	
Fringe Benefits	121.8	123.6	1.8	
Medical Contractual Support	16.8	16.5	(0.3)	
Medical/Dental House Staff	44.4	44.5	0.1	
Correctional Managed Health Care	92.6	88.0	(4.6)	
Outside Agency Per Diem	1.8	2.1	0.3	
Drugs/Medical Supplies	68.8	65.6	(3.2)	
Utilities	15.1	14.3	(0.8)	
Outside & Other Purchased Services	53.3	50.8	(2.5)	
Insurance	5.4	5.6	0.2	
Repairs & Maintenance	9.0	7.0	(2.0)	
Other Expenses	24.8	21.9	(2.9)	
Depreciation	<u>29.6</u>	<u>29.6</u>	<u>0.0</u>	
<b>Total Current Funds Expenditures / Transfers</b>	<b>\$805.2</b>	<b>\$795.5</b>	<b>(\$9.7)</b>	<b>-1.2%</b>
<b>Net Gain (Loss)</b>	<b><u>(\$4.2)</u></b>	<b><u>(\$4.8)</u></b>	<b><u>(\$0.6)</u></b>	

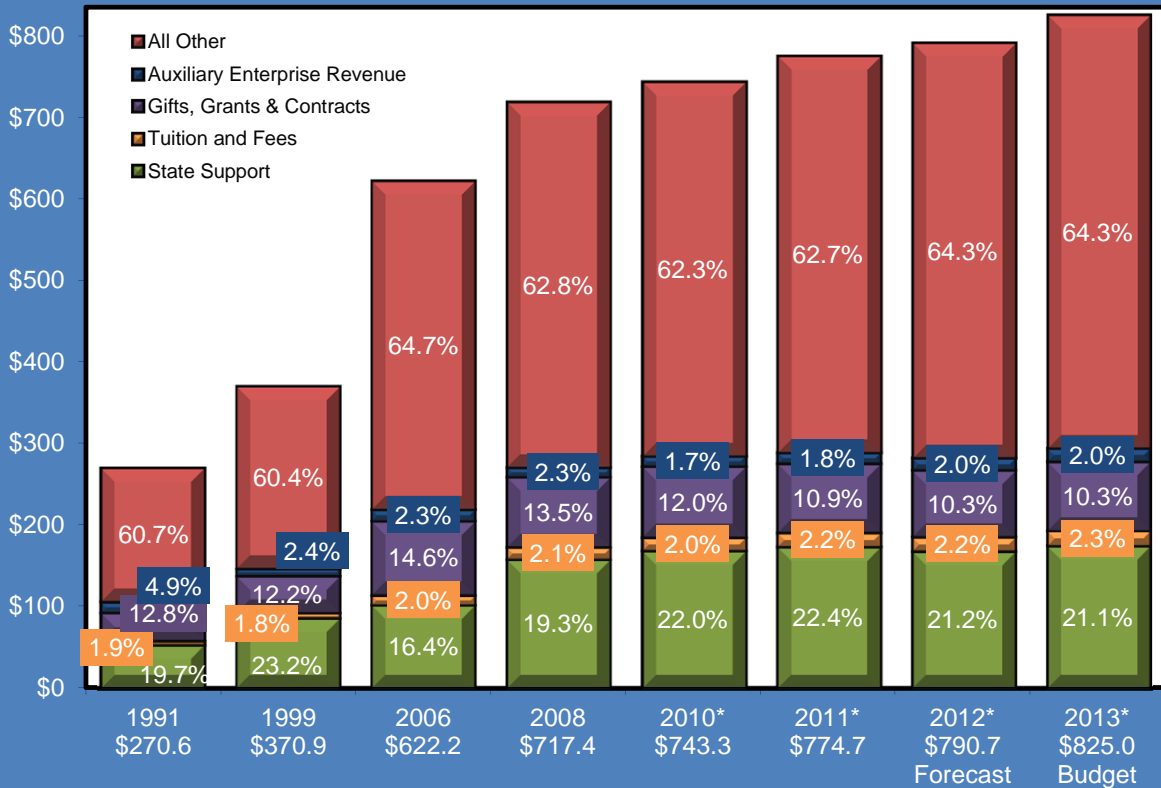
## University of Connecticut (Storrs & Regional Campuses)

### Comparison of Total Current Funds Revenues (in millions) by Type - Selected Fiscal Years



## University of Connecticut Health Center

### Comparison of Total Current Funds Revenues (in millions) by Type - Selected Fiscal Years



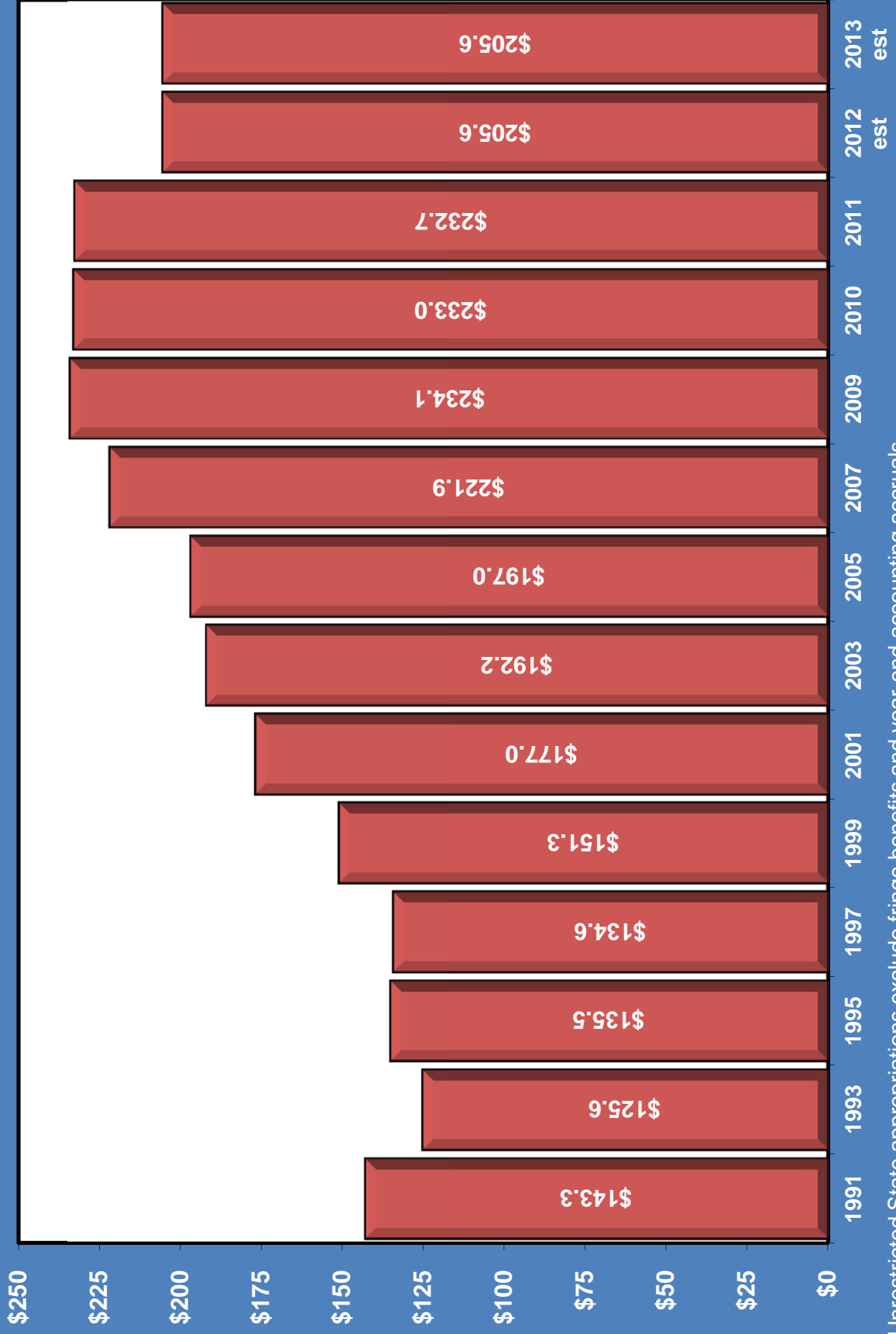
**University of Connecticut**  
 Current Funds - Actual and Proposed  
 Fiscal Years Ended June 30, 2009-2013  
 (in millions)

	Actual FY 2009		Actual FY 2010		Actual FY 2011		Forecast FY 2012		Proposed FY 2013	
	Storrs + UCHC*	Total	Storrs + UCHC*	Total	Storrs + UCHC*	Total	Storrs + UCHC*	Total	Storrs + UCHC*	Total
<b>Revenues:</b>										
State Support	\$327.8	\$497.3	\$325.4	\$493.6	\$329.0	\$502.2	\$281.0	\$448.6	\$292.5	\$466.7
Tuition & Fees	293.2	308.9	314.8	331.5	338.4	355.7	358.1	375.7	376.1	394.6
All Other Revenues	<u>338.6</u>	<u>905.3</u>	<u>357.4</u>	<u>915.8</u>	<u>390.8</u>	<u>967.1</u>	<u>389.8</u>	<u>995.3</u>	<u>385.3</u>	<u>1,017.7</u>
<b>Total Revenues</b>	<u>\$959.6</u>	<u>\$1,711.5</u>	<u>\$997.6</u>	<u>\$1,740.9</u>	<u>\$1,058.2</u>	<u>\$1,825.0</u>	<u>\$1,028.9</u>	<u>\$1,819.6</u>	<u>\$1,053.9</u>	<u>\$1,878.9</u>
<b>Expenditures / Transfers:</b>										
Personal Services	\$403.3	\$772.9	\$386.9	\$686.7	\$413.0	\$724.5	\$418.4	\$744.4	\$425.7	\$761.2
Fringe Benefits	136.7	240.2	137.5	237.7	148.3	257.2	150.2	273.8	156.4	290.3
All Other Expenses	<u>414.8</u>	<u>693.9</u>	<u>462.2</u>	<u>801.6</u>	<u>480.2</u>	<u>822.7</u>	<u>455.8</u>	<u>801.7</u>	<u>472.8</u>	<u>828.4</u>
<b>Total Expenditures / Transfers</b>	<u>\$954.8</u>	<u>\$1,707.0</u>	<u>\$986.6</u>	<u>\$1,726.0</u>	<u>\$1,041.5</u>	<u>\$1,804.4</u>	<u>\$1,024.4</u>	<u>\$1,819.9</u>	<u>\$1,054.9</u>	<u>\$1,879.9</u>
<b>Gain (Loss) Prior to State Transfer</b>	<b>\$4.8</b>	<b>\$4.5</b>	<b>\$11.0</b>	<b>\$14.9</b>	<b>\$16.7</b>	<b>\$20.6</b>	<b>\$4.5</b>	<b>(\$0.3)</b>	<b>(\$1.0)</b>	<b>(\$1.0)</b>
Transfer from Reserves to State General Fund		(8.0)		(8.0)	(15.0)	(15.0)				
<b>Net Gain (Loss)</b>		<b>\$3.0</b>		<b>\$6.9</b>		<b>\$5.6</b>				

\*UCHC numbers include the fringe benefit differential for John Dempsey Hospital.



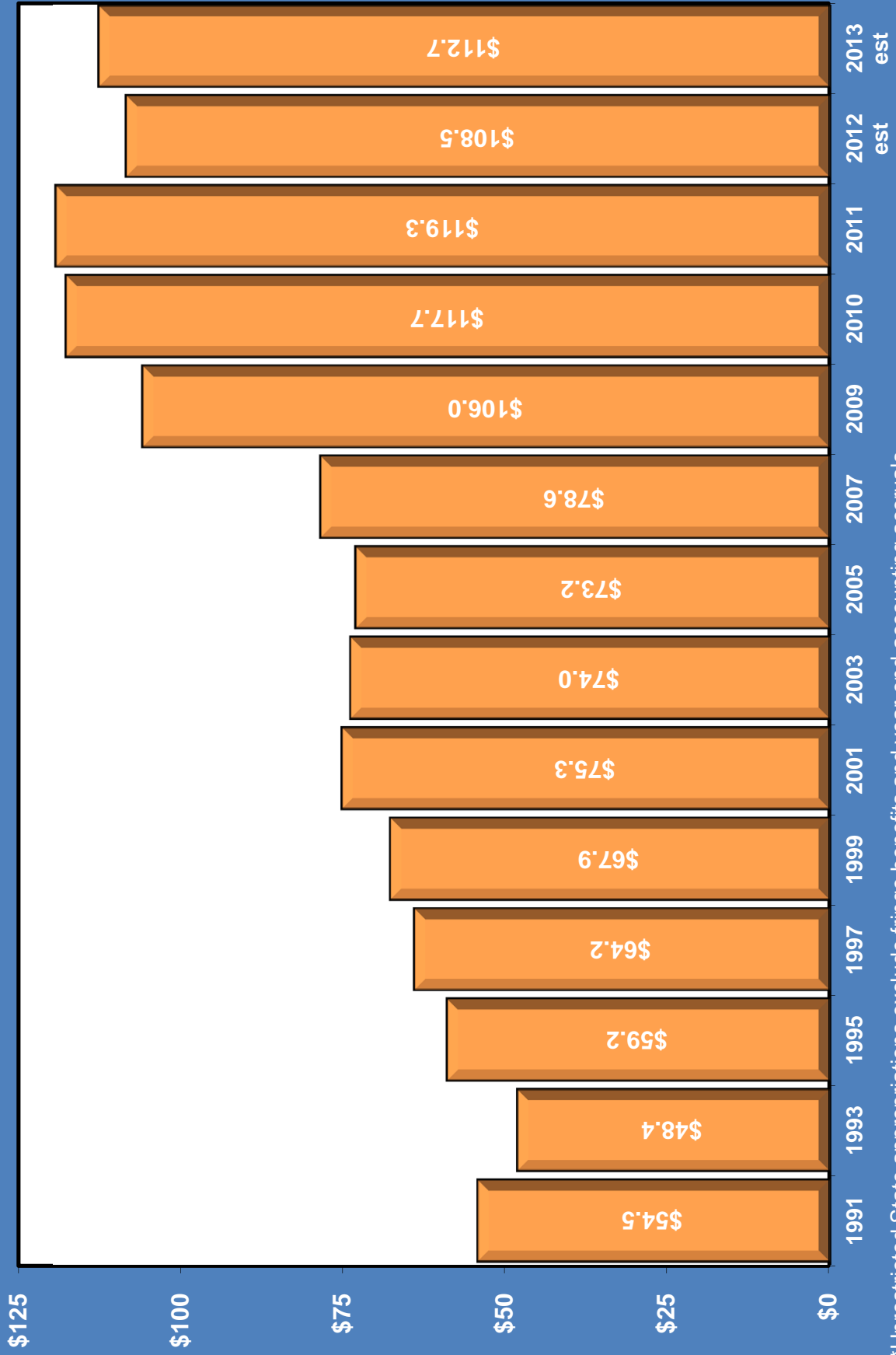
# University of Connecticut (Storrs & Regional Campuses) Unrestricted State Appropriation\* (in millions) - Selected Fiscal Years 1991-2013



\* Unrestricted State appropriations exclude fringe benefits and year-end accounting accruals.

# University of Connecticut Health Center

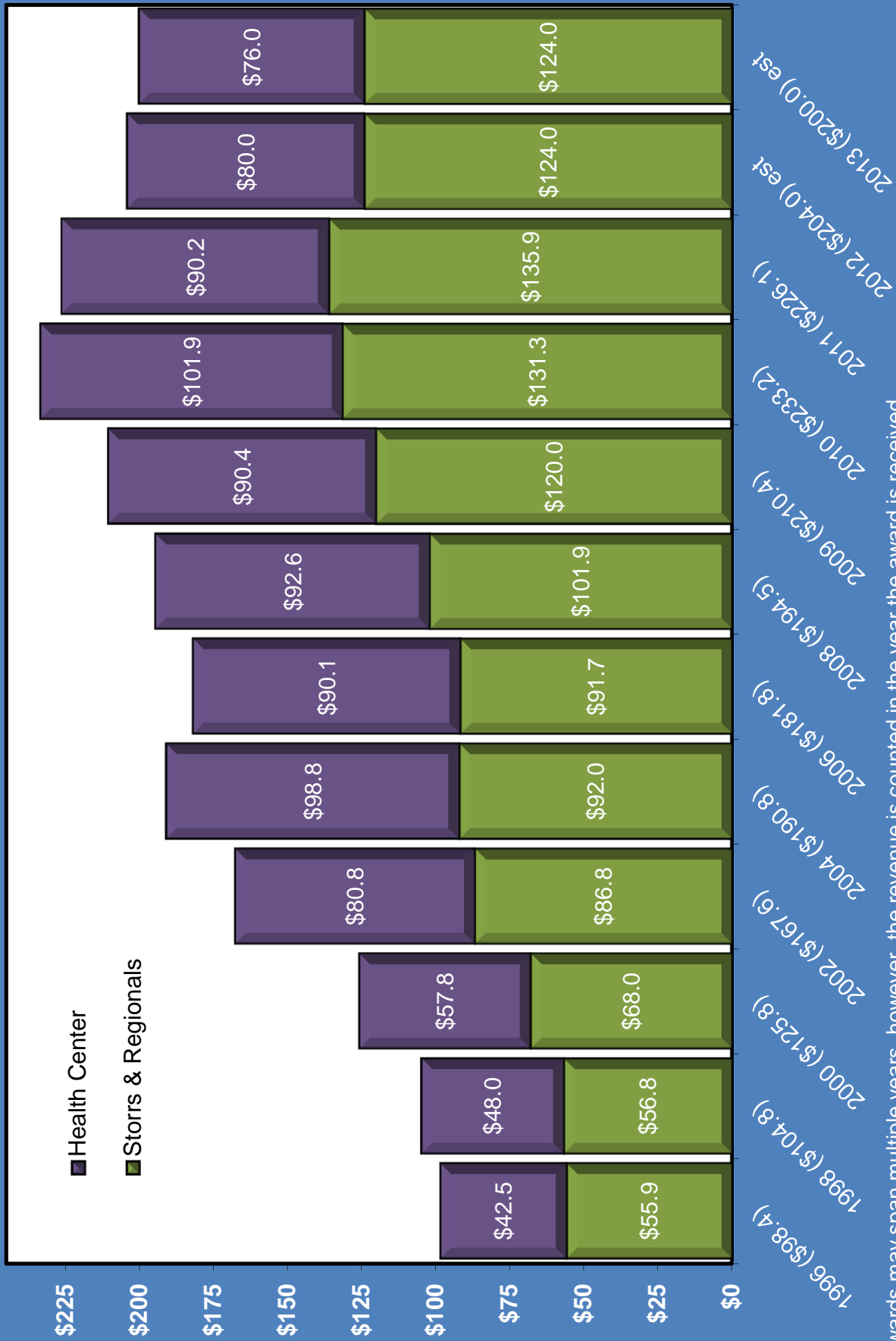
Unrestricted State Appropriation\* (in millions) - Selected Fiscal Years 1991-2013



\* Unrestricted State appropriations exclude fringe benefits and year-end accounting accruals.

# University of Connecticut

Research, Training & Public Service External Awards (in millions) - Selected Fiscal Years 1996-2013



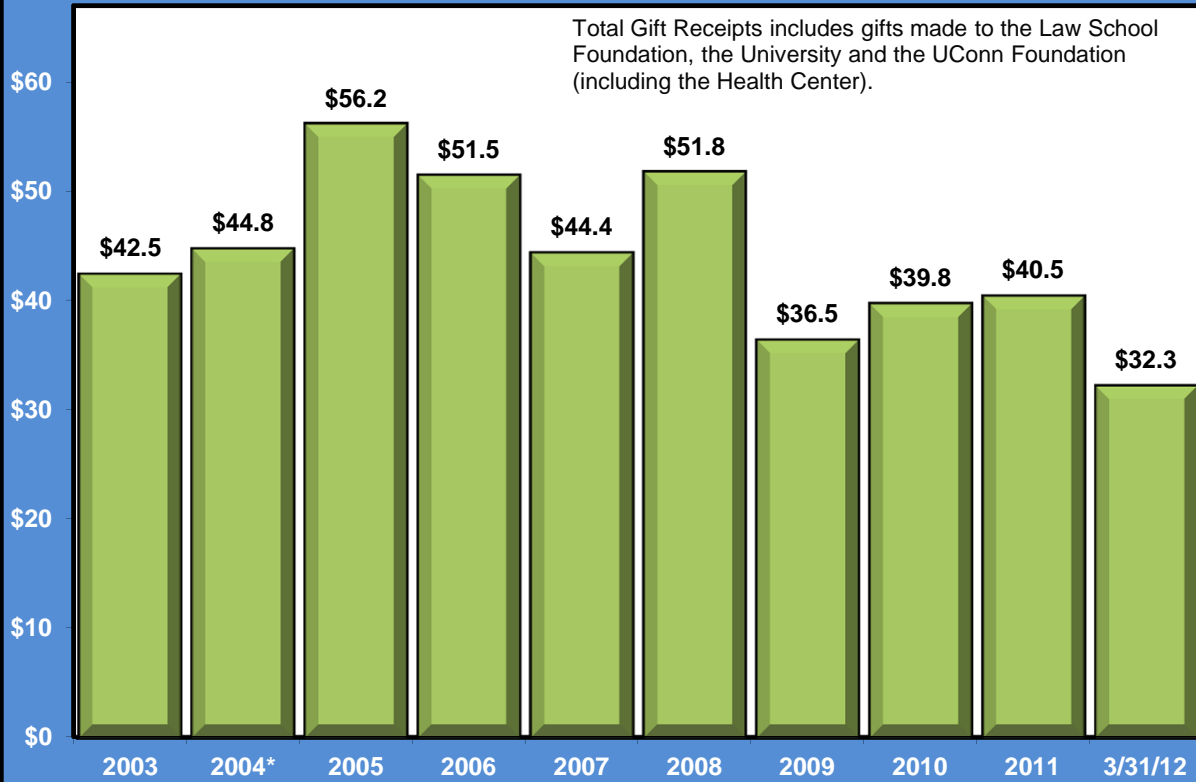
Awards may span multiple years, however, the revenue is counted in the year the award is received.



# University of Connecticut Foundation Private Support in FY 2012

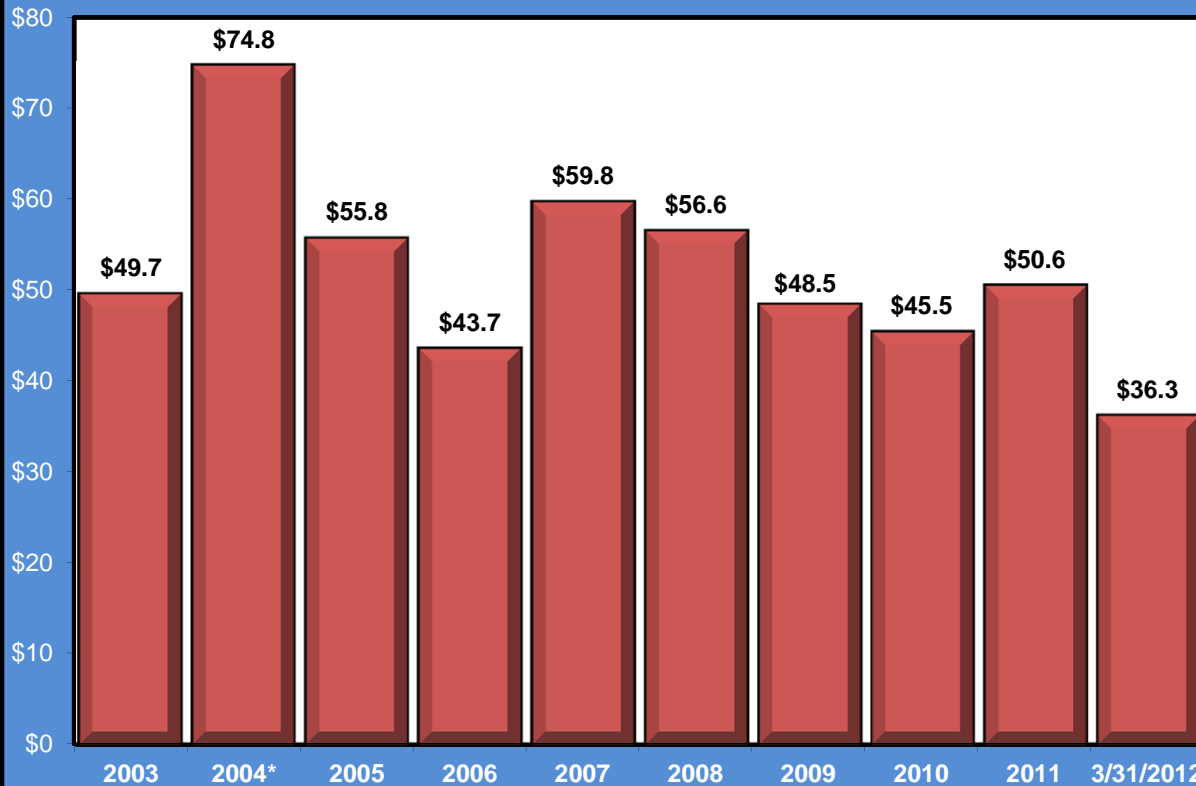
- ◆ **New gifts and commitments totaled \$36.3M as of 3/31/12 (\$41.7M as of 4/30/12 or 73% of the \$57.0M goal)**
- ◆ **Cash basis gift receipts totaled \$32.3M as of 3/31/12 (\$34.8M as of 4/30/12 or 70% of the \$50.0M goal)**
- ◆ **The number of cash basis household donors was 22,144 or 74% of the 30,000 goal as of 4/30/12**
- ◆ **The Annual Fund raised \$6.6 million from 19,286 donors (-8% in dollars and -2% in donors compared to the same period last fiscal year) as of 4/30/12**
- ◆ **Portfolio performance for the fiscal year to 3/31/12 was up 1.3% compared to global equities (-1.0%) and global bonds (+2.1%)**
- ◆ **Endowments managed by the Foundation made \$10.6M available in spending allocations for FY 2012, level with last year for the same period**
- ◆ **As of 3/31/12, total assets managed by the UConn Foundation were \$413.1M; endowment assets were \$312.3M**
- ◆ **The UConn Law School Foundation manages an additional \$17.1M of endowment assets**

**University of Connecticut Foundation**  
 Total Gift Receipts (in millions) - Fiscal Years 2003- March 31, 2012



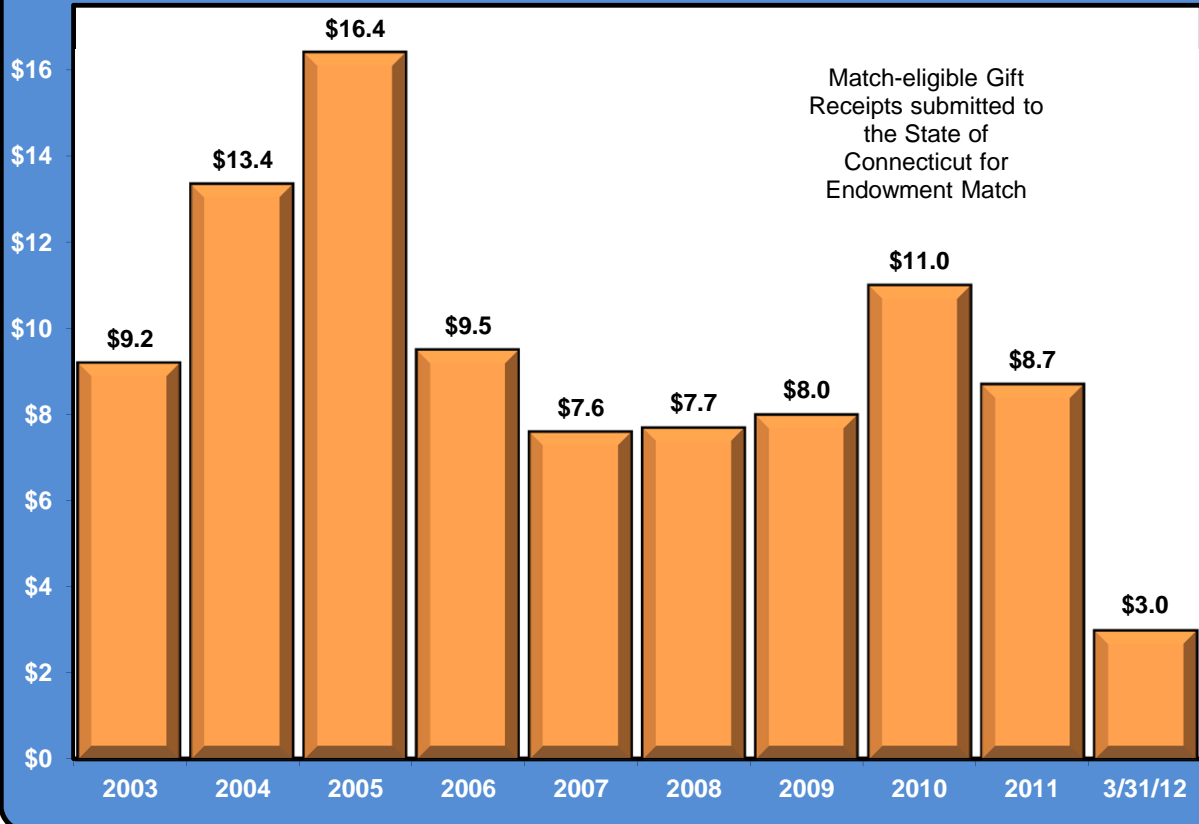
\*Excludes the EDS software gift of \$146.1M

**University of Connecticut Foundation**  
 Total New Gifts and Commitments - Fiscal Years 2003-March 31, 2012

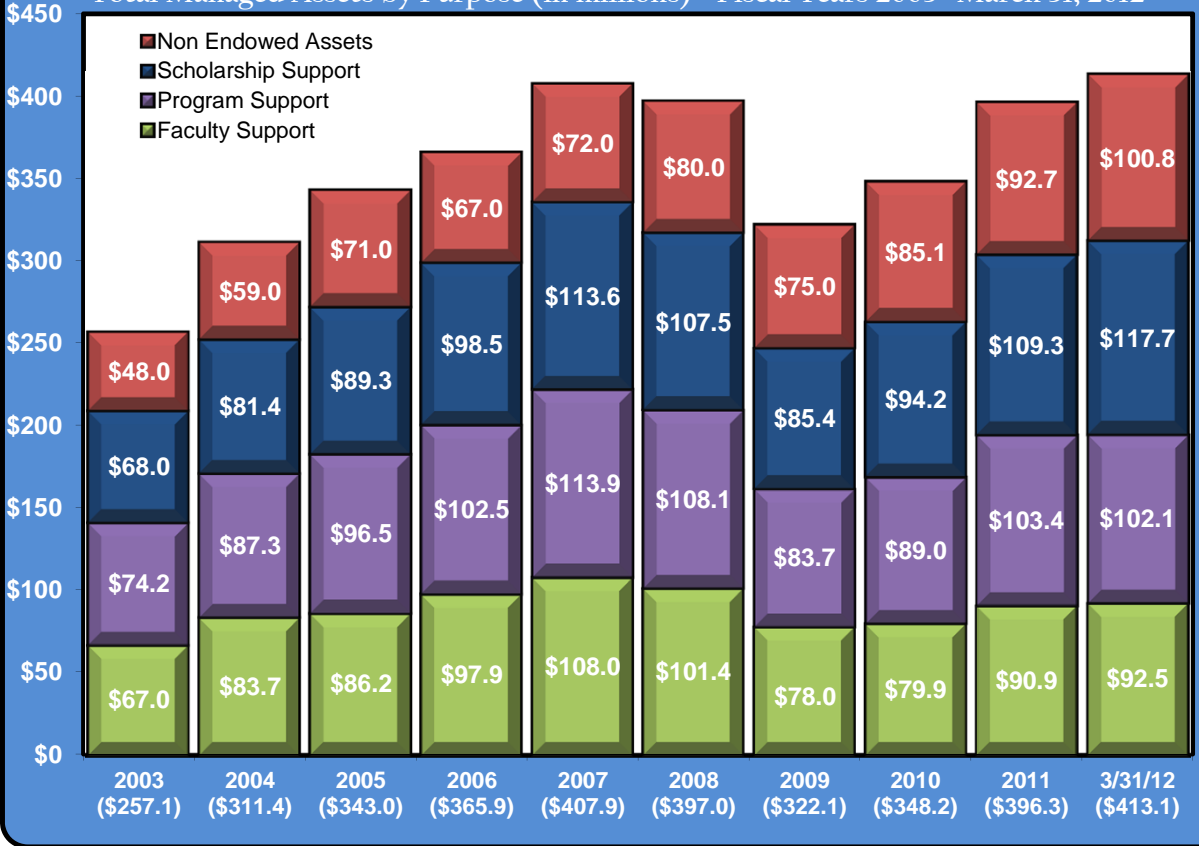


\*Excludes the EDS software gift of \$146.1M

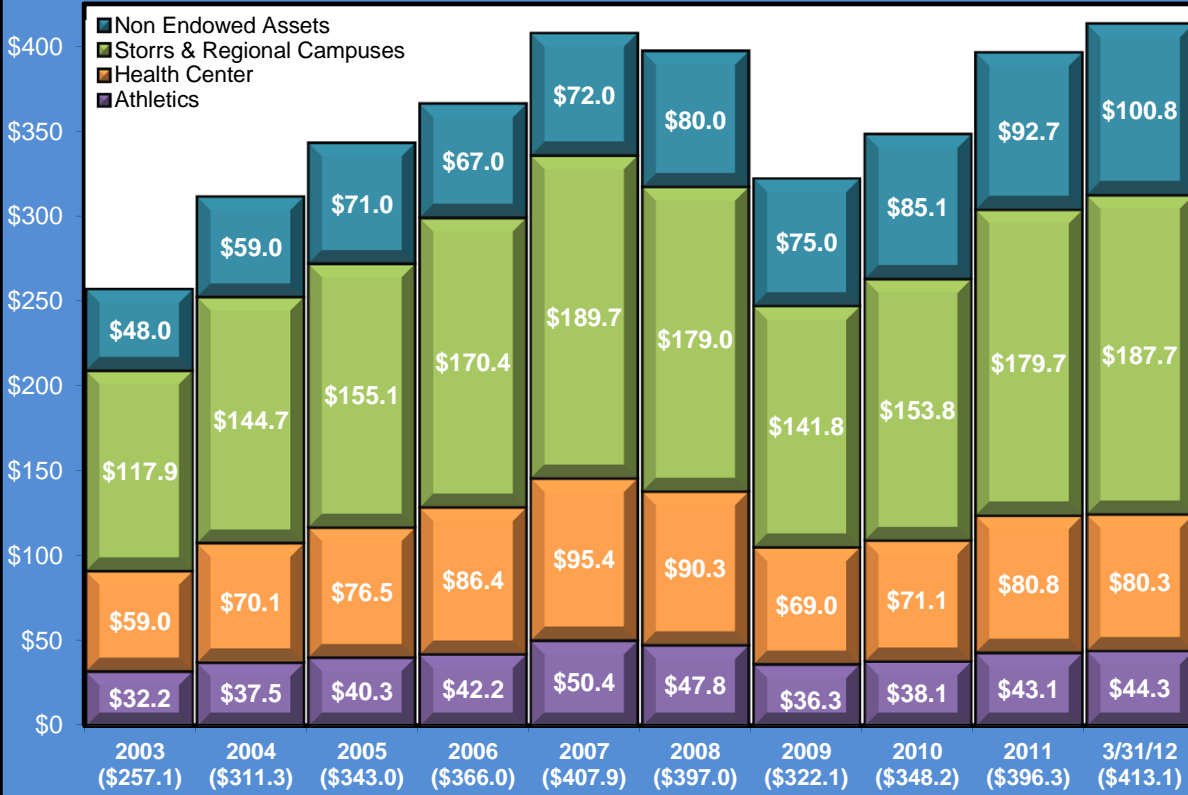
**University of Connecticut Foundation**  
 State Endowment Match (in millions) - Calendar Years 2003-March 31, 2012



**University of Connecticut Foundation**  
 Total Managed Assets by Purpose (in millions) - Fiscal Years 2003- March 31, 2012



**University of Connecticut Foundation**  
 Total Managed Assets by Designation (in millions) - Fiscal Years 2003- March 31, 2012



**University of Connecticut Foundation**  
 Disbursements in Support of Students, Faculty & Programs (in millions)  
 Fiscal Years 2003-March 31, 2012

