



University of Connecticut

# **Board of Trustees**

**Budget Workshop**

*November 5, 2009*

# Indicators of Success

- UConn among the top 26 in the nation and rated the top public university in New England for the past 11 years

*(U.S. News & World Report)*



- UConn ranked in the top 35 best value public colleges for in-state costs *(Kiplinger's Personal Finance)*

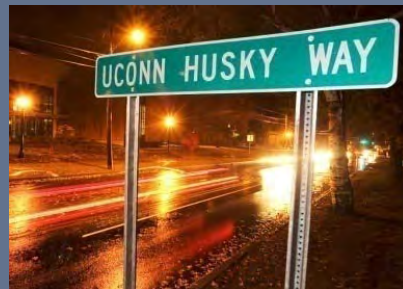


- 92% of recent graduates are either employed or are in graduate / professional schools
- 67% of those working full-time are doing so in CT

# Indicators of Success



- UCONN 2000 program has completed more than 9.7 million square feet of new & renovated space
- Athletic teams have won 8 NCAA Division I national championships, 39 Big East tournaments & 48 Big East regular season titles since 1995



- UConn Health Center's School of Dental Medicine have consistent strong performance on National Dental Boards

# UConn's Contribution to Connecticut



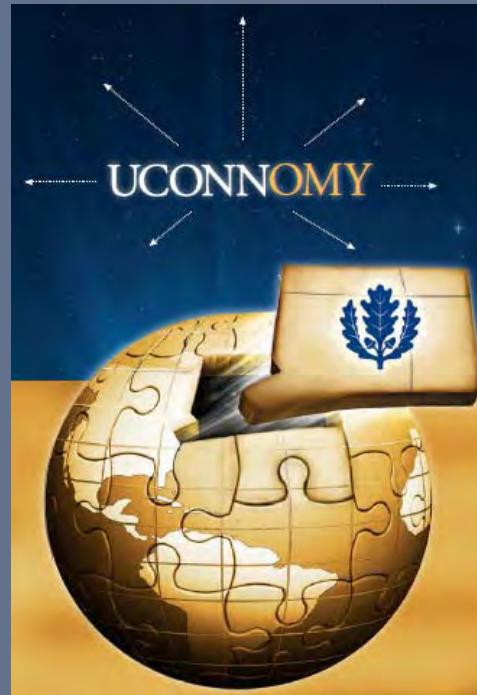
- Faculty Research, Training & Service Awards: contribute to Connecticut's economic growth
  - Enhances health, technological advancement & quality of life across the state, the nation & beyond
  - External funding increased 114% from FY96 to FY09
- Center for Clean Energy Engineering:
  - 46 faculty supported by federal government & major state and other firms
- Innovative Technologies:
  - In last twelve years – 226 patents & 28 companies created



# UCONNOMY

## UCONN Contributing to the Economic Health of Connecticut

- UConn's ongoing operations add \$2.3B to Connecticut's gross domestic product on average each year
- Every state dollar allocated to UConn results in a \$5.05 increase in Connecticut's gross domestic product – a 505% return on investment
- Connecticut businesses experience \$3.2B in new sales annually as a result of the University's ongoing operations



- With State support, the University attracts an additional \$713.5M to the Connecticut economy each year

# Student Quality & Diversity

- Over the last 6 years (fall 2004-2009):
  - School of Medicine applications have increased by 12% (2,466 to 2,760)
  - School of Dental Medicine applications have increased by 53% (922 to 1,410)
  - School of Medicine passing rates on National Exams have averaged 98% or above
  - School of Dental Medicine passing rates on National Exams have been at 100%
- Approximately 37% of School of Medicine graduates practice in the state while 50% of School of Dental Medicine graduates practice in the state

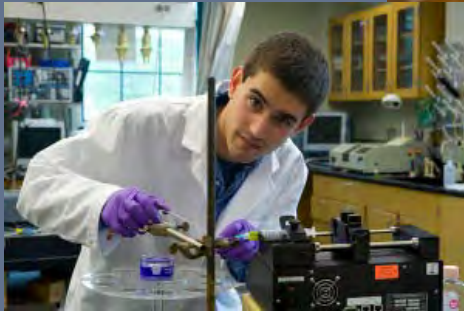


# Student Quality & Diversity: Exceeding Expectations



## Storrs & Regional Campuses

- Fall 2009 compared to fall 1995 at Storrs:
  - Applications increased 123% (9,874 to 21,999)
  - Freshman enrollment increased 59% (2,021 to 3,221)
  - Freshman minority enrollment increased 119% (308 to 673)
  - SAT scores increased 99 points from fall '96 (1113 to 1212)



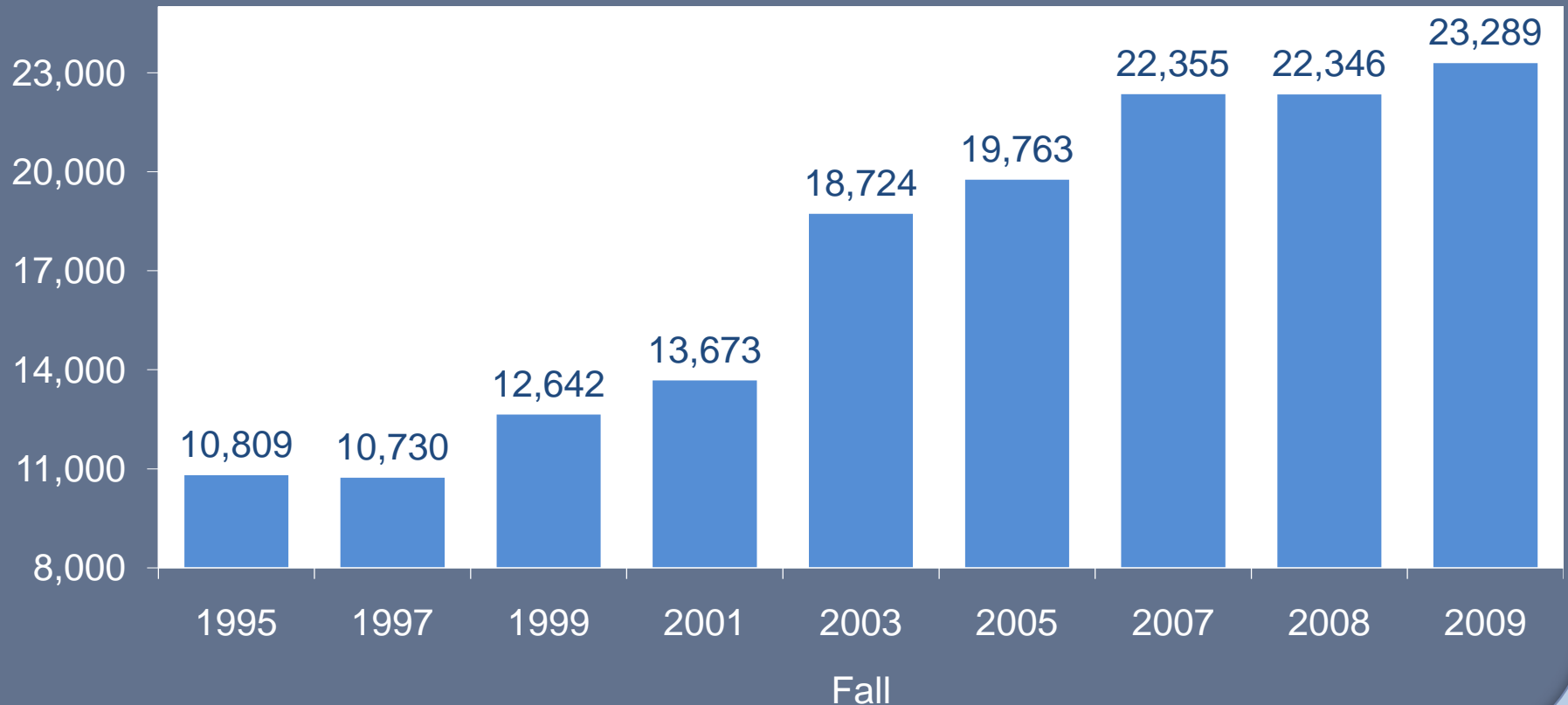
- 1,169 valedictorians and salutatorians enrolled at all campuses since 1995

# Freshman Application Trends



## Storrs & Regional Campuses

- Applications at all campuses have increased 115% from Fall 1995 to Fall 2009

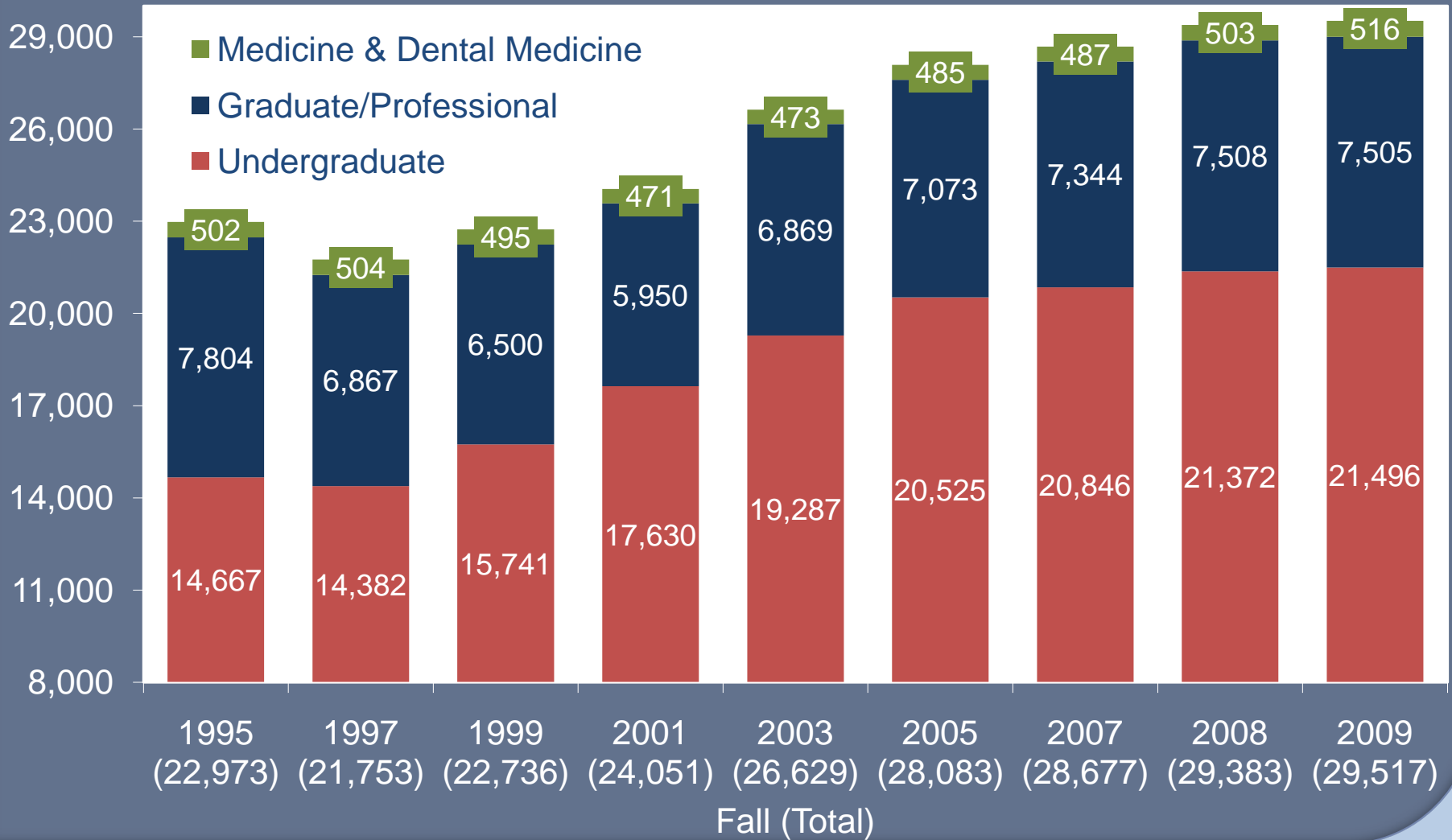




# Student Enrollment



Undergraduate enrollment has increased 47% from 1995 to 2009

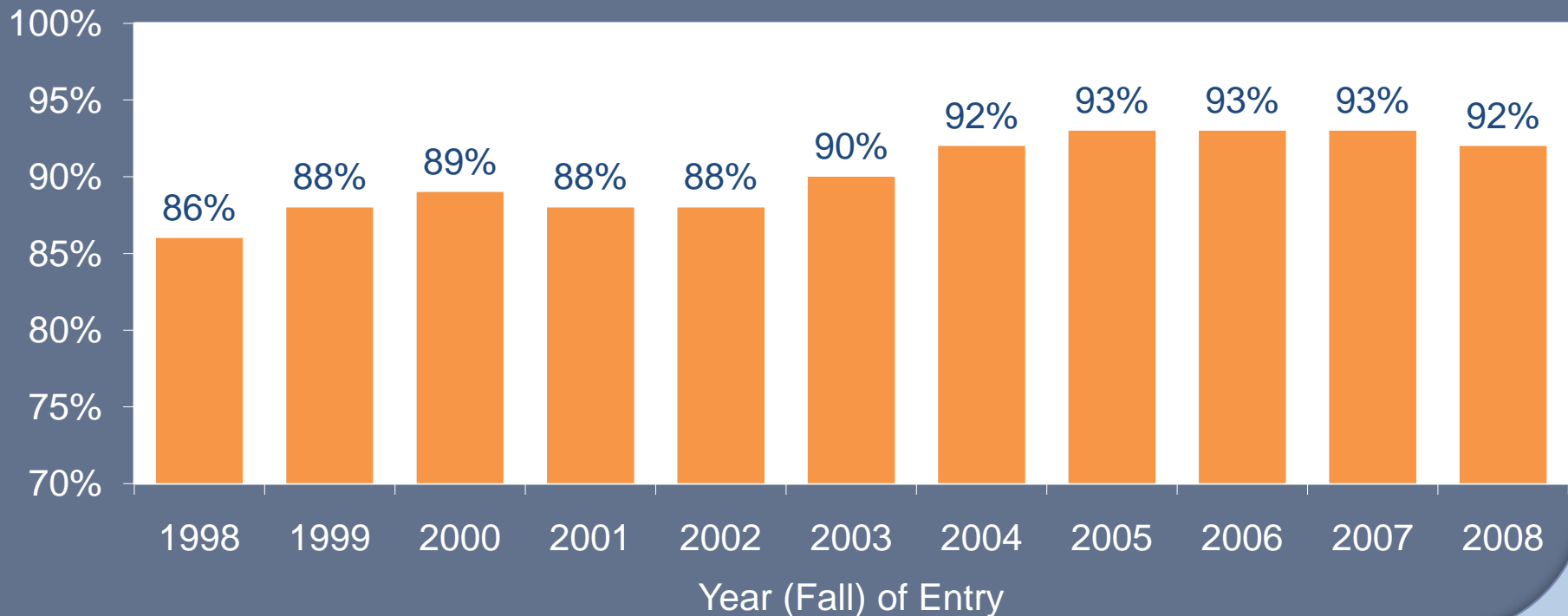


# Freshmen Retention Trend



## Storrs Campus

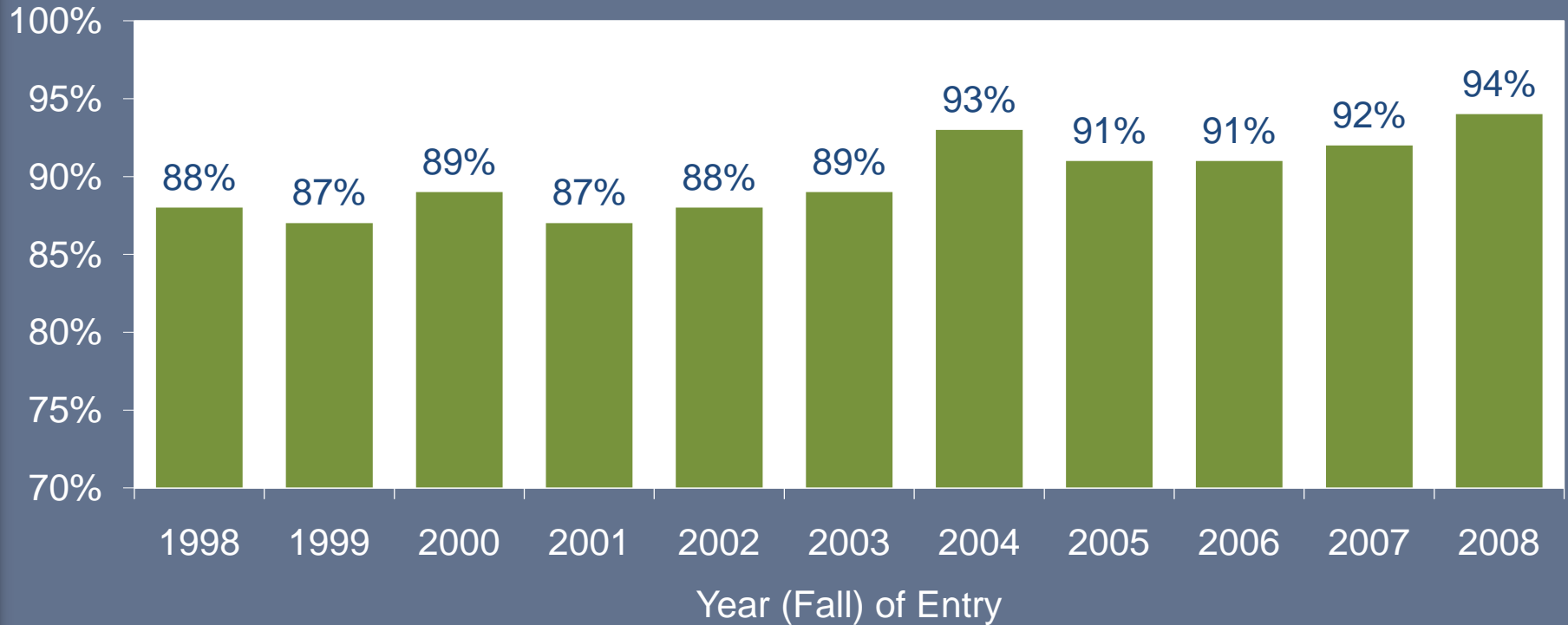
- Fall 2007 freshman retention rate is substantially higher than the 80% average for 424 colleges & universities in the national Consortium for Student Retention Data Exchange (CSRDE)



# Minority Freshmen Retention Trend



Storrs Campus



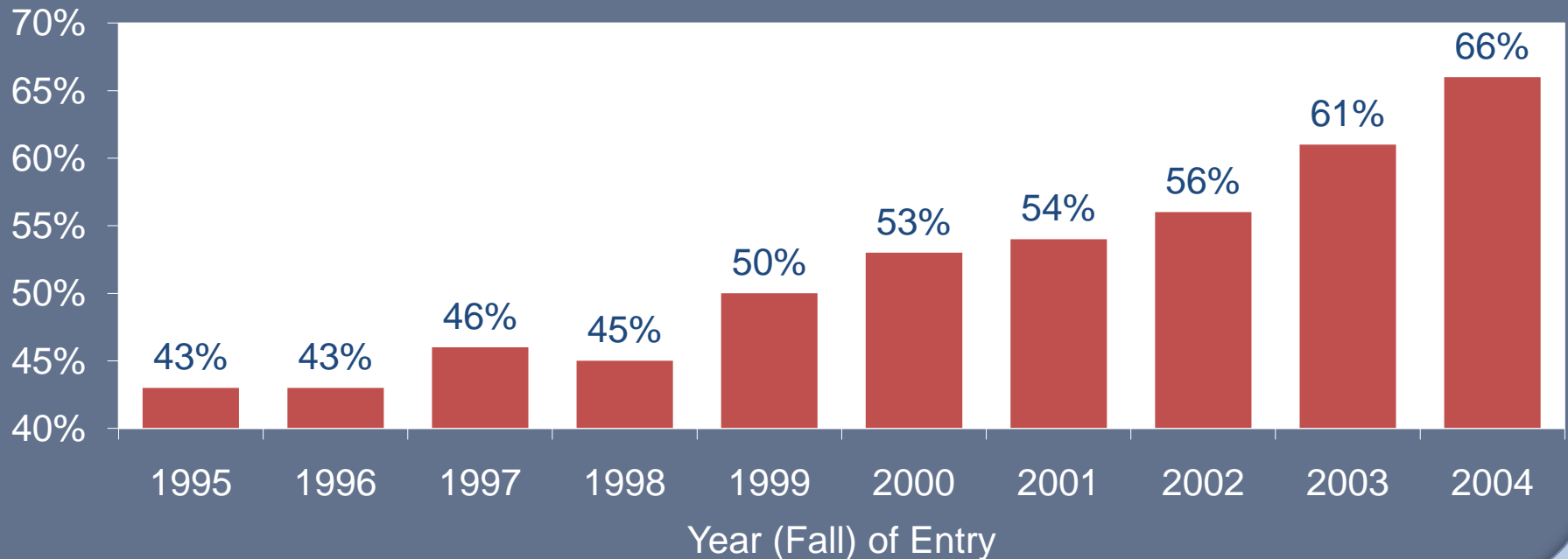
- Fall 2007 minority freshman retention rate is also substantially higher than the national 79% average (CSRDE)

# 4-Year Graduation Trend



## Storrs Campus

- UConn's ranking among the 58 Public Research Peer Universities:
  - Fall 2002 4-year graduation rate of 56% ranks 11<sup>th</sup>
  - Fall 2002 average time to graduate of 4.3 years ranks 7<sup>th</sup>

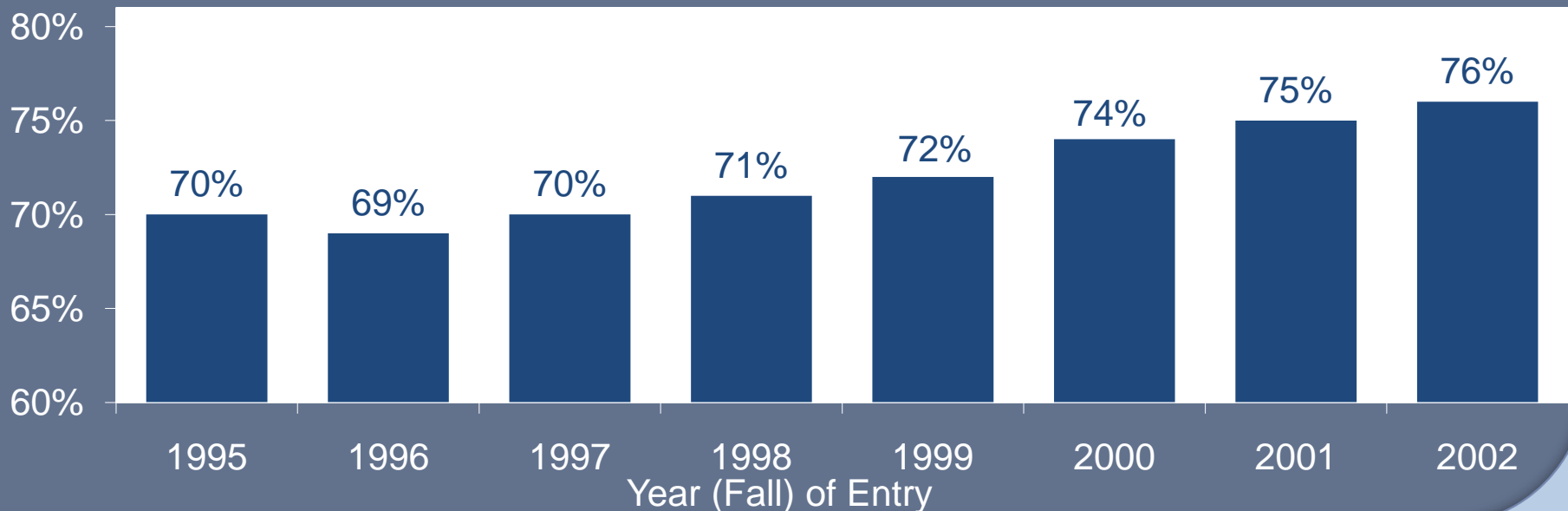


# 6-Year Graduation Trend



## Storrs Campus

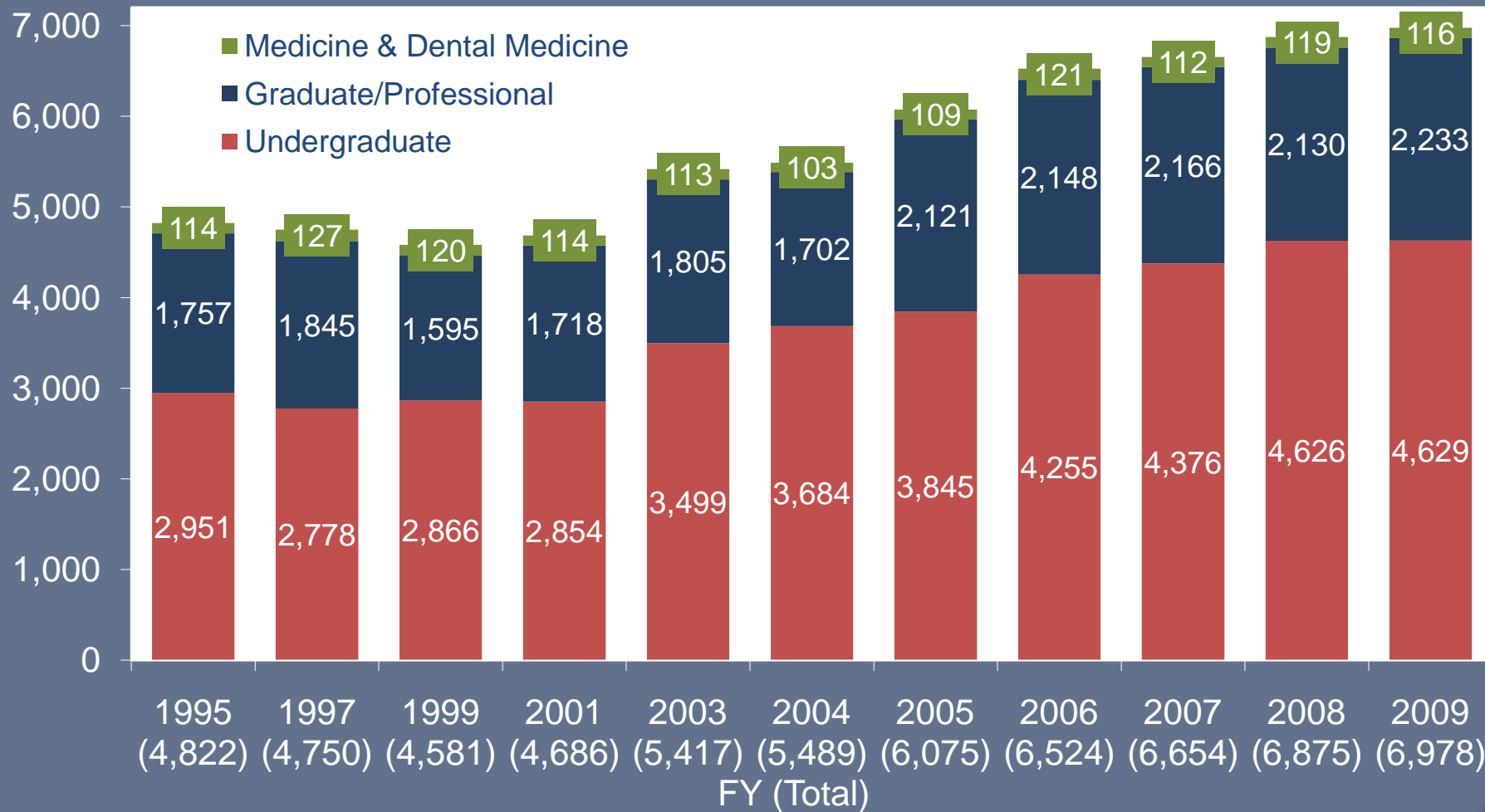
- UConn's ranking among the 58 Public Research Peer Universities:
  - Fall 2002 6-year graduation rate of 76% ranks 21<sup>st</sup>
  - Fall 2002 6-year minority graduation rate of 70% ranks 22<sup>nd</sup>



# Degrees Awarded



Undergraduate degrees have increased 62% since 2001



Approximately 115,000 alumni live in Connecticut

# FY09 Actual (unaudited)

Revenues: \$756.1M & Expenses: \$756.9M



## Health Center

<u>Revenues</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
State Support (w/deficiency appropriation)	\$145.9	\$173.1	\$27.2
Gifts, Grants & Contracts	88.7	87.5	(1.2)
Correctional Managed Health Care	104.2	99.4	(4.8)
Net Patient Care	322.3	322.2	(0.1)
All Other Revenues	82.2	73.9	(8.3)
<u>Expenses</u>			
Personal Services (including Fringe)	\$479.6	\$477.3	(\$2.3)
Drugs/Medical Supplies	79.1	81.4	2.3
Outside & Other Purchases	55.0	55.8	0.8
Medical Contractual Support	15.4	15.6	0.2
Medical/Dental House Staff	37.2	36.5	(0.7)
Utilities	17.3	15.9	(1.4)
Insurance	6.0	11.4	5.4
All Other Expenses	65.2	63.0	(2.2)

# FY09 Actual (unaudited)

Revenues: \$959.6M & Expenses: \$954.8M = Net Gain: \$4.8M



## Storrs & Regional Campuses

<u>Revenues</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
State Support	\$328.9	\$327.8	(\$1.1)
Tuition & Fees	286.8	293.2	6.4
Gifts, Grants & Contracts	149.8	154.6	4.8
Investment Income	5.4	4.1	(1.3)
Auxiliary Enterprise Revenue	140.4	152.4	12.0
All Other Revenue	28.0	27.5	0.5
<u>Expenses</u>			
Personal Services (including Fringe)	\$543.8	\$540.0	(\$3.8)
Other Expenses	145.1	151.5	6.4
Energy	33.0	33.6	0.6
Financial Aid	90.5	90.4	(0.1)
Transfers	40.2	46.3	6.1
All Other Expenses	85.7	93.0	7.3

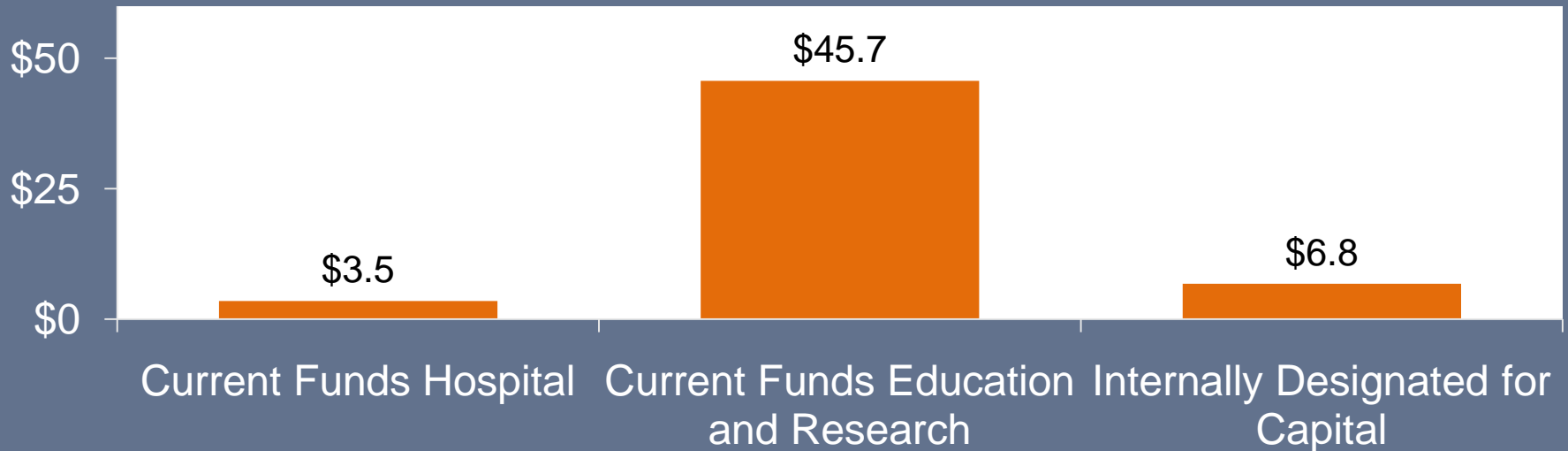


# FY09 Unaudited

## Unrestricted Net Assets (\$M)



### Health Center



- Current Funds Hospital represents net assets arising from operation of John Dempsey Hospital
- Current Funds Education and Research balance of \$45.7M represents 6.1% of the FY09 budgeted expenditures (\$751M) or 15 days' worth of operations
- Internally Designated for Capital represents funds set aside under various institutional arrangements for capital purchases

# FY09 Unaudited

## Unrestricted Net Assets (\$M)



### Storrs & Regional Campuses



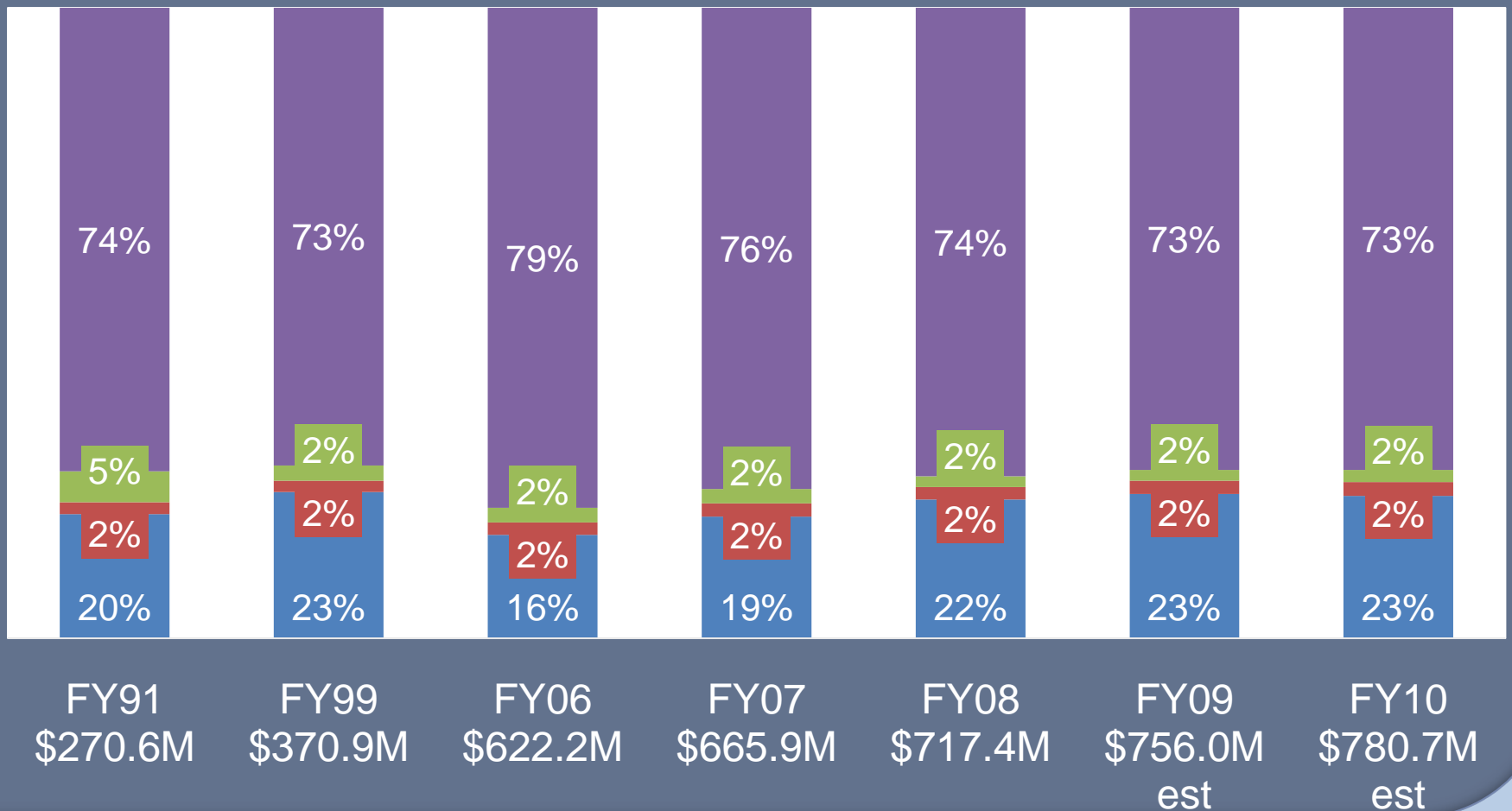
- Current Funds balance represents 30.6 days' worth of operations (Board policy calls for 90 days or \$203M)
- The \$36.2M represents 1.75 times the annual debt service
- The Unexpended Plant Funds includes cash resources for capital projects for Auxiliary Enterprise operations as well as funds set aside to address on-going code related corrective action

# State Support as a % of Total Revenues (\$M)



## Health Center

■ State Support   ■ Tuition & Fees   ■ Auxiliaries   ■ All Other Revenues



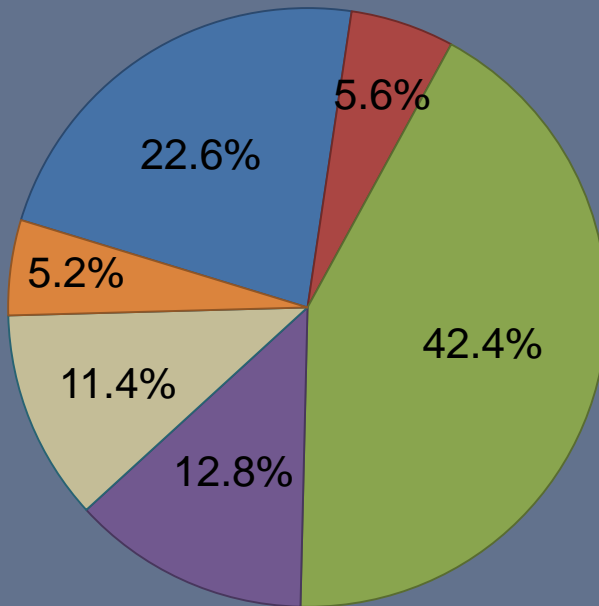


# Proposed FY 2010 Budget



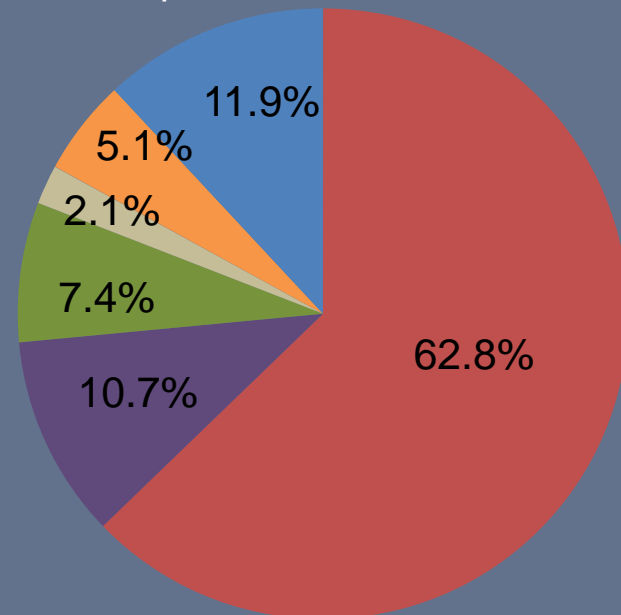
## Health Center

Revenues: \$780.7M



- State Support: 22.6%
- Interns & Residents: 5.6%
- Patient Care: 42.4%
- CMHC: 12.8%
- Gifts, Grants & Contracts: 11.4%
- All Other: 5.2%

Expenses: \$780.7M



- Personal Services (w/FB): 62.8%
- Drugs/Medical Supplies: 10.7%
- Outside & Other Purchases: 7.4%
- Medical Contractual Support: 2.1%
- Medical/Dental House Staff: 5.1%
- All Other: 11.9%

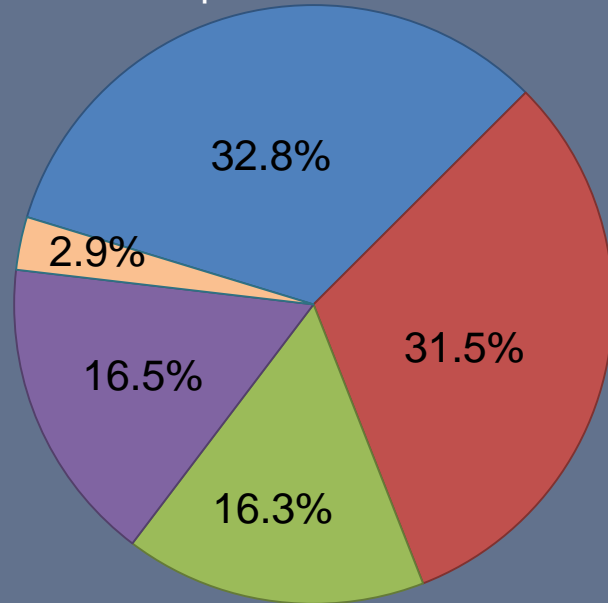
# Proposed FY 2010 Budget

Expenses below exclude transfer of \$3M from Reserves to State General Fund



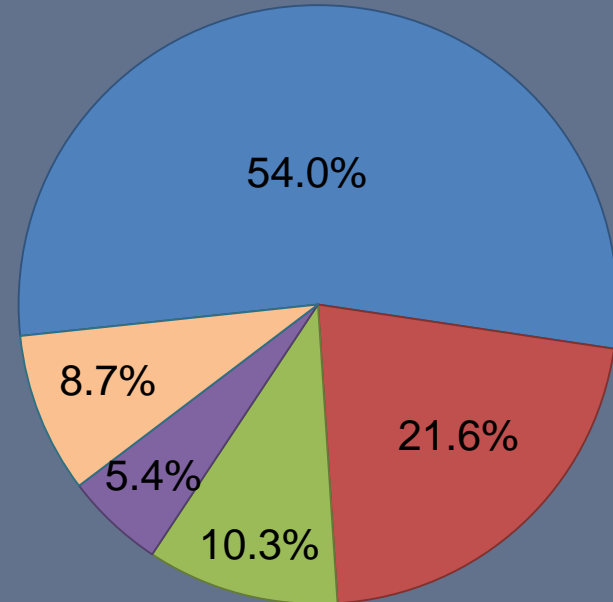
## Storrs & Regional Campuses

Revenues - \$992.3M



- State Support: 32.8%
- Tuition & Fees: 31.5%
- Auxiliaries: 16.3%
- Gifts, Grants & Contracts: 16.5%
- All Other: 2.9%

Expenses - \$991.3M



- Personal Services (w/FB): 54.0%
- Equipment & Other: 21.6%
- Financial Aid: 10.3%
- Transfers: 5.4%
- Research Fund: 8.7%

# State Appropriation

(excluding fringe benefits)



FY09 Actual

FY10 Forecast

Storrs & Regionals

\$234.1M

\$233.0M

- FY09 includes reductions and rescissions of \$14.0M
- FY10 includes a reduction of \$2.3M

Health Center

\$128.2M

\$117.7M

- FY09 includes deficiency appropriation of \$22.2M
- FY10 includes a reduction of \$1.2M

# Non-State Revenue Streams



- Research funding

- Private support



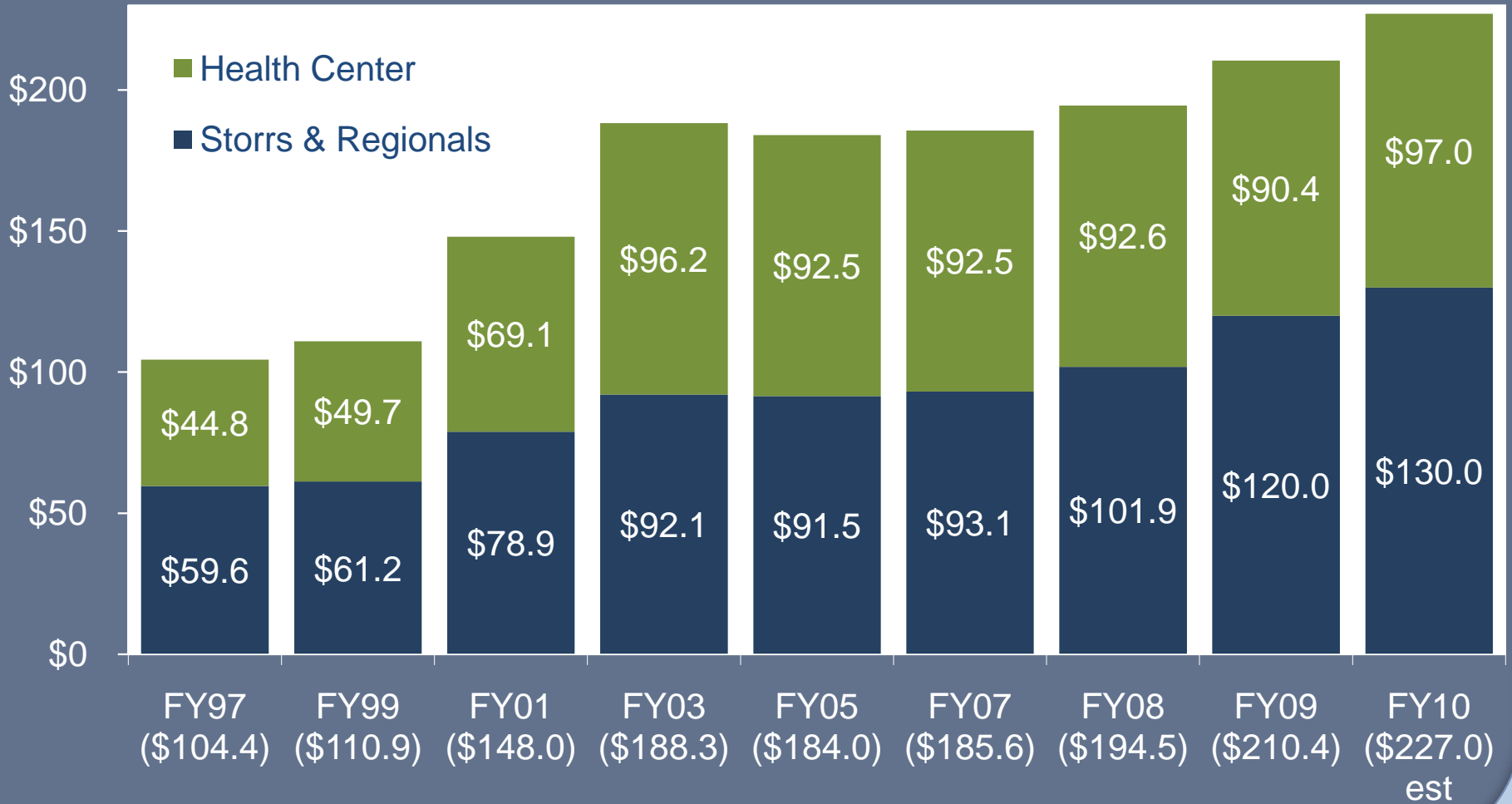
- Clinical revenue @ Health Center



- Tuition/fees/room/board @ Storrs & Regionals



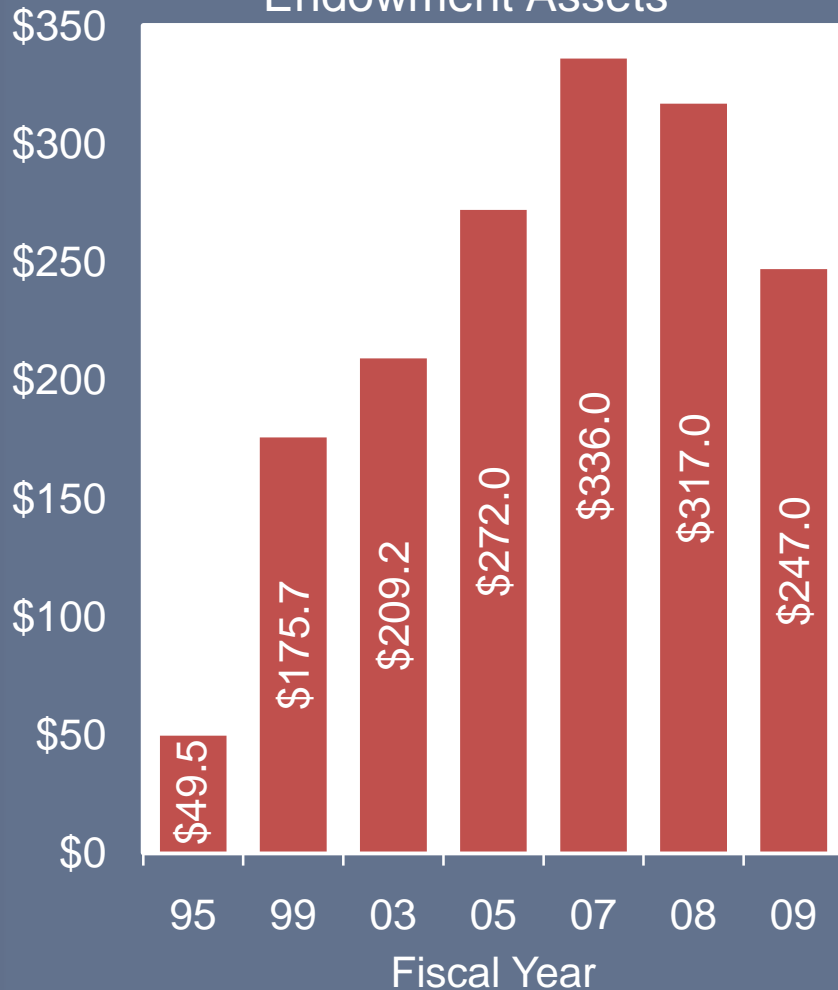
# Research, Training & Service External Awards (\$M)



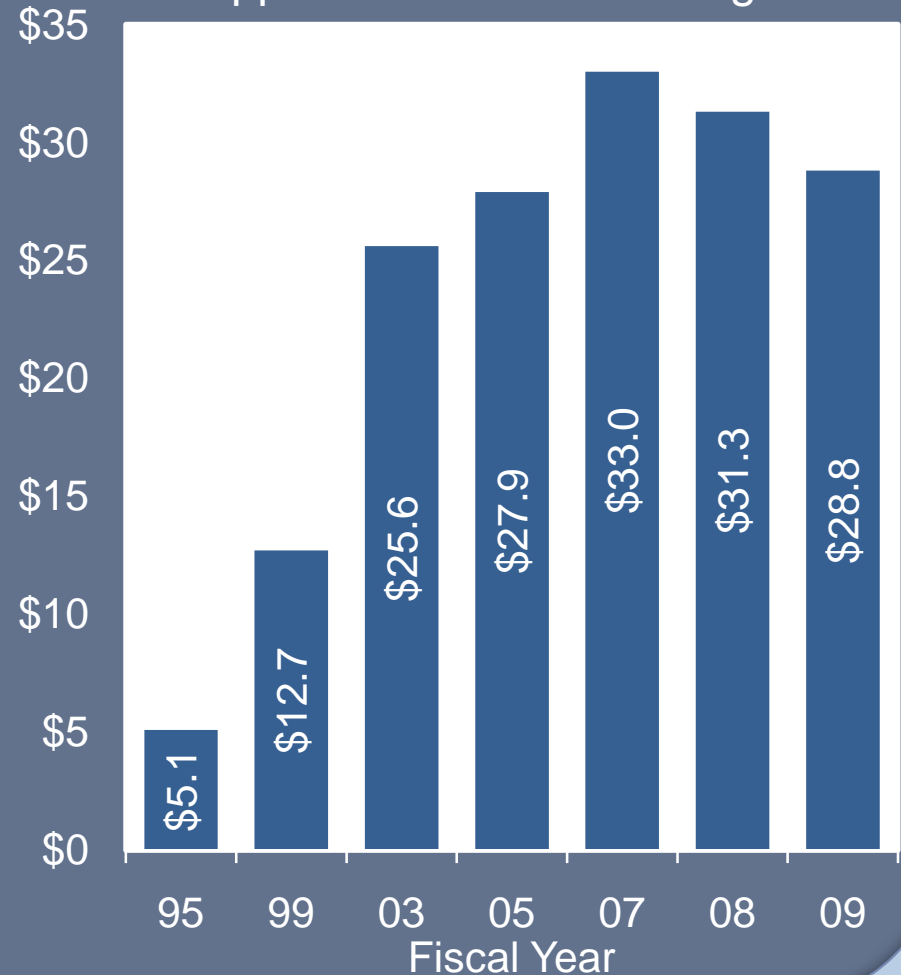
# UConn Foundation (\$M)



## Endowment Assets



## Support of Students & Programs



# UConn's Affordability

## FY10 Tuition & Mandatory Fees

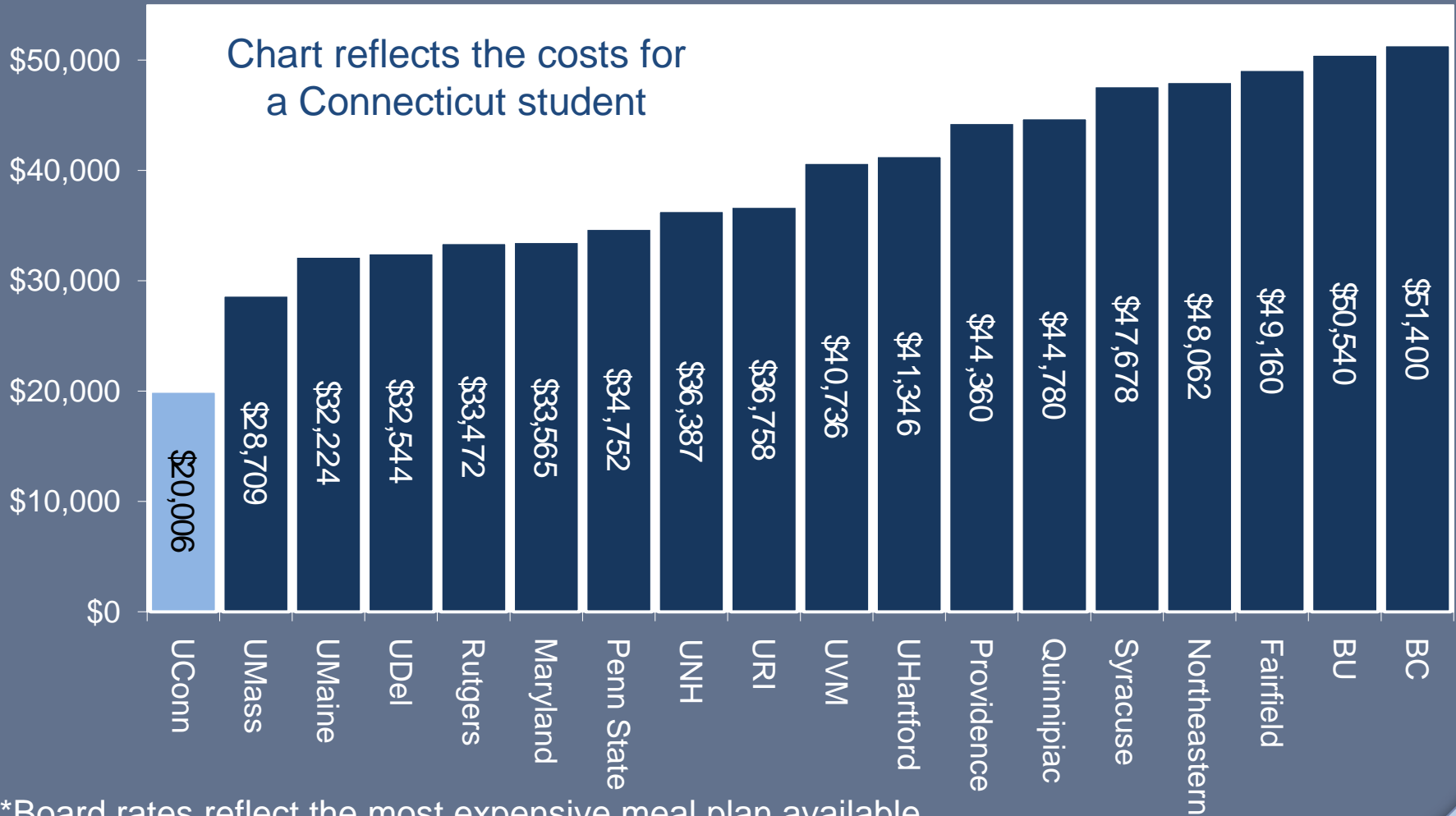


<u>Private Schools</u>	<u>In &amp; Out of State</u>	<u>Public Schools</u>	<u>In State</u>	<u>Out of State</u>
Boston College	\$39,560	Penn State	\$14,416	\$25,946
Boston Univ	\$38,440	Univ Vermont	\$13,524	\$31,380
Fairfield	\$37,490	Univ New Hampshire	\$12,743	\$26,713
Northeastern	\$35,712	Rutgers	\$11,886	\$22,796
Syracuse	\$34,928	Univ Massachusetts	\$11,732	\$19,955
Providence	\$33,000	<b>Univ Connecticut</b>	<b>\$9,886</b>	<b>\$25,486</b>
Quinnipiac	\$32,400	Univ Maine	\$9,626	\$23,876
Univ Hartford	\$28,980	Univ Rhode Island	\$9,528	\$26,026
		Univ Delaware	\$9,486	\$23,186
		Univ Maryland	\$8,053	\$23,990

National in-state rates 6.5% higher in FY10 than FY09 (UConn=5.87%)

# UConn's Affordability

## FY10 Tuition, Fees, Room & Board\*



\*Board rates reflect the most expensive meal plan available.

# Tuition, Fees, Room & Board



## Storrs & Regional Campuses

<u>In-State</u>	<u>FY09 Amount</u>	<u>FY10 Amount</u>	<u>Increase Over FY09</u>	
Undergraduate				
Tuition	\$7,200	\$7,632	6.00%	\$432
Room	\$5,090	\$5,396	6.01%	\$306
Board (Value Meal Plan)	\$4,210	\$4,506	7.03%	\$296
Undergraduate Total	\$18,638	\$19,788	6.17%	\$1,150
Graduate Total	\$20,592	\$22,088	7.26%	\$1,496
<u>Out-of-State</u>				
Undergraduate Total	\$33,350	\$35,388	6.11%	\$2,038
Graduate Total	\$34,812	\$37,172	6.78%	\$2,360

\* Board rates reflect the Value meal plan which is the most popular plan available.

# Financial Aid Enhancements



## Storrs & Regional Campuses

- Additional \$620 per student in Federal Pell Grant award due to the Federal Stimulus Bill and a refundable tax credit
  - These two programs combined equal \$3,120 toward higher education for our neediest students
- Additional \$200k in Federal Work Study Funding due to Federal Stimulus Bill
- Direct Lending Program
  - Lower cost of borrowing
  - Streamlined process
  - Quicker disbursement to students
  - Students insulated from potential funding disruptions
  - More efficient use of staff resources
  - Transitioned prior to the proposed elimination of FFELP

# Total Financial Aid (\$M)



## Storrs & Regional Campuses

	<u>FY09</u>	<u>FY10</u> Budget	<u>% Change</u> (FY09-FY10)
Need-Based Grants	\$59.6	\$67.2	12.8%
University Scholarships	28.9	33.6	16.3%
Non-University Scholarships	5.7	5.8	1.8%
Work Study/Student Labor	17.7	18.9	6.8%
Tuition Waivers	<u>45.3</u>	<u>48.0</u>	6.0%
Subtotal	\$157.2	\$173.5	10.4%
Loans (federal & private)	<u>140.8</u>	<u>154.3</u>	9.6%
<b>Total Financial Aid</b>	<b>\$298.0</b>	<b>\$327.8</b>	<b>10.0%</b>

# Tuition Funded Financial Aid (\$M)



## Storrs & Regional Campuses

	<u>FY09</u>	<u>FY10</u> Budget
Total Tuition Funded Financial Aid	\$97.3	\$109.1
Total Tuition Funded as a % of Gross Tuition Revenue	38.1%	39.9%
Tuition Funded Need-Based as a % of Net Tuition Revenue	16.8%	17.7%
DHE Need-Based Set Aside Policy	15.0%	15.0%



# Financial Aid Summary



## Storrs & Regional Campuses

- All tuition, fees, room & board increases have been accompanied by an off-setting increase in financial aid to ensure that any qualified student can attend the University regardless of financial means
- For FY10, total aid is budgeted to increase 10% and need-based grants are projected to increase 13%
- Meet direct educational expenses for the neediest in-state students
- 77% of students (undergraduate and graduate) received aid in FY09



# FY10 Spending Plan Highlights



## ○ Storrs & Regionals

- Academic enrichment
- Faculty hires in areas of strategic importance
- Equipment & plant renewal program



## ○ Health Center

- Financial stability
- Signature programs in cancer, cardiology & musculoskeletal medicine

# Provost's Priorities for FY10



## Storrs & Regional Campuses

### Continued Implementation of Academic Plan

- Undergraduate Enrichment
- Increased Collaborations
- Research & Graduate Education
- Faculty Hiring: Rebuilding Base



# Undergraduate Enrichment

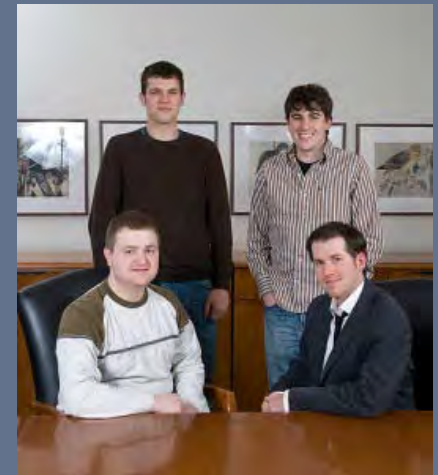


## Storrs & Regional Campuses



- Expanded Honors Program - \$800k

- 3 new Living & Learning Communities - \$300k
- Increased scholarship support for Study Abroad
- Regional Campus focus on mission and quality- \$700k
- National Scholarships successes
- Increased Undergraduate Research opportunities- \$100k

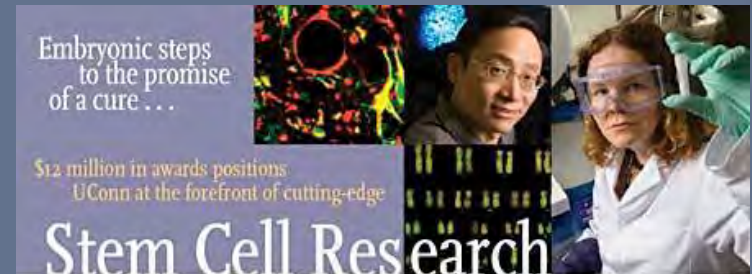


# Increased Collaborations



## Inter-Departmental and Inter-Campus

- CICATS (CTSA) - Connecticut Institute for Clinical and Translational Science
- Nanotechnology: partnering with state agencies
- Stem Cell Research: \$16.1M supports 23 researchers
- School of Medicine: post doctoral training for Nursing faculty
- Regenerative Medicine – Engineering Research Center
- Human Rights Institute: joint hires



# Graduate Education

## Concentration on successful Graduate Programming

- Focus graduate programs to areas of institutional strength
  - Development of on-line programming in certain professional areas
  - Strategic investment in cultural & artistic programming
  - Pursuing workforce development needs of the state
  - Committee report expected soon



- Report on administrative structure of Graduate School currently under review

# Research

Increase emphasis on focused research areas

- Eminent Faculty program

- Sustainable energy
- \$2M state funding & 12 faculty hired



- Center for Entrepreneurship program

- 6 faculty hired (FY08) in Business & Law

- Translational Research - CTSA

- American Recovery & Reinvestment Act

- 77 awards - \$33.9M



ARRA

# Faculty Hiring: Rebuilding Base

Storrs & Regional Campuses



## ○ Net new faculty

- 51 in FY06
- 13 in FY07
- 30 in FY08
- 30 in FY09
- -38 estimated for FY10



## ○ Faculty Hiring Plan

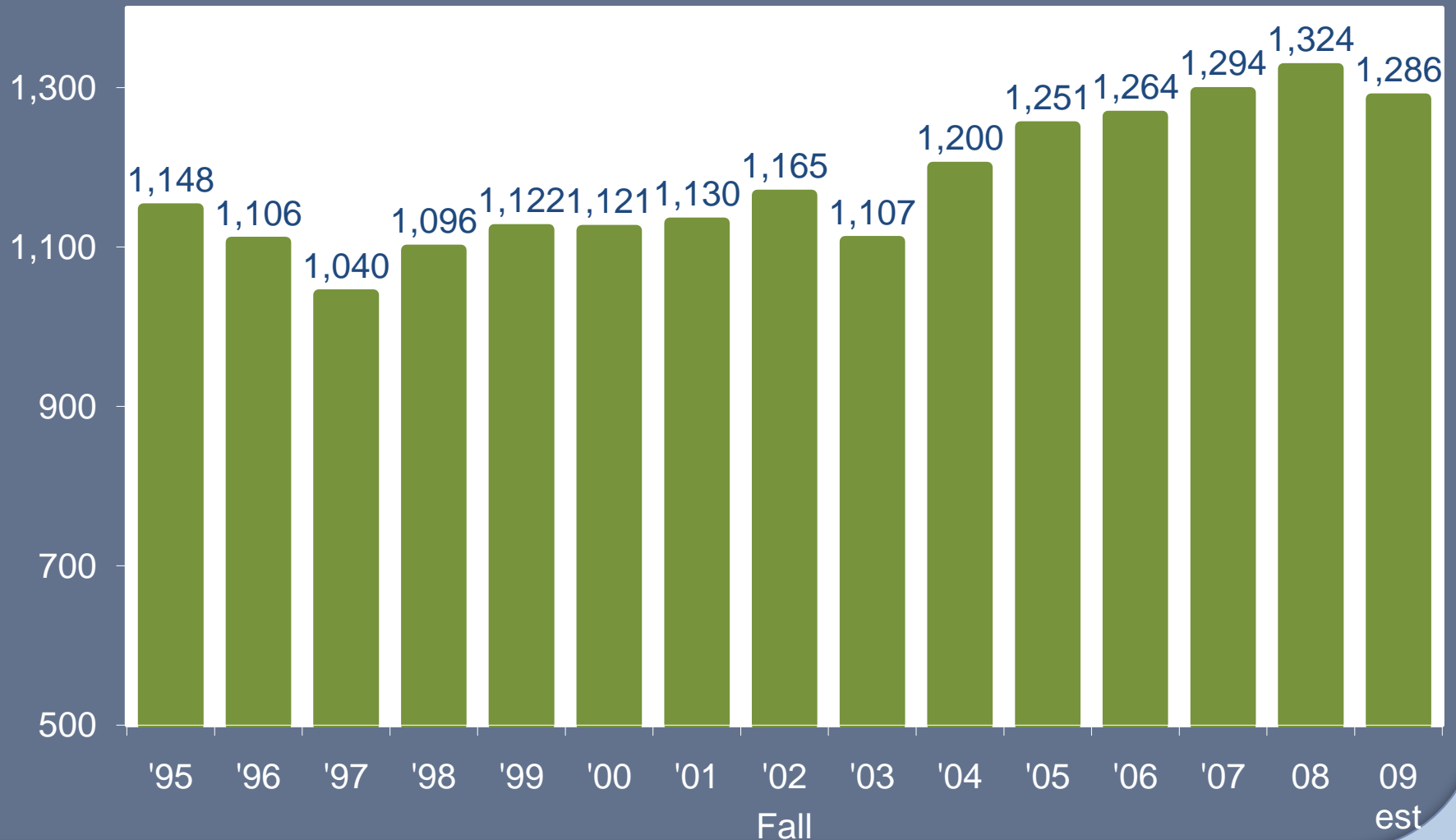
- Lost 52 faculty to the Retirement Incentive Program
- A strategic opportunity to allocate new faculty to areas of highest priority will be effected over the next 3 years



# Faculty Growth



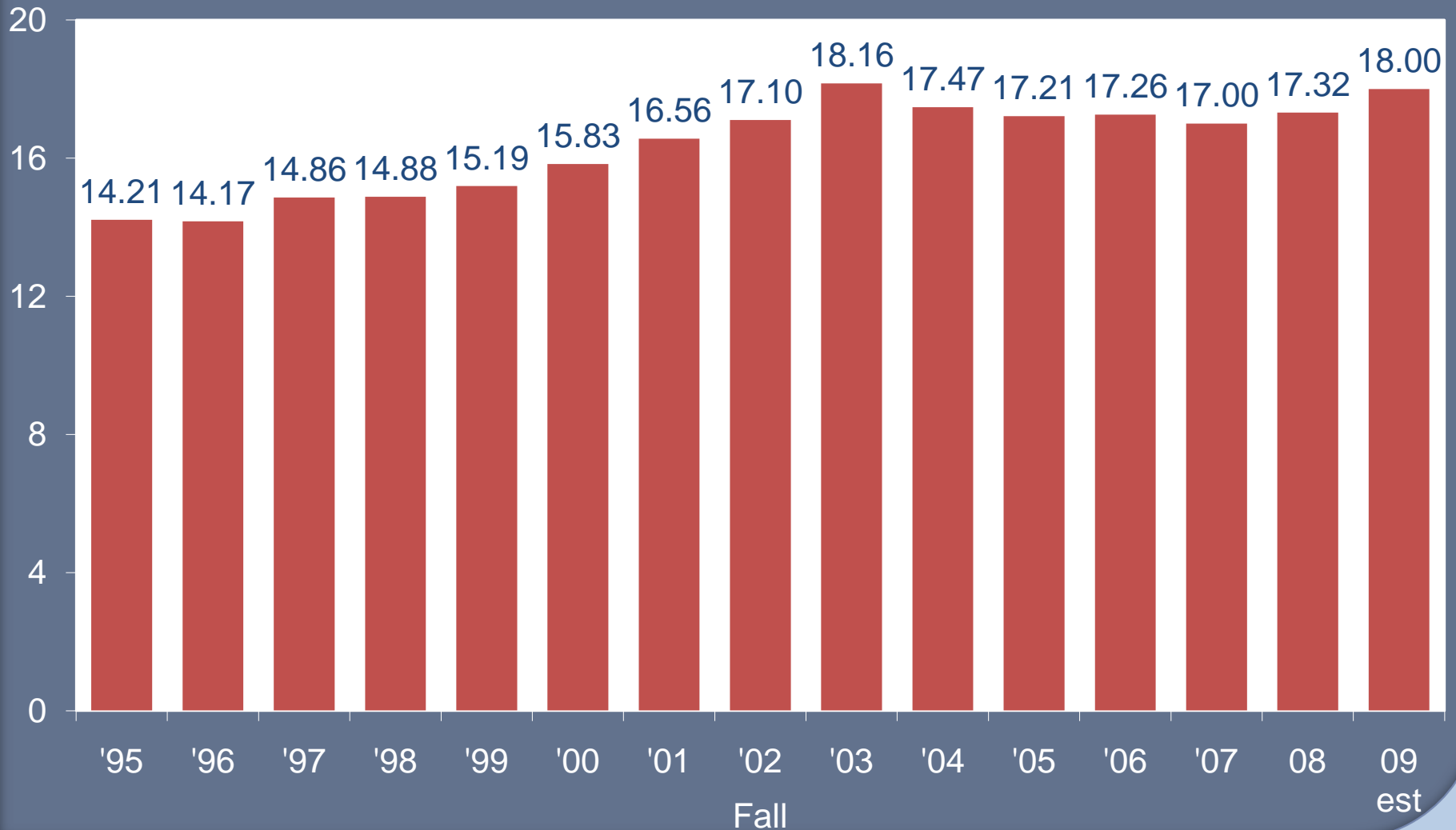
## Storrs & Regional Campuses



# Student Faculty Ratio



## Storrs & Regional Campuses



# UConn Health Center Overview



- We welcome new leadership
- We have a proposed regional partnership in keeping with the CASE recommendations
- We are continuing efforts in cost reduction and revenue enhancement
  - Continuation of the revenue cycle improvements is reflected in FY10 budget
  - Productivity enhancement and performance improvement is longer-term
  - Revenue enhancement and cost savings initiatives in the FY10 budget

# UConn Health Center Overview



## Clinical Challenges

- JDH structural problems have been recognized by the legislature
  - 109 of the 224 beds are low-reimbursement specialty beds
  - 17.34% of discharges are Medicaid patients
  - Fringe benefit differential
  - JDH is undersized and outdated
- UMG must rebalance the physician clinical service mix to enhance revenue while still meeting the needs of a comprehensive medical education program

# FY10 Strategic Priorities



## Clinical Stabilization

- John Dempsey Hospital
  - Revenue cycle improvement
  - Performance improvement
    - Supply chain
    - Labor expense management through training, consolidation & reorganization
    - Patient Safety
  - FY10 budget reflects conservative volume estimates
  
- UMG
  - Faculty recruitment & hiring plan – rebalancing the clinical mix to grow revenue
    - Cardiology, Orthopedics and Dermatology

# FY10-11 Strategic Priorities



## Research Strategic Investments

- Connecticut Institute for Clinical and Translational Science (CICATS)
- Research recruitments in:
  - Nanomedicine
  - Cardiovascular
  - Stem Cells
  - Aging
  - Neuroscience
  - Musculoskeletal
  - Structural Biology
  - Bio-behavioral (Addictions)

# FY10 Budget Highlights: Research



- The overall research budget deficit is estimated at \$10.7M (\$6.9M represents depreciation expense)
  - F&A recovery on new federal grants in FY10 will be 53%, a 5% increase. Most existing federal grants would continue to receive F&A at previously awarded rates of 48%.
  - The Health Center recently received 33 ARRA stimulus awards worth approximately \$10M in year 1 and \$9M in Year 2. Other awards activity is budgeted to remain static.
  - The F&A recovery is budgeted at 25% on the Stem Cell grants

# FY10 Budget Overview



- The proposed budget is \$780.7M, which supports “current operations” increases and limited new programs
- Revenues :
  - Increase in general fund block grant
  - Increased state support for JDH fringe benefits
  - Cost recovery in the intern/residency program
- Expenses:
  - Minimal growth in salaries
  - Increase in fringe benefit expenses
  - Medical house staff increases
  - Cost increases associated with utilities, repairs and maintenance, medical supplies and outside and other purchased services



# FY10 Budget Highlights: Clinical



## ○ John Dempsey Hospital

- Budgeted loss of \$20.9M, of which \$13.5M is offset by the fringe benefit support from the State, leaving a budgeted \$7.4M shortfall
  - Much of the loss is associated with the NICU, Psychiatry and high risk maternity OB/GYN programs)
  - Total net patient revenue is anticipated to increase by \$2.8M

## ○ UConn Medical Group

- Budgeted loss of \$12.5M
  - Total net patient revenue is anticipated to increase by \$5.0M which is 5.8% above FY09 (3.8% rate increase and 2.0% volume increase)

# UConn Promise



- The State has made a tremendous investment in UConn
- UConn will continue to...
  - Provide a high quality instructional program
  - Enhance access and diversity
  - Help meet State workforce needs
  - Retain best and brightest students in Connecticut
  - Be a powerful driver of economic development
  - Manage effectively within our resources
- The current economic downturn should not jeopardize the State's investment and the dramatic progress that has occurred at UConn in the last decade!