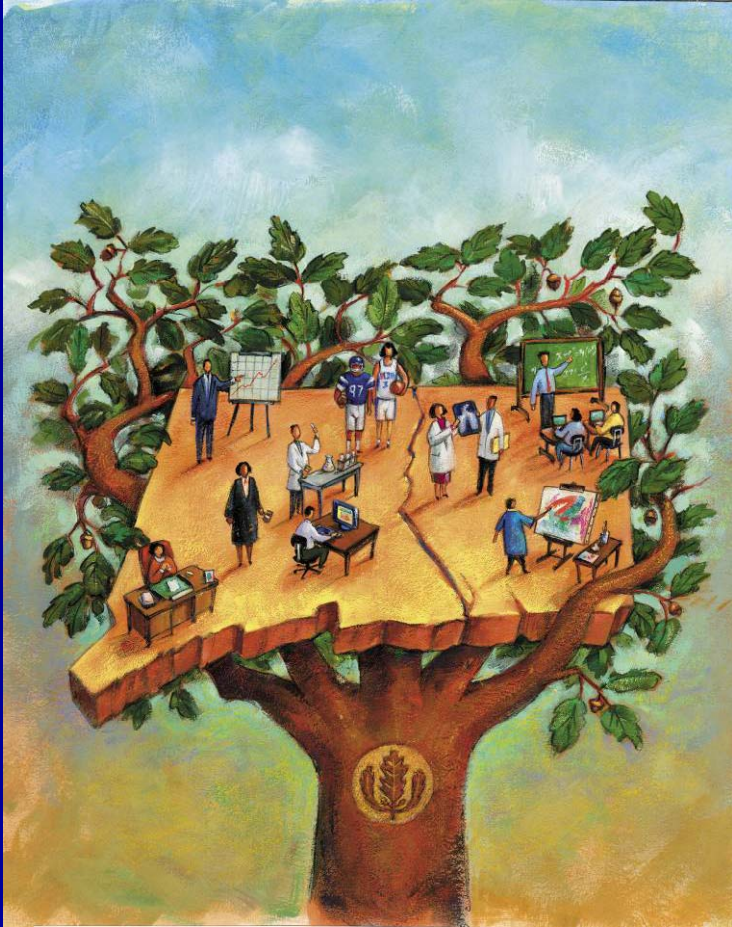


University of Connecticut



Board of Trustees

Budget
Workshop

June 22, 2004

FY 2004: Progress and Challenges

- Measures of achievement
- Challenges
- Key steps

UConn
It's Amazing!

Academic All-American · Emeka Okafor



FY 2005 – FY 2007: Guiding Principles

- Focus resources on institutional objectives
- Enhancement of academic program
- Expansion of research
- Pursuit of cost-efficiencies
- Increase quality and access



Budget Components

- Realistic expectations of state support
- Spending reductions rolled out permanently
- Revenue enhancement/implementation of charges
- Expenditures for quality: targeted increases for high priority programs
- Investments to protect private fundraising
- Investments to grow research
- Impact of university-wide restructuring

Proposed Budget



- **FY04 Forecast: \$1,255.4M**
 - Storrs & Regionals: \$696.1M
 - Health Center: \$559.3M

- **Adopt FY05 spending plan of \$1,345.1M**
 - Storrs & Regionals: \$750.1M
 - Health Center: \$595.0M

- **Biennium Budget Request**
 - **FY06: \$1,424.1M**
 - Storrs & Regionals: \$795.1M
 - Health Center: \$629.0M
 - **FY07: \$1,507.0M**
 - Storrs & Regionals: \$845.4M
 - Health Center: \$661.6M

FY 2004: Closeout

- Health Center
 - ERIP/Opportunity Register = \$5.42M
- Storrs
 - ERIP/Wage Freeze = \$23.8 M
 - “Holding Pattern”
 - Retiree/adjunct solution
 - “Savings” for hiring to come

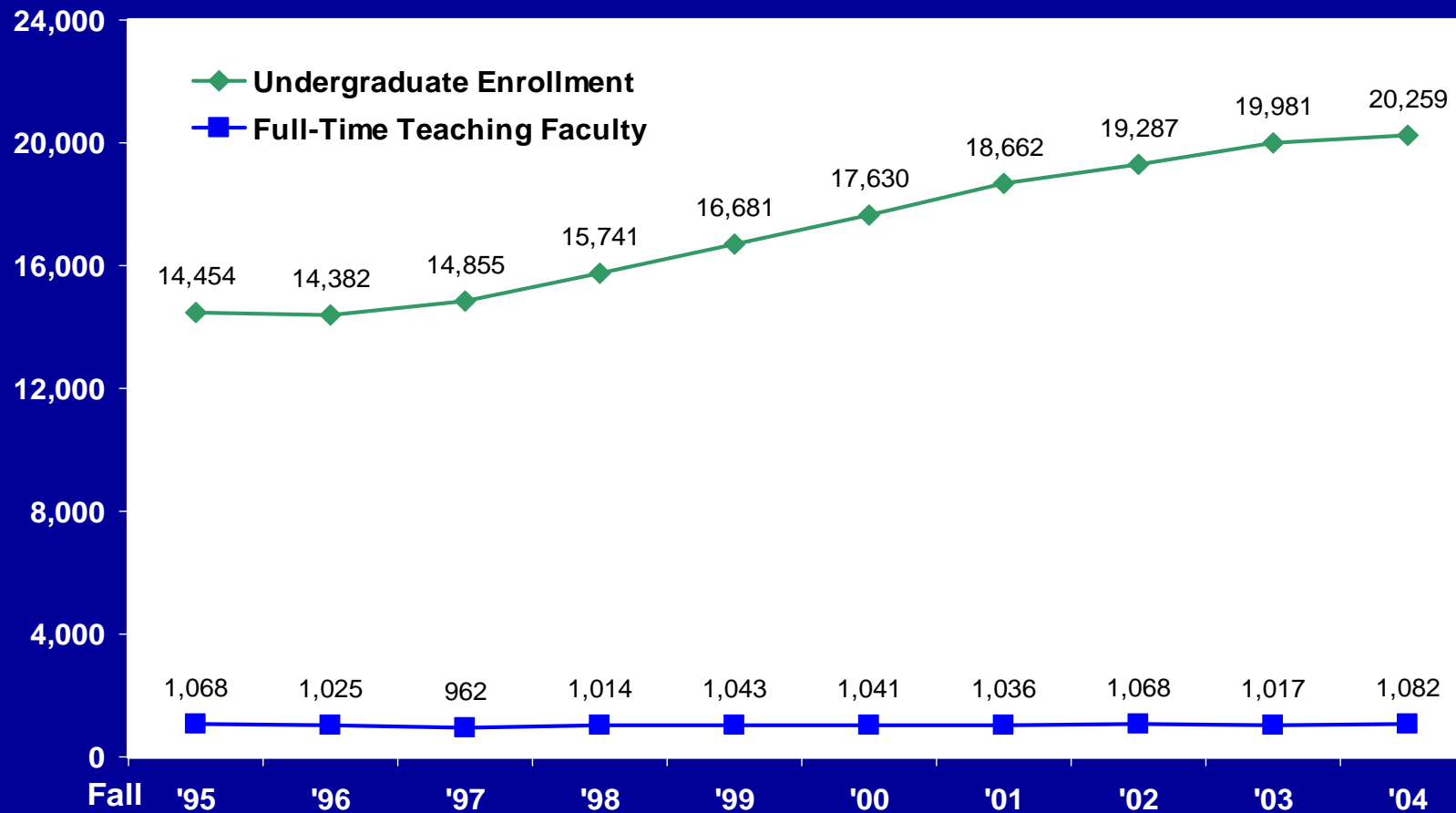
FY 2005: Equilibrium

- Recovery from:
 - Limitations on state support
 - Effects of ERIP
 - Impact of CORE financial/human resource system
- Moving towards:
 - Academic Plan focus
 - Closer alignment of operating and capital budgets with the start of Phase III of UCONN 2000

FY 2005: Challenges

- From retirees / adjuncts to permanent / full-time
- Return to stability: ERIP refill rate -> 70% of \$
- Internal academic reallocation base (\$7.8M)
- National searches Fall 2003 (1 year lead time)
 - Of 97 searches authorized:
 - Permanent hires: 59
 - Temporary hires: 6
 - On-going searches: 32

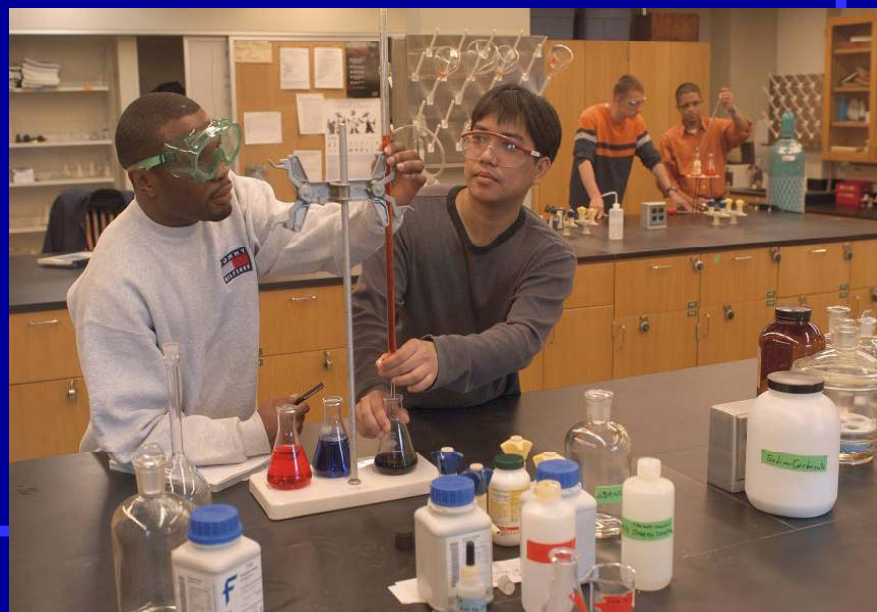
Growth: Faculty vs Enrollment



Storrs & Regionals

FY 2005: Spending Plan

- Expenditures will focus on:
 - Full roll-out of enrollment
 - Increasing quality and access
 - Research growth

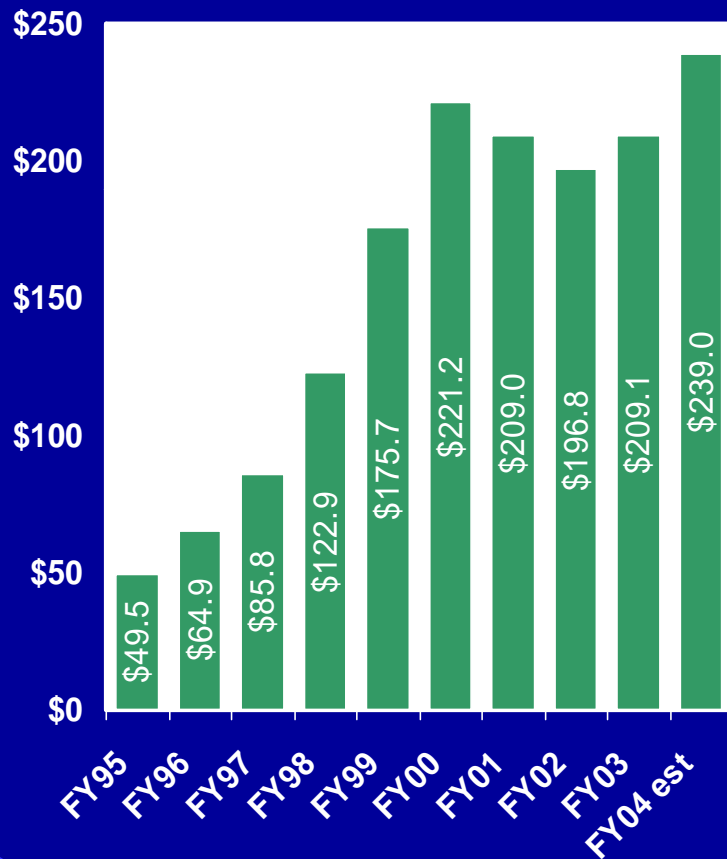


FY 2005: Expenditure Highlights

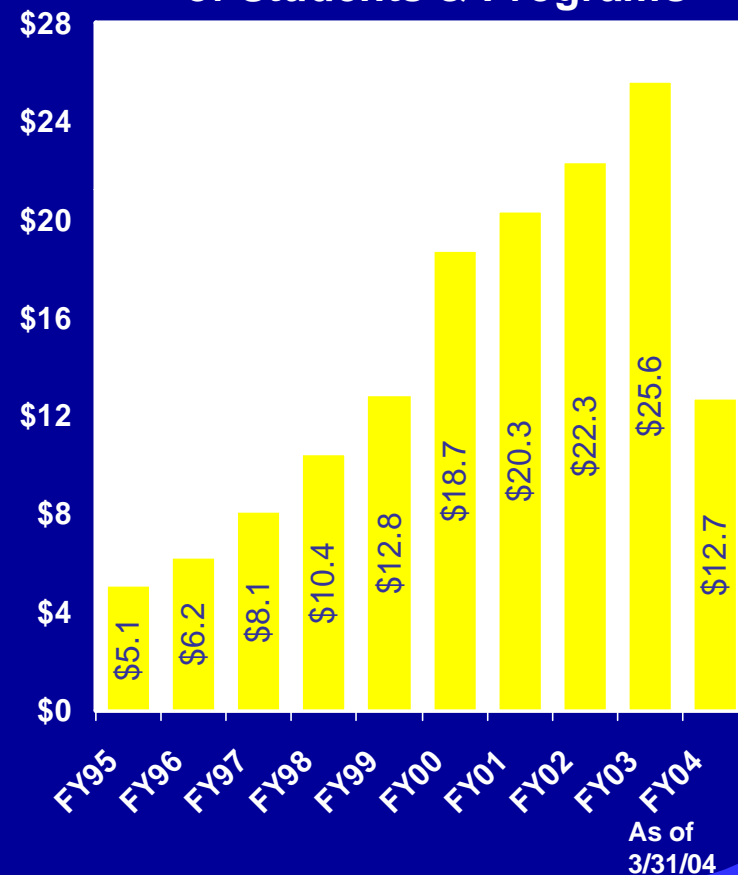
- Of a list totaling approximately \$9M in incremental program adjustments:
 - \$1.2M is allocated to course coverage including the Honors Program
 - \$1.6M will help to fulfill the demands of the academic plan
 - \$1.9M is designated for buildings & operations
 - \$468K will restore support for HR & IT
 - \$500K will aid in the continued support of the Foundation
- University-wide collaborations
 - Public Health: \$375K
 - Technology Transfer: \$1.1M
 - Audit & Compliance \$500K

UConn Foundation (\$M)

Endowment Assets



UConn Foundation Support of Students & Programs



Protecting the growth potential of one of our key external revenue streams

Financial Aid (\$M)

<u>Total Financial Aid</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Need Based-Grants	\$40.5	\$42.5	\$44.4
Need Based - Student Labor	\$12.9	\$12.9	\$13.0
University Scholarships	\$20.9	\$21.7	\$22.6
Non-University Scholarships	\$6.2	\$6.2	\$6.2
Loans	\$95.4	\$99.7	\$103.6
Tuition Waivers	<u>\$32.1</u>	<u>\$34.0</u>	<u>\$36.1</u>
Total Financial Aid	\$208.0	\$217.0	\$225.9
<u>Tuition Funded Financial Aid</u>			
Need Based Grants/Labor	\$26.9	\$28.6	\$30.2
Scholarships	\$9.5	\$9.9	\$10.4
Tuition Waivers	<u>\$32.1</u>	<u>\$34.0</u>	<u>\$36.1</u>
Total Tuition Funded Financial Aid	\$68.5	\$72.5	\$76.7
Total as a % of Gross Tuition Revenue	37.3%	37.3%	37.3%
Tuition Funded Need Based %	17.8%	17.8%	17.8%

DHE policy requires a need-based financial aid set aside of 15%, UConn sets aside 17.8%

Accessibility: Financial Aid

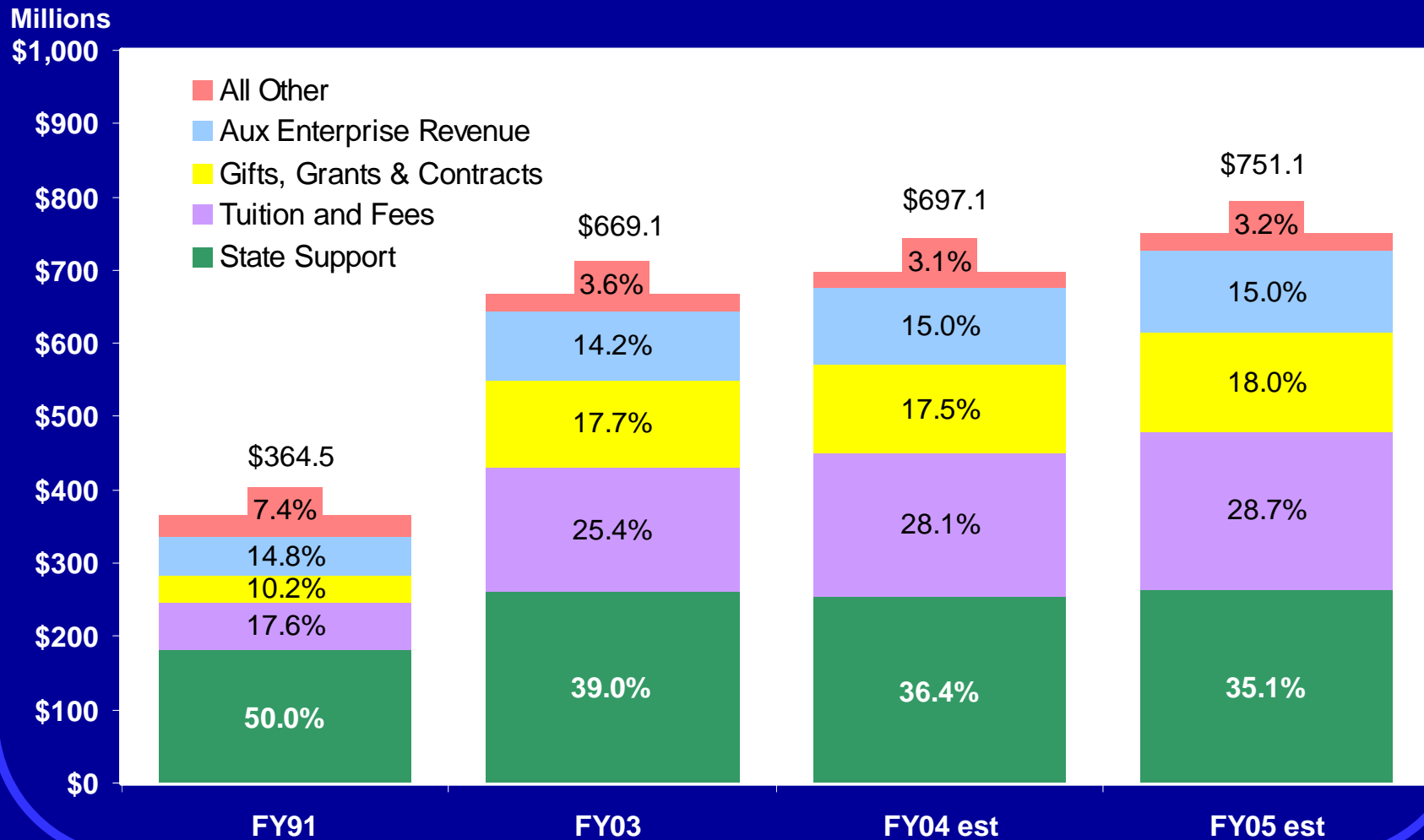
- All tuition, fee, and room and board increases have been matched by increases in financial aid to ensure that no students' education would be denied or hampered based on financial need
- Additional \$5.4M in aid for FY05
- Eliminated the un-met need gap for the neediest in-state students.
- Average student indebtedness is increasing: \$14,400 in FY01 to \$17,300 in FY04 (National Average is \$18,900)

75% of UConn students (undergraduate and graduate) received aid in FY04

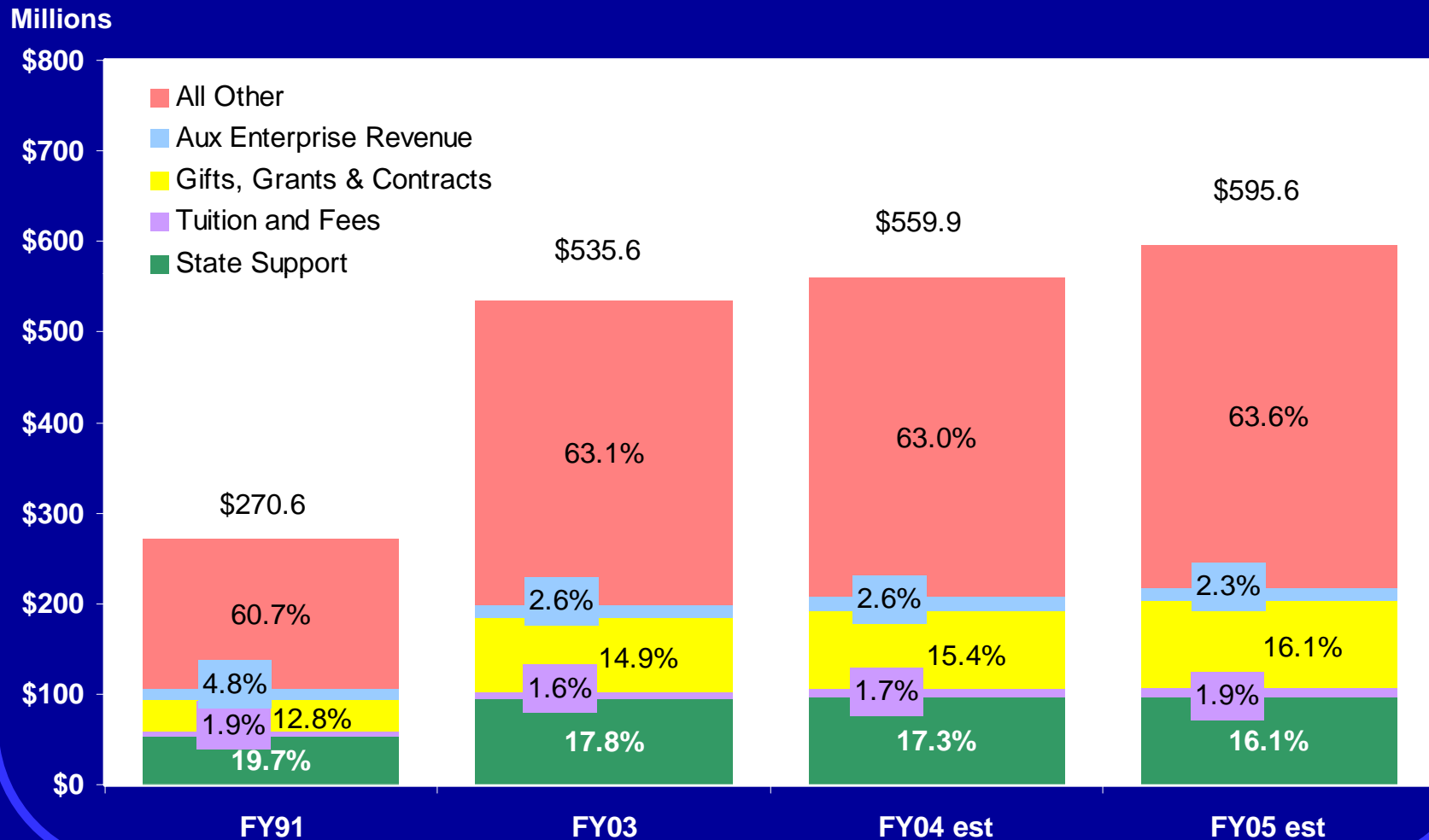
FY 2006 - FY 2007 Biennium

- Storrs & Regionals: FY06=\$795.1M & FY07=\$845.4M
 - Consolidates reputational & programmatic gains of last decade and begins implementation of academic plan
 - Planned & deliberate growth of faculty ranks in specific academic disciplines
 - Improve undergraduate education & expand research productivity
- Health Center: FY06=\$629.0M & FY07=\$661.6M
 - Curricular superiority
 - Growth of Signature Programs
 - Survival in competitive health care marketplace

Total Revenues by Type: Storrs & Regionals



Total Revenues by Type: Health Center



All Other: Correctional Managed Health Care, Net Patient Care, Interns & Residents, Investment Income and Other Revenue

State Appropriation (\$M)

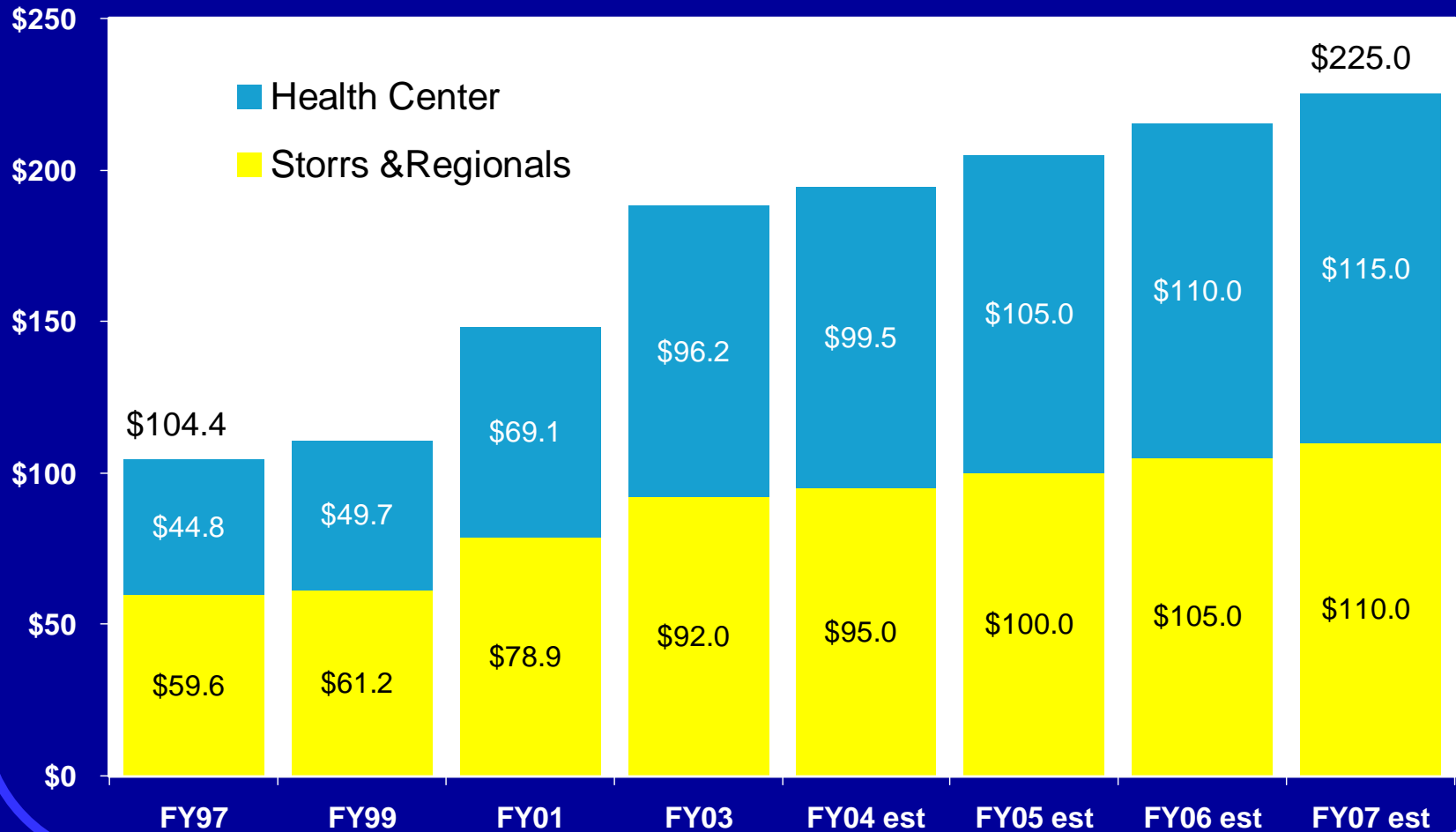
	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>
Storrs & Regionals	\$190.0	\$196.4	\$206.9	\$218.8
Health Center	\$73.7	\$73.1	\$75.0	\$76.4
			State Request	

Non-State Revenue Streams



- Private Support
- Research Funding
- Clinical Revenue @ Health Center
- Tuition/Room/Board/Fees @ Storrs & Regionals

Research Awards (\$M)



Research, Training & Public Service External Awards

Key Revenue Drivers: Health Center

	<u>% of FY05 Budget</u>	<u>% of FY06 Budget</u>	<u>% of FY07 Budget</u>
Patient Care	43.9%	43.9%	43.8%
State Support	16.1%	16.2%	15.9%
Gifts, Grants & Contracts	16.1%	16.4%	16.6%
Correctional Managed HC	13.6%	13.3%	13.1%
Interns & Residents	5.0%	4.9%	4.9%
All Other (including Tuition)	<u>5.3%</u>	<u>5.3%</u>	<u>5.7%</u>
Total	100.0%	100.0%	100.0%

Key Revenue Drivers: Storrs & Regionals

	<u>% of FY05 Budget</u>	<u>% of FY06 Budget</u>	<u>% of FY07 Budget</u>
State Support	35.1%	35.1%	35.2%
Tuition & Fees	28.7%	28.8%	28.5%
Auxiliaries	15.0%	15.0%	15.1%
Gifts, Grants & Contracts	18.0%	18.0%	18.2%
All Other	<u>3.2%</u>	<u>3.1%</u>	<u>3.0%</u>
Total	100.0%	100.0%	100.0%

Proposed Tuition, Fees, Room & Board

	FY05		FY06		FY07	
In-State						
Undergraduate	\$14,894	8.71%	\$15,760	5.81%	\$16,782	6.49%
Graduate	\$16,412	8.42%	\$17,382	5.91%	\$18,528	6.59%
Out-of-State						
Undergraduate	\$26,726	9.16%	\$28,264	5.75%	\$29,982	6.08%
Graduate	\$27,780	8.98%	\$29,442	5.98%	\$31,308	6.34%

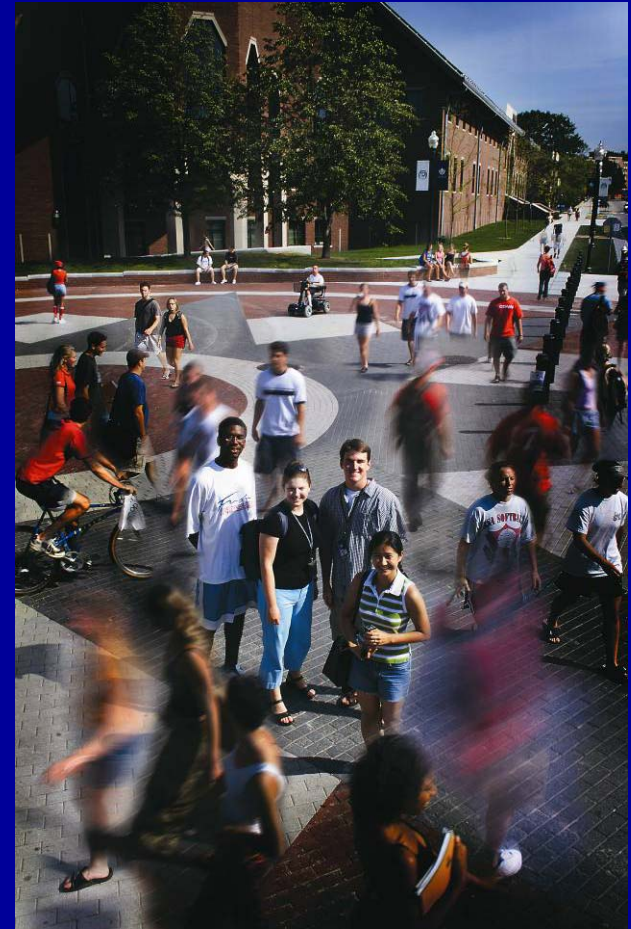
Proposed Tuition, Fees, Room & Board In-State Undergraduate Rates

	<u>FY05 Approved</u>	<u>FY05 Proposed</u>	<u>Amount Change</u>
Tuition	\$5,720	\$5,772	\$52
GUF	\$1,116	\$1,200	\$84
Room	\$3,872	\$3,872	
Board	\$3,378	\$3,532	\$154
Newspaper	\$14	\$14	
USG	\$66	\$66	
WHUS	\$18	\$18	
Student Union	\$36	\$36	
UCONN TV	\$6	\$10	\$4
Transit	\$40	\$40	
Student Union Bldg	\$26	\$26	
IMF	<u>\$296</u>	<u>\$308</u>	<u>\$12</u>
Total	\$14,588	\$14,894	\$306

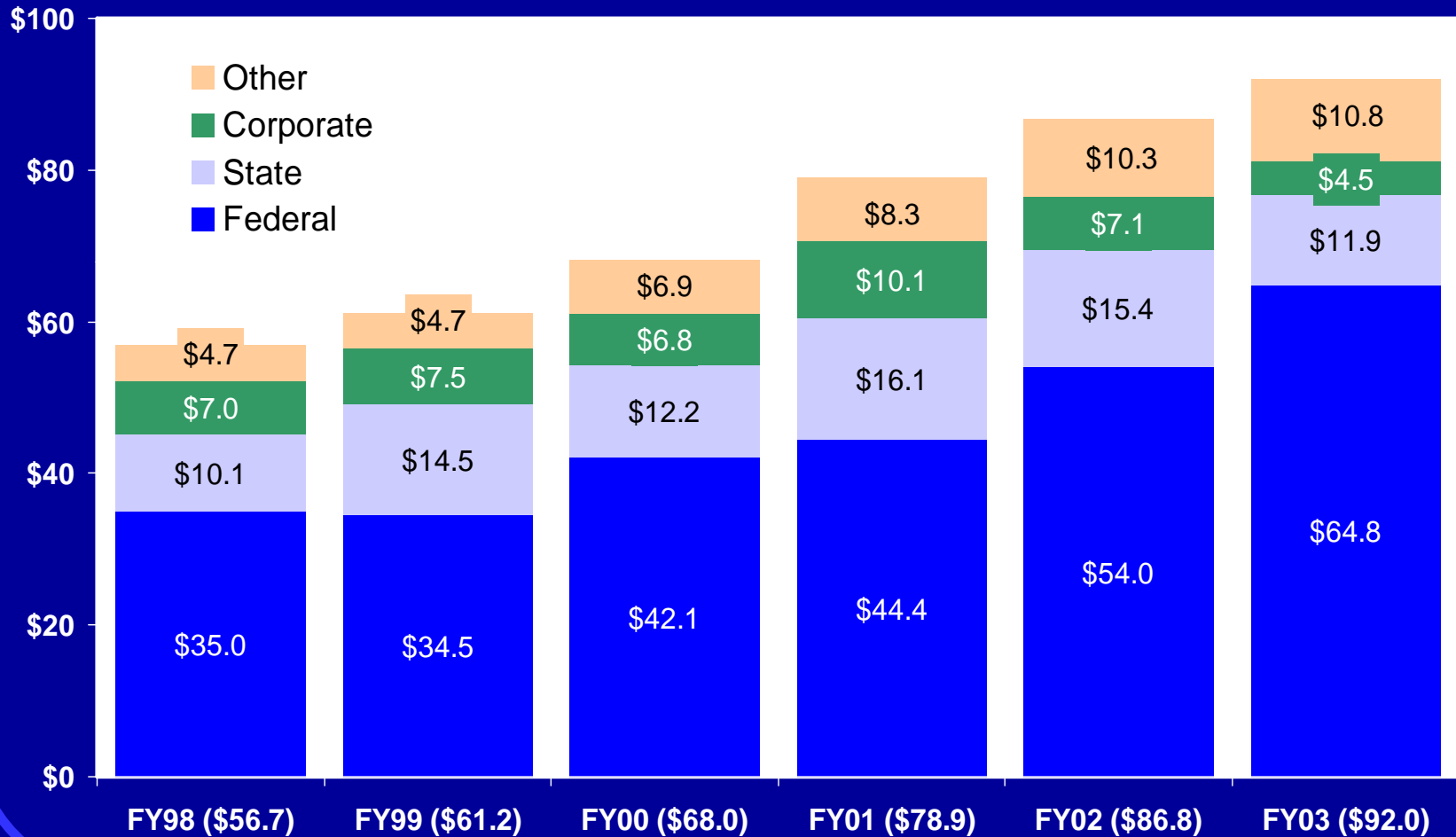
Academic Highlights

FY 2004 = Application of
Academic Plan within
context of ERIP

- Research growth
- Undergraduate characteristics
- Diversity snapshot
- Reallocations
- Academic Plan implementation



Research Awards (\$M): Storrs & Regionals



Graduate/Research: Success

- Awarded 3 large equipment grants from NIH & NSF in the last 2 years
- Graduate School implemented electronic admissions in Fall 2003: 80% utilization
- Research Strategic Planning Committee focused on development in Structural Biology & Bioinformatics with the creation of the Biotech/Bioservices Center

Undergraduate Plan



- Continue to improve student retention and graduation rates
- In order for UConn to improve our position in a highly competitive marketplace, we need to make investments that enhance and improve our academic product

- Stabilize enrollment
- The #1 reason why a student chooses a college or university is the quality of the academic program and services



Fall 2004 New Student Highlights

Compared to Fall 2003 at Storrs:

- Applications for admission + 4.4%
 - (17,666 to 18,443)
- SAT scores increased by 8 points
 - (1167 to 1175)
- Valedictorians and salutatorians increased by 25 students
 - (75 to 100)
- Minority student enrollment increased by 5.2%
 - (537 to 565)



Fall 2004 New Student Highlights



Compared to Fall 1995 at Storrs:

- Applications for admission + 87%
 - (9,874 to 18,443)
- SAT Scores increased by 62 points
 - (1113 to 1175)
- Valedictorians and salutatorians increased by 60 students
 - (40 to 100)
- Minority student enrollment increased by 83%
 - (308 to 565)

Diversity in Academic Programs: Successes

- 30+ recommendations presented in the Diversity Plan have been implemented over the past 2 years, including:
 - General education requirements that promote greater understanding of diverse cultures and community
 - UConn overall faculty diversity is at least comparable to peers
 - Female staff now constitute nearly 50% of total staff on campus
 - University -wide Diversity website, Diversity brochure, and new OMIA website to assist with the overall positioning of UConn as an environment supportive of diversity



Diversity in Academic Programs: Challenges

- Recruiting & retaining historically underrepresented faculty
- Increasing the diversity of students at the graduate level
- Graduating more historically underrepresented students in the areas of Science, Technology, Engineering & Mathematics
- Increasing the number of women in major administrative positions



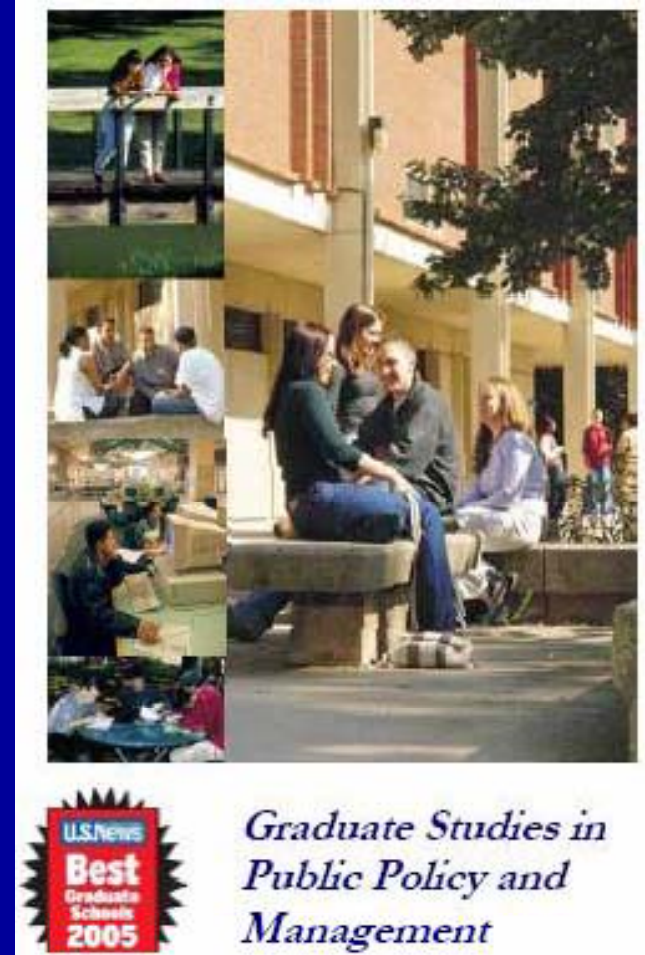
Academic Reallocations

- \$7.8M reallocated
 - Some moved by Provost's Office among schools and colleges
 - Most moved within schools among departments
 - Agriculture, Allied Health, Liberal Arts, Engineering, Family Studies, Fine Arts, Law, Education, Pharmacy, Social Work

Academic Reallocations: CLAS

College of Liberal Arts & Sciences: \$2.2M

- Geology Department closing
- Public Policy Department creation
- Consolidated business services



Expenditures (\$M): FY01 = \$94.1, FY02 = \$100.3, FY03 = \$106.5, FY04 est = \$108.4

Academic Reallocations: Neag

Neag School of Education: \$2M

- Program closings
 - Higher Education Administration, Sports Sociology, Sports Psychology, Fitness Management, Therapeutic Recreation, Counseling Psychology, Sociology of Sports and Tourism
- Program Enhancements
 - Teacher Education, Kinesiology, Literacy, Gifted & Talented, Measurement & Assessment



Expenditures (\$M): FY01 = \$15.2, FY02 = \$15.8, FY03 = \$17.0, FY04 est = \$16.3

Provost's Grant Competition

- 48 submitted proposals in short timeframe
- 7 invited to present proposals
- Decisions will be announced by November 1, 2004

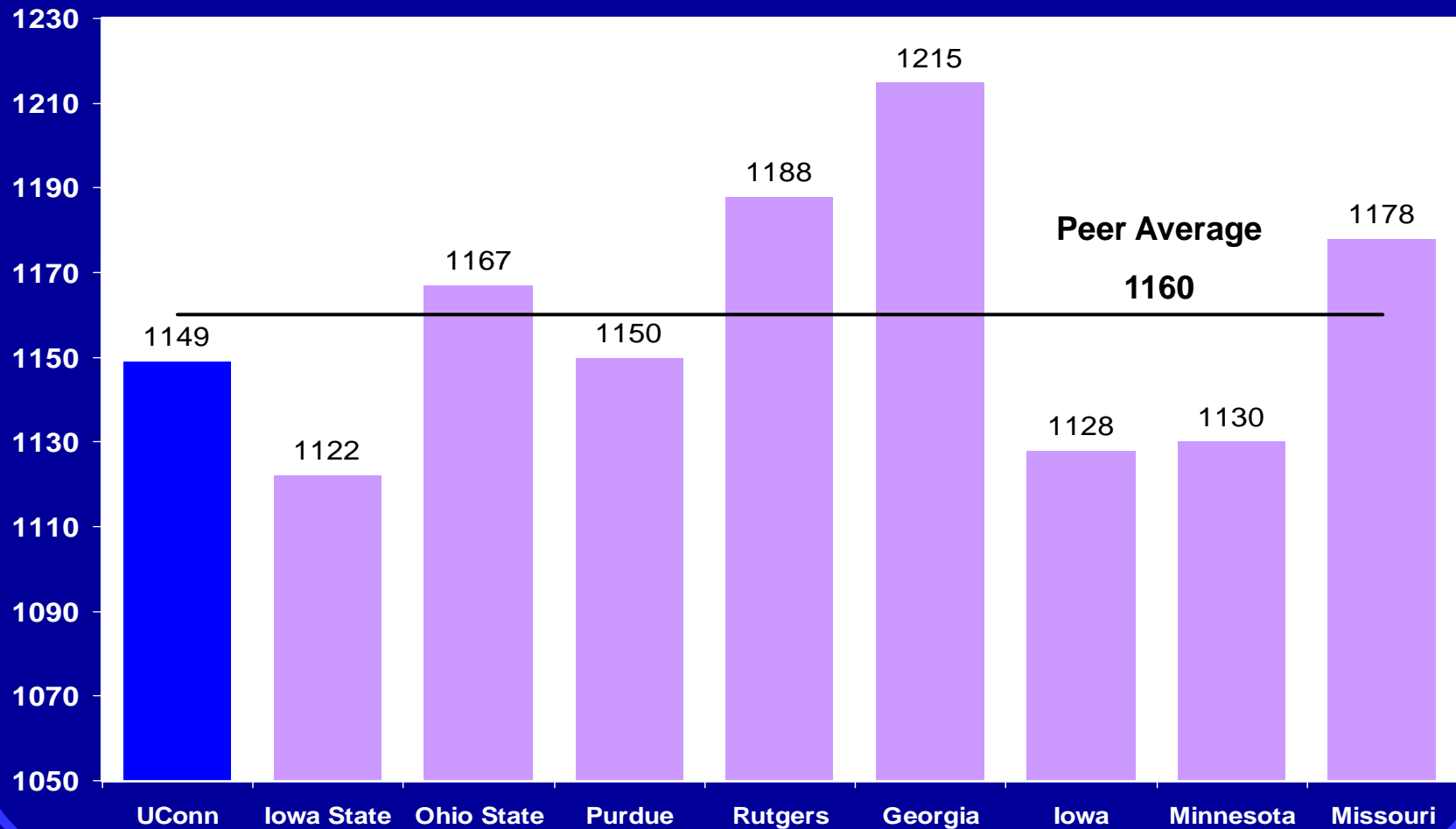
Proposals for Excellence!

Metrics

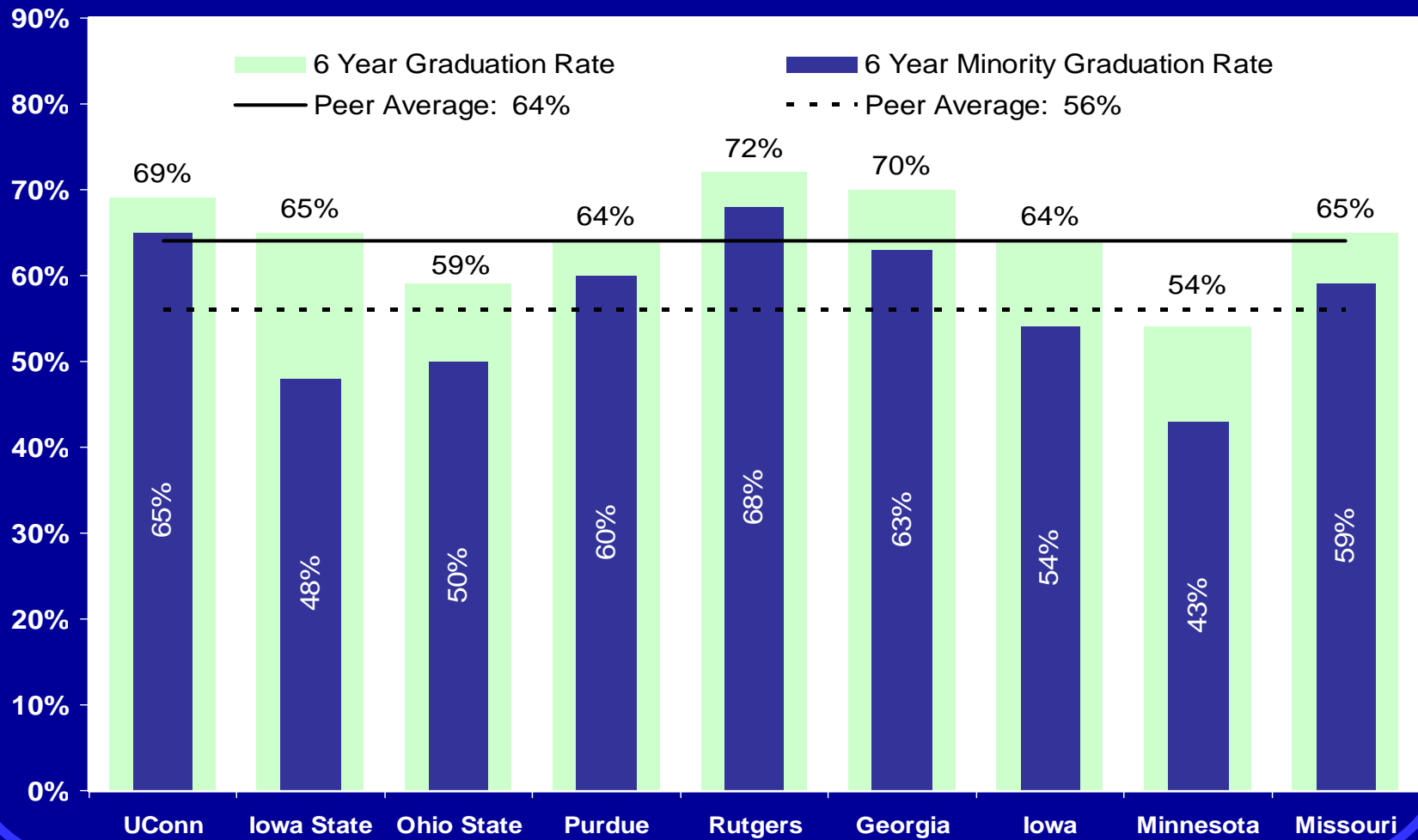
- Will be used to allocate resources, achieve our goals & implement the academic plan
- New peer group: Georgia, Iowa, Iowa State, Ohio State, Purdue, Minnesota, Missouri & Rutgers
- Metrics are grouped into 5 categories:
 - Undergraduate Education
 - Research & Graduate/Professional Education
 - Diversity
 - Resources
 - National Reputation



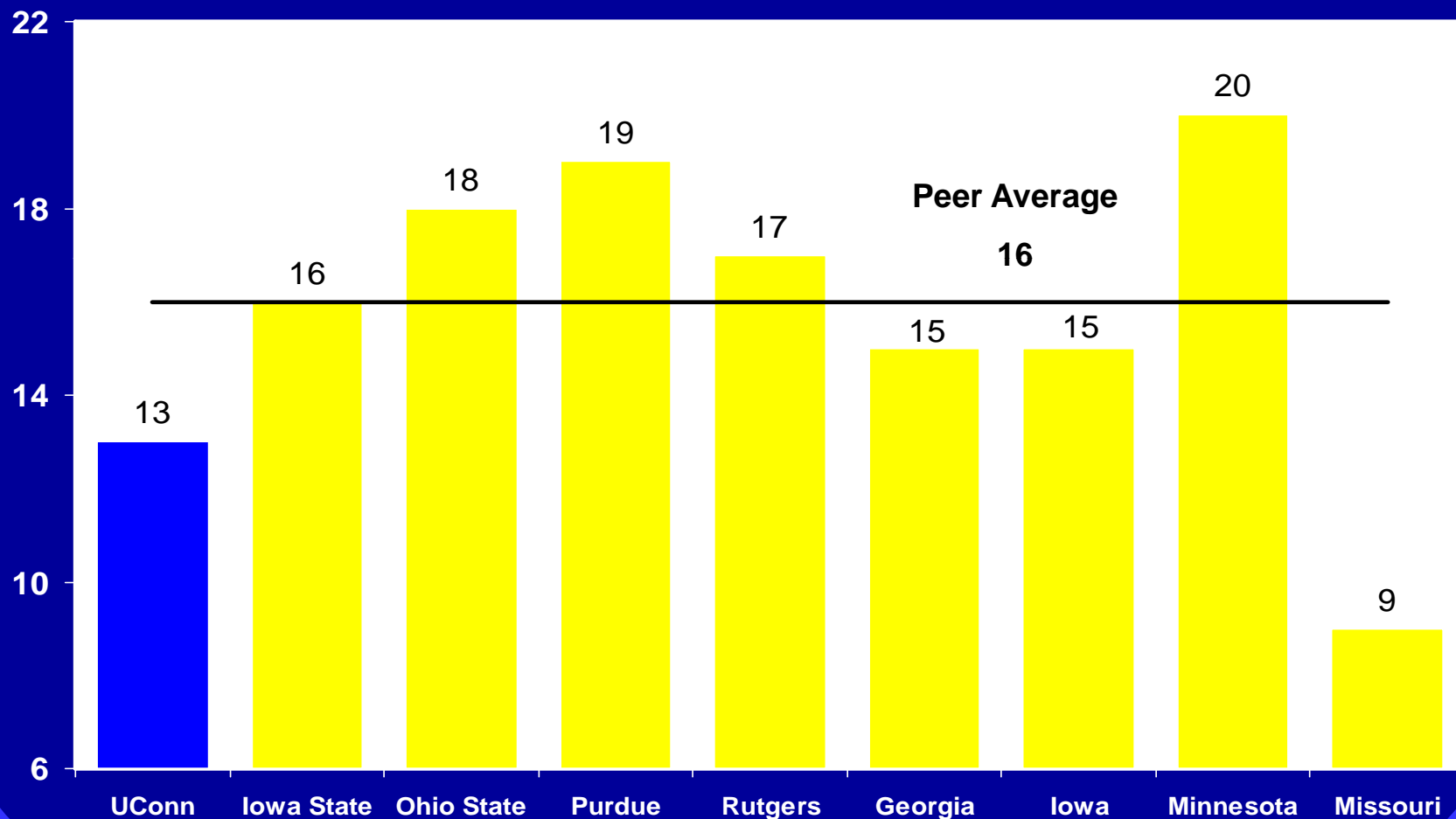
Freshmen Average SAT: Fall 2002 (Storrs)



6 Year Graduation Rate: Fall 2002 (Storrs)

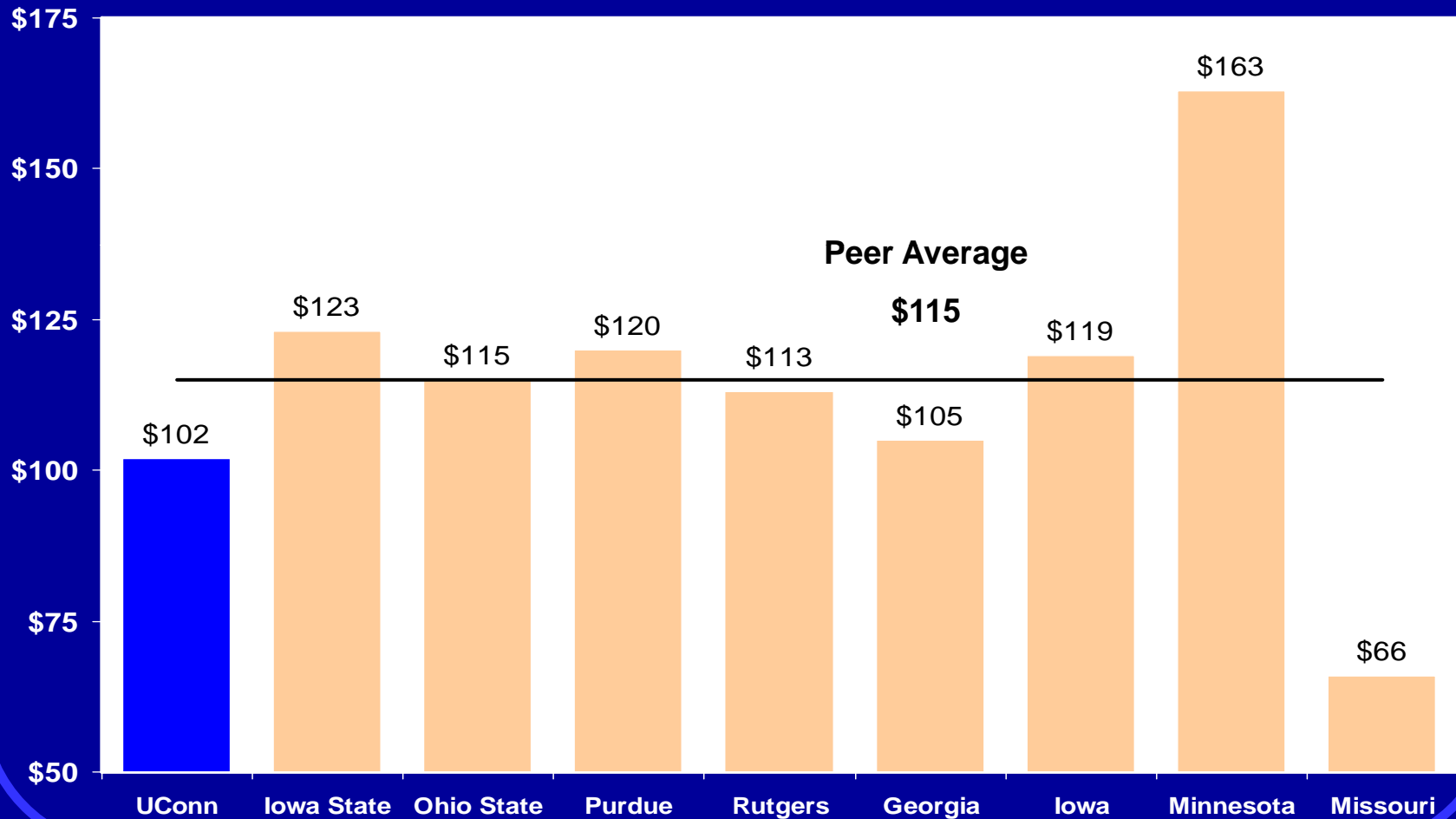


Doctoral Degrees Awarded: FY 2002



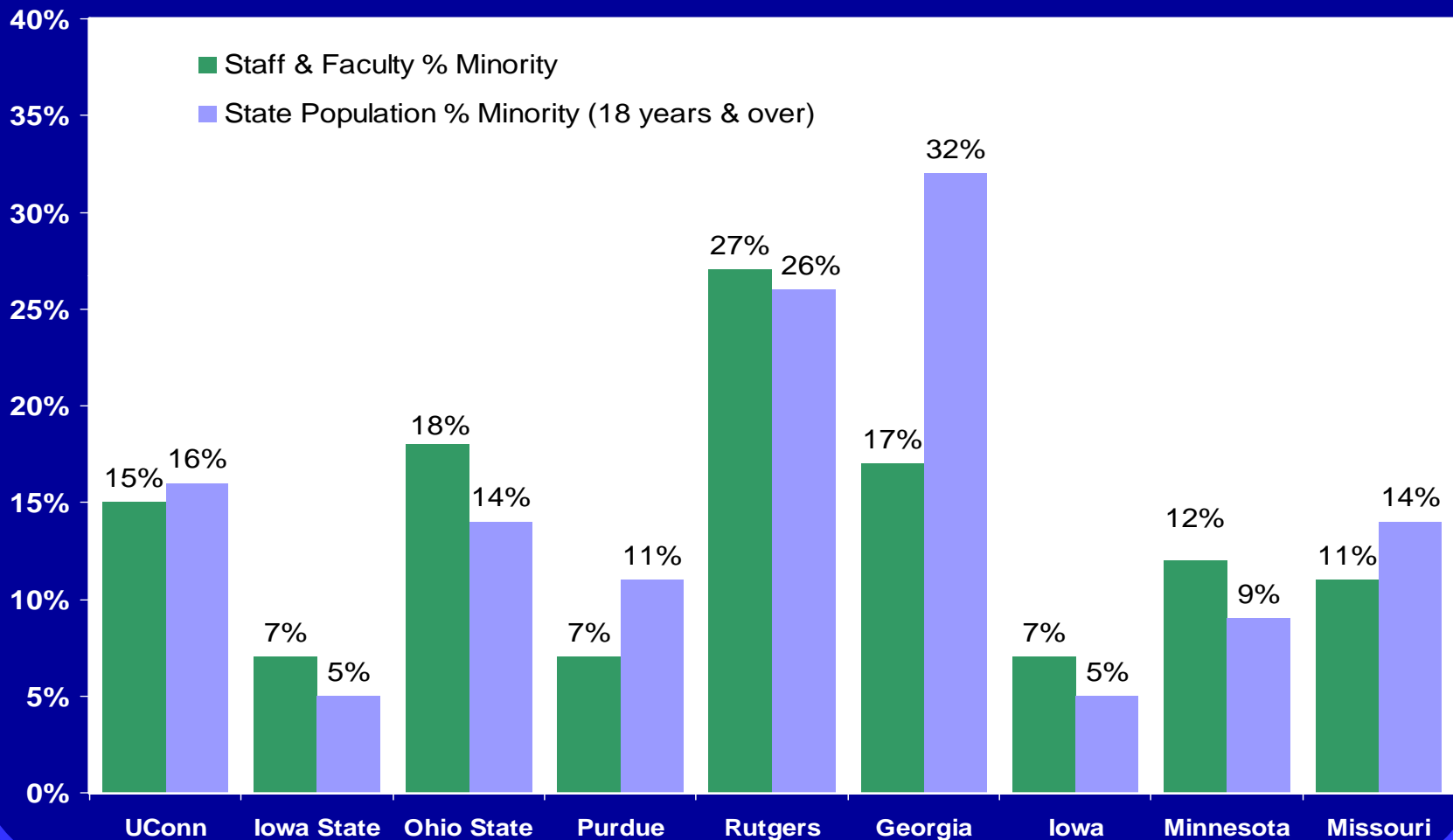
Doctoral Degrees Awarded / 100 Faculty FTE

External Research Expenditures (\$K): FY 2001



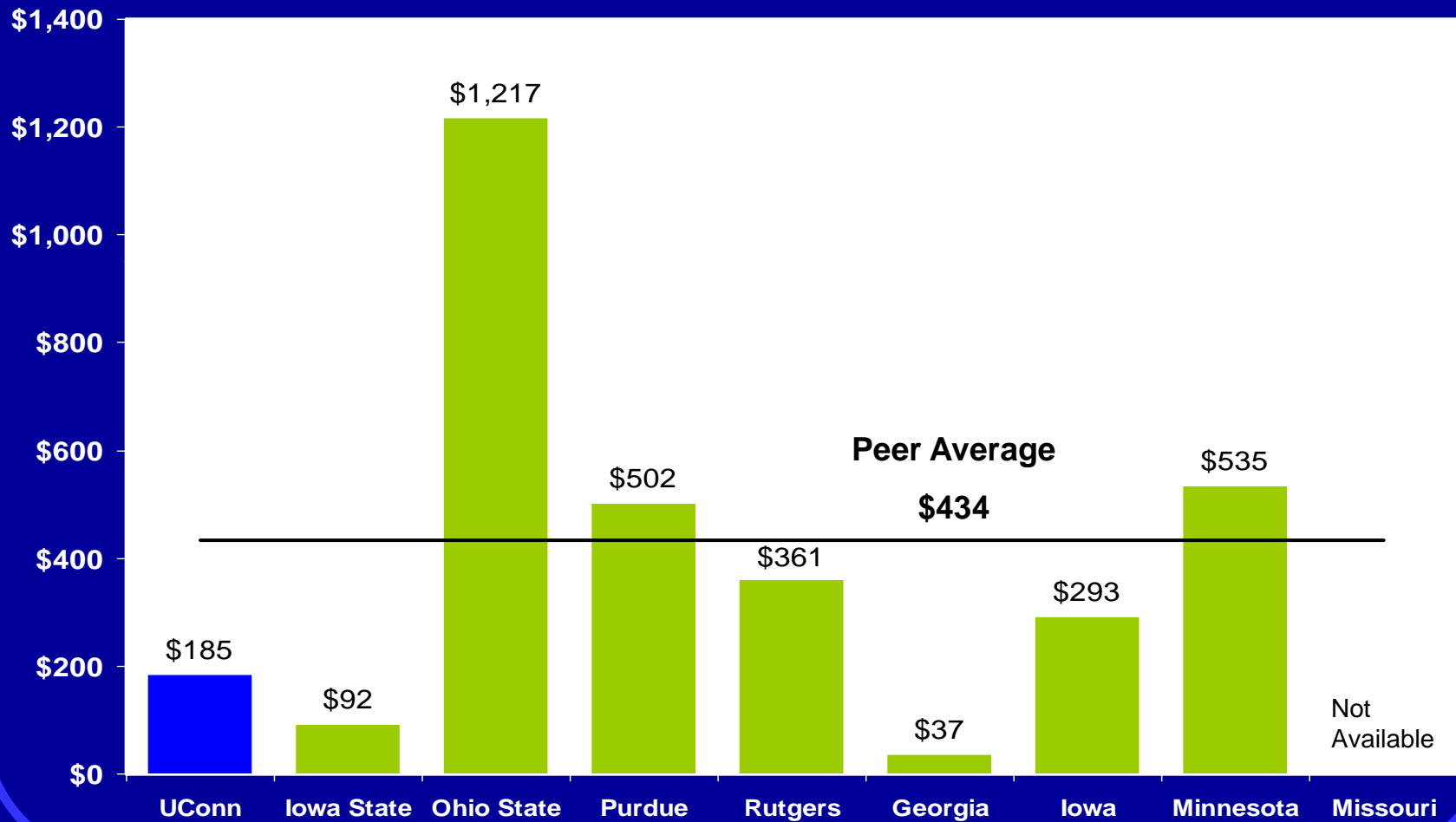
External Research Expenditures / 100 Faculty FTE

Minority Staff & Faculty: Fall 2001

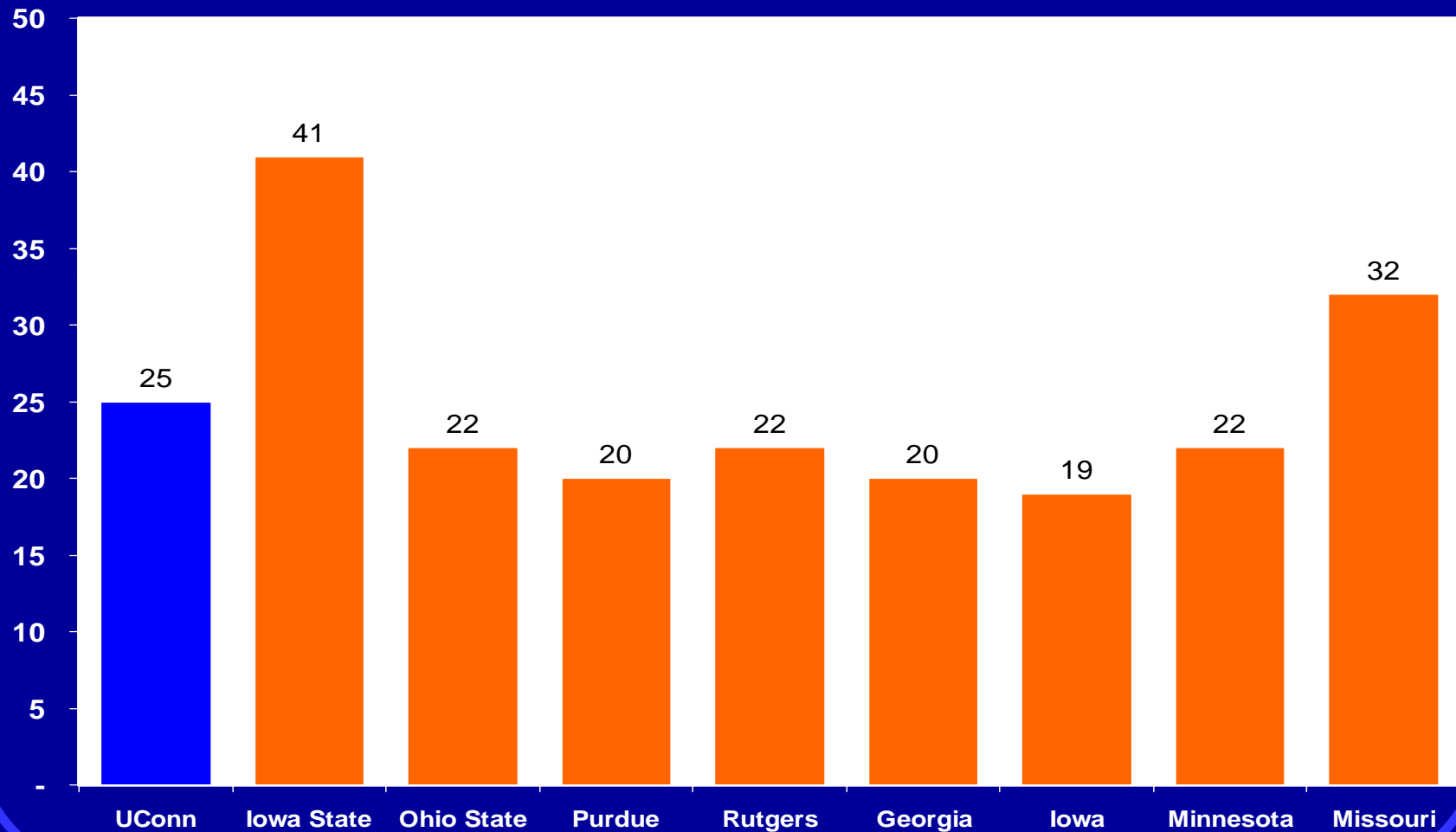


Staff & Faculty % Minority vs State Population % Minority

Endowment Assets Market Value (\$M): FY 2003

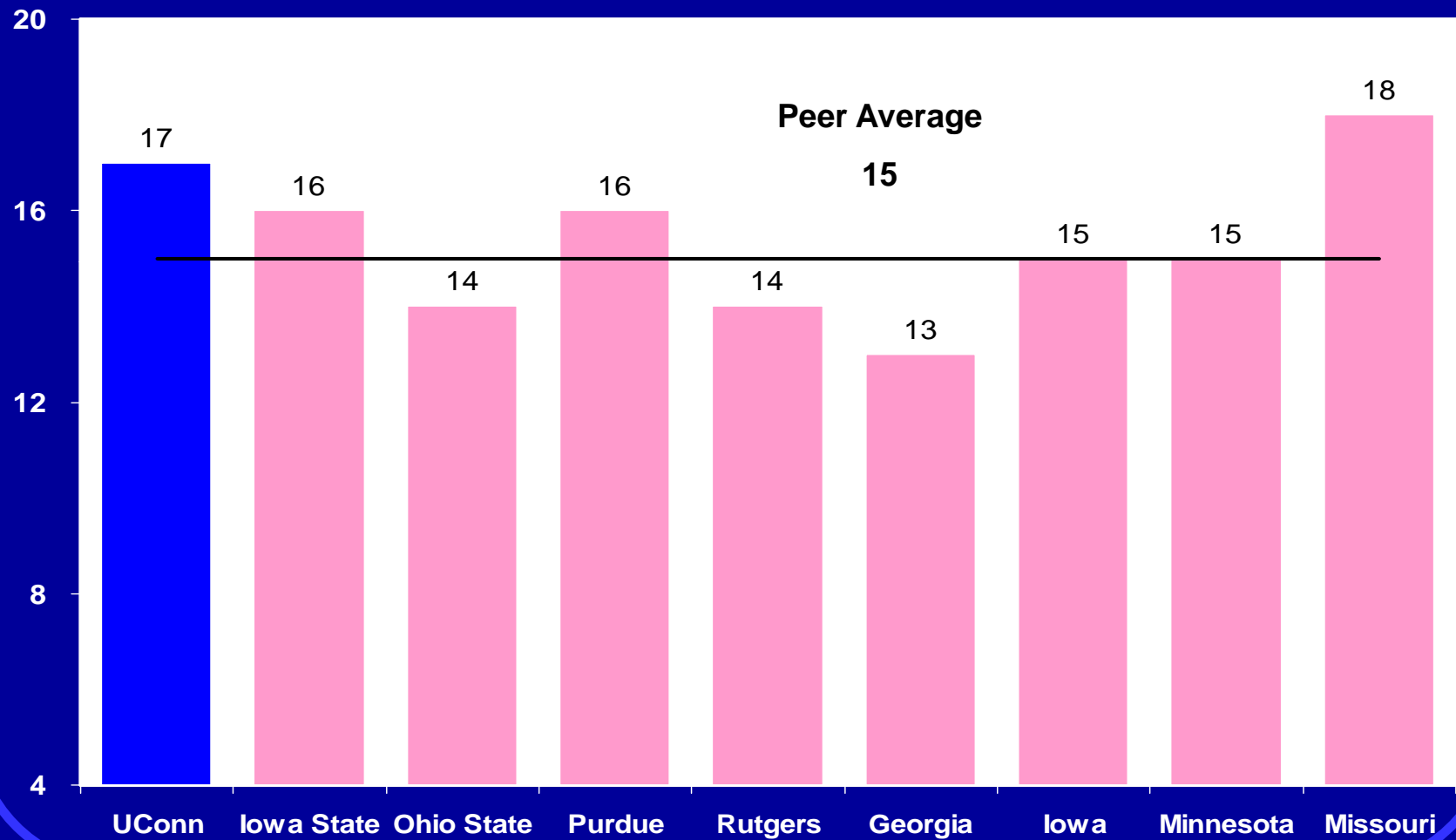


America's Best Colleges: Fall 2002 (Storrs)

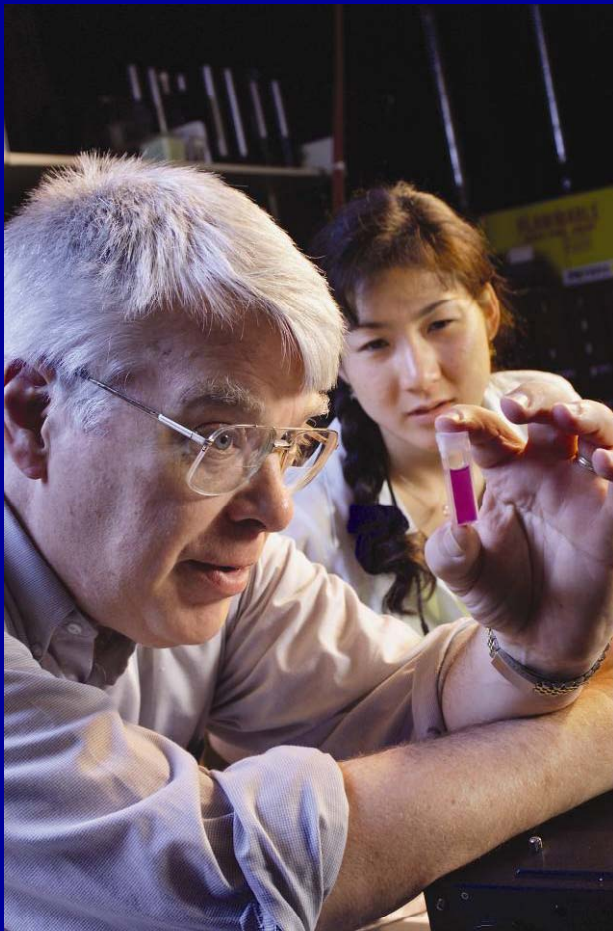


Rank Among Top 50 Public National Universities

Student / Faculty Ratio: Fall 2002



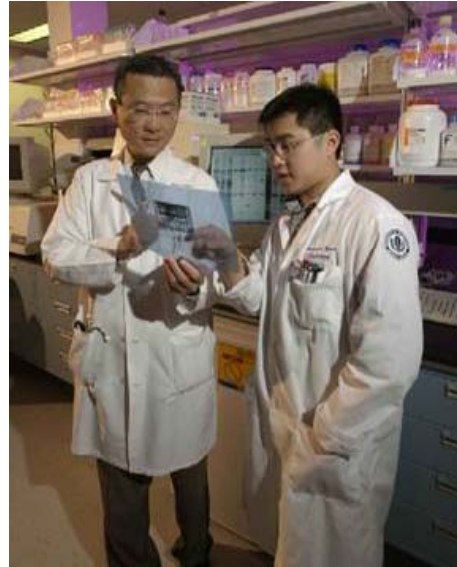
Faculty Growth



- 150 additional faculty in 5 years will bring student / faculty ratio to 15:1
- All hires will improve course coverage, reputation & diversity
- At least 50% of hires will be in areas of significant research funding
- FY06 - 30 targeted hires
 - 15 positions focused on Life Sciences and Science & Technology
 - High demand programs + high quality programs = more investment in program



University of Connecticut Health Center



**University of Connecticut Board of Trustees
June 22, 2004**

**University of Connecticut Health Center
FY2005 Proposed Operating Budget**

UCHC FY05 Consolidated Budget

UCHC Consolidated Statement of Revenues and Expenses (with Eliminations)				
Operating Budget - Fiscal Year 2005				
	FY2004	FY2005	FY05 Budget	
	Projected	Proposed	vs FY04 Projected	Percent
		Budget	Variance	Variance
Revenues:				
Tuitions	\$ 5,567,000	\$ 6,795,455	\$ 1,228,455	22.1%
Fees	3,739,000	4,317,330	578,330	15.5%
Federal Research Grants and Contracts	62,500,000	70,360,000	7,860,000	12.6%
Non-Federal Research Grants and Contracts	23,744,000	25,516,516	1,772,516	7.5%
Auxiliary Enterprises	14,771,000	13,627,065	(1,143,935)	-7.7%
Interns and Residents	27,640,000	29,868,321	2,228,321	8.1%
Net Patient Care	241,712,000	261,775,380	20,063,380	8.3%
Correctional Managed Health Care	77,910,500	81,063,597	3,153,097	4.0%
Endowment/Foundation Income	1,700,000	2,074,784	374,784	22.0%
Investment Income	505,000	732,714	227,714	45.1%
Other Income	3,470,000	3,361,696	(108,304)	-3.1%
Total Revenues	\$ 463,258,500	\$ 499,492,858	\$ 36,234,358	7.8%
Expenses:				
Personal Services	\$ 277,040,000	\$ 296,102,532	\$ 19,062,532	6.9%
State Supported Fringe Benefits	22,843,000	23,026,277	183,277	0.8%
Fringe Benefits	48,742,663	52,478,134	3,735,471	7.7%
Medical Contractual Support	7,471,000	8,042,180	571,180	7.6%
Medical/Dental House Staff	31,940,000	32,992,880	1,052,880	3.3%
Outside Agency Per Diems	6,401,000	4,056,026	(2,344,974)	-36.6%
Drugs/Medical Supplies	60,145,000	61,683,782	1,538,782	2.6%
Utilities	8,838,000	9,705,551	867,551	9.8%
Outside & Other Purchased Services	35,075,033	41,625,225	6,550,192	18.7%
Insurance	4,598,800	4,455,035	(143,765)	-3.1%
Repairs & Maintenance	7,720,700	8,894,919	1,174,219	15.2%
Provision for Bad Debts	9,482,000	10,273,508	791,508	8.3%
Other Expenses	18,679,333	20,042,703	1,363,370	7.3%
Depreciation	20,311,300	21,665,745	1,354,445	6.7%
Total Expenses	\$ 559,287,829	\$ 595,044,497	\$ 35,756,668	6.4%
Excess/(Deficiency) of Revenues				
over Expenses Prior to State Appropriations	\$ (96,029,329)	\$ (95,551,639)	477,690	-0.5%
State Appropriation-Block Grant	73,748,844	73,109,946	(638,898)	-0.9%
State Supported Fringe Benefits & Other Adjustments	22,843,000	23,026,277	183,277	0.8%
Excess/(Deficiency)	\$ 562,515	\$ 584,584	\$ 22,069	3.9%
Total State Support	96,591,844	96,136,223	(455,621)	-0.5%
Percent of Total Revenues	17.25%	16.14%	-1.11%	
Total State Support without Fringe Benefits	73,748,844	73,109,946	(638,898)	-0.9%

**We “earn”
\$500 million
per year.**

**We employ over
4,900 people**

**We are a big
business! !**

**Our subsidy –
the State 16.14%**

STRENGTHS

What We've Done

■ FOCUSED

- ✓ **Board of Directors has set vision – started with November 2003 retreat; adopted June 2004.**
 - National recognition for improving health and wellness of CT citizens through innovative integration of research, education and clinical care.
 - Educational excellence



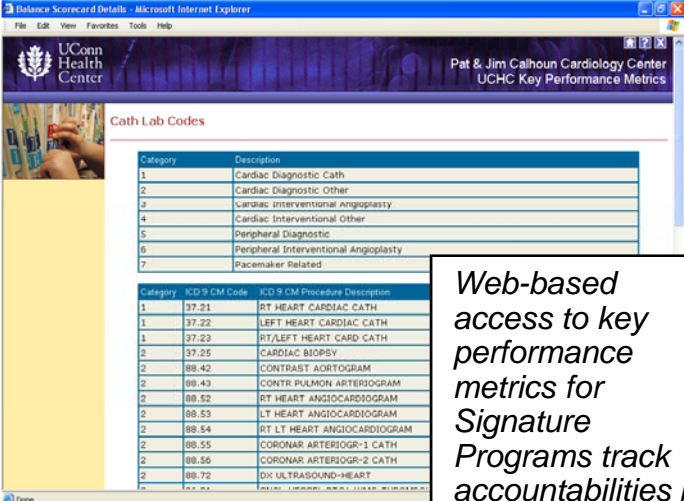
Left: Dr. Carolyn D. Runowicz, named "Local Legend" by the American Medical Women's Association recognizing highly accomplished female physicians from each of the 50 states.

STRENGTHS

What We've Done

■ ACCOUNTABILITY

- ✓ **Signature Program Business Plans – Cardiology finalized, Cancer finalized, Musculoskeletal in preparation**
 - Key Performance metrics e.g. payor mix, customer satisfaction, market share, LOS, NIH\$/FTE, NIH\$/s.f., leverage ratio-ext/int funds, peer review panels, publications, and research awards/grants.
- ✓ **Research review underway to identify and adopt best practices**
 - PricewaterhouseCoopers engaged a working group composed of 36 faculty and senior administrators in an examination of the UCHC research enterprise and of best practices in research. Recommendations due June 30, 2004.



UConn Health Center
Pat & Jim Calhoun Cardiology Center
UCHC Key Performance Metrics

Cath Lab Codes

Category	Description
1	Cardiac Diagnostic Cath
2	Cardiac Diagnostic Other
3	Cardiac Interventional Angioplasty
4	Cardiac Interventional Other
5	Peripheral Diagnostic
6	Peripheral Interventional Angioplasty
7	Pacemaker Related

Category	ICD 9 CM Code	ICD 9 CM Procedure Description
1	37.21	RT HEART CARDIAC CATH
1	37.22	LEFT HEART CARDIAC CATH
1	37.23	RT/LEFT HEART CARD CATH
2	37.25	CARDIAC BIOPSY
2	88.42	CONTRAST AORTOGRAM
2	88.43	CONTR PULMON ARTERIOGRAM
2	88.52	RT HEART ANGIOCARDIOGRAM
2	88.53	LT HEART ANGIOCARDIOGRAM
2	88.54	RT LT HEART ANGIOCARDIOGRAM
2	88.55	CORONAR ARTERIOGR-1 CATH
2	88.56	CORONAR ARTERIOGR-2 CATH
2	88.72	DX ULTRASOUND-HEART

Web-based access to key performance metrics for Signature Programs track accountabilities by physician, DRG and volumes.

STRENGTHS

What We've Done

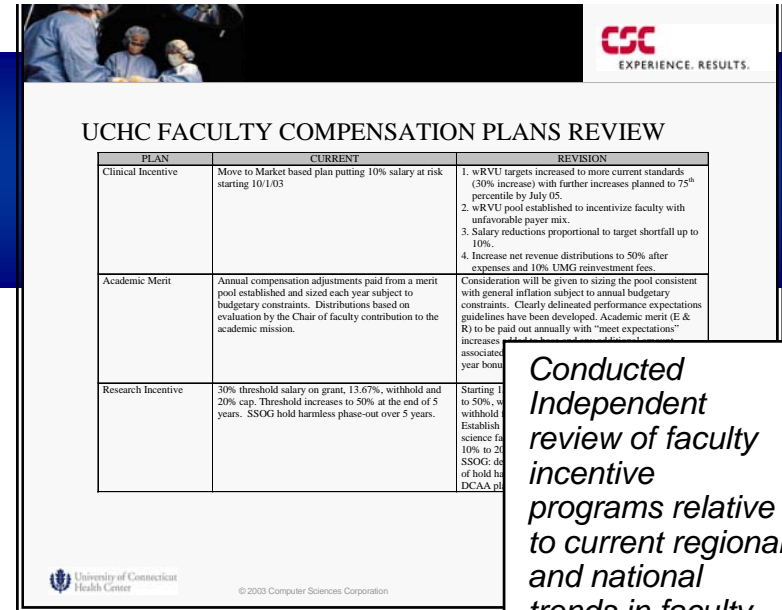
■ ACCOUNTABILITY

✓ Clinical profitability

- Achieved a clinical operations turn-around from a \$6.5 million UMG loss in FY02 to breakeven in FY04 and a positive gain in clinical operations overall of \$2.4 million in FY04.

✓ Faculty Compensation Plans reviewed, revised and implemented.

- Implemented base salary policy for new tenured faculty; Research Incentive Plan funded for the second year; Clinical Incentive Plan revised; Academic Merit Plan revised and performance expectations established.



UCHC FACULTY COMPENSATION PLANS REVIEW

PLAN	CURRENT	REVISION
Clinical Incentive	Move to Market based plan putting 10% salary at risk starting 10/1/03	1. wRVU targets increased to more current standards (30% increase) with further increases planned to 75 th percentile by July 05. 2. wRVU pool established to incentivize faculty with unfavorable payer mix. 3. Salary reductions proportional to target shortfall up to 10%. 4. Increase net revenue distributions to 50% after expenses and 10% UMG reinvestment fees.
Academic Merit	Annual compensation adjustments paid from a merit pool established and sized each year subject to budgetary constraints. Distributions based on evaluation by the Chair of faculty contribution to the academic mission.	Consideration will be given to sizing the pool consistent with general inflation subject to annual budgetary constraints. Clearly delineated performance expectations guidelines have been developed. Academic merit (E & R) to be paid out annually with "meet expectations" increases and "exceed expectations" increases associated year bonus.
Research Incentive	30% threshold salary on grant, 13.67%, withhold and 20% cap. Threshold increases to 50% at the end of 5 years. SSOG hold harmless phase-out over 5 years.	Starting 10/1/03, wRVU pool established to incentivize faculty with unfavorable payer mix. Establish science faculty pool with 10% to 20% SSOG; de-escalate hold harmless phase-out over 5 years. DCAA plan.

University of Connecticut Health Center © 2003 Computer Sciences Corporation

Conducted Independent review of faculty incentive programs relative to current regional and national trends in faculty compensation, and plan effectiveness.

STRENGTHS

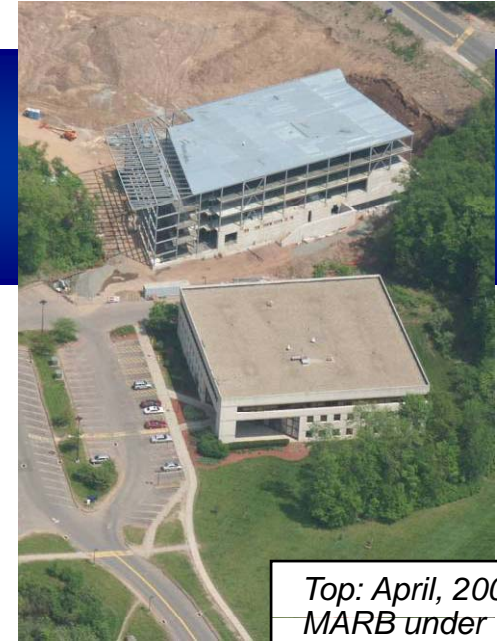
What We've Done

■ STRATEGIC INVESTMENT

✓ **Master Plan completed; 21st Century UConn planning completed; Clinical Facilities Planning will be completed Summer 2004.**

- New research tower planning underway; received 36 responses to design RFP

✓ **IT Strategic Plan completed and being implemented.**



*Top: April, 2004
MARB under
construction; to
be completed
January, 2005 .*

*Bottom: ASB to
be converted to
clinical
ambulatory
space as part of
Clinical Master
Plan.*

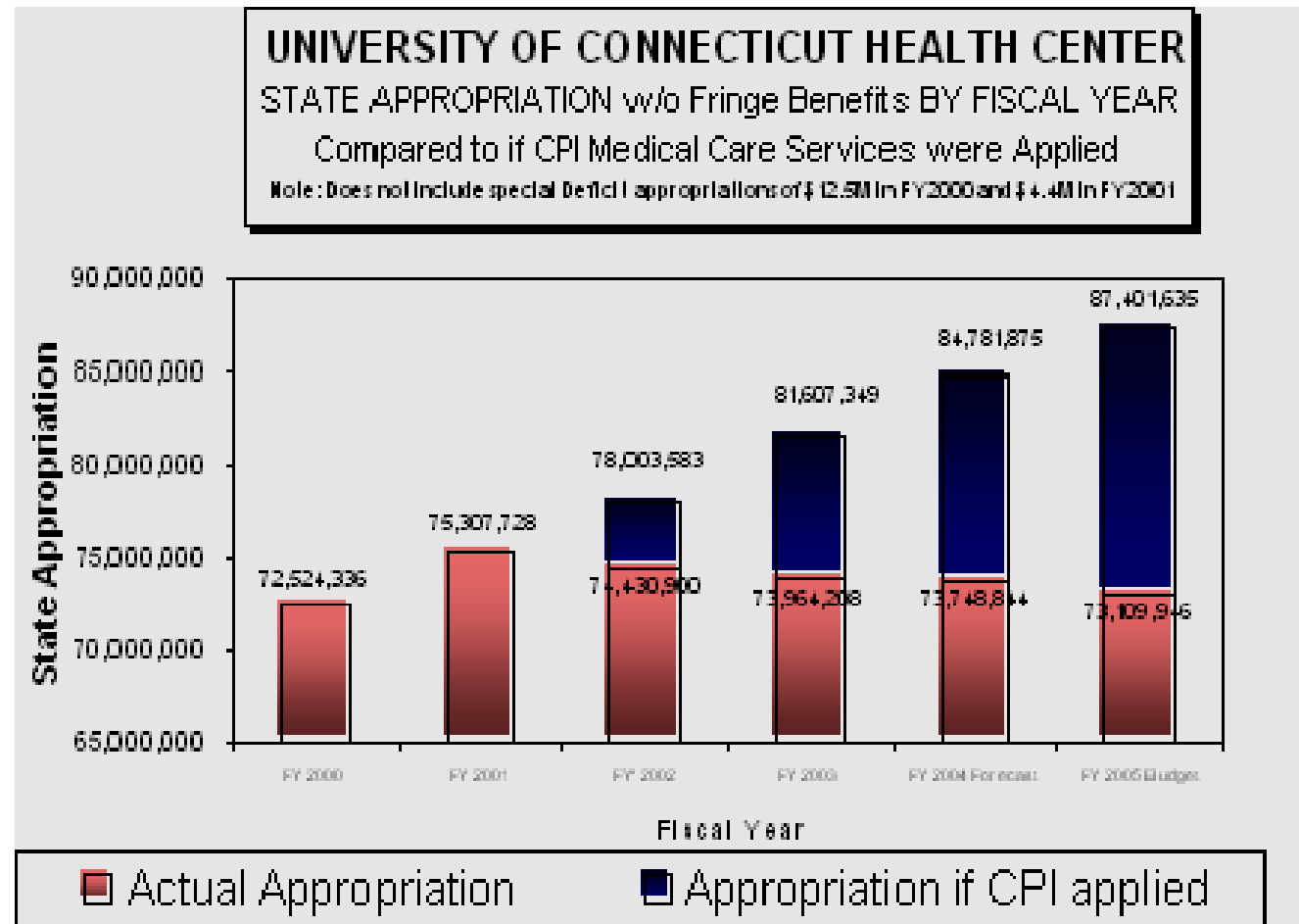
CHALLENGES

What We Face

FINANCIAL CHALLENGES

- ✓ Continuing decline in State support as a % of budget

FY01	22.56%
FY02	20.53%
FY03	18.16%
FY04	17.25%
FY05	16.14%



CHALLENGES

What We Face

■ FINANCIAL CHALLENGES

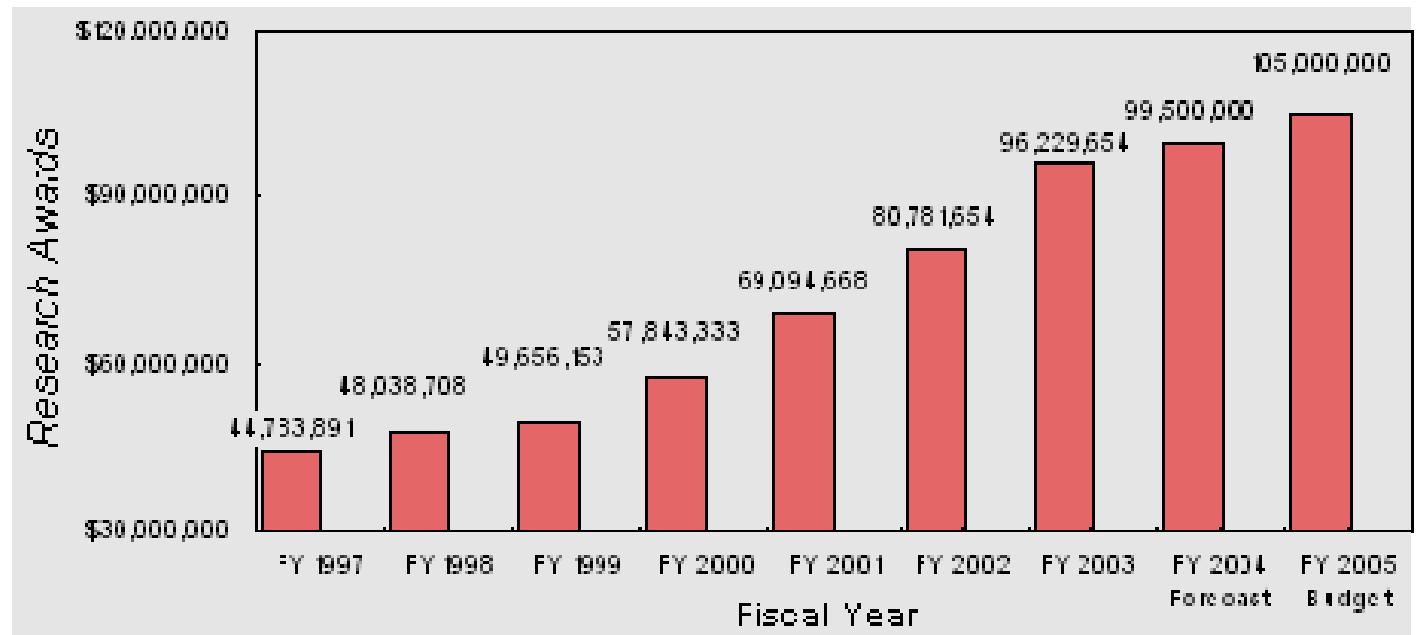
- ✓ Anticipated slowing in the rate of growth in NIH research funding

- ✓ No new state appropriation in support of our Basic Science Research Strategic Plans since the \$3.1 million appropriation in FY01

NIH

FY04 = 16.6%

FY05 = 3.1%



CHALLENGES

What We Face

FINANCIAL CHALLENGES

- ✓ Maintain Clinical profitability – market competition
- ✓ Medicaid and Medicare
- ✓ Development/Foundation income stands only at .4% of revenue
- ✓ Continued reliance on institution-wide cost improvement – revenue enhancement and expense reduction

	FY00	FY01	FY02	FY03	FY04	FY05	TOTAL
FY00 Register	\$12.81	\$7.70					\$20.81
FY01 Register		\$5.77	\$1.25				\$7.02
FY02 Register			\$5.50				\$5.50
FY02 Supplemental			\$7.10	\$3.00			\$10.10
FY03 Register				\$8.40	\$2.70		\$12.10
FY04 Register					\$2.72		\$2.72
Est. FY05 Register						\$2.50	\$2.50
	<u>\$12.81</u>	<u>\$13.47</u>	<u>\$13.85</u>	<u>\$12.40</u> *	<u>\$5.42</u>	<u>\$2.50</u>	<u>\$80.55</u>
<i>FTE Reductions</i> [■]							
filled	103	5	21	28	8		165
vacant	44	3	13	25	5		90
Other/Transfer	0	0	1	5	1		7
subtotal	<u>147</u>	<u>8</u>	<u>35</u>	<u>58</u>	<u>14</u>		<u>252</u>
CMHC	<u>0</u>	<u>0</u>	<u>0</u>	<u>36</u>	<u>0</u>		<u>36</u>
total	<u>147</u>	<u>8</u>	<u>35</u>	<u>94</u>	<u>14</u>	TBD	<u>288</u>

* Dollar amount does not include \$1.7 in CMHC FY03 reductions.

■ incremental impact of prior year improvements

- ✓ Carry out a \$2.5 million cost reduction plan
- ✓ Achieve a \$1 million supply chain improvement effort in the clinical operation.

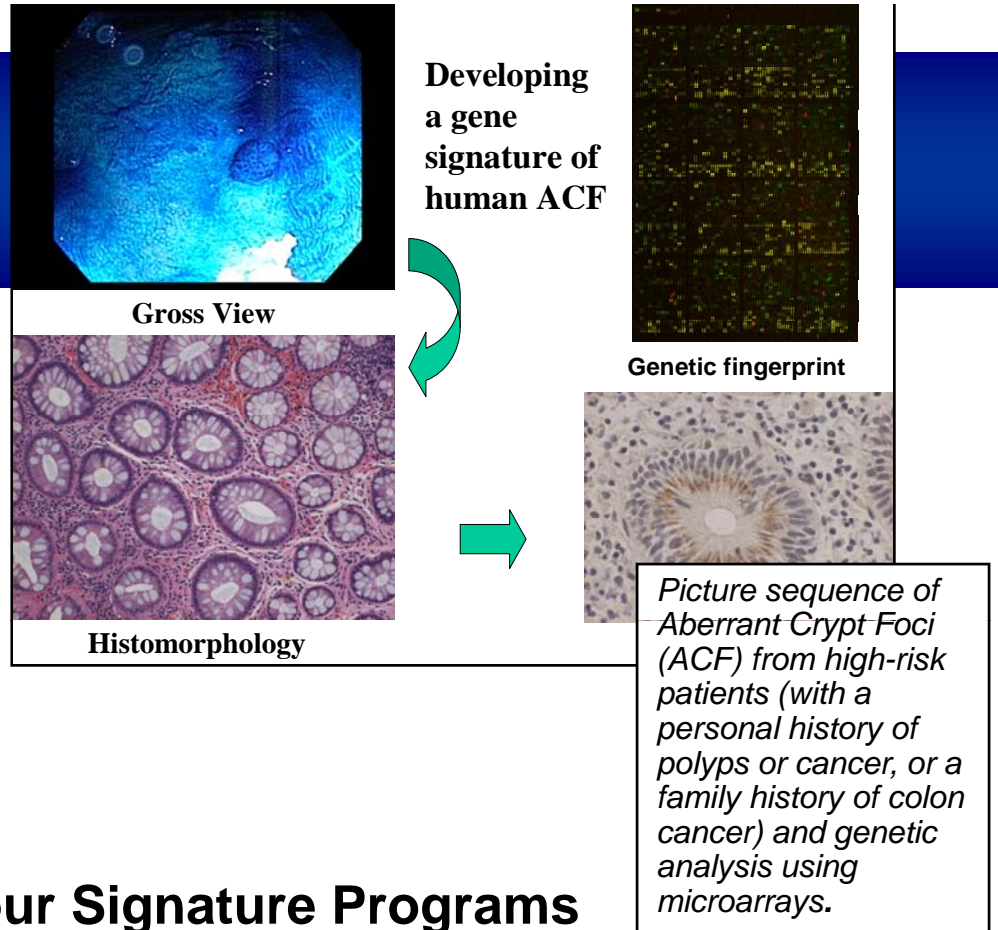
Opportunities

What We Will Do

■ FOCUS

✓ Make key investments in our Signature Programs

- Cardiology - recruit Vascular Surgeon and Interventionalist
- Cancer - recruit Medical and GI Oncologists; hire new research scientist
- Musculoskeletal - recruit Institute Leader
- Open, equip and operate the MARB



Opportunities

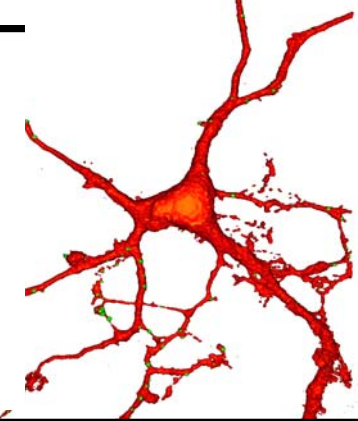
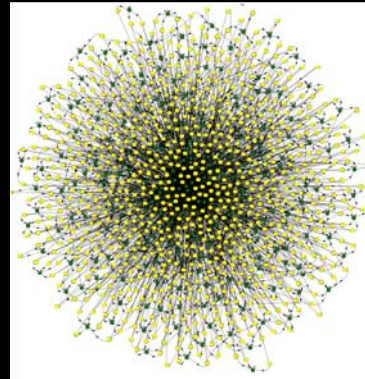
What We Will Do

■ FOCUS

- ✓ **Fulfill our Research Strategic Plan commitments in pursuit of scientific and educational excellence**
 - \$2.6 million to be invested to recruit and hire 8 new basic science researchers and fulfill outstanding start-up commitments to current faculty.
 - Continued funding of the Research Incentive Plan. Estimated commitment: \$880,000.

- ✓ **Commence planning and design of the new research building**

Grand Challenge: Managing Biological Complexity



Left: A biochemical reaction network generated by Virtual Cell, a unique patented software environment developed at UCHC.

Right: 3D rendering of an oligodendrocyte generated from confocal microscope data at UCHC. This is the cell responsible for producing the myelin sheath surrounding neurons and its failure is a key to understanding multiple sclerosis.

Opportunities

What We Will Do

- **FOCUS**

- ✓ **IT Strategic Plan completed and being implemented**
 - \$4.7 million in non-clinical IT capital investment planned in FY05 up from \$400,000 in FY04 and \$1,000,000 in FY03 in State bond funding.

Education IT Roadmap

IT Initiatives	Priority	Development Expense (000)			Net Ann. Oper. Cost	5 Yr. Cost Benefit*	% Return	In Prog./Complete	Fiscal Years													
		Capital	Non-Cap.	Total					2004	2005			2006			2007						
									1	2	3	4	1	2	3	4	1	2	3	4		
Dental Management System	Start	\$360	\$75	\$435	\$65	\$53	12%	█	█	█	█	█										
Document Scanning Admissions	Start	\$85	\$10	\$95	\$11	--		█	█	█	█	█										
SODMSOM Classroom Updates	Plan	\$400	--	\$400	--	--							█	█	█	█	█	█	█	█	█	█
Health Sciences Education Center Equipment	Plan	\$115	--	\$115	\$5	--							█	█	█	█	█	█	█	█	█	█
Faculty/Student Portal - Phase 2	Plan	\$100	\$20	\$120	\$2	--							█	█	█	█	█	█	█	█	█	█
Educational Modules	Plan	\$170	\$30	\$200	\$92	--							█	█	█	█	█	█	█	█	█	█
Blackboard Enhancements	Plan	\$85	\$15	\$100	\$5	--																
Library Equipment/Software Upgrades	Plan	\$220	--	\$220	--	--																
Knowledge Management Mega Repository	Plan	\$500	\$35	\$535	\$112	--																
HSEC Ongoing Upgrades	Plan	\$600	\$30	\$630	\$8	--																
Total			\$2,635	\$215	\$2,850	\$300	\$53															

*Present value of average annual 5 year benefit at 3.5% (000)

IT Road Maps layout the project implementation and spending plan for each domain.

Opportunities



Emergency Department renovation included 6 new exam rooms, installation of a HEPA filtration system and new decontamination modular building.

What We Will Do

■ ACCOUNTABILITY

- ✓ **Become the recognized market leader in innovating and modeling patient safety advances**
 - Implement the Collaborative Center for Clinical Care Improvement
 - Fully implement Siemens patient safety system as a wholly integrated multi-specialty inpatient and ambulatory electronic medical record, patient order entry and medical administration.
 - Achieve continued gains in clinical profitability through increased volume growth at projected levels:

JDH Inpatient	3.0%	(FY04 actual 3.6%)
JDH Outpatient	9.0%	(FY04 actual 9.0%)
UMG/UCHP	6.0%	(FY04 actual 2.2%)
 - Continue to provide clinical incentives in recognition of productivity gains which have been achieved - estimated commitment of \$2.3 million.

Opportunities



Students giving back to the community through service at South Park Inn.

What We Will Do

▪ **ACCOUNTABILITY**

✓ **Implement Research Best Practices**

- Improve financial reporting to departments – add user-friendly report writing tools; use business accounting standards in operating core facilities (P&L); and develop best practice performance metrics (e.g. indirect cost recovery/net sq. ft., leverage ratio of external funds to internal funds, peer-reviewed external funding, graduate program rankings, etc.)

✓ **Implement SOM and SODM reorganizations**

- SOM working on integration of Pharmacology with Cell Biology, a new Department of Immunology and recruitment for Chair, Lab Medicine/Anatomic Pathology
- SODM to make recommendations Summer 2004

✓ **Move forward UCHC/Storrs joint venture Public Health Center/Institute**

"REMARKABLE CARE THROUGH RESEARCH AND EDUCATION"



*Pat and Jim Calhoun
Cardiology Center - providing
excellent care for men and
women and fostering new
learning and new initiatives in
cardiology research.
May, 2004 Dedication*

Heart and Vascular Care

*Breakthrough care
for today . . .
advancing cures for
tomorrow*

Cardiac Care at UConn

At the University of Connecticut Health Center, our mission is to provide excellence in patient services, research and education. UConn physicians and researchers work together to develop new therapies and approaches to both the prevention and treatment of heart disease.

Working in close collaboration, cardiologists from UConn's John Dempsey Hospital and other area hospitals offer Health Center patients the expertise of the most highly experienced groups of cardiologists and cardiothoracic surgeons in the country.

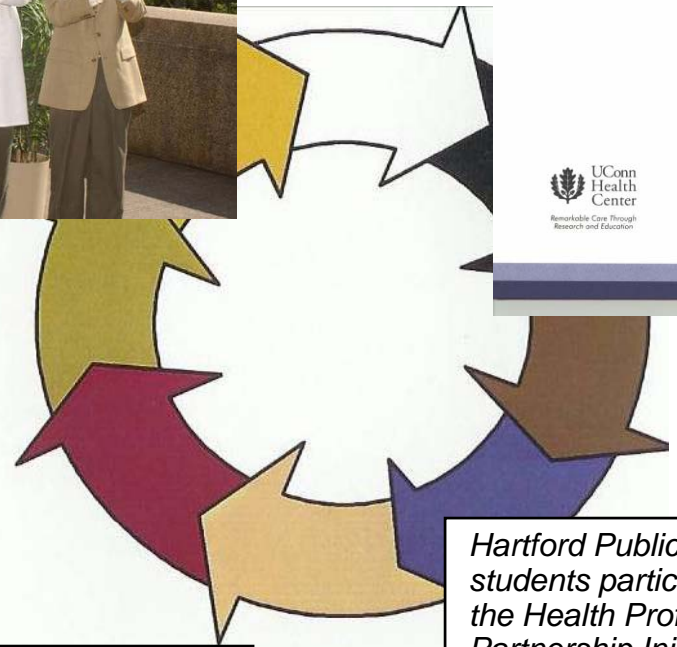
Services include evaluation and treatment for patients suspected of having significant valvular heart disease and peripheral arterial disease. Comprehensive cardiac, thoracic and vascular surgeries are performed when necessary.

Our Services

♥ Catheterization Lab
Today's technology allows medical staff to see how well the heart and arteries are functioning. Within UConn's 3,500 square foot cardiac catheterization laboratory the latest diagnostic interventional procedures such as angiography and angioplasty are performed.



The Heart and Vascular Care symposium served as the genesis of the newly proposed valve program which will enhance the care of patients with valvular heart disease, a growing cardiovascular problem. It is expected that the program will generate an additional echo studies, consultative E&M's, and invasive cases over the next 5 years.



*SOM applications have increased 38.8% since 2002 and are up 11.6% over 2003.
SODM applications are up 14% and for the first time in 5 years topped 1,000.*

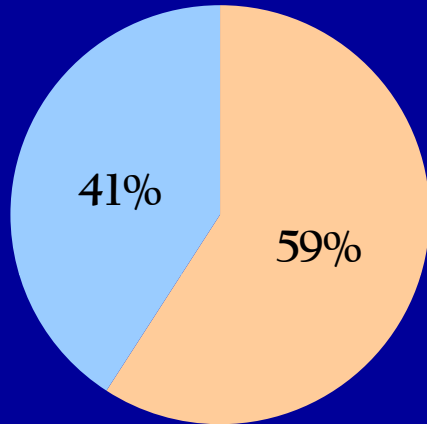
Hartford Public School students participate in the Health Professions Partnership Initiative. Over 500 area students participate annually in a variety of programs offered by the Center's Health Career Programs.



Division of Athletics & Recreational Services Revenue Comparison (\$M)

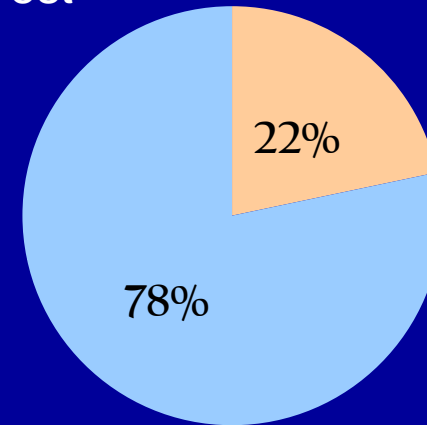
FY 1990

\$8.3M

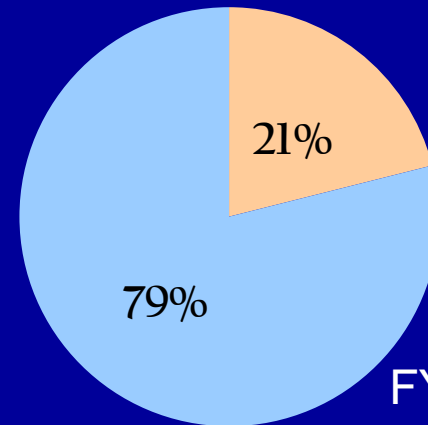


FY 2004 est

\$42.6M



	<u>FY90</u>	<u>FY04</u>	<u>FY05</u>
GUF	\$3.6	\$5.8	\$6.1
Scholarships & Prog Support	\$1.3	\$1.4	\$1.4
Title IX Support		\$2.0	\$2.0
Sales	\$3.4	\$24.4	\$25.4
Gifts & Grants		\$9.0	\$9.9
Total	\$8.3	\$42.6	\$44.8



FY 2005 est

\$44.8M



University Support



Division Support

Endowment Assets (\$M)

