



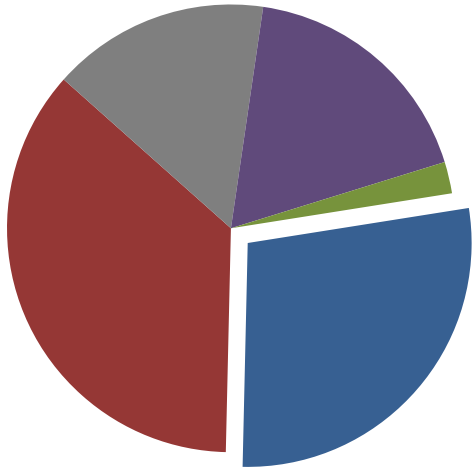
Board
of Trustees

Budget Workshop
June 26, 2013

FY14 Budget & Beyond: Guiding Principles

- The State of Connecticut has and continues to be generous in its support of the University
- The University has made commitments to faculty & students based on current and assumed economic conditions
- The University, like many state agencies, has received reductions in State funding as a result of a persistent economic recession and the State's commitment to a balanced budget
- The University will keep its commitments in the face of the economic challenges by efficiently utilizing its assets and through the continued management of expenses

State Support



State Support
28%

\$304.8 M

	State Support (\$M)	Reductions w/Fringe Benefits (\$M)	Fund Sweep (\$M)
FY09 Actual	\$327.8	\$19.6	
FY10 Actual	\$325.4	\$3.2	\$8.0
FY11 Actual	\$329.0	\$0.5	\$15.0
FY12 Actual	\$282.4	\$3.0	
FY13 Forecast	\$287.1	\$14.9	
FY14 Approved	\$304.8	\$1.2	
Total		\$42.4	\$23.0

Since FY09, UConn will have absorbed approximately \$65.4 M in reductions

FY13 Financial Highlights

	Budget (\$M)	Forecast (\$M)	Variance (\$M)
Revenues	\$1,053.9	\$1,044.7	(\$9.2)
Expenses	<u>1,054.9</u>	<u>1,047.5</u>	(7.4)
Loss	(\$1.0)	(\$2.8)	1.8
Use of Reserves	<u>1.0</u>	<u>2.8</u>	
Net Loss	\$0.0	\$0.0	

FY13 Financial Impacts

■ Revenues

- Unexpected reduction in State support: 5% rescission - \$15 M ↓
- Tuition increase to support faculty hiring plan – 5.5% ↑
- Effects of ARRA on research - \$1.6M ↓

■ Expenses

- No wage increases but higher fringe benefit rates - \$9.7M ↑
- Favorable prices and less usage resulted in energy savings - \$3.1M ↓
- Increase in financial aid met needs of continuing students - \$4.4M ↑
- Continuation of university-wide savings efforts - \$5M ↓

- Loss will be funded through use of reserves
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FY14 Budget Plan

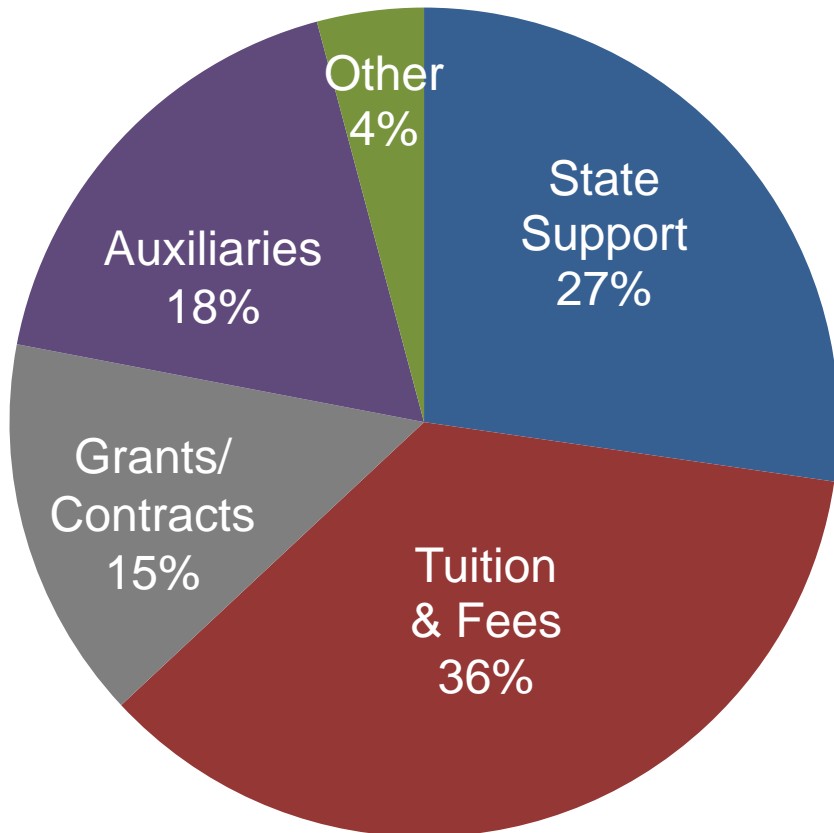
	FY13 Forecast (\$M)	FY14 Budget (\$M)	Increase over FY13 (\$M)
Revenues	\$1,044.7	\$1,094.0	\$49.3 / 4.7%
Expenses	<u>1,047.5</u>	<u>1,112.8</u>	\$65.3 / 6.2%
Loss	(\$2.8)	(\$18.8)	
Use of Reserves	<u>2.8</u>	<u>18.8</u>	
Net Loss	\$0.0	\$0.0	

FY14 Budget Plan

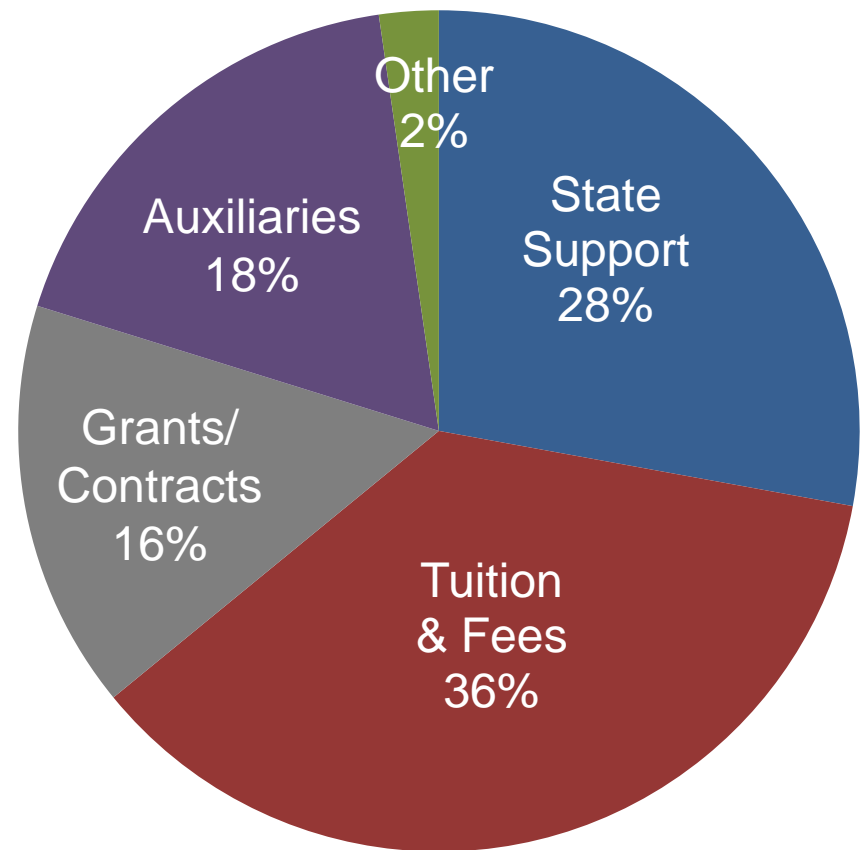
- Funding Initiatives
 - Investments in academic programming, international programs, diversity efforts, and ombudsman ↑
 - Tuition increase to support year #2 of faculty hiring plan – 6.25% ↑
 - Increased freshman enrollment support - \$3.0M ↑
 - Wage increases & higher fringe benefit rates - \$57.8M ↑
 - Increased tuition funded financial aid to meet needs of students - \$5.2M ↑
 - Continuation of university-wide savings efforts - \$11.2M ↓

Revenues

FY13 Forecast
\$1,044.7 M



FY14 Budget
\$1,094.0 M

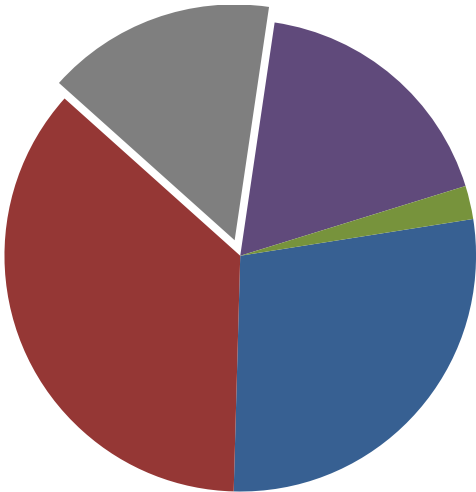


Cost of Education

- Top 25 Best Values in Public Colleges – *Kiplinger's Personal Finance*
- UConn ranks 21st among elite public institutions with highest freshman retention rate
- UConn ranks 30th among 395 institutions with regard to return on investment
- UConn ranks 51st in the percentage increase in tuition over the past 6 years

Research

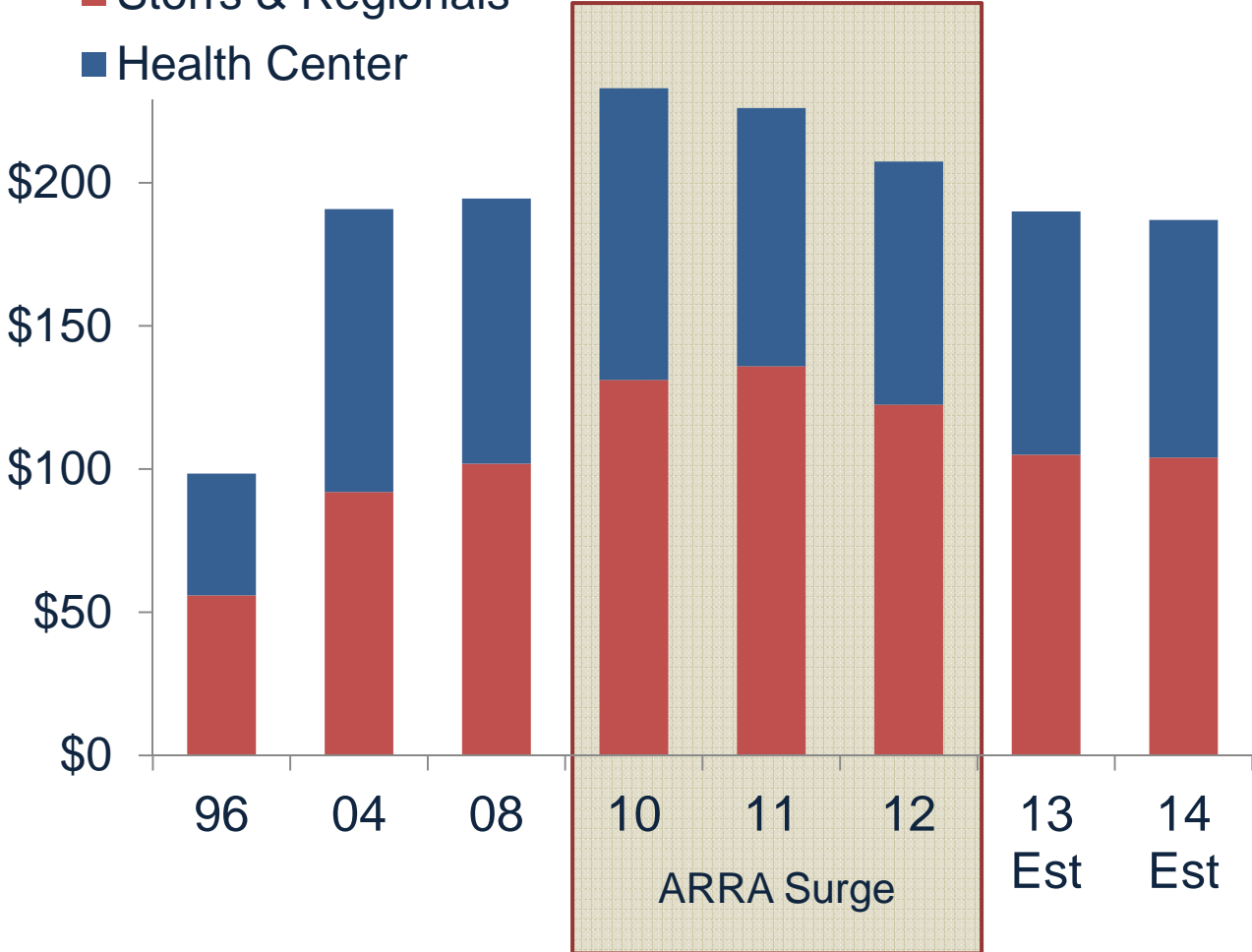
Research Awards (\$M)



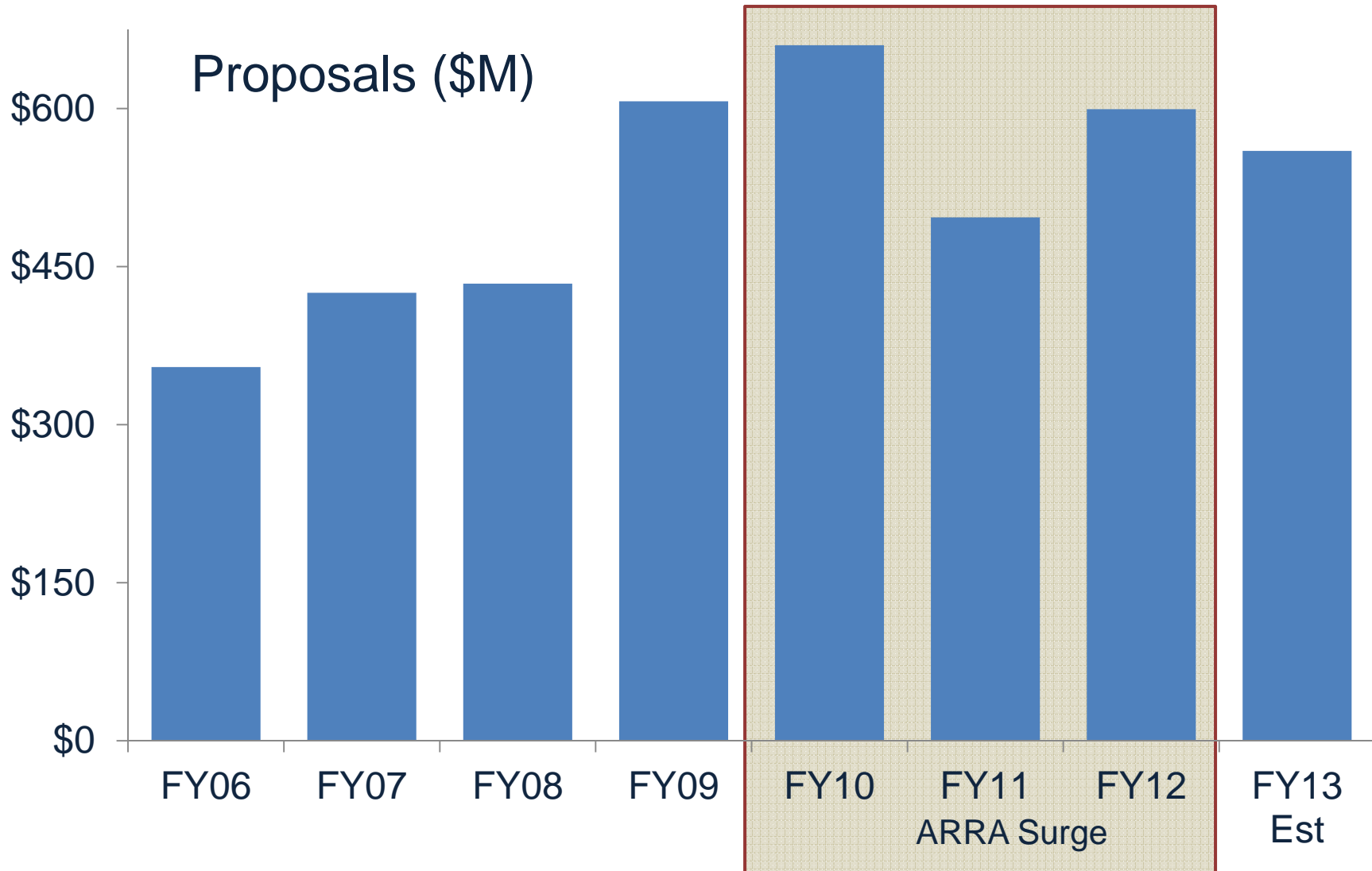
Grants & Contracts
16%

\$172.1 M

- Storrs & Regionals
- Health Center

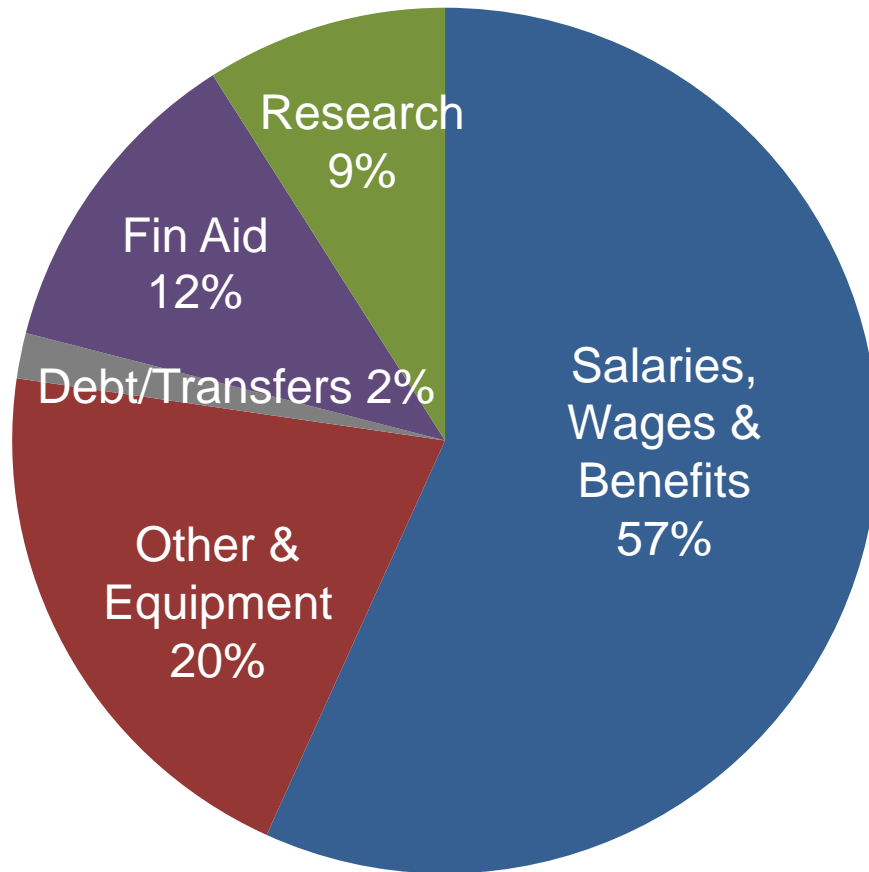


Research Success – Storrs & Regionals

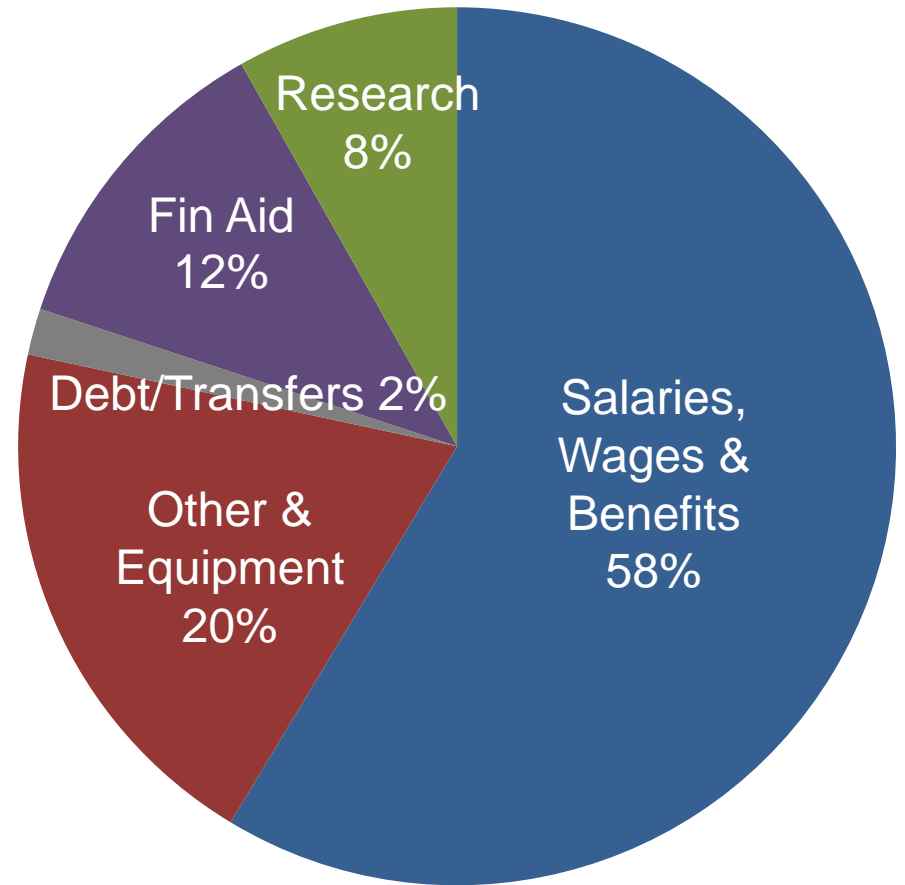


Expenses

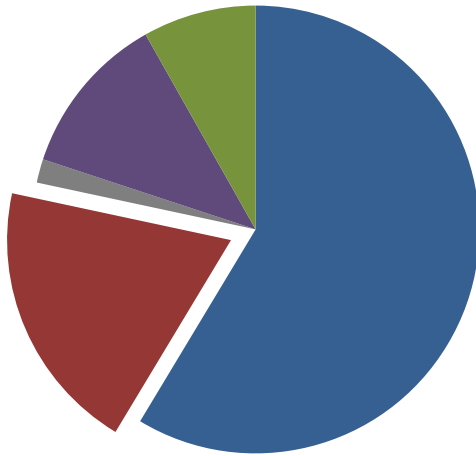
FY13 Forecast
\$1,047.5 M



FY14 Budget
\$1,112.8 M



Other Expenses & Equipment

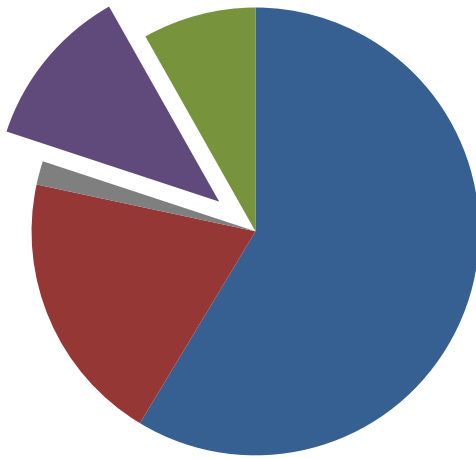


Other & Equipment
20%

\$219.6 M

By Fund Source (\$M)	FY13 Forecast	FY14 Budget
Other Expense	\$67.0	\$66.4
Energy	13.2	14.3
Equipment	9.7	9.3
Total University Supported	\$89.9	\$90.0
Other Expense	108.6	112.0
Energy	7.4	7.9
Equipment	9.2	9.7
Total Self-Supporting	\$125.2	\$129.6
Total All Funds	\$215.1	\$219.6

Financial Aid



Financial Aid
12%

\$130.8 M

Financial Aid included in Budget (\$M)	FY12 Actual	FY13 Forecast	FY14 Budget	FY12-FY14 % Change
Tuition Funded Need Based Aid	\$47.5	\$49.4	\$52.9	11%
Tuition Funded Scholarships	23.0	25.3	26.9	17%
Other Scholarships	5.1	5.1	5.2	2%
State Aid	10.7	9.8	9.3	-13%
Federal Aid	23.0	23.5	23.1	0%
Private Aid	11.8	12.5	13.4	14%
Total	\$121.1	\$125.6	\$130.8	9%

Financial Aid

Total Financial Aid by Source (\$M)	FY10 Actual	FY14 Budget	FY10- FY14 % Change
Federal Aid	\$21.6	\$27.9	29%
Private Aid	23.1	27.6	19%
State Aid	13.3	9.3	-30%
Institutional Aid	123.2	158.2	28%
Private Loans	15.7	17.2	10%
Federal Loans	146.3	170.4	16%
Total	\$343.2	\$410.6	20%

Planned Investments

- Academic Programs
 - New degrees in digital media & business programs
 - Expansion in engineering, biology & chemistry to support & prepare for new STEM initiatives
 - Additional resources for honors and other diversity efforts
 - Increased support for course coverage to meet the needs of a larger freshman class

- Facilities
 - Funds for Water Reclamation Facility operations
 - McKinsey recommended positions, equipment & renovations
 - Funds for increased maintenance needs university-wide

- Public Safety
 - Funds provided to support emergency management and security assessment to ensure the safety of the University community

McKinsey

- Report identified more than \$50 million in potential savings and revenue opportunities over 5 years with 30% in savings anticipated through personnel costs

	FY12 Actual Savings (\$M)	FY13 Projected Savings (\$M)	FY14 Projected Savings (\$M)
Procurement	\$1.0	\$2.3	\$4.0
Facilities / Energy	2.0	3.7	4.0
Information Tech		1.2	2.2
Parking (revenue & savings)		0.2	1.0
Total	\$3.0	\$7.4	\$11.2

FY14 Capital Projects – Storrs & Regionals

- Academic & Research Facilities-begin planning
- Deferred Maintenance-continue maintenance work
- Engineering-continue design
- Equipment-fund faculty start-up needs & software upgrades
- Farm Buildings-construct a new animal research laboratory
- Gant-complete façade restoration & data center stabilization
- Hartford-initial funding for Greater Hartford campus relocation
- Heating Plant-design for required upgrades
- North Hillside Road-start construction
- Psychology-complete renovation & addition
- Residential Life-South Campus masonry repair & miscellaneous projects
- Waterbury-facility repairs

FY14 Capital Projects – Health Center

- Center for Laboratory Animal Care-begin construction
- Deferred Maintenance-continue maintenance work
- Equipment-fund faculty start-up needs
- Main Building Renovations:
 - Continue phased renovations of labs & offices (Project 1)
 - Begin planning work for renovations (Project 2)
- Medical School Academic Building-continue design work
- Research Tower-continue design for incubator lab addition
- New Construction & Renovation:
 - Continue construction of Hospital Tower
 - Continue planning and design for “C” building renovations

Future Year Challenges

- Faculty Hiring Plan
 - 2 years remaining on the plan
 - Reduced State support

- No layoffs of unionized employees

- Across the board salary increases in FY14 – FY16

- McKinsey recommendations
 - Many savings opportunities require initial investment

- *Next Generation Connecticut*
 - Level of State support in out years uncertain
 - Scholarships require a 4 year commitment

Faculty Hiring Plan Update

Year	FTE	Salary/Fringe (\$M)
FY13 Actual	75	\$9.1
FY14 Projected	110	\$14.3
FY15 Planned	66	\$9.8
FY16 Planned	39	\$6.0
Total	290	\$39.2

Faculty Hiring Plan Update (FY14)

School	Number of Faculty
Liberal Arts	52
Engineering	19
Education	17
Business	8
Agriculture	7
Law	4
Fine Arts	4
Nursing	2
Pharmacy	2

Next Generation Connecticut Overview

- \$1.5B capital investment over 10 years
- \$137M increase in operating budget by 2024
- Goals and Objectives:
 - Develop pre-eminence in the University's research and innovation programs
 - Hire and support outstanding faculty
 - Train and educate graduates to meet the future workforce needs of Connecticut
 - Initiate collaborative partnerships with industries that lead to technological breakthroughs

Next Generation Connecticut

- Hire 260 faculty and 150 staff members
- Increase Undergraduate Enrollment by 6,580 students:
 - Increase STEM enrollment by 3,290 (42%)
 - Increase Engineering enrollment by 1,400 (70%)
 - Increase Digital Media enrollment to 840 in Stamford
 - Increase Business enrollment by 680 in Stamford
- Relocate Greater Hartford Campus
- Increase research awards to \$270M
- Build and renovate research & teaching facilities, dorms, parking, critical infrastructure