



*University
of
Connecticut*

*Board of Trustees
Budget Workshop*

September 23, 2003

FY 2003 Highlights

- ❖ Building a 21st Century University
- ❖ Adoption of Academic Plan
- ❖ Implementation of Signature Programs
- ❖ Research Growth
- ❖ Enhancement of Student Life
- ❖ Collaboration with Faculty, Staff & Students

FY03 Statement of Operations

Storrs & Regional Campuses
Unaudited (Dollars in Millions)

	<u>Budget</u>	<u>Actual</u>	<u>Change</u>
Revenues	\$650.5	\$669.1	\$18.6
Expenditures	\$650.5	\$667.4	\$16.9
Net Gain (Loss)	\$0.0	\$1.7	\$1.7

FY03 Statement of Operations

Health Center
Unaudited (Dollars in Millions)

	<u>Budget</u>	<u>Actual</u>	<u>Change</u>
Revenues	\$512.1	\$525.0	\$12.9
Expenditures	\$511.9	<u>\$524.7</u>	<u>\$12.8</u>
Net Gain (Loss)	\$0.2	\$0.3	\$0.1

Challenging Environment

- ❖ State and national economic climate
- ❖ Imperative to move into the top ranks nationally
- ❖ Increased enrollment & student expectations
- ❖ Competitive college & healthcare marketplace
- ❖ Contribute to the health and economic well-being of Connecticut
- ❖ **VALUE = QUALITY + AFFORDABILITY**

FY 2004 Blueprint

- ❖ Refinement of strategic plan at the Health Center and the academic plan at Storrs & Regionals as drivers of the operating and capital budgets
- ❖ Health Center
 - ▣ Continued enhancement of the connections among teaching, research & clinical activities
- ❖ Storrs & Regionals
 - ▣ Managing growth
 - ▣ Implementing programmatic priorities
- ❖ University restructuring to enhance efficiency and accommodate reduced State support

Budget Planning Assumptions

Health Center



❖ Growth in research



❖ Growth in clinical operations

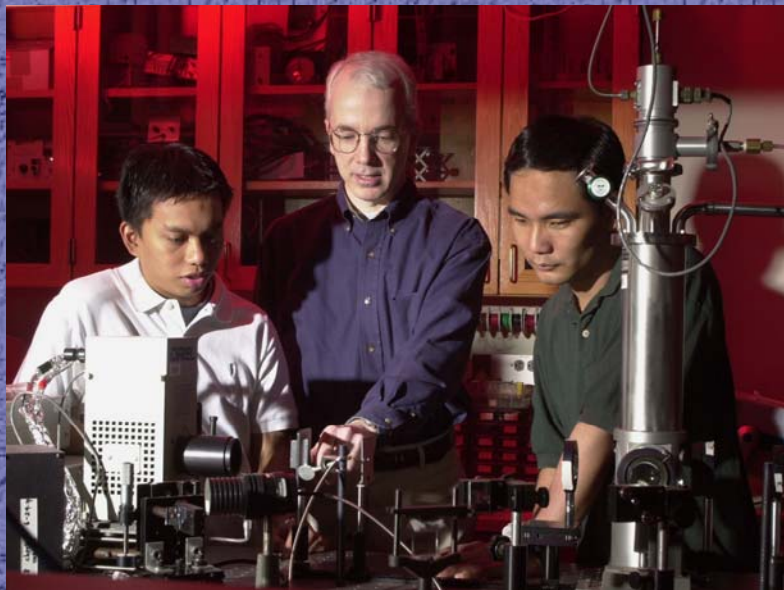


❖ Static enrollment

Budget Planning Assumptions

Storrs & Regionals

- ❖ We must continue to provide high-quality living and learning experiences for our students



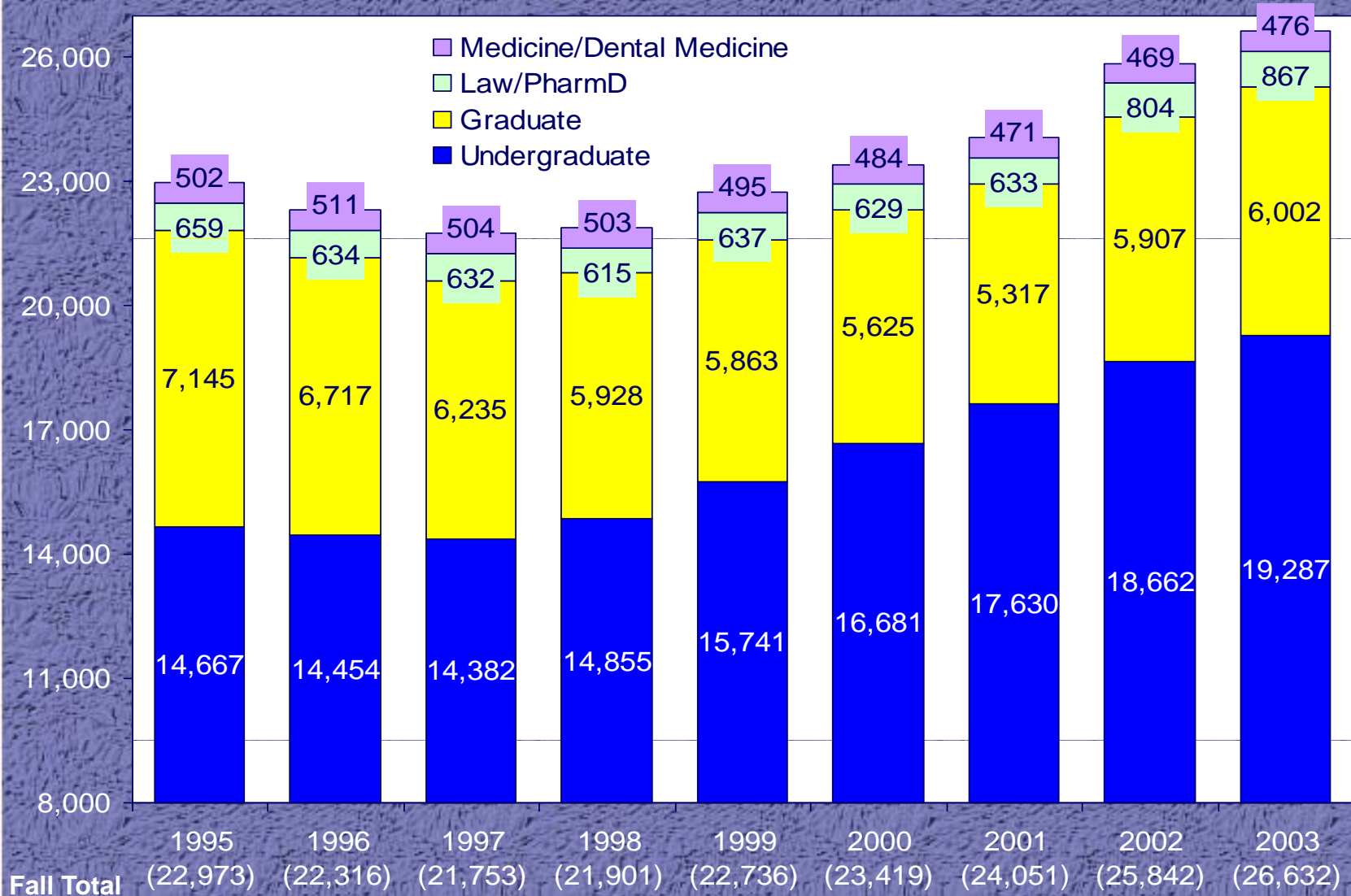
- ❖ Growth in research

- ❖ Enrollment & housing limitations



Total Student Enrollment

Enrollment will be maintained at a size that permits the proper balance of access for Connecticut's students, recruitment of excellent students from other states and abroad consistent with our identity as a leading American university, and the assurance of excellence in academic and student life programs.



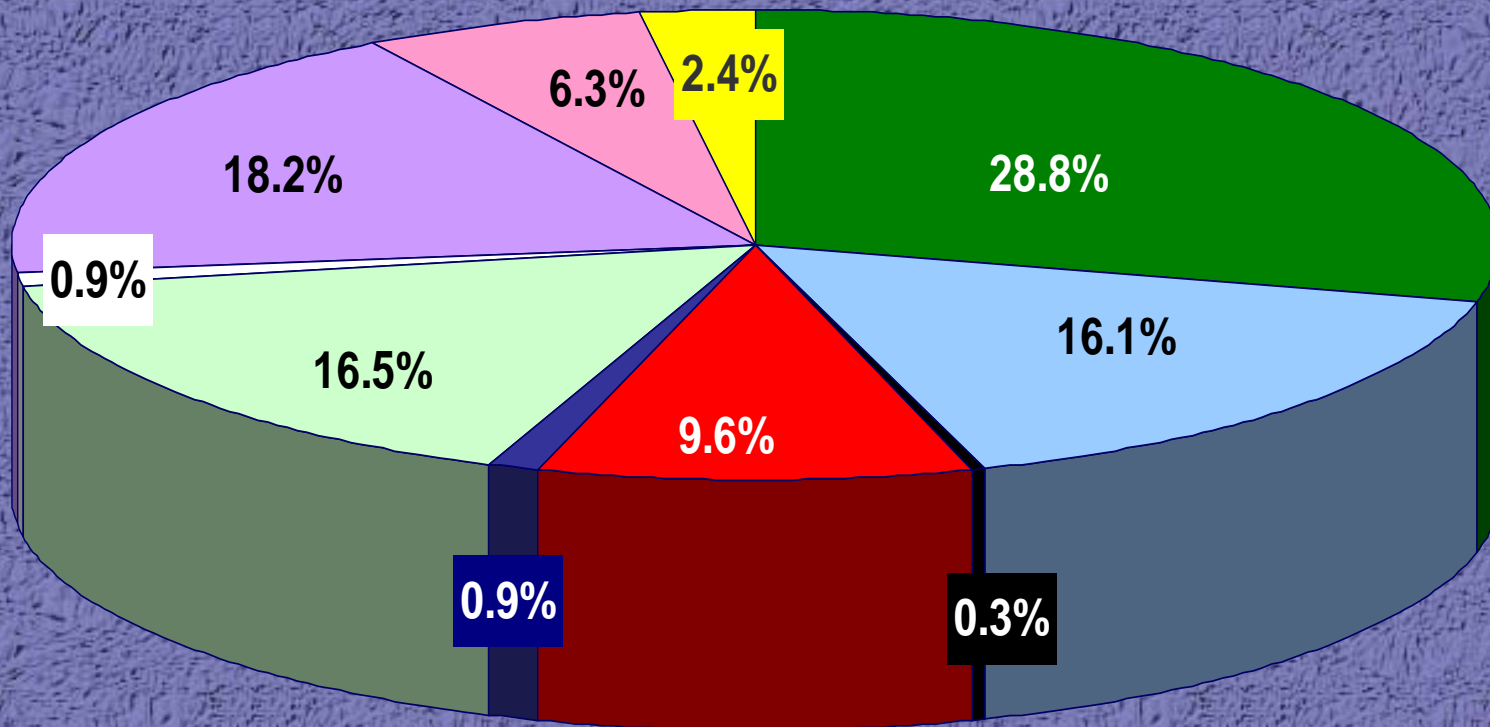
FY 2004 Proposed Spending Plan

- ❖ Adopt FY04 spending plan of \$1,243.8 M
 - ▣ Storrs & Regionals: \$693.0 M
 - ▣ Health Center: \$550.8 M

FY04 University Revenues

\$1,245.0 M

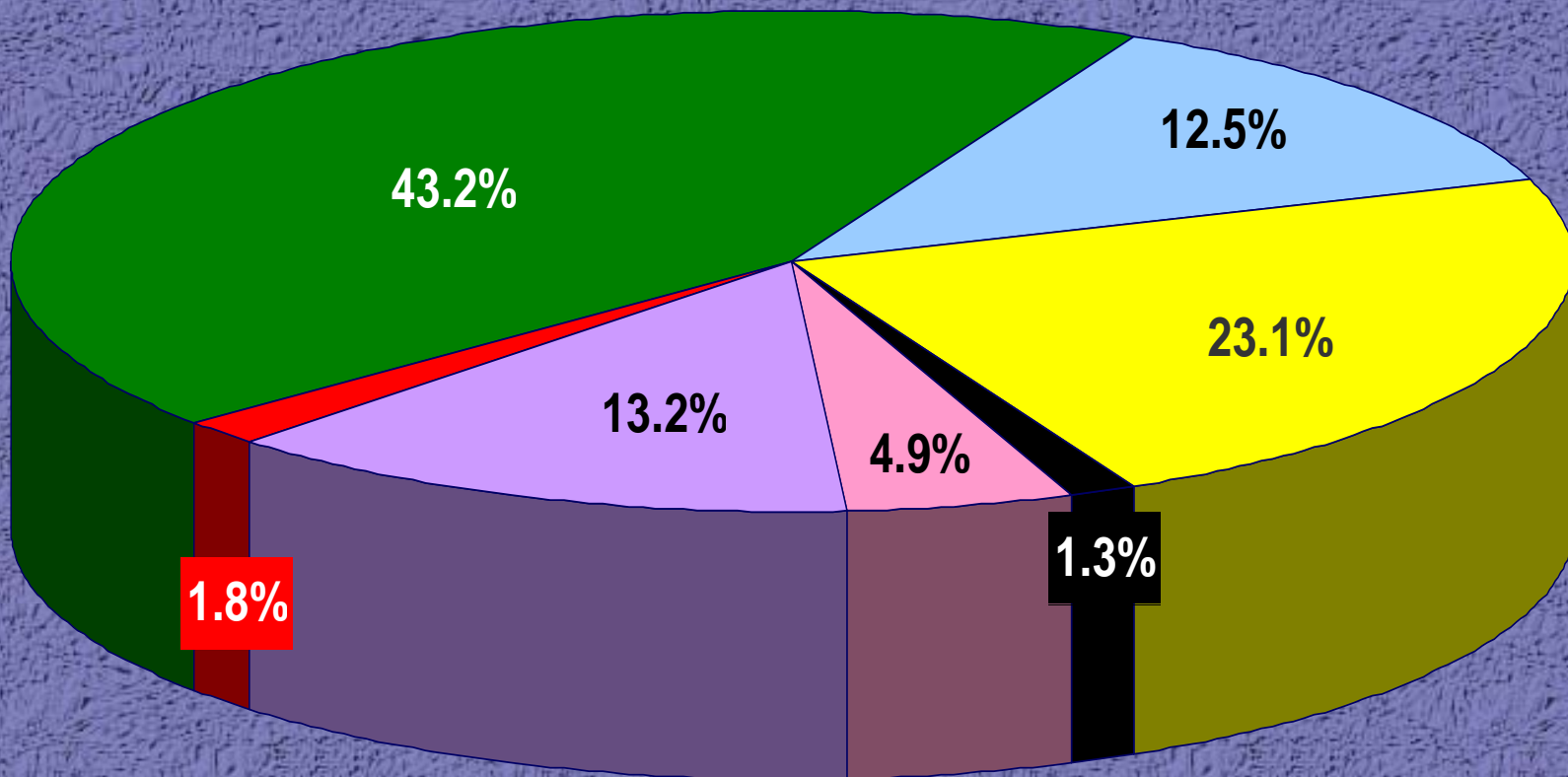
- | | |
|---|---|
| ■ State Support-\$358.5 (28.8%) | ■ Tuition & Fees-\$200.7 (16.1%) |
| ■ Investment Income-\$3.9 (0.3%) | ■ Sales/Service-Auxiliary-\$118.9 (9.6%) |
| ■ Sales/Service-Educational-\$11.4 (0.9%) | ■ Gifts, Grants & Contracts-\$205.7 (16.5%) |
| □ Other Revenue-\$11.1 (0.9%) | ■ Patient Care-\$225.9 (18.2%) |
| ■ Corrections Managed HC-\$78.7 (6.3%) | ■ Interns & Residents-\$30.2 (2.4%) |



FY04 University Expenditures

\$1,243.8 M

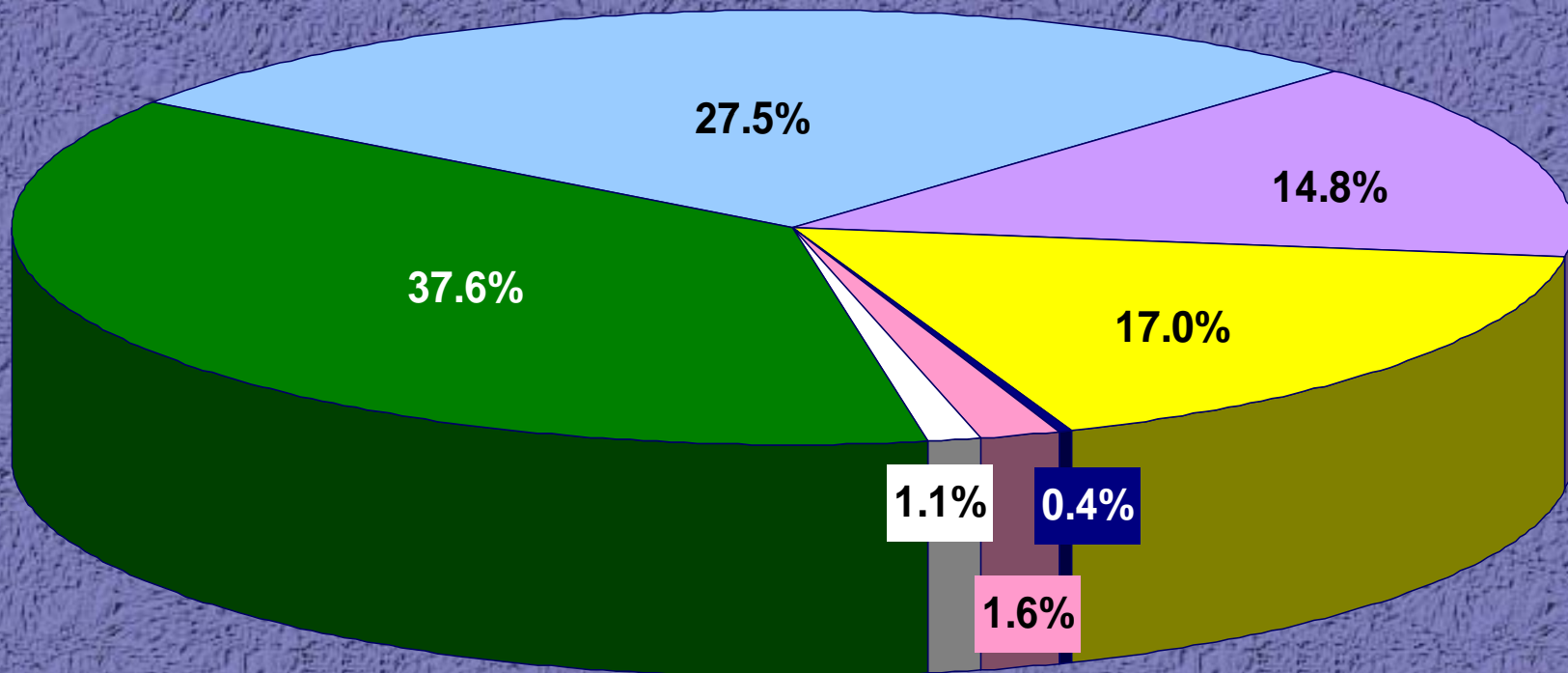
■ Personal Services-\$537.7 (43.2%)	■ Fringe Benefits-\$155.5 (12.5%)
■ Other Expenses-\$287.3 (23.1%)	■ Equipment-\$16.3 (1.3%)
■ Student Financial Aid-\$61.1 (4.9%)	■ Research Funds-\$164.1 (13.2%)
■ Transfers-\$21.8 (1.8%)	



FY04 Revenues: \$693.9 M

(Storrs & Regionals)

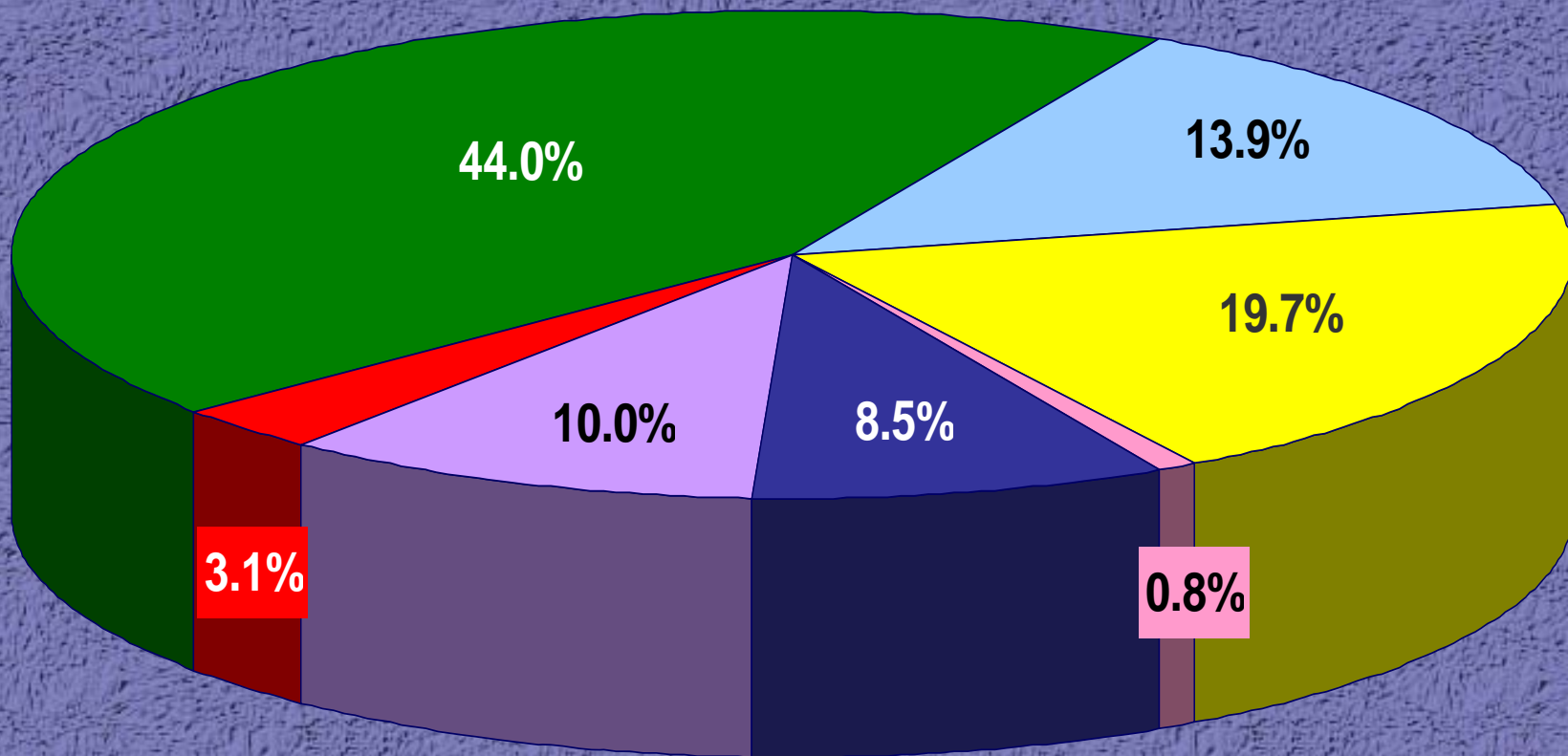
■ State Support-\$260.8 (37.6%)	■ Tuition & Fees-\$191.0 (27.5%)
■ Sales Services-Auxiliary-\$102.8 (14.8%)	■ Gifts, Grants & Contracts-\$117.6 (17.0%)
■ Investment Income-\$2.6 (0.4%)	■ Sales/Services-Educational-\$11.4 (1.6%)
■ Other Revenue-\$7.7 (1.1%)	



FY04 Expenditures: \$693.0 M

(Storrs & Regionals)

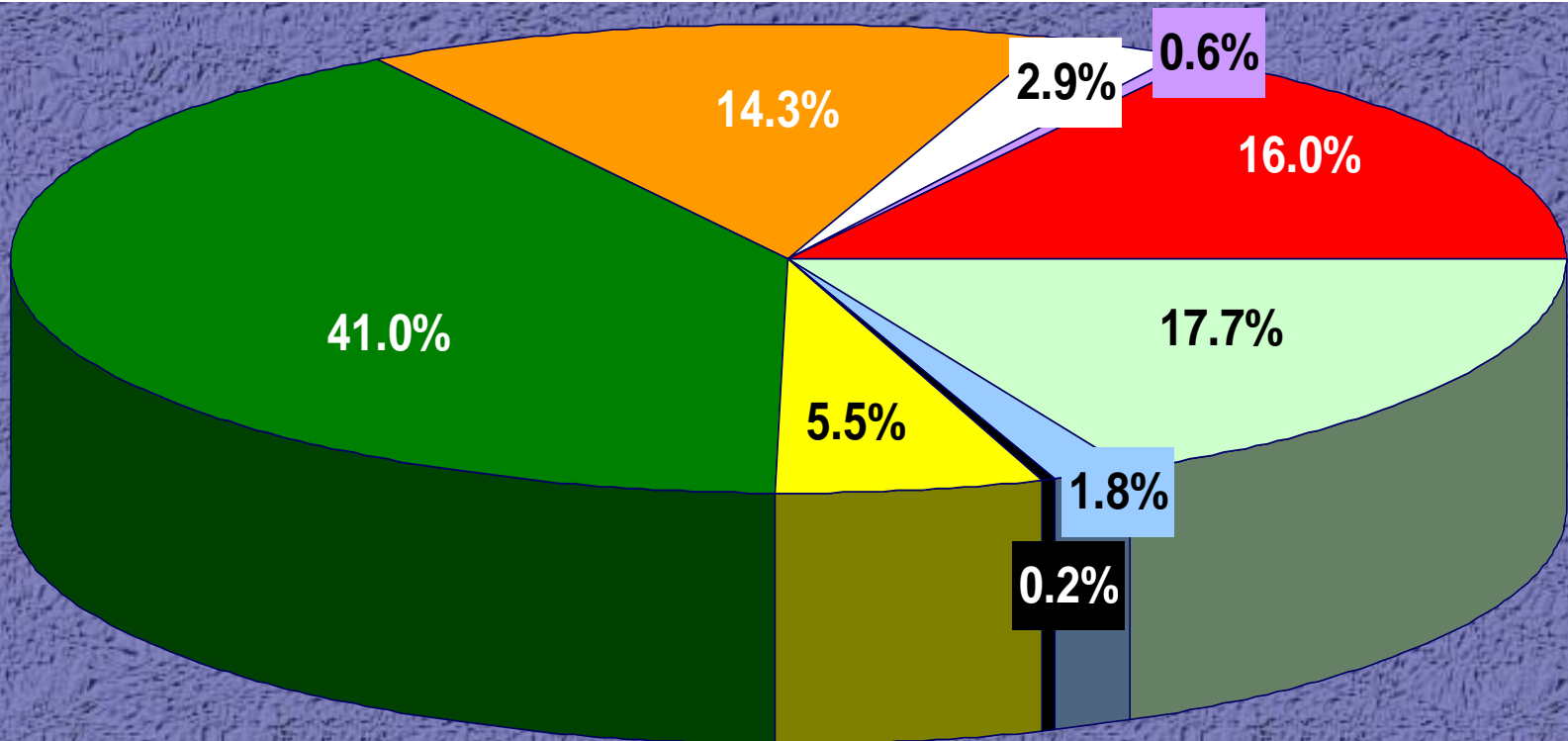
■ Personal Services-\$304.9 (44.0%)	■ Fringe Benefits-\$96.0 (13.9%)
■ Other Expenses-\$136.5 (19.7%)	■ Equipment-\$5.2 (0.8%)
■ Student Financial Aid-\$59.2 (8.5%)	■ Research Funds-\$69.4 (10.0%)
■ Transfers-\$21.8 (3.1%)	



FY04 Revenues: \$551.1M

(Health Center)

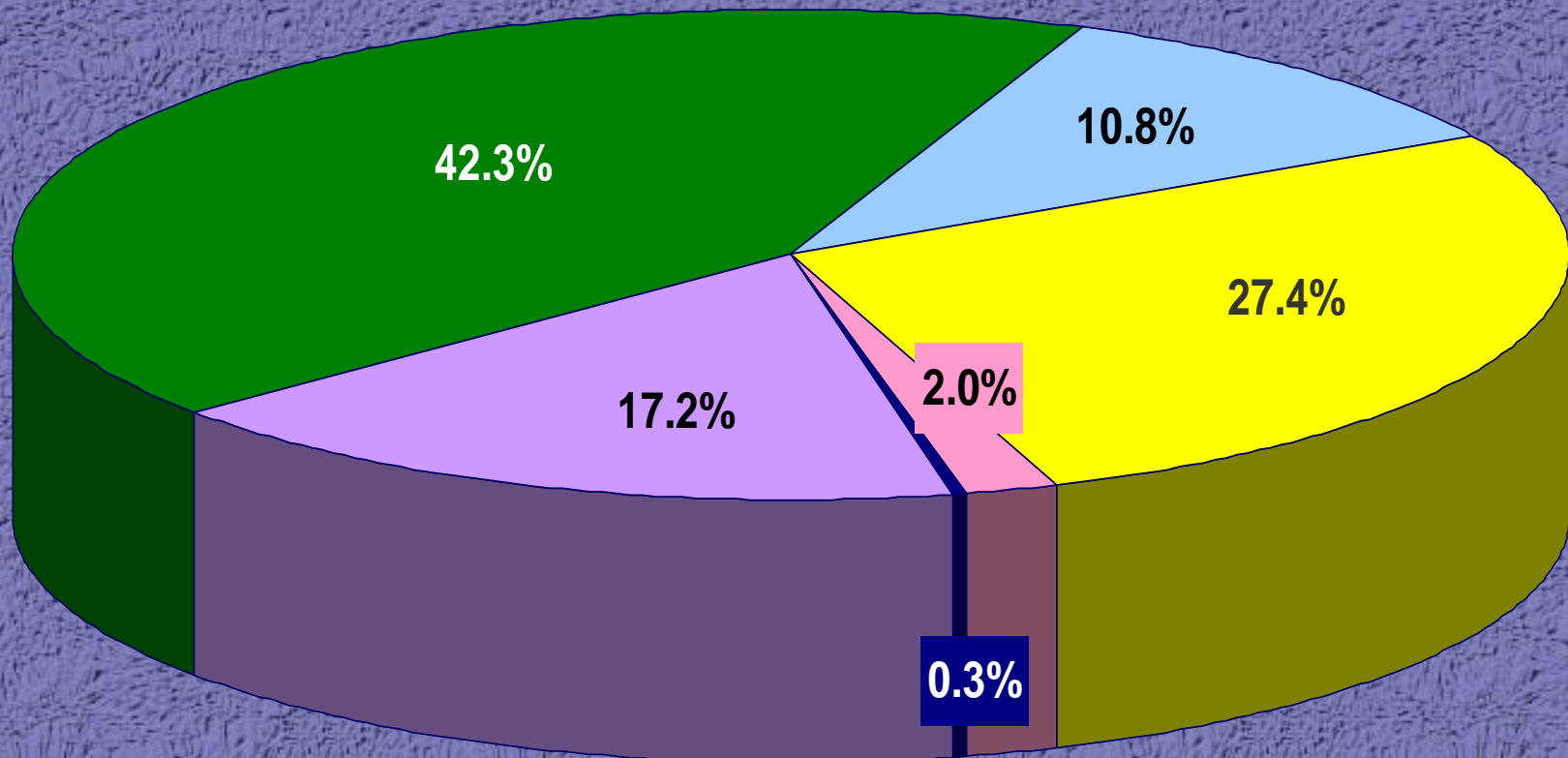
■ State Support-\$97.7 (17.7%)	■ Tuition & Fees-\$9.7 (1.8%)
■ Investment Income-\$1.3 (0.2%)	■ Interns & Residents-\$30.2 (5.5%)
■ Patient Care-\$225.9 (41.0%)	■ Corrections Managed HC-\$78.7 (14.3%)
■ Auxiliary-\$16.1 (2.9%)	■ Other-\$3.4 (0.6%)
■ Gifts, Grants & Contracts-\$88.1 (16.0%)	



FY04 Expenditures: \$550.8 M

(Health Center)

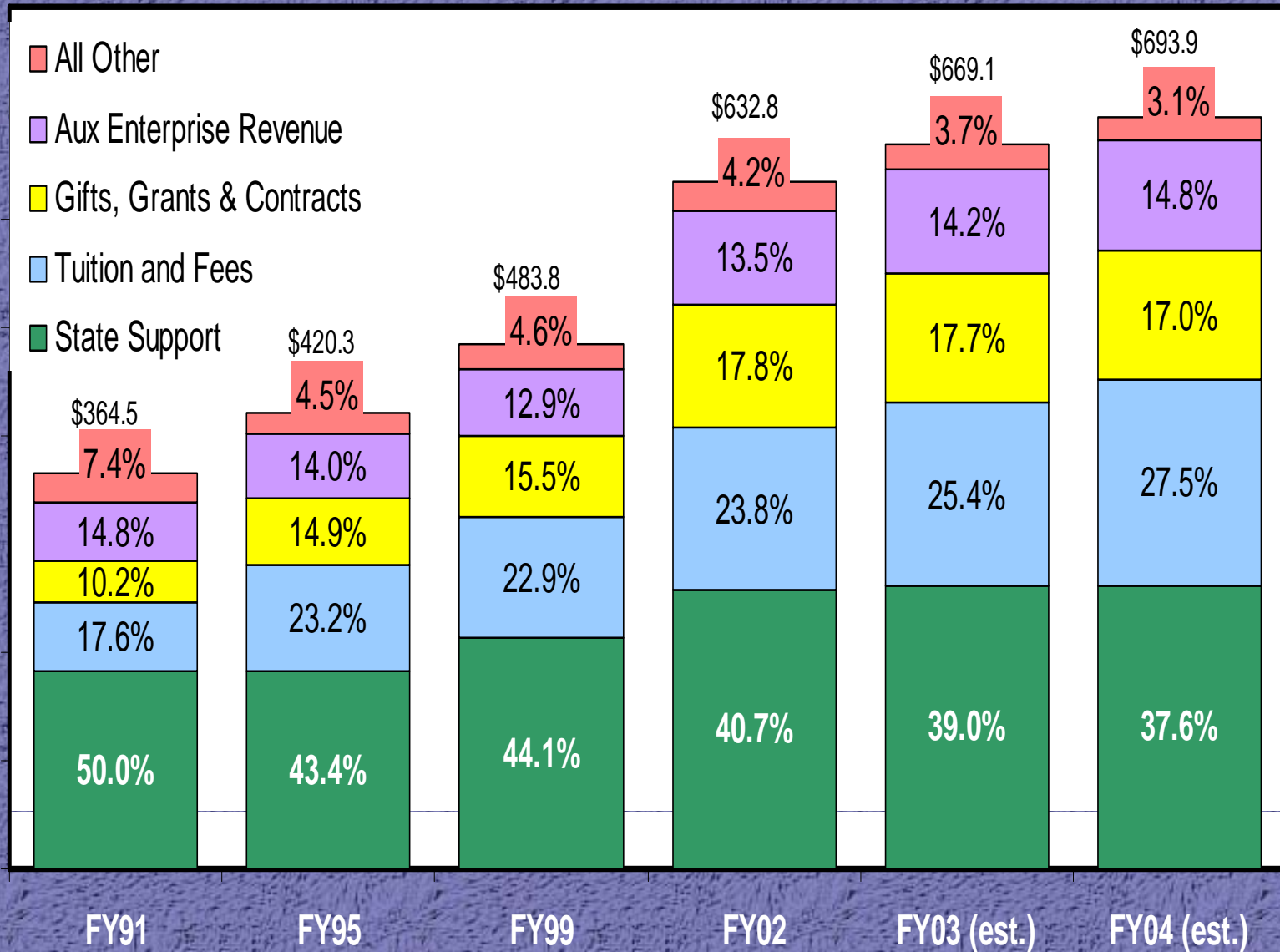
■ Personal Services-\$232.8 (42.3%)	■ Fringe Benefits-\$59.5 (10.8%)
■ Other Expenses-\$150.8 (27.4%)	■ Equipment-\$11.1 (2.0%)
■ Student Financial Aid-\$1.9 (0.3%)	■ Research Funds-\$94.7 (17.2%)



Total Revenues by Type

Storrs & Regionals

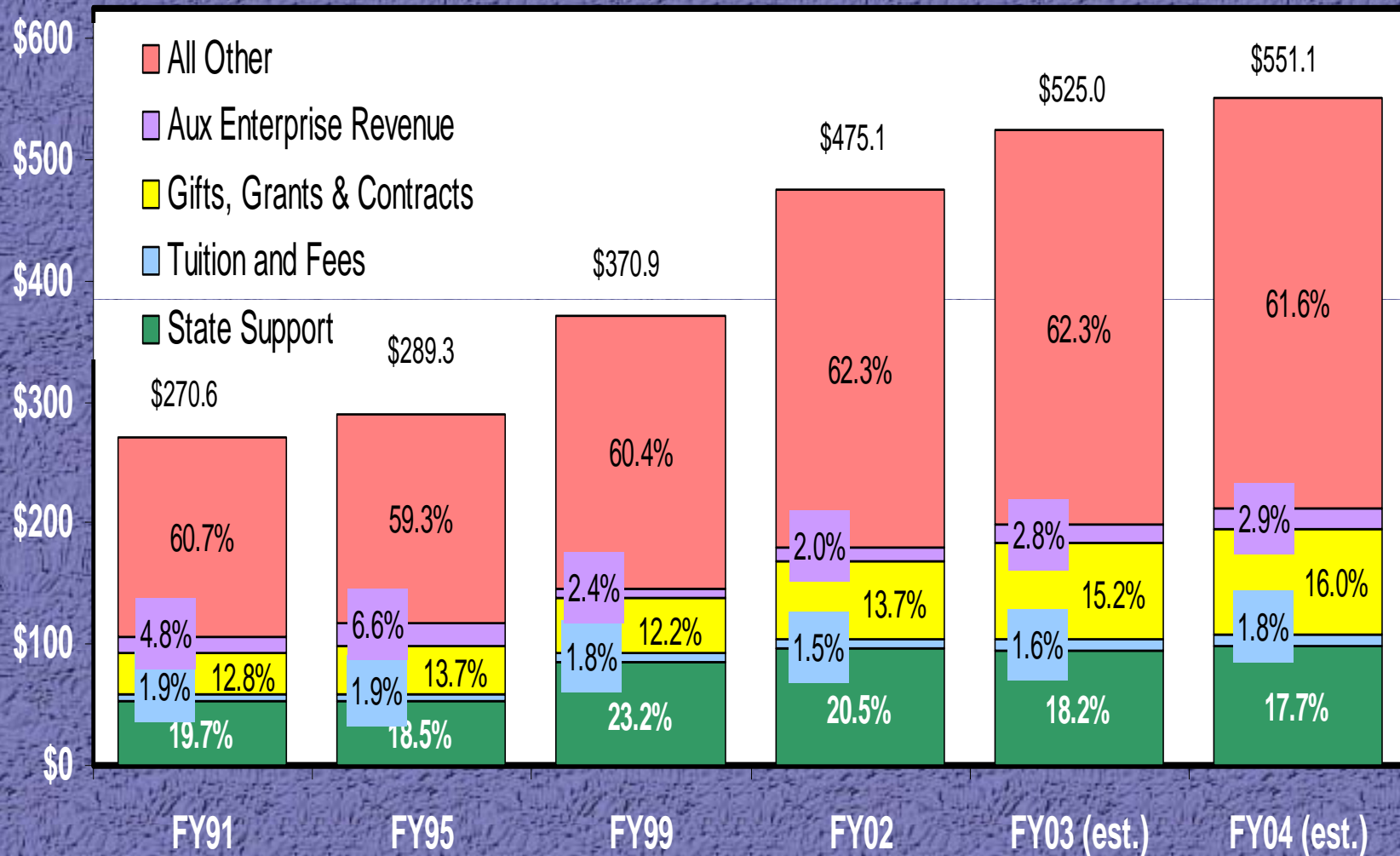
Millions



Total Revenues by Type

Health Center

Millions



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

Budget Strategy

- ❖ Cost Containment
 - ▣ Salary Savings: AAUP, UCPEA , Administration & Law Faculty
 - ▣ Program Restructuring (including layoffs)
 - ▣ Early Retirement Incentive Plan (ERIP)

- ❖ Recognition of External Financial Context

- ❖ Revenue Enhancement / Protection

Early Retirement Incentive Plan

- ❖ 486 Employees retired
 - ▣ 365 Storrs & Regionals
 - ▣ 121 Health Center
- ❖ State salary “savings”: 50%
- ❖ FY04 One-Time Allocation Plans
- ❖ Permanent refills will be made consistent with program priorities

Recognition of External Financial Context

- ❖ State's limited financial capacity
 - ▣ Block Grant/ERIP Reduction
 - ▣ Medicaid/CMHC
- ❖ Impact of the economy on private fundraising
- ❖ Federal budget impact
 - ▣ Research Funding
 - ▣ Medicare

Increased self-reliance is not a choice,
it is a reality

FY 2004 State Appropriation

Storrs & Regionals

\$197.1 M

ERIP Reduction of \$7.1 M

= \$190.0 M Allotment

Health Center

\$74.9 M

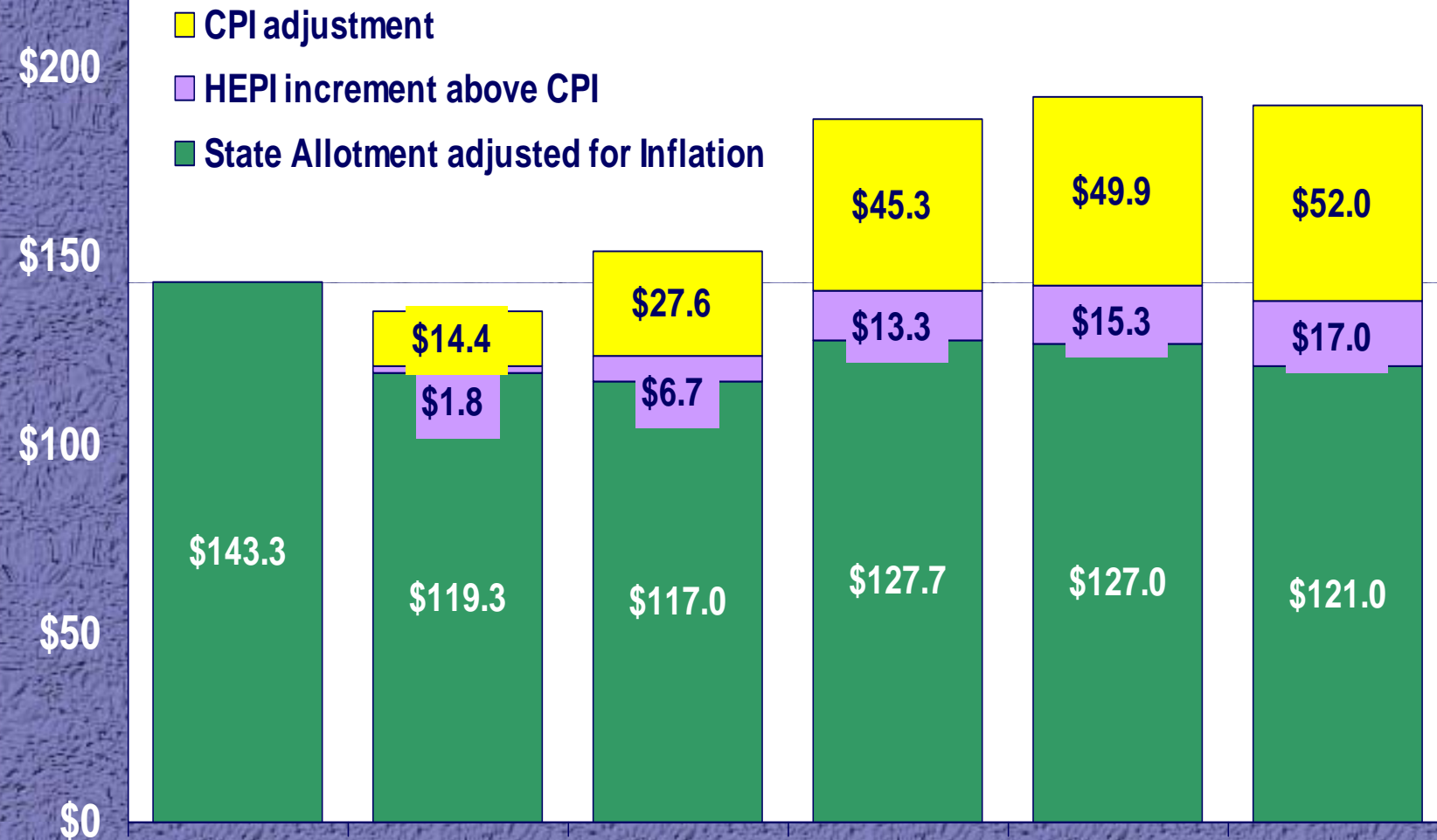
ERIP Reduction of \$1.1 M

= \$73.8 M Allotment

State Allotment Buying Power

(Storrs & Regionals)

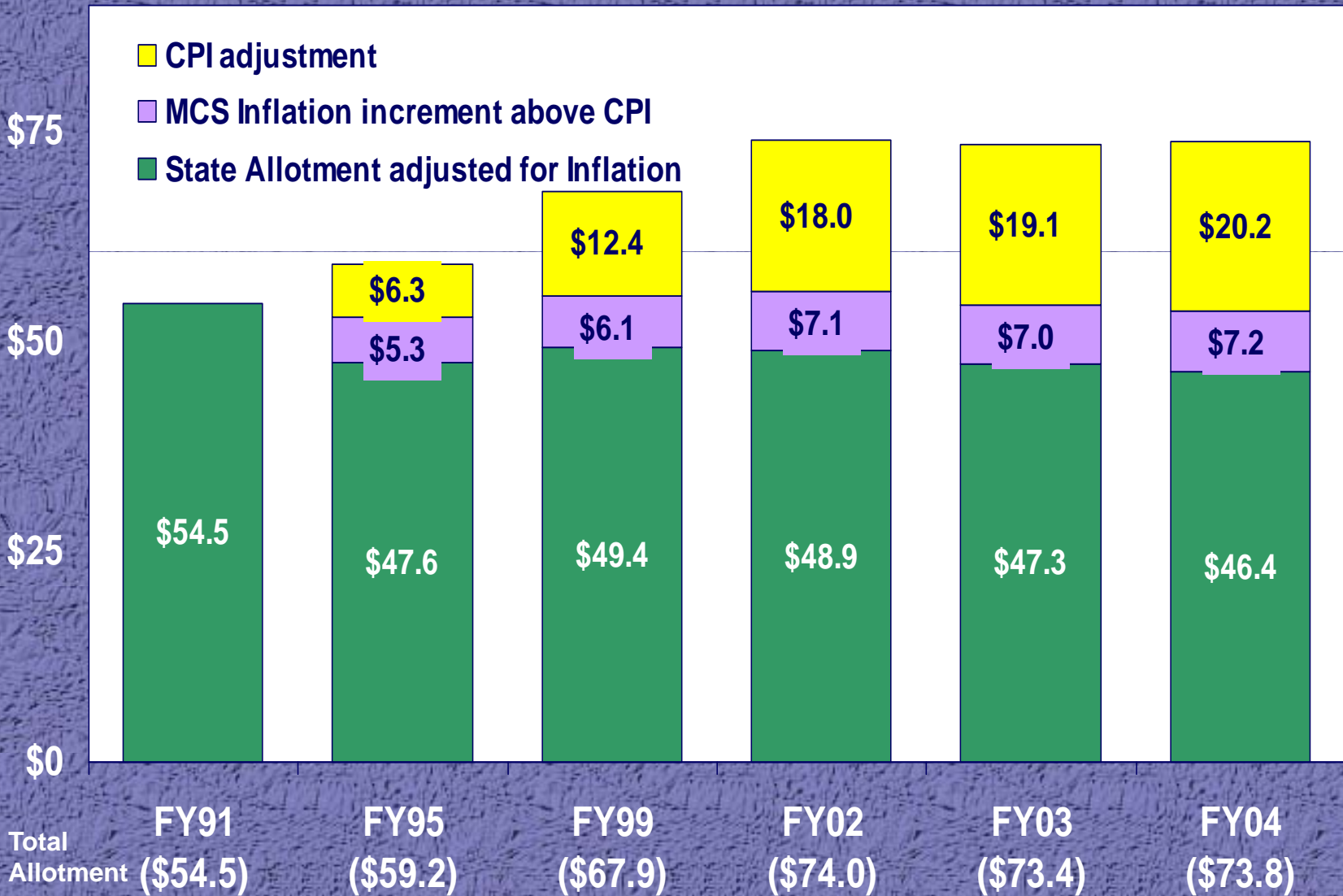
Millions



Total Allotment	FY91	FY95	FY99	FY02	FY03	FY04
	(\$143.3)	(\$135.5)	(\$151.3)	(\$186.3)	(\$192.2)	(\$190.0)

State Allotment Buying Power (Health Center)

Millions



Revenue

Enhancement / Protection

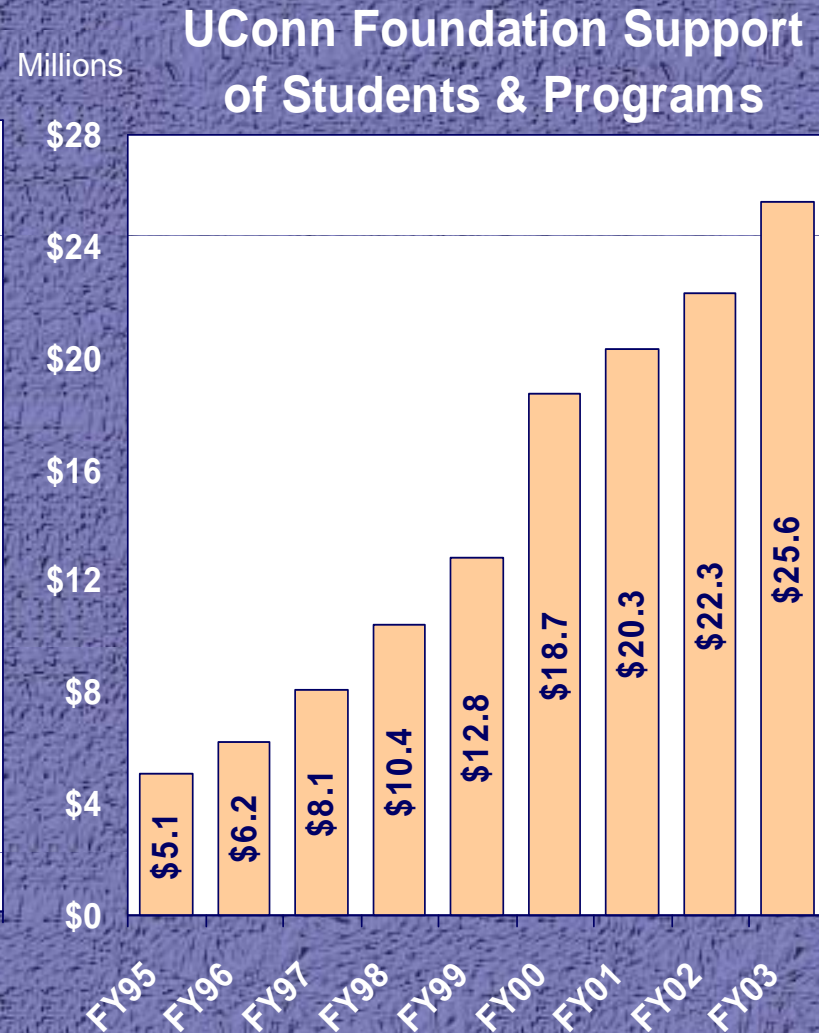
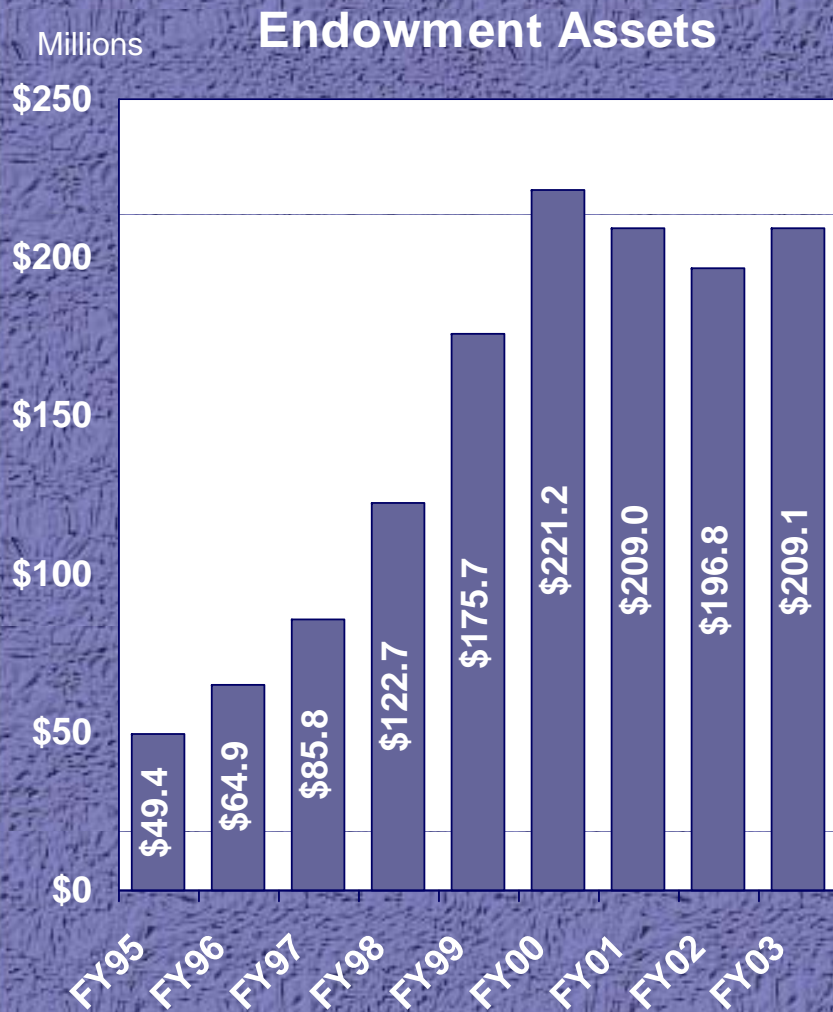
Continued constraints in state funding mean increased reliance on non-state revenue streams

- ❖ Invest in private fundraising
- ❖ Protect & grow the external grant revenue stream
- ❖ Ensure quality to sustain market demand
 - ▣ Health Center=Patient Revenue
 - ▣ Storrs & Regionals=Tuition & Fee Revenue



UConn Foundation

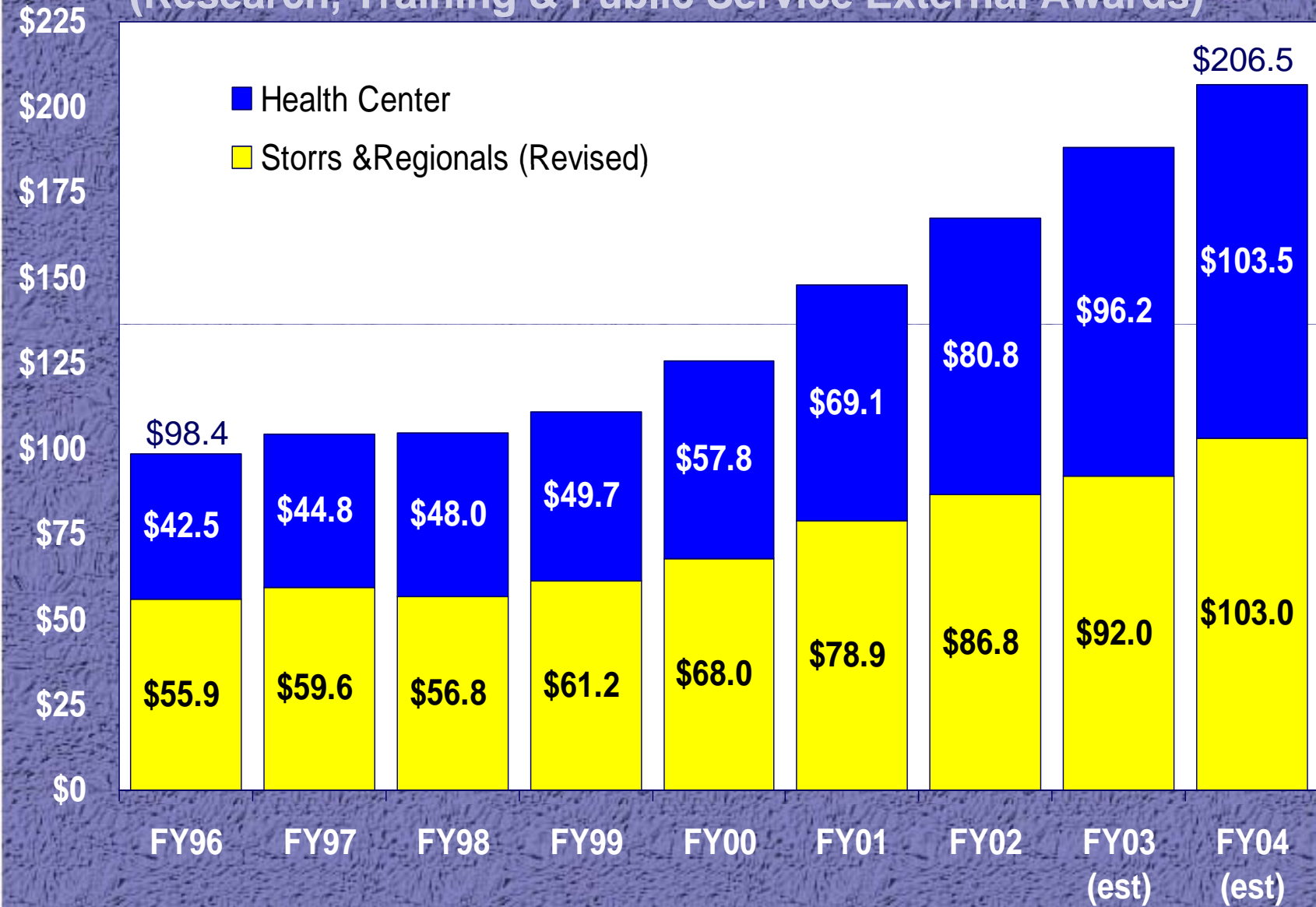
Protecting the growth potential of one of our key external revenue streams



Research Awards

Millions

(Research, Training & Public Service External Awards)



Research awards have increased 91% from FY96 to FY03.

FY 2004 Key Revenue Drivers

Health Center

	<u>% of</u> <u>FY04 Budget</u>	<u>FY04</u> <u>Budget</u>
Patient Care	41.0%	\$225.9
State Support	17.7%	\$97.7
Gifts, Grants & Contracts	16.0%	\$88.1
Correctional Managed HC	14.3%	\$78.7
Interns & Residents	5.5%	\$30.2
All Other	<u>5.5%</u>	<u>\$30.5</u>
Total	100.0%	\$551.1

FY 2004 Key Revenue Drivers

Storrs & Regionals

	<u>% of</u> <u>FY04 Budget</u>	<u>FY04</u> <u>Budget</u>
State Support	37.6%	\$260.8
Tuition & Fees	27.5%	\$191.0
Gifts, Grants & Contracts	17.0%	\$117.6
Auxiliaries	14.8%	\$102.8
All Other	<u>3.1%</u>	<u>\$21.7</u>
Total	100.0%	\$693.9

Approved FY 2004 Tuition, Fees, Room & Board Storrs & Regionals

In-State

% increase
over FY03

Undergraduate \$13,700 7.91%

Graduate \$15,138 7.98%

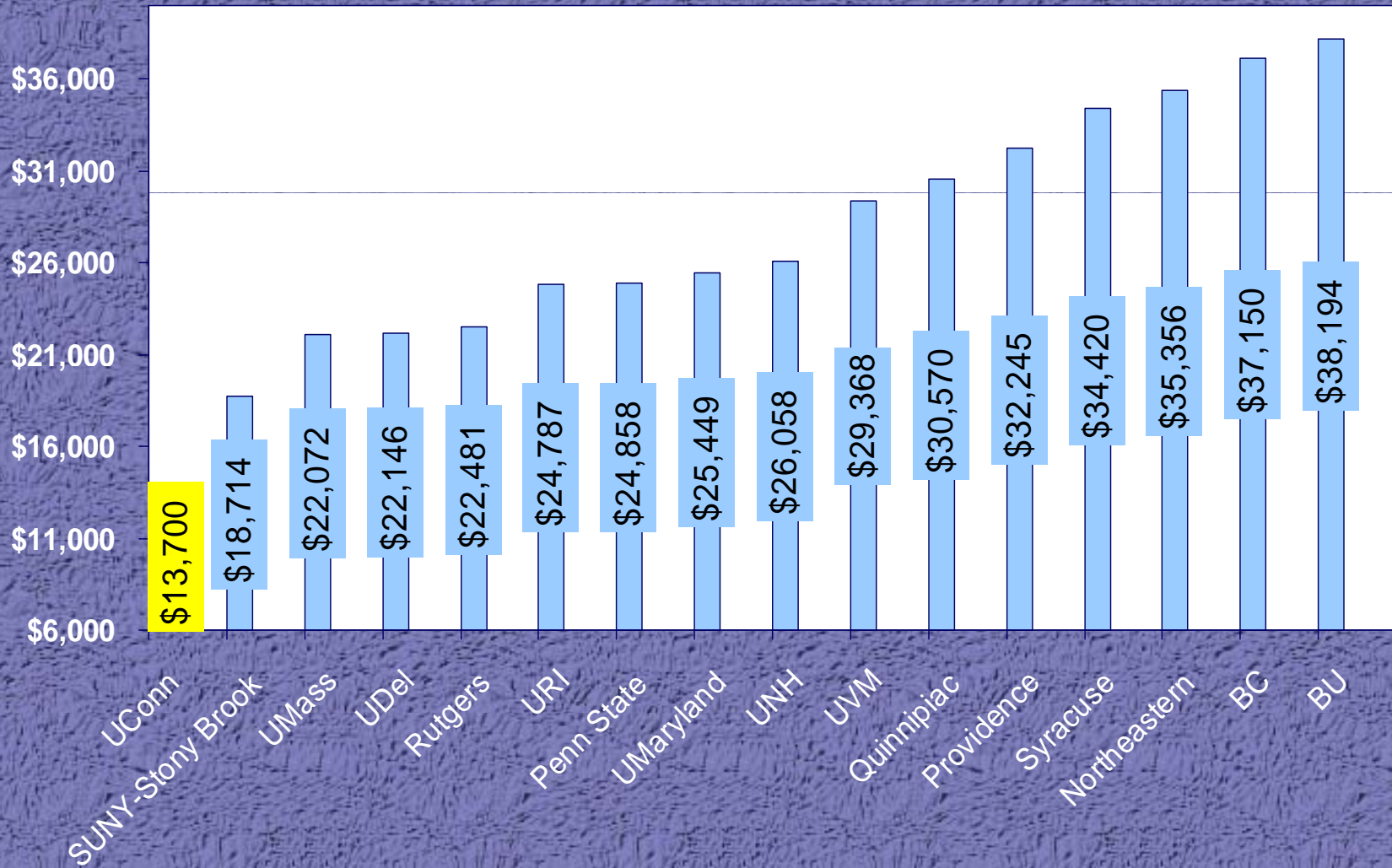
Out-of-State

Undergraduate \$24,484 9.35%

Graduate \$25,490 9.29%

University's Top Competitors

Tuition, Fees, Room & Board for a Connecticut Student FY 2004



University's Top Competitors

FY 2004 Tuition, Fees, Room & Board

<u>Private Schools</u>	<u>In & Out Of State</u>	<u>Public Schools</u>	<u>In State</u>	<u>Out of State</u>
Boston Univ.	\$38,194	Univ. of Vermont	\$16,316	\$29,368
Boston College	\$37,150	Rutgers	\$15,967	\$22,481
Northeastern	\$35,356	Univ. New Hampshire	\$15,698	\$26,058
Syracuse	\$34,420	Penn State	\$15,236	\$24,858
Providence	\$32,245	Univ. Maryland	\$14,775	\$25,449
Quinnipiac	\$30,570	Univ. Rhode Island	\$14,455	\$24,787
		Univ. of Connecticut	\$13,700	\$24,484
		Univ. Massachusetts	\$13,219	\$22,072
		SUNY – Stony Brook	\$12,764	\$18,714
		Univ. Delaware	\$12,616	\$22,146



University of Connecticut
Health Center



*FY 2004
Proposed Spending Priorities
& Strategic Plan*

Our Goals 2001-2006

- ❖ Develop regionally pre-eminent Signature Programs in *Cancer, Musculoskeletal Medicine, Connecticut Health, and Cardiology*
- ❖ Be recognized as a *Center for Distinguished Basic Science Research*
- ❖ Offer outstanding *Medical, Dental and Graduate Education* through a highly innovative curriculum supported by excellence in Research and Clinical Care.
- ❖ Strengthen our healthcare *partnership with the State* of Connecticut



The School of Dental Medicine's classes of 2001 and 2003 ranked number 1 in the country in the National Dental Board.

Our Clinical Profitability

- ❖ Achieve differentiation through focus on Signature Programs - *Immunotherapy*
- ❖ Engage new and retain current health system users through Foundational Programs - *Geriatrics and Women's Health*
- ❖ Maintain and Enable Supporting Specialties - *ED, Derm, Radiology*
- ❖ Advance Patient Safety and Satisfaction - *Siemen's, IOM*
- ❖ Implement operational and productivity improvements - *work redesign, clinical incentive, performance improvement*

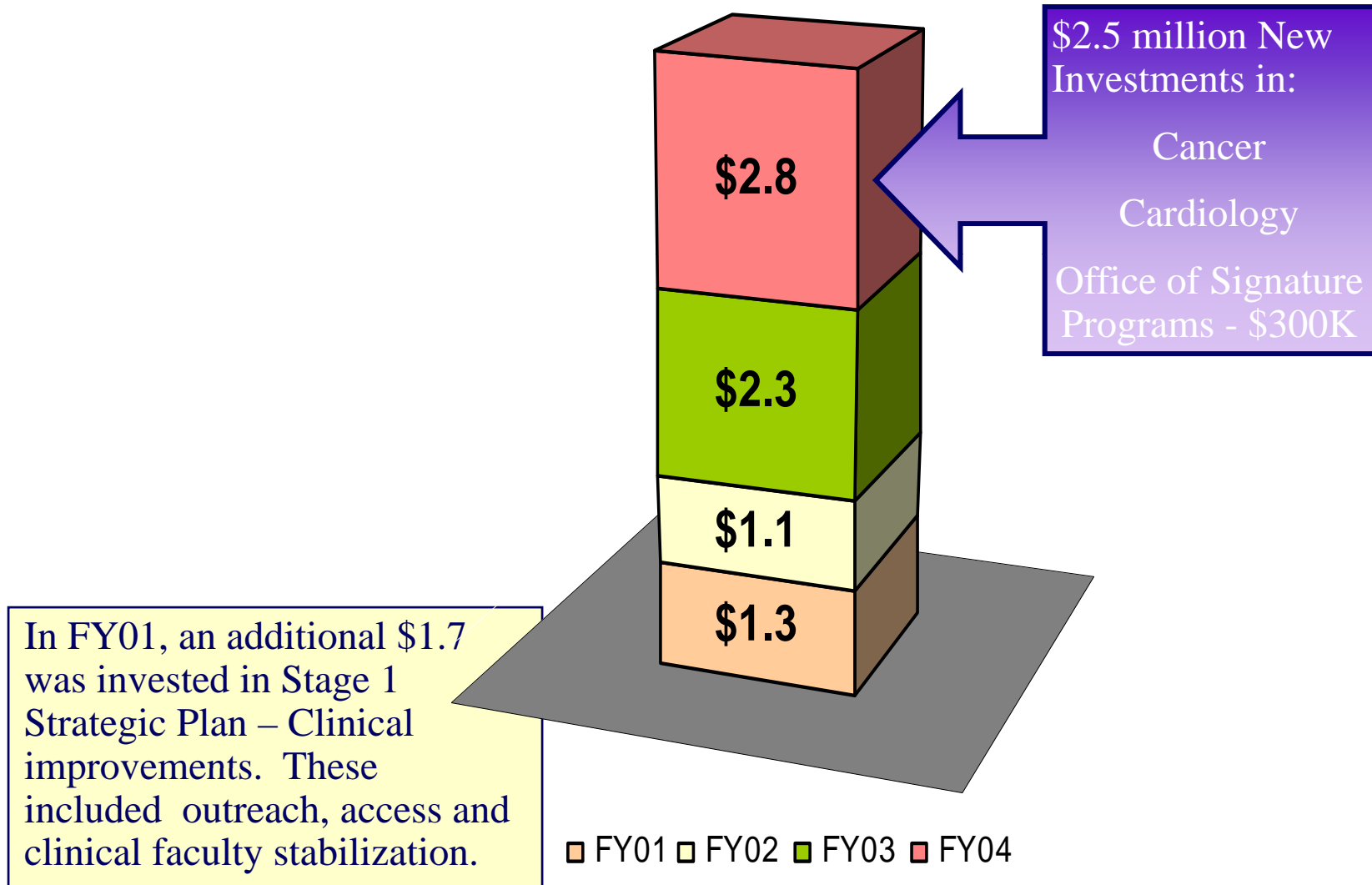


Our Challenges

- ❖ Signature Program Implementation – *people, space, start-up*
- ❖ Basic Science Research Strategic Plan Implementation
 - ⊙ *33 faculty commitments completed*
 - ⊙ *17 faculty commitments remaining*
- ❖ Business Transformation Through Reorganization of the School of Medicine
 - ⊙ *Developmental Biology – Human Genetics*
 - ⊙ *Molecular and Structural Biology*
- ❖ Continue to Meet Clinical Needs of Service Area – *ED, Geriatrics, Psych*
- ❖ State Budget Uncertainties
- ❖ Development/Foundation Growth – *FY04 provides for a 20% budget increase to support growth of development*



Signature Programs Incremental Investments



Signature Programs

FY04 Key New Investments - \$2.5 million

Cancer

- ❖ Recruit and Hire Cancer Center Director, Clinical Oncologist and Oncology surgeon -
- ❖ Provide funding in support of cancer clinical trials expansion - \$443K support housing

Cardiology

- ❖ Recruit and Hire Research Scientist
- ❖ Provide for expansion of clinical space to facilitate program growth

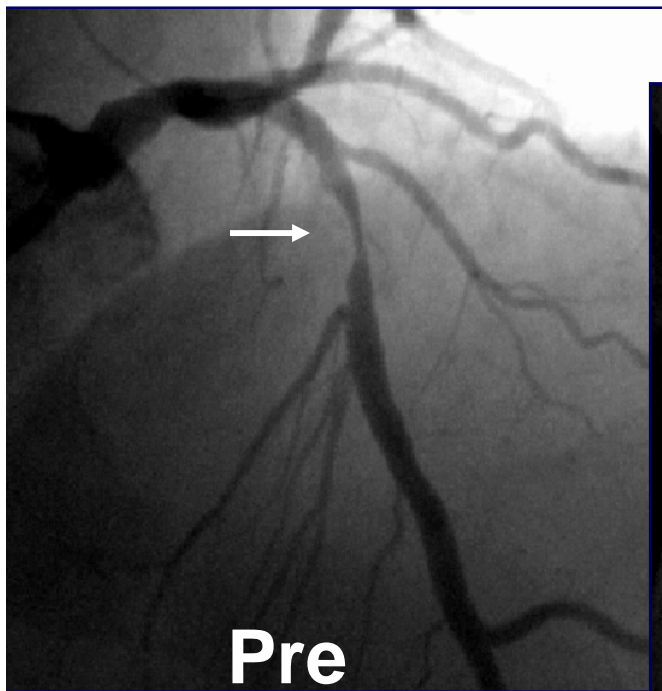
Musculoskeletal

- ❖ Recruit Institute Leadership
- ❖ Commence construction of the Medical Arts and Research Building

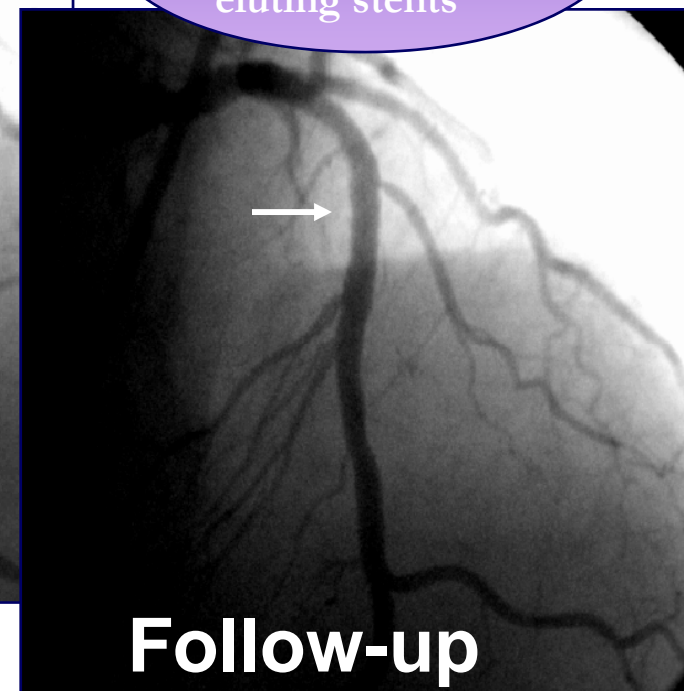
Signature Programs	Faculty Recruitment Commitments		
	Completed	FY04	Remaining
Cancer	1	4	TBD
Cardiology	2	1	1
Connecticut Health	1.25	0	0
Musculoskeletal	0	0	6
Foundational Programs Geriatrics	0	0	1
Total	4.25	5	8

Cardiology Signature Program

Under the direction of Dr. Bruce Liang, this Signature Program will combine, among other things, the areas of Cardiology, Cardiovascular Biology, Peripheral Vascular Surgery, Interventional Vascular Radiology, and Cardiovascular Surgery. This Center will **advance clinical translational work**. The genesis for this Signature Program is the Center for Vascular Biology which was an earlier initiative of the Basic Science Research Strategic Plan.



JDH budget includes
+\$962K for drug
eluting stents



A tight symptomatic coronary angio and a post stent opening of it with perfusion distal

Connecticut Health Signature Program



University of Connecticut
Health Center

WWW.CONNECTICUTHEALTH.ORG • CONNECTICUTHEALTH@UCHC.EDU

Connecticut Health: Spotlight on Asthma

Connecticut Schools, Indoor Air Quality, & Asthma

The Division of Occupational and Environmental Medicine at the UConn Health Center provides comprehensive services to...

Greetings from the UConn Health Center

As a state-supported institution, the UConn Health Center is committed to applying its resources to the needs of the citizens of Connecticut – and includes the needs of our legislature!

On behalf of our faculty and staff, I would like to extend an offer of assistance. Whether you...



Eileen Stoney, M.D., M.P.H. and Paula Schenck, M.P.H.

Connecticut Health produced a series of newsletters whose audience included members of the State legislature.



UCAN Control Asthma Program[®]

Better Pediatric Outcomes through Chronic Care

This initiative joins the UCHC research community with **community based health centers.**



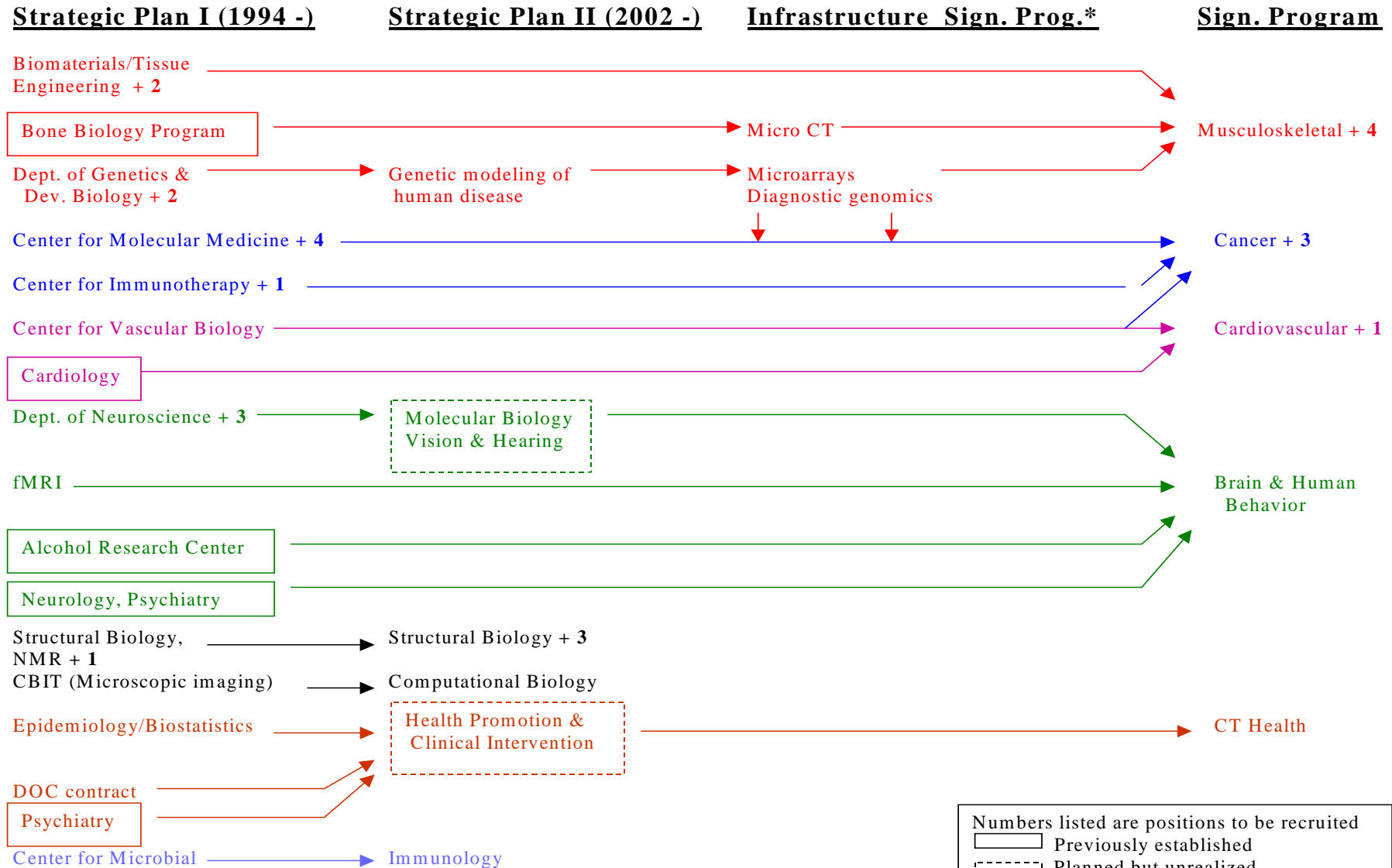
UCHC partnered with the State **Department of Public Health** to become one of the first sites to initiate small pox vaccinations for healthcare workers.



UCHC is the largest provider of Medicaid eligible **pediatric dental services** in the State; serving 30% of this population and 60% of all DMR clients.

Basic Science Research Strategic Plans

Integration of Research Strategic Plans with Signature Programs



Numbers listed are positions to be recruited
 [Solid Box] Previously established
 [Dashed Box] Planned but unrealized

Basic Science Research

FY04 Key Investments - \$2.65 million

- ❖ Increased support for the Research Incentive Plan

+ \$300K = \$1.2 million

- ❖ Hiring for Research Strategic Plan Start-up Commitments faculty and non-faculty positions

+ \$1.74 million

- ❖ Expand IRB Compliance Administration- HIPPA, OHRP, Adverse Events, IRB, COI, Scientific Review (SRC)

+ \$300K

- ❖ Implement Facilities and Administrative Cost Study

+ \$350K

F&A Rate last set in 2000 and now stands at 45%



Clinical Services

JOHN DEMPSEY HOSPITAL

Inpatient Admissions

FY03 4.2%

FY04 projected 2.1%

Outpatient Visits

FY03 21.4%

FY04 projected 11.9%

UMG/UHP

Patient Visits

FY03 – under 6.0% w loss of Pediatrics

FY04 projected 5.1%

Improved financial performance by
over \$6 million over FY03
for UMG/UHP



JDH awarded two silver
Connecticut Quality
Improvement Awards



Pictured above the new Charlotte Johnson Hollfelder Women's Center opened in September 2002 and the new OR 10 opened in Fall 2002.

Clinical Services

FY04 Key Investments

- ❖ Medical Arts and Research Building
- ❖ Nursing Redesign – *projected savings -\$2.3 million through reduction in use of agency nurses*
- ❖ Expansion of Celebrate Women to **add a “Seniors” membership marketing program**
- ❖ Clinical Incentive Compensation Plan
- ❖ Continue to Meet Clinical Needs of Service Area
 - ED services* *Derm*
 - Hospitalist* *Radiology*



In December, 2004, the lower campus will become home to a free standing surgery center building which will be dedicated to the **Musculoskeletal Initiatives.**



Celebrate Women, membership marketing program, launched in Spring 2002, now has over 5,200 registered members. Of these 3,400 are new to the Health Center.

Education

❖ Health Sciences Education Development Center

- ▣ Enable the development of computer-based education materials
- ▣ Integrate all aspects of curricula
- ▣ Maximize students' ability to pursue independent learning
- ▣ Support continuing education and public education

❖ Primary Health Care: Multiprofessional Model

- ▣ Strategically elevate the delivery of primary care
- ▣ Implement new curriculum in primary care (SOM and SODM)
- ▣ Improve educational access for community practitioners

❖ Ph.D. Program in Public Health

- ▣ Build on existing Master of Public Health program
- ▣ Integrate epidemiology/biostatistics/health services research
- ▣ National accreditation: 5 years


❖ School of Public Health

- ▣ Research feasibility of creating a UCONN School of Public Health

Cost Improvement

	FY00	FY01	FY02	FY03	TOTAL
FY00 Register	\$12.91	\$7.70			\$20.61
FY01 Register		\$5.77	\$1.25		\$7.02
FY02 Register			\$5.50		\$5.50
FY02 Supplemental			\$7.10	\$3.00	\$10.10
FY03 Register				\$9.40	\$9.40
	<u>\$12.91</u>	<u>\$13.47</u>	<u>\$13.85</u>	<u>\$12.40 *</u>	<u>\$52.63 *</u>
<i>FTE Reductions *</i>					
filled	103	5	21	28	157
vacant	44	3	13	25	85
Other/Transfer	0	0	1	5	6
subtotal	<u>147</u>	<u>8</u>	<u>35</u>	<u>58</u>	<u>248</u>
CMHC	0	0	0	36	36
total	<u>147</u>	<u>8</u>	<u>35</u>	<u>94</u>	<u>284</u>

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

 incremental impact of prior year improvements

FY04 Action Agenda

- 1. Move Forward Design and Construction of the Medical Arts Research Building**
- 2. Recruit and Hire Cancer Leader**
- 3. Commence Recruitment of Musculoskeletal Program Leadership**
- 4. Implement School of Medicine and School of Dental Medicine Reorganization**
- 5. Advance Pace of Cancer and Cardiology Signature Program Development**
- 6. Maintain Gains in Clinical Profitability**



University of Connecticut
Storrs & Regional Campuses

Proposed Spending Priorities
& Academic Plan

Academic Plan

- ❖ Arts, Culture & Society from a Local to Global Perspective
- ❖ Environmental Sustainability
- ❖ Health & Human Service Systems
- ❖ Life Sciences
- ❖ Innovations in Science & Technology
- ❖ Undergraduate Enrichment

Arts, Culture & Society from a Local to Global Perspective

❖ School of Law

- ❑ \$367.5 K to meet the challenge of larger enrollment

❖ College of Liberal Arts & Sciences

- ❑ \$300 K to support new faculty & teaching assistants in Human Rights & Anthropology

❖ Multicultural Affairs

- ❑ \$210 K to advance diversity efforts



Environmental Sustainability

- ❖ \$150 K to support the Fuel Cell Research Center
- ❖ \$294 K to broaden interdisciplinary environmental research



Health & Human Service Systems



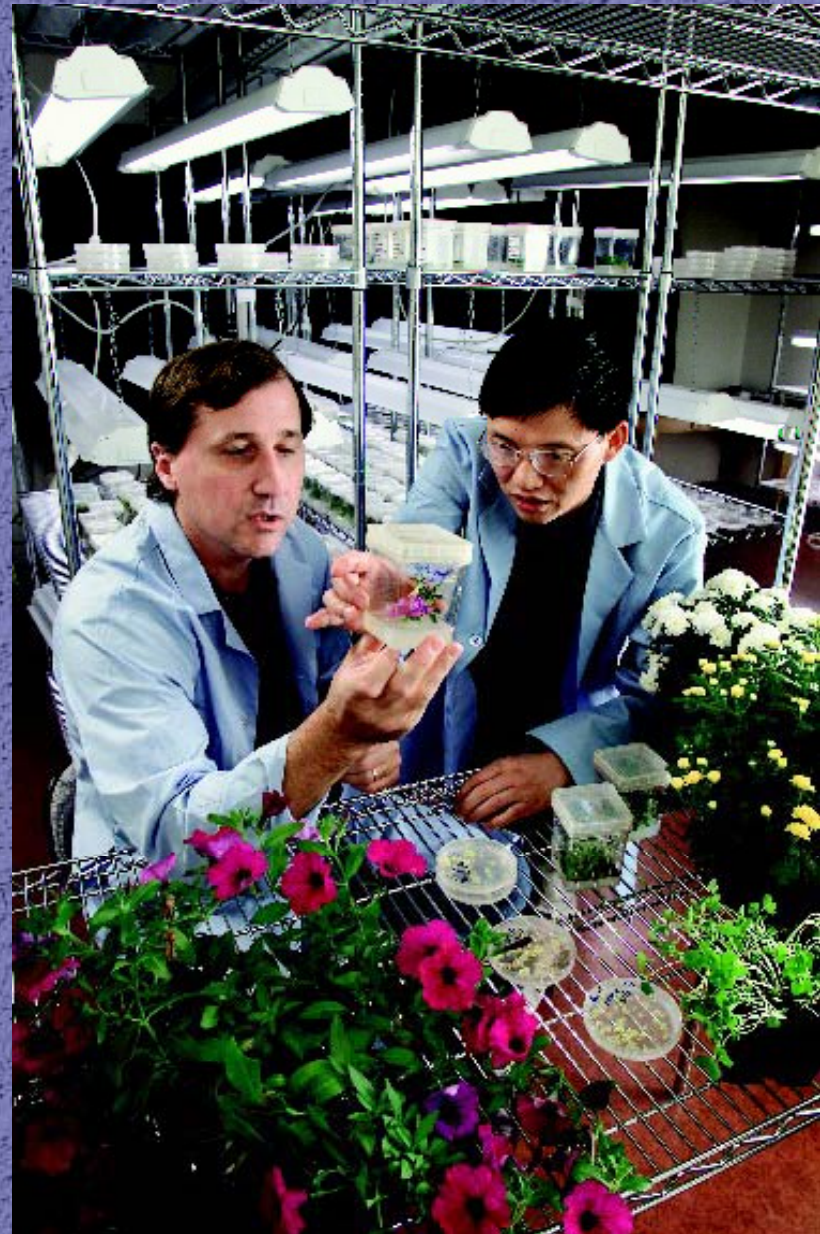
- ❖ School of Nursing
 - ▣ \$140 K for new clinical teaching costs

- ❖ School of Pharmacy
 - ▣ \$98 K for clinical faculty to be shared with Yale

- ❖ Neag School of Education
 - ▣ \$162 K to support TCPCG in Stamford & West Hartford

Life Sciences

- ❖ College of Agriculture & Natural Resources
 - ▣ \$112 K on faculty support
- ❖ Faculty in Biology & Biochemistry



Innovations in Science & Technology

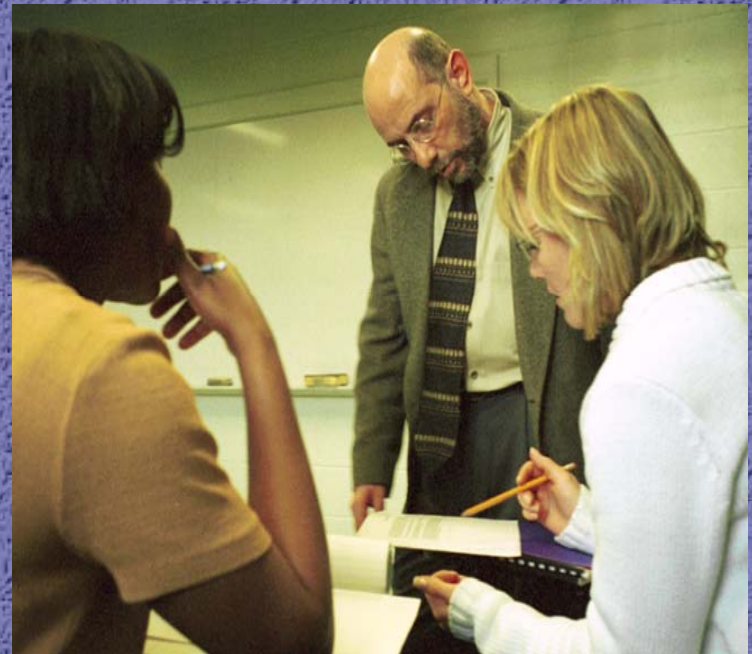


❖ \$250 K to
hire faculty in
science and
technology

❖ \$200 K university-wide for expansion of
applied research “technology transfer”
capacity

Undergraduate Enrichment

- ❖ \$992.5 K for faculty, teaching assistants & adjunct lecturers for high demand courses (especially chemistry, biology & psychology)
- ❖ \$500 K to support a new Business Minor
- ❖ \$450 K for Centers for Undergraduate Learning
- ❖ \$202 K towards enhancement of the Honors Program
- ❖ \$147 K to address Enrollment Management staffing needs



Fall 2003 Freshman Highlights



- ❖ Since Fall 1995 at Storrs:
 - ❑ Applications have increased 79%
 - ❑ Enrollment has increased by 59%
 - ❑ SAT scores have risen 54 points

- ❖ Since Fall 1995 at Storrs & Regional Campuses:
 - ❑ Minority enrollment has increased from 17.9% to 19%
 - ❑ Total valedictorians and salutatorians are 471

Accessibility: Financial Aid

All tuition, fee and room and board increases have been matched by increased financial aid to ensure that no student's education would be denied or hampered based on financial need



- ❖ Additional \$5.8M in aid for FY04

- ❖ Eliminated the unmet need gap for the neediest in-state students

- ❖ 75% of all UConn students (undergraduates and graduates) receive financial aid

Financial Aid

<u>Total Financial Aid (in millions)</u>	<u>FY 2003</u>	<u>FY 2004</u>
Need Based-Grants	\$33.5	\$35.9
Need Based - Student Labor	\$13.0	\$12.8
University Scholarships	\$17.1	\$19.1
Non-University Scholarships	\$6.3	\$6.2
Loans	\$72.8	\$82.3
Tuition Waivers	<u>\$25.4</u>	<u>\$29.2</u>
Total Financial Aid	\$168.1	\$185.6
<u>Tuition Funded Financial Aid</u>		
Need Based Grants/Labor	\$20.5	\$23.9
Scholarships	\$7.7	\$8.4
Tuition Waivers	<u>\$25.4</u>	<u>\$29.2</u>
Total Tuition Funded Financial Aid	\$53.7	\$61.6
Total as a % of Gross Tuition Revenue	37.8%	37.7%
Tuition Funded Need Based %	17.7%	17.8%

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