




Office of the Executive Vice President for
Administration and Chief Financial Officer
Scott A. Jordan
Executive Vice President
for Administration
and Chief Financial Officer

December 16, 2015

TO: Members of the Board of Trustees

FROM: Scott A. Jordan 
Executive Vice President for Administration and Chief Financial Officer

RE: Fall 2016 – Spring 2020 Tuition Plan for University of Connecticut, Storrs and Regional Campuses

RECOMMENDATION:

That the Board of Trustees approve the attached four-year tuition plan, for Fall 2016 – Spring 2020, which will apply to all undergraduate and graduate tuition-based programs.

BACKGROUND:

UConn is committed to offering a high quality education at a competitive value for the benefit of our students, their families, and the State of Connecticut. The state has invested considerable resources in the university over the last two decades which have helped make UConn into a world-class institution. UConn's top faculty, high academic quality, and excellent facilities have allowed it to attract many of the very best students from Connecticut, the nation, and the world. A vibrant and academically renowned UConn helps keep great students in Connecticut and draws the best and brightest from elsewhere, many of whom remain in Connecticut after they graduate. UConn, its faculty and these highly-educated graduates are critical to supporting the economic, social and cultural future of the State of Connecticut.

Achieving and maintaining this standard requires financial resources.

In recent years, the state has faced significant financial and budget difficulties, which have affected its ability to fund state agencies, including UConn. State support has not kept pace with the increases in mandatory contractual costs and fringe benefits, both of which are beyond the university's control. There have also been substantial cuts and mid-year rescissions to UConn's amount of state support.

UConn faces a potential deficit of \$40.2 million for Fiscal Year 2017.

In order to protect academic quality and partially mitigate this substantial deficit, the university must increase revenue and reduce expenses. Tuition is one aspect of that broader effort, and the university has recommended that the board consider enacting a new four-year tuition plan to help meet that goal.

Protecting academic quality means the following:

- a) Ensuring we have enough faculty to teach all the classes that need to be offered to students on all campuses – helping students graduate on time – and keeping classes small.
- b) Ensuring that we have outstanding faculty to conduct research and maintain our standing as a world-class research institution
- c) Providing classrooms, laboratories and other facilities with the essential equipment, staffing and technology that faculty and students need to be successful;
- d) Offering the level of merit- and need-based financial aid necessary to recruit and retain great students and help keep their education at UConn affordable.

Thanks in large part to aforementioned state investments, UConn has made tremendous academic gains in recent years including a lower student to faculty ratio, shorter average time to degree, more class offerings, and smaller class sizes.

The university must protect the state's investment by ensuring that these results and UConn's overall academic quality do not slip backward or degrade.

The proposed increases in tuition will only cover a portion of the projected operating budget gap. The rest of the operating deficit must be closed by cutting costs and generating revenue elsewhere. Cost-cutting will likely include hiring restrictions, workforce reductions, position eliminations, creating greater efficiencies, and program consolidations or closures.

UConn is committed to affordability, accessibility and remaining attractive to students and their families. UConn is an exceptional value for Connecticut students and will continue to be. Additionally, the operating budget that forms the basis of this plan continues the University's strong commitment to funding financial aid at levels that will allow substantial support for need and merit-based assistance to qualifying students.

It is important to note that both now and at the conclusion of the proposed four-year plan, it will continue to cost a Connecticut student attending UConn a fraction of what it would cost that student to attend any of UConn's competitors.

By setting tuition now for the next four years, the university provides transparency and certainty for students, potential students, and their families. It is the university's intention to manage its budget within the constraints of this plan, even as state funding may increase or decrease somewhat, just as we managed the budget over the course of the last four-year plan. That said, approval of this plan does not preclude the Board of Trustees revisiting the plan in the future if the state appropriation dramatically increases or decreases.

Additional background information is provided in the attached presentation.

UNIVERSITY OF CONNECTICUT
Storrs and Regional Campuses
Four-Year Tuition Plan Proposal
FY17-FY20

	FY2016-17			FY 2017-18			FY 2018-19			FY 2019-20		
Undergraduate	Resident	Non-Resident	NE Regional	Resident	Non-Resident	NE Regional	Resident	Non-Resident	NE Regional	Resident	Non-Resident	NE Regional
Annual Increase	\$ 700	\$ 950	\$ 950	\$ 775	\$ 1,050	\$ 1,050	\$ 850	\$ 1,150	\$ 1,150	\$ 950	\$ 1,250	\$ 1,250
Tuition Rate - Full Time	\$11,224	\$ 33,016	\$ 19,366	\$ 11,999	\$ 34,066	\$ 20,416	\$ 12,849	\$ 35,216	\$ 21,566	\$ 13,799	\$ 36,466	\$ 22,816
Per Credit Hour												
1	\$ 469	\$ 1,377	\$ 808	\$ 502	\$ 1,421	\$ 852	\$ 538	\$ 1,469	\$ 900	\$ 578	\$ 1,522	\$ 953
2	\$ 938	\$ 2,754	\$ 1,616	\$ 1,004	\$ 2,842	\$ 1,704	\$ 1,076	\$ 2,938	\$ 1,800	\$ 1,156	\$ 3,044	\$ 1,906
3	\$ 1,407	\$ 4,131	\$ 2,424	\$ 1,506	\$ 4,263	\$ 2,556	\$ 1,614	\$ 4,407	\$ 2,700	\$ 1,734	\$ 4,566	\$ 2,859
4	\$ 1,876	\$ 5,508	\$ 3,232	\$ 2,008	\$ 5,684	\$ 3,408	\$ 2,152	\$ 5,876	\$ 3,600	\$ 2,312	\$ 6,088	\$ 3,812
5	\$ 2,345	\$ 6,885	\$ 4,040	\$ 2,510	\$ 7,105	\$ 4,260	\$ 2,690	\$ 7,345	\$ 4,500	\$ 2,890	\$ 7,610	\$ 4,765
6	\$ 2,814	\$ 8,262	\$ 4,848	\$ 3,012	\$ 8,526	\$ 5,112	\$ 3,228	\$ 8,814	\$ 5,400	\$ 3,468	\$ 9,132	\$ 5,718
7	\$ 3,283	\$ 9,639	\$ 5,656	\$ 3,514	\$ 9,947	\$ 5,964	\$ 3,766	\$ 10,283	\$ 6,300	\$ 4,046	\$ 10,654	\$ 6,671
8	\$ 3,752	\$ 11,016	\$ 6,464	\$ 4,016	\$ 11,368	\$ 6,816	\$ 4,304	\$ 11,752	\$ 7,200	\$ 4,624	\$ 12,176	\$ 7,624
9	\$ 4,221	\$ 12,393	\$ 7,272	\$ 4,518	\$ 12,789	\$ 7,668	\$ 4,842	\$ 13,221	\$ 8,100	\$ 5,202	\$ 13,698	\$ 8,577
10	\$ 4,690	\$ 13,770	\$ 8,080	\$ 5,020	\$ 14,210	\$ 8,520	\$ 5,380	\$ 14,690	\$ 9,000	\$ 5,780	\$ 15,220	\$ 9,530
11	\$ 5,159	\$ 15,147	\$ 8,888	\$ 5,522	\$ 15,631	\$ 9,372	\$ 5,918	\$ 16,159	\$ 9,900	\$ 6,358	\$ 16,742	\$ 10,483
12	\$ 5,612	\$ 16,508	\$ 9,683	\$ 6,000	\$ 17,033	\$ 10,208	\$ 6,425	\$ 17,608	\$ 10,783	\$ 6,900	\$ 18,233	\$ 11,408
annual-full time	\$ 11,224	\$ 33,016	\$ 19,366	\$ 11,999	\$ 34,066	\$ 20,416	\$ 12,849	\$ 35,216	\$ 21,566	\$ 13,799	\$ 36,466	\$ 22,816
Graduate	Resident	Non-Resident	NE Regional	Resident	Non-Resident	NE Regional	Resident	Non-Resident	NE Regional	Resident	Non-Resident	NE Regional
Annual Increase	\$ 700	\$ 950	\$ 950	\$ 775	\$ 1,050	\$ 1,050	\$ 850	\$ 1,150	\$ 1,150	\$ 950	\$ 1,250	\$ 1,250
Tuition Rate - Full Time	\$13,726	\$ 34,762	\$ 23,746	\$ 14,501	\$ 35,812	\$ 24,796	\$ 15,351	\$ 36,962	\$ 25,946	\$ 16,301	\$ 38,212	\$ 27,196
Per Credit Hour												
1	\$ 763	\$ 1,932	\$ 1,320	\$ 807	\$ 1,991	\$ 1,379	\$ 855	\$ 2,055	\$ 1,443	\$ 908	\$ 2,125	\$ 1,513
2	\$ 1,526	\$ 3,864	\$ 2,640	\$ 1,614	\$ 3,982	\$ 2,758	\$ 1,710	\$ 4,110	\$ 2,886	\$ 1,816	\$ 4,250	\$ 3,026
3	\$ 2,289	\$ 5,796	\$ 3,960	\$ 2,421	\$ 5,973	\$ 4,137	\$ 2,565	\$ 6,165	\$ 4,329	\$ 2,724	\$ 6,375	\$ 4,539
4	\$ 3,052	\$ 7,728	\$ 5,280	\$ 3,228	\$ 7,964	\$ 5,516	\$ 3,420	\$ 8,220	\$ 5,772	\$ 3,632	\$ 8,500	\$ 6,052
5	\$ 3,815	\$ 9,660	\$ 6,600	\$ 4,035	\$ 9,955	\$ 6,895	\$ 4,275	\$ 10,275	\$ 7,215	\$ 4,540	\$ 10,625	\$ 7,565
6	\$ 4,578	\$ 11,592	\$ 7,920	\$ 4,842	\$ 11,946	\$ 8,274	\$ 5,130	\$ 12,330	\$ 8,658	\$ 5,448	\$ 12,750	\$ 9,078
7	\$ 5,341	\$ 13,524	\$ 9,240	\$ 5,649	\$ 13,937	\$ 9,653	\$ 5,985	\$ 14,385	\$ 10,101	\$ 6,356	\$ 14,875	\$ 10,591
8	\$ 6,104	\$ 15,456	\$ 10,560	\$ 6,456	\$ 15,928	\$ 11,032	\$ 6,840	\$ 16,440	\$ 11,544	\$ 7,264	\$ 17,000	\$ 12,104
9	\$ 6,863	\$ 17,381	\$ 11,873	\$ 7,251	\$ 17,906	\$ 12,398	\$ 7,676	\$ 18,481	\$ 12,973	\$ 8,151	\$ 19,106	\$ 13,598
annual-full time	\$ 13,726	\$ 34,762	\$ 23,746	\$ 14,501	\$ 35,812	\$ 24,796	\$ 15,351	\$ 36,962	\$ 25,946	\$ 16,301	\$ 38,212	\$ 27,196
Other Tuition Based Programs	Resident	Non-Resident	NE Regional	Resident	Non-Resident	NE Regional	Resident	Non-Resident	NE Regional	Resident	Non-Resident	NE Regional
Pharmacy (Pharm. D.)	\$ 24,054	\$ 51,352	\$ 41,818	\$ 24,830	\$ 52,402	\$ 42,868	\$ 25,680	\$ 53,552	\$ 44,018	\$ 26,630	\$ 54,802	\$ 45,268
Storrs-DPT (PHYSICAL THERAPY)	\$ 19,182	\$ 40,238	\$ 29,192	\$ 19,958	\$ 41,288	\$ 30,242	\$ 20,808	\$ 42,438	\$ 31,392	\$ 21,758	\$ 43,688	\$ 32,642
Law School-Day	\$ 27,778	\$ 57,946	\$ 48,336	\$ 28,554	\$ 58,996	\$ 49,386	\$ 29,404	\$ 60,146	\$ 50,536	\$ 30,354	\$ 61,396	\$ 51,786
Law School-Evening	\$ 19,580	\$ 40,730	\$ 33,990	\$ 20,356	\$ 41,780	\$ 35,040	\$ 21,206	\$ 42,930	\$ 36,190	\$ 22,156	\$ 44,180	\$ 37,440
Law School SJD	\$ 7,962	\$ 15,452	\$ 13,658	\$ 8,738	\$ 16,502	\$ 14,708	\$ 9,588	\$ 17,652	\$ 15,858	\$ 10,538	\$ 18,902	\$ 17,108
Social Work	\$ 13,726	\$ 34,762	\$ 23,746	\$ 14,502	\$ 35,812	\$ 24,796	\$ 15,352	\$ 36,962	\$ 25,946	\$ 16,302	\$ 38,212	\$ 27,196
Stamford Ph. D.	\$ 17,224	\$ 34,762	\$ 29,868	\$ 18,000	\$ 35,812	\$ 30,918	\$ 18,850	\$ 36,962	\$ 32,068	\$ 19,800	\$ 38,212	\$ 33,318

-All above are tuition based programs only. Fee based programs rates are established during the Spring semester.

Board Of Trustees

Tuition Planning Presentation

FY17- FY20

December 16, 2015

Why Do We Have To Raise Tuition?

1. To keep UConn great by protecting academic quality and the gains made over the last few years
2. Cuts and Shortfalls in State Funding
3. Increasing Costs – specifically mandated contractual increases and benefits

Outstanding Academic Quality

UConn has improved by leaps and bounds over the last few years, including reduced time to graduation and increased educational quality.

UConn successes:

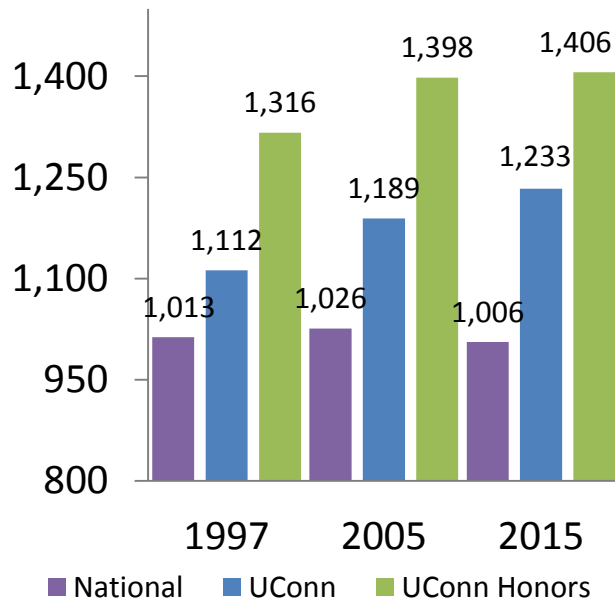
- Top 25 Public National University (19th) in U.S. News and World report
- Hired 260 new faculty
- Lowered student to faculty ratio from 18.3:1 to 16.8:1
- Decreased average time to degree to 4.2 years
- Increased number of class offerings by 33%
- Reduced class size throughout general education and science courses
- Increased academic quality of students

UConn has made great strides and needs to continue moving forward

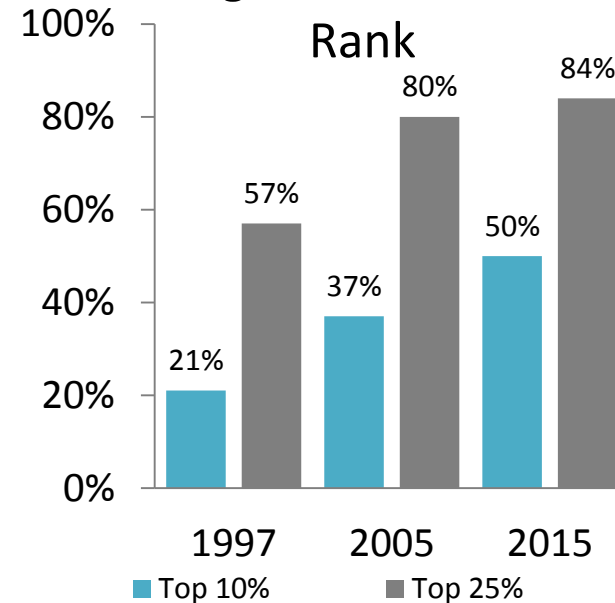
Freshmen Quality

Freshmen quality has improved by all measures, including SAT and High School Rank.

Mean SAT Scores

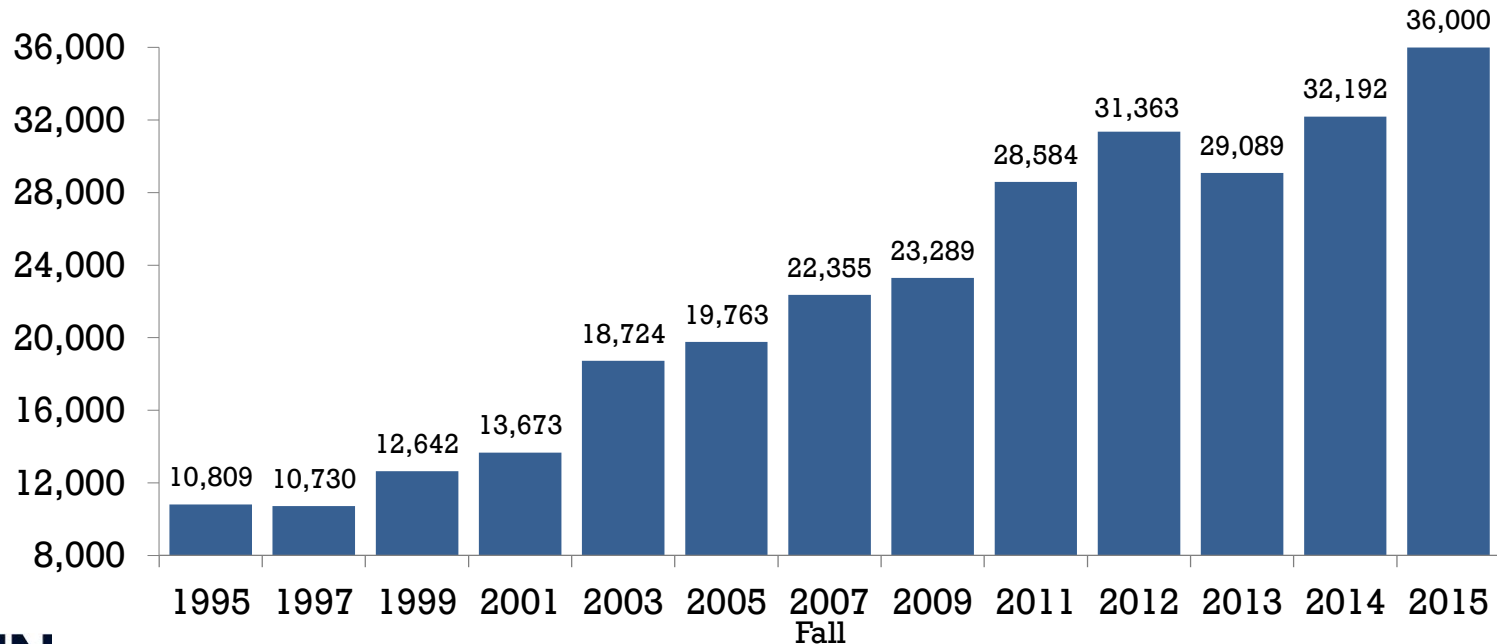


High School Class Rank



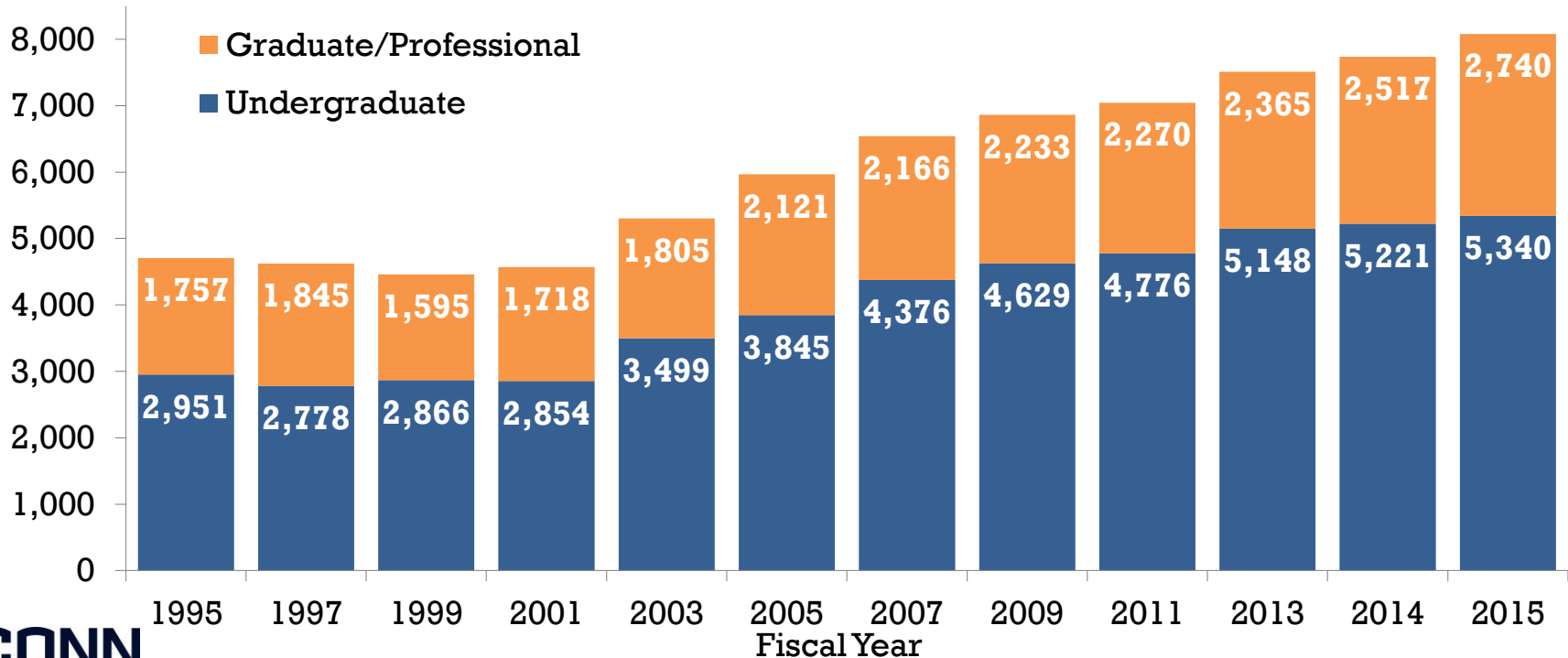
Freshman Application Trends

Applications at all campuses have increased 233% from Fall 1995 to Fall 2015



Degrees Awarded

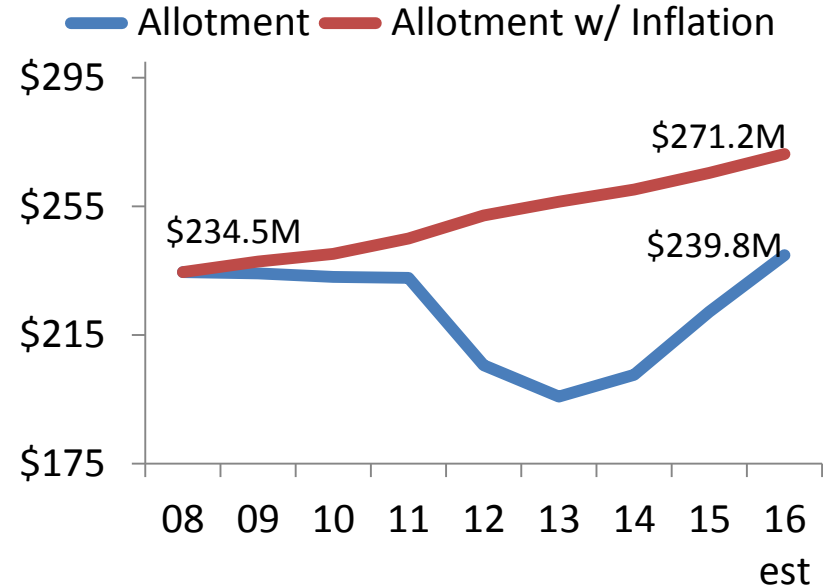
Undergraduate degrees awarded have increased 81% since 1995



Trends in State Funding

Fiscal Year	Approp (\$M)	Actual Allotment (\$M)	Reductions (\$M)	% Perm Employees Funded by Allotment
'09	\$247.9	\$234.1	\$13.8	70%
'10	235.3	233.0	2.3	73%
'11	233.0	232.6	0.4	68%
'12	207.7	205.6	2.1	61%
'13	206.1	195.8	10.3	57%
'14	203.4	202.6	0.8	53%
'15	229.6	222.2	7.4	56%
'16 est	243.2	239.8	3.4	~58%
Total Reductions		Approximately \$40M or \$59M w/FB + \$23M of Fund Balance Sweeps		

- More UConn tuition, fees & other revenues are required to provide support for employees & the increase in students since FY08



Shortfall in State Support

Since FY13, growth in State funding has been \$32.4M less than mandatory salary & fringe increases.

\$ Millions	FY13	FY14	FY15	FY16	TOTAL
Mandatory Increases					
Contractual Wage Increases	\$0.0	\$17.0	\$19.6	\$23.8	\$60.4
Healthcare and Retirement Increases	\$11.2	\$21.1	\$2.7	\$14.1	\$49.1
Total Mandatory Increases	\$11.2	\$38.1	\$22.3	\$37.9	\$109.5
State Support Increase	\$6.1	\$19.6	\$20.2	\$31.2	\$77.1
Funding Gap	(\$5.1)	(\$18.5)	(\$2.1)	(\$6.7)	(\$32.4)

UConn FY17 Budget Projection

- Current FY17 Projected Budget Gap is \$40.2M
- UConn is bracing for additional cuts in FY16 and a lower appropriation for FY17 due to recent State budget news

Tools Used for Balancing the Budget

UConn continuously uses the following tools to balance the budget:

Increased Revenue Options

- Grow philanthropy
- Increase enrollment
- Offer more online and summer programs
- Grow entrepreneurial programs
- Increase Technology Commercialization & Business Incubation

Cost Saving Options

- Restricted hiring through strict scrutiny
- Reduce workforce through position elimination
- Cut academic programs and departments
- Streamline processes for cost reductions
- Promote efficiencies
- Slow down faculty hiring
- Analyze closing regional campuses

Impact of Cuts

UConn has done the following to balance the University budget as a result of State cuts:

- Workforce reductions
- Careful review and strict scrutiny of hiring decisions
- Reduced faculty hiring
- Academic program elimination and reduction
- Consolidation of academic units
- Less maintenance of facilities

Cost of Attendance in FY16

Current 2015-16 rates for in-state and out-of-state students.

	In-State	Out-of-State
Tuition	\$10,524	\$32,066
Mandatory Fees	2,842	2,842
Subtotal	\$13,366	\$34,908
Room & Board	12,174	12,174
Direct Cost of Attendance	\$25,540	\$47,082

Does not include costs for books, supplies, transportation, etc.

Financial Aid to Undergraduate Students

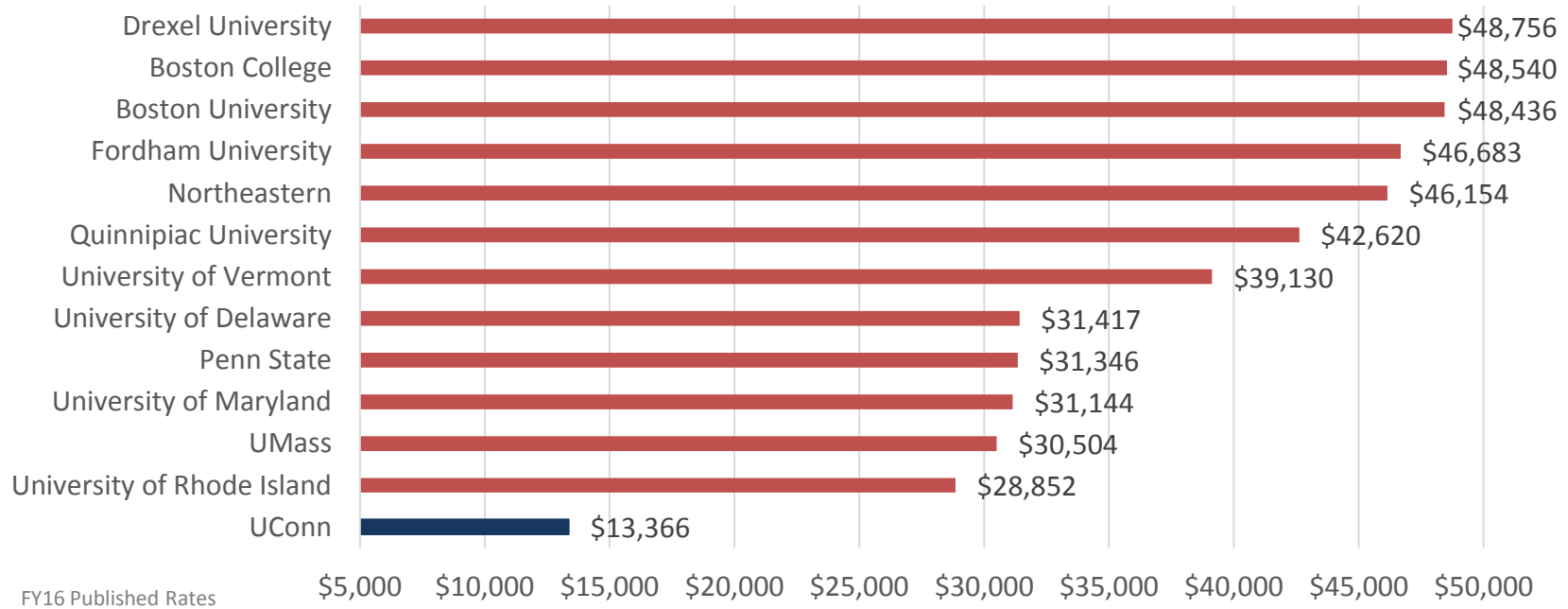
UConn is committed to providing financial aid.

	Amount Awarded	Number of Students	Percent of Students
UConn Grant	\$68.8M	10,600	46%
CT Governor's Grant	\$6.5M	2,393	10%
Federal SEOG	\$0.75M	194	0.8%
Federal Pell Grant	\$23.9M	5,684	25%
Federal Perkins and Direct Stafford Loans	\$75.7M	11,166	49%
Financial Aid from All Sources	\$336M	17,871	78%

46% of students receive University financial aid.

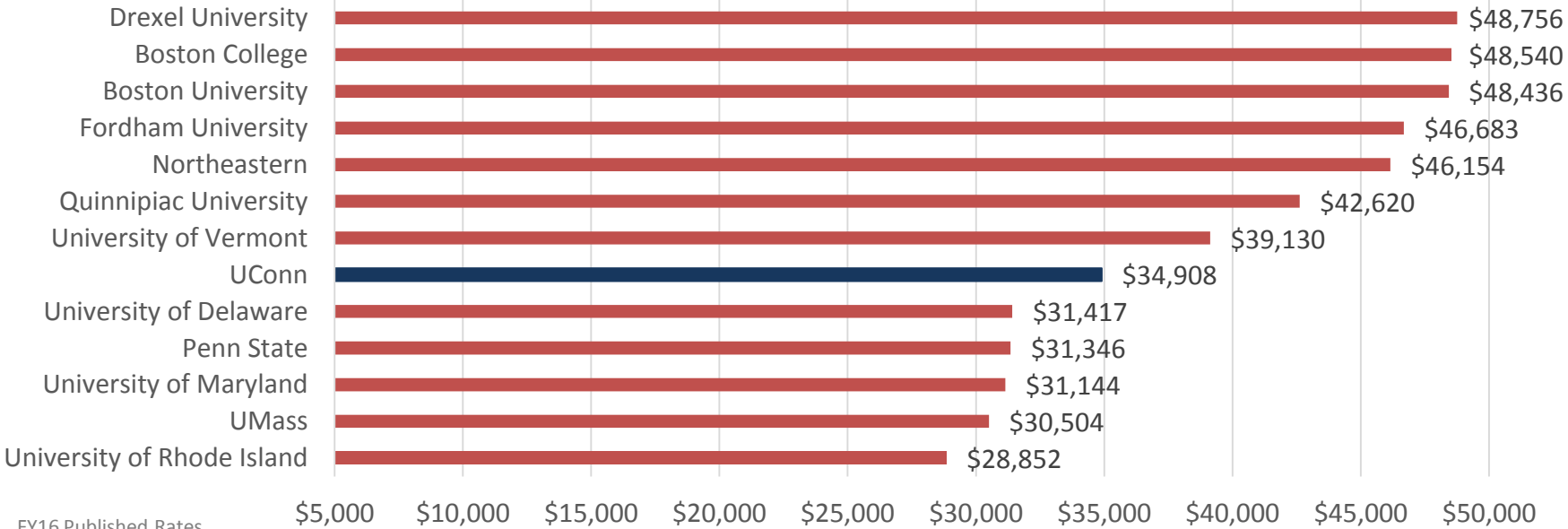
Tuition and Fees for a Connecticut Resident vs. Competitors

For Connecticut residents, UConn offers the best value



Tuition and Fees for a Non-Connecticut Resident vs. Competitors

For non-Connecticut residents, UConn is the second highest cost among public flagship institutions

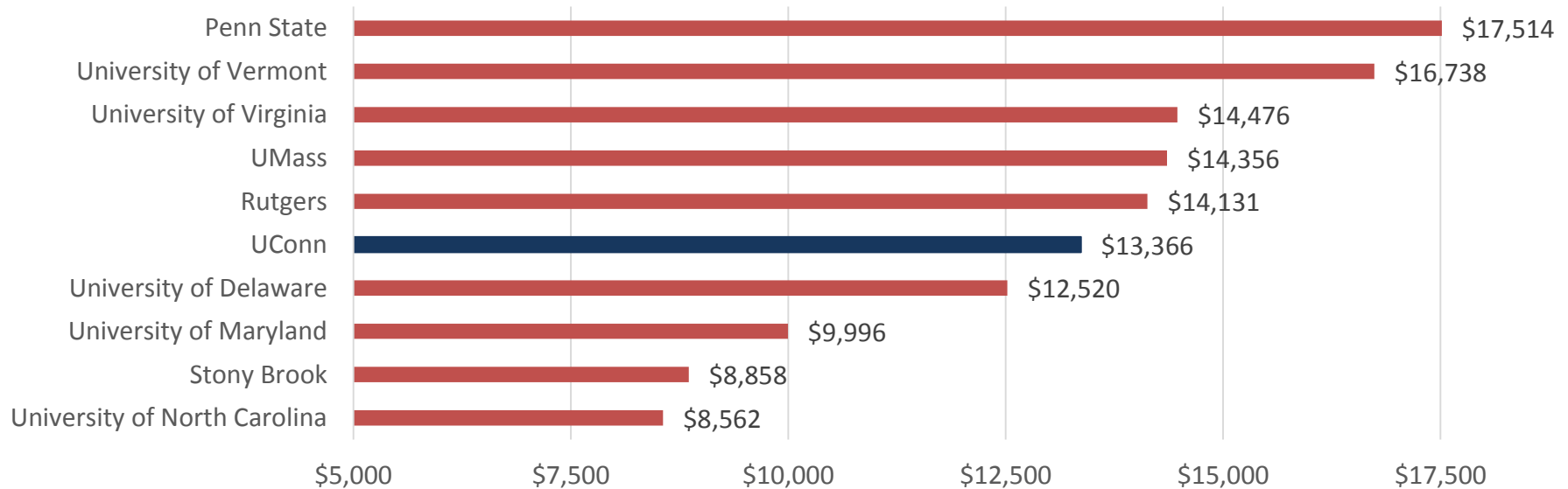


FY16 Published Rates



In-State Tuition and Fees Compared to Public Competitors

In-state tuition and fee rates at competitor public flagship institutions



Four Year Tuition Plan: Administration Proposal

This plan balances the need for increased revenue with accessibility, affordability, and remaining attractive to students and parents.

	2016-17		2017-18		2018-19		2019-2020	
	Resident	Non-Resident	Resident	Non-Resident	Resident	Non-Resident	Resident	Non-Resident
Tuition Amount	11,224	33,016	11,999	34,066	12,849	35,216	13,799	36,466
Dollar Increase	\$700	\$950	\$775	\$1,050	\$850	\$1,150	\$950	\$1,250
New Revenue	\$15.3M		\$17.0M		\$18.6M		\$20.6M	
New Financial Aid	\$2.5M		\$2.8M		\$3.0M		\$3.4M	
Net New Revenue	\$12.8M		\$14.2M		\$15.6M		\$17.2M	

Current 2015-16 resident tuition is \$10,524 and non-resident is \$32,066.

FY17 Projected Budget Gap After Tuition Increases

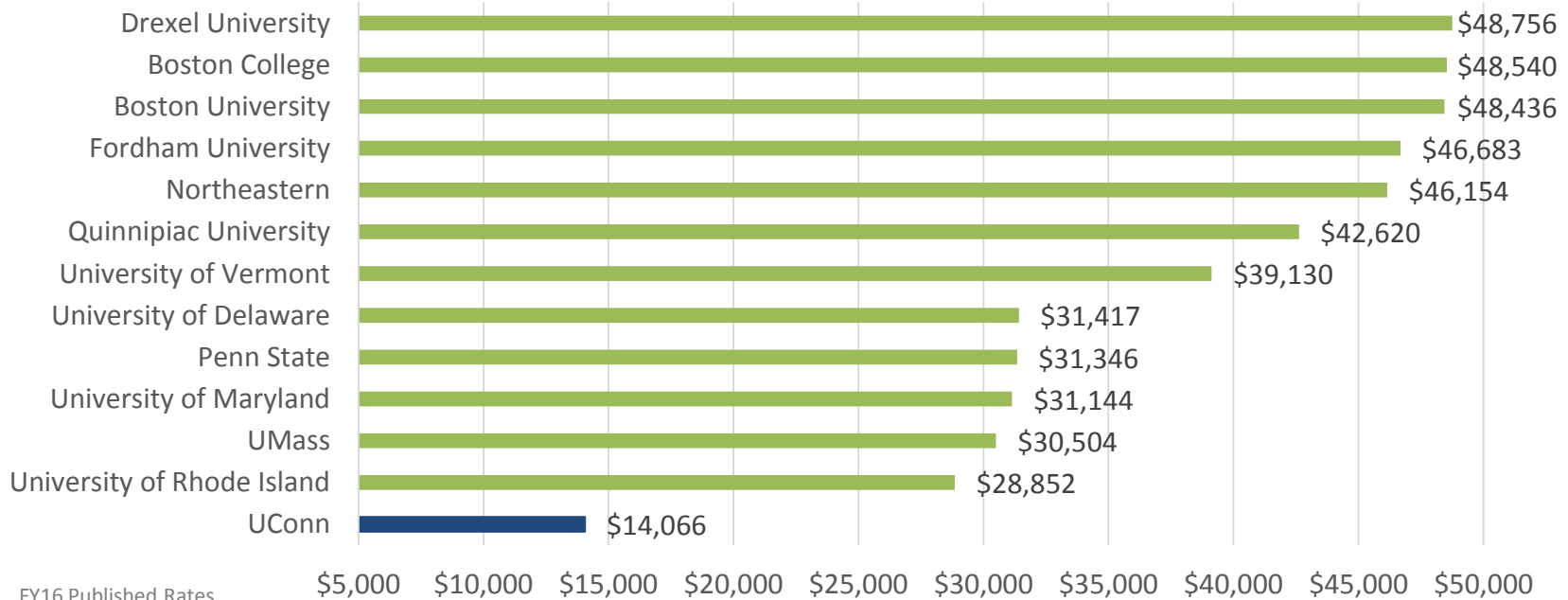
The proposed tuition increases will only contribute \$12.8M to the FY17 Budget Gap.

	FY17	
Projected Budget Gap	\$40.2M	
Proposed Tuition Increase (New Revenue)	\$12.8M	32%
FY17 Remaining Budget Gap	\$27.4M	68%

Other mitigation strategies – including cuts, judicious hiring, and operational efficiencies – will need to be utilized to fill the remainder of the gap.

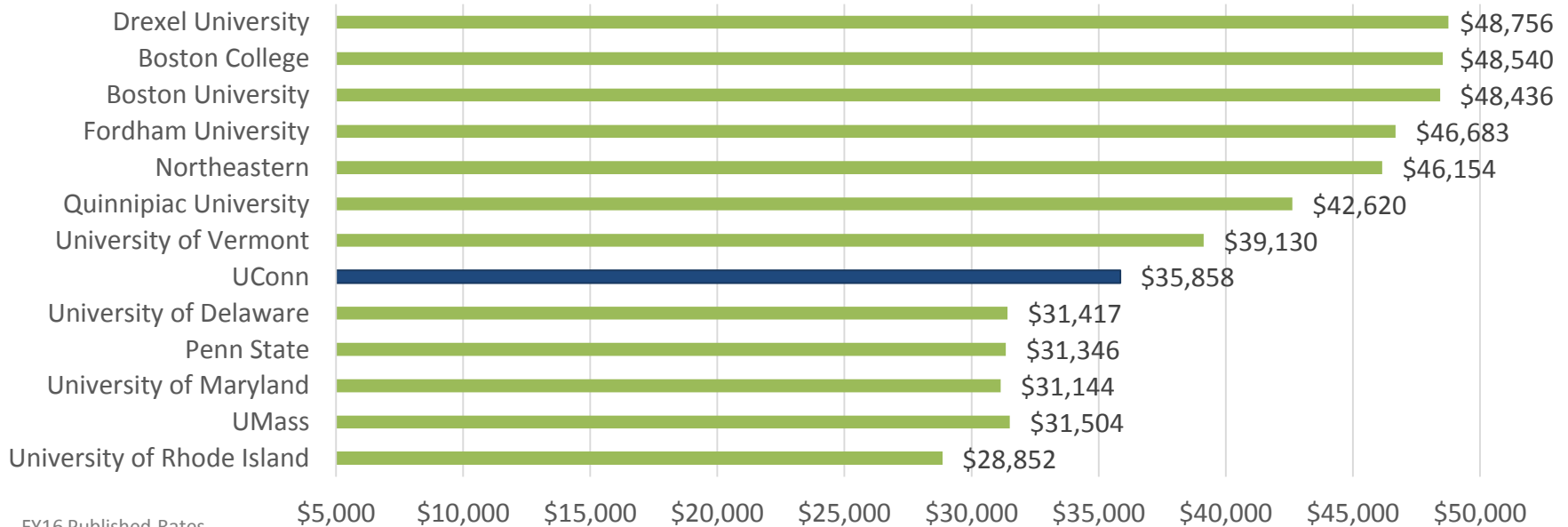
With 2016-17 Tuition Increase, UConn is still the best value

Comparing UConn's 2016-17 proposed tuition rates to Competitors 2015-16 rates still shows UConn offers the best value for Connecticut Residents.



UConn's 2016-17 Proposed Tuition and Fees for a Non-Connecticut Resident vs. 2015-16 Competitors rates

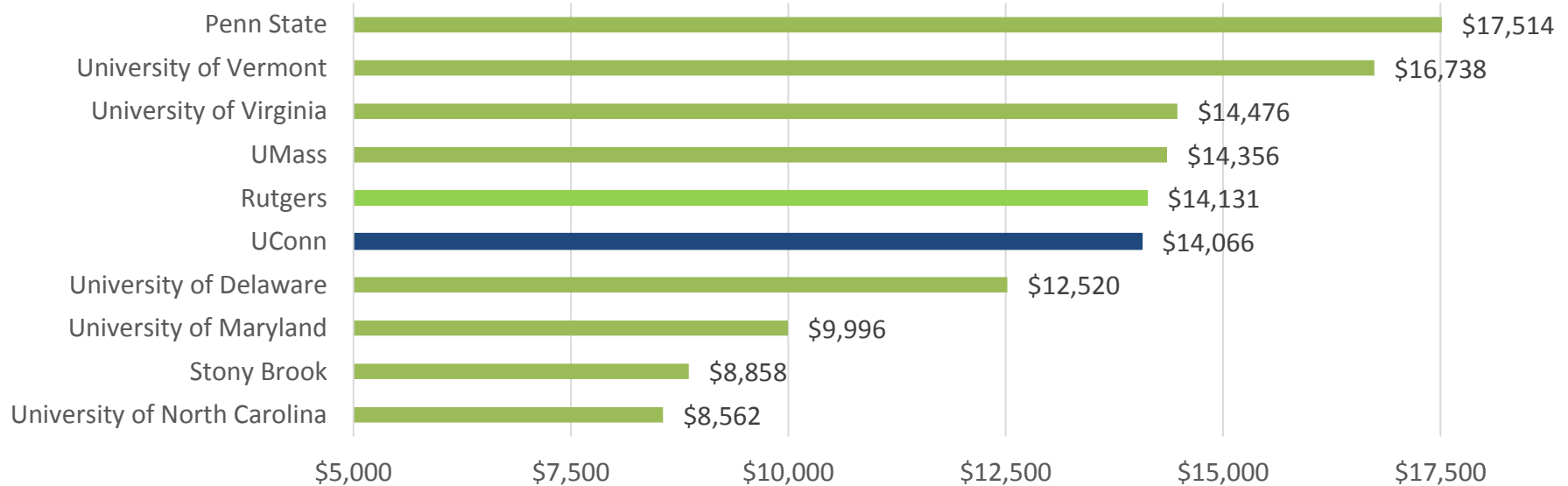
With 2016-17 tuition increase, for non-Connecticut residents, UConn remains the second highest among public flagship institutions



FY16 Published Rates

UConn's proposed 2016-17 In-State Tuition and Fees Compared to 2015-16 Public Competitors' rates

When comparing UConn's 2016-17 in-state tuition and fee rates to 2015-16 competitor public flagship institutions, UConn remains competitive



Summary

- UConn has increased academic quality over the last few years, including reduced time to graduation and smaller class sizes. We need to protect these investments and continue moving forward.
- UConn budget pressures are increasing due to increased costs and decline in State funding.
- As part of the tuition planning process our goal has been to maintain academic excellence and financial affordability.
- This 4 year tuition plan provides certainty for students and parents.
- Much work will still need to be done on the cost cutting side in the coming months to close the budget gap.
- UConn is a great university and a great deal for students.