

## Appropriations Committee | February 19, 2025

Co-Chairs, Ranking Members, and Members of the Committee, thank you for giving us the opportunity to update you on our budget request and the transformative accomplishments that you have made possible at the University of Connecticut. I'm Radenka Maric, President of the University of Connecticut, and with me today is Dr. Andrew Agwunobi, CEO of UConn Health, Anne D'Alleva, Provost, Jeff Geoghegan, Chief Financial Officer for UConn and UConn Health, and Nathan Fuerst, Vice President, Student Life and Enrollment.

I would like to thank each of you for your leadership, dedication, and support. I would also like to thank the governor, Secretary Beckham, and others in the administration who continue to work closely with UConn.

Please note that we are testifying during an unprecedented moment in time. Recent changes announced by the federal government that would dramatically reduce National Institutes of Health grant funding will have significant negative impacts on university research across the nation, including UConn, imperiling progress on critical health science and technology research across the board while also creating new fiscal hardships. In this sense, we are in uncharted water and the potential for other federal funding and policy changes loom over this testimony.

The committee asked that we submit written testimony in advance, which we have done, so that we can focus on answering your questions during today's hearing. Also attached to our testimony are slides we have prepared to share on screen with your permission to assist in illustrating what the issues are. We welcome your questions.

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This year, UConn has already set a record for applications at nearly 64,000, an impressive trending increase of 10,000 over just two years ago. This success underscores the unwavering confidence that students and families have in our outstanding faculty, more than 300 of whom rank among the most highly cited scholars worldwide. We are a vital force in building communities, innovating for and with communities and advancing the state of Connecticut. Our Husky pride is immense.

Looking ahead, our focus will be building on our distinctive strengths. We are deeply committed to excellence and prioritizing our students, as demonstrated by our exceptional graduation rates. This year, 8,800 first-generation undergraduate students enrolled at all UConn campuses. The first-year retention of these students has increased from 86% to 89% at the Storrs Campus in the last several years, an indication of the superb work of our faculty and staff in supporting these students.

We are committed to cultivating a culture of innovation, leveraging technology like AI and data analytics, exploring new educational delivery models like online and hybrid programs, partnering with industry for applied learning, new revenue generation, and optimizing administrative processes to streamline operations.

Our dedication to research is unparalleled and remains a cornerstone of our strength. We have successfully submitted major grants, including the SMART AI initiative, positioning Connecticut as a leader in AI smart manufacturing. In collaboration with Yale, we are pursuing what would be the largest grant in the history of the university: Connecticut Quantum Engine, totaling \$160 million.

UConn Health continues to go from strength to strength. Recognized by Newsweek for the last three years as one of the World’s Best Hospitals, UConn John Dempsey Hospital has received eight consecutive “A” patient-safety ratings by the Leapfrog Group, a national nonprofit organization focused on quality and safety in American healthcare and has been named top 15% in the nation for patient experience by Healthgrades.

In addition to being Connecticut’s No.1 producer of physicians, surgeons, and dentists, the UConn Schools of Medicine and Dental Medicine at UConn Health are highly competitive, with a year-over-year increase in applications. This year, the School of Medicine received more than 5,700 applicants for 112 available spots, and the School of Dental Medicine received 1,600 applicants for 52 available spots.

As a result of the quality education these schools provide, 25% of physicians practicing in Connecticut and 65% of dentists in the state were trained at UConn Health. Forbes has also named UConn Health as one of the best places to work in Connecticut.

Our fundraising efforts have reached new heights, with an average of more than \$130 million raised in the past three years, a significant increase from the previous average of \$85 million. We are gearing up to announce an open campaign on April 23, with an ambitious goal of \$1.5 billion.

Our crowning achievements will be predicated on successful outcomes for our students. A UConn degree is more than a piece of paper – it is a pathway to lifelong success. Our strategic vision is aligned with state and federal priorities, particularly in creating the “Industry of the Future.” Our research and educational initiatives will focus on the following key areas:

- Artificial Intelligence
- Quantum Information Science
- Advanced Manufacturing
- Biotechnology
- Health
- Social Justice and Human Rights
- Utilizing natural resources and advanced technologies to ensure clean water, air, and soil for all
- Community prosperity and workforce development

By capitalizing on our strengths, we will attract and retain top-tier faculty to spearhead transformative research efforts and recruit promising graduate students from across the nation and around the globe. We are committed to building and maintaining the infrastructure necessary to support groundbreaking research, fostering an innovative and entrepreneurial environment that drives economic development, particularly in emerging technologies such as AI, quantum science, and health sciences.

As New England’s leading public land- and sea-grant research institution, UConn is powered by robust academics, world-class innovative research, a premier athletics program, and a dedicated community. Our students come from every town in the state, almost every state in the nation, and nearly 120 different countries.

UConn’s contributions to Connecticut are not limited to the graduates shaped in our classrooms or the research that takes place on our campuses – it is also found in our economic impact and the countless programs and people who provide direct public services and outreach to Connecticut’s communities, making a direct impact in every corner of our state.

Overall, UConn has an \$8.5 billion positive economic impact on our state, supporting nearly 50,000 jobs, and generating \$439 million in tax revenue for Connecticut.

UConn supports economic development in Connecticut in a multitude of ways: combined, our Institute of Materials Science, Innovation Partnership Building, and College of Engineering have supported more than 600 companies over the last three years, including many small and medium sized enterprises. Our important entrepreneurship programs continue to bear fruit: the Connecticut Center for Entrepreneurship and Innovation has raised \$60 million in funding, supported nearly 1,000 ventures, and have supported more than 1,100 entrepreneurs. The Werth Institute for Entrepreneurship and Innovation has produced more than 100 innovators in recent years and the Connecticut Small Business Development Center has supported nearly 9,400 companies, including 521 start-ups, and supports nearly 35,000 jobs. UConn Technology Commercialization Services has given rise to 771 patents, raises \$1.1 billion and has backed more than 100 start-ups over the last five years.

With respect to direct public service: UConn [recently produced a sort of reference guide outlining many of these services](#) available for use by individuals, communities, schools, municipal governments, and more. It contains important highlights, but it is not a comprehensive catalog of all the ways UConn serves the state and its communities as they are too numerous to list in a single publication. A hard copy of the reference guide was hand delivered to member offices last week.

As always, our success depends on the continued hard work and commitment of our faculty, staff, and students, united as one community with shared priorities, goals, and far-reaching aspirations.

Connecticut and UConn are inextricably linked; there is no Connecticut without UConn, and there is no UConn without Connecticut. By working collaboratively with state and federal partners, parents, donors, and alumni, we are poised to reach unprecedented heights in our mission.

### **Financial Outlook and Budget Request**

As we appear before you seeking state support, a fair question to ask us is what we at UConn and UConn Health are doing to control and reduce costs as well as increase revenues.

Over the last eight years, UConn has implemented \$159 million in cost savings and spending reductions while the University continues to grow; UConn Health has implemented \$169 million while simultaneously increasing self-generated clinical revenues by nearly \$500 million during this timeframe.

We have done and continue to do this ongoing work in a multitude of ways, including by increasing efficiency in the delivery of education through higher student to faculty ratios, class size and more online vs. in person class offerings. In addition, UConn Health has expanded strategic partnerships and generated significant revenues through clinical services.

In addition to reducing expenses, we are also taking steps to grow revenue over the long-term including through increasing our enrollment, continuing our aggressive fundraising efforts, and continuing to successfully compete for major external research grant awards.

At UConn, student tuition and fees account for 54% of our revenue during this fiscal year the remainder of UConn's budget is funded by state support (20%), grants and contracts (18%), with the remaining coming from other sources combined (8%). That said, while tuition/fee increases generate important and necessary revenue for the university, UConn's priority is always to do all we can to keep any tuition or fee increases as low as possible, both to help maintain access and affordability for our students – especially low- and middle-income students – and to avoid becoming so costly we are no longer a competitive value.

At UConn Health, our long-term strategic planning focused on growth and increased clinical revenue continues to make excellent progress.

Most of our cost drivers can be attributed to inflationary pressures including through personnel costs, contracts, and commodities. These costs are growing faster than the revenue the university can generate.

It is important to note that our efforts to reduce expenses, increase self-generated revenues and rely less on state support is a multi-year effort that will not enable UConn and UConn Health to close major funding shortfalls in a single fiscal year. They are thoughtful, complex efforts that will help to ensure the university is in an economically sustainable and more fiscally independent position over the long term. While we continue to make progress in reducing costs and increasing revenue, when faced with deficits as substantial as those we face in the coming fiscal year, there are no quick fixes that can close them.

In all of this, we cannot and will not lose sight of what is most important: maximizing resources that support student academic achievement and success; exceptional patient care; innovative research benefiting our state, the nation, and the world; fueling Connecticut's economy and workforce.

### **State Support**

Please note that our financial assumptions are based on current student enrollment numbers at the Storrs and regional campuses and on current patient volume at UConn Health. Should these variables change, which they might, it could potentially affect our budget projections.

State financial support to UConn and UConn Health is currently only 16% of our total budget; the remaining 84% is funded by student tuition and fees, clinical revenues, grants and contracts and other sources. The Governor's proposed budget for FY26 and FY27 includes an appropriation of \$234.6 million and \$239.8 million for UConn and \$123.1 million and \$126.9 million for UConn Health, respectively. Both are less than the university requested, which for FY26 was \$46.3 million below FY25 approved levels and for FY27 was \$75.6 million below FY25 approved levels. With a combination of internal revenue gains and spending reductions already expected to be in place, this additional support from the state is required to balance the budget.

The governor's proposal, if approved as written, would lead to significant budget deficits of \$84.1 million for UConn and \$79.7 million for UConn Health in the upcoming fiscal year.

With respect to the percentage of UConn's total revenue, the percentage of UConn's budget funded by the state would be 14%, or 6% less than FY25. The percentage of UConn Health's budget funded by the state would be 7%, or 5% less than FY25. Overall, the state would fund 10% of the budgets for UConn and UConn Health in FY26.

At UConn Health we would be unable to absorb a funding shortfall of this magnitude in such a short period of time, without harm to the educational, research and patient care mission. Ensuring that all students have access to quality education, academic advising, mental health services, career counseling, and other essential support resources is non-negotiable for their success.

As noted in my opening remarks, an area of significant fiscal concern for us revolves around the new uncertainty regarding critical funding from the federal government. This includes the recently announced changes to the National Institutes of Health funding model that would reduce federal support for UConn and UConn Health related to our federal NIH grants which would cost the university approximately \$35 million next year. That completely unexpected and dramatic reduction would have far-reaching negative implications. It could be the first of multiple changes that have major fiscal implications for American higher education.

With regard to union contracts for all state employees that are currently being negotiated, any salary increases will require additional permanent state support. To be clear: the university supports our workforce being paid fairly and competitively; our request is that the state fund the full cost of any pay increases it negotiates, as it does for nearly every other state agency rather than passing most of these costs on to the university, and, by extension, our students. We are asking the state to cover those increases for all our employees on a permanent basis. For context, the value of a 3% increase in salary for all our employees is \$43.4 million. The governor’s proposal would provide \$10.7 million for this (noted as additional inflationary increases in the proposal), leaving a shortfall of \$32.7 million.

Every dollar in state support is spent on employee salaries. At UConn, 32% of our workforce is supported by state appropriated funding, while the remaining 68% are funded by the university – including through tuition and fee revenue. At UConn Health, these numbers are 19% and 81%. This data illustrates that UConn is doing more than our fair share of absorbing the costs of running a major flagship university that benefits our entire state, as well as the importance of the state fully funding the cost of negotiated increases, so that the bulk of these costs are not passed along to students and families.

A healthy, vibrant UConn is an economic engine for Connecticut and a vital pipeline fueling our workforce. From the students we graduate to the innovations we foster to the tens of thousands of patients we care for, our university is deeply embedded in the fabric of our state and its people.

We seek your support to ensure our continued upward trajectory on behalf of our students and our entire state.

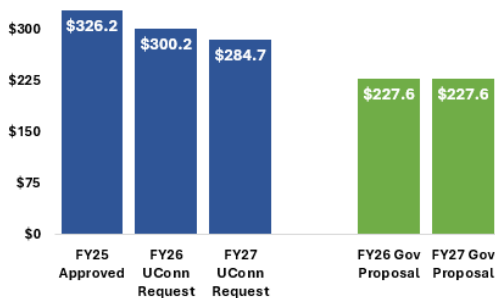
Thank you.

**Financial Overview**      **Request for State Operating Support is Going Down**

- UConn and UConn Health base funding requests are lower than the FY25 approved state support by \$46.3M in FY26 and \$75.6M in FY27
- The Governor’s proposed biennium budget (excluding the ~3% additional inflationary increase) is lower than requested creating a combined shortfall of \$131.1M in FY26 and \$101.8M in FY27

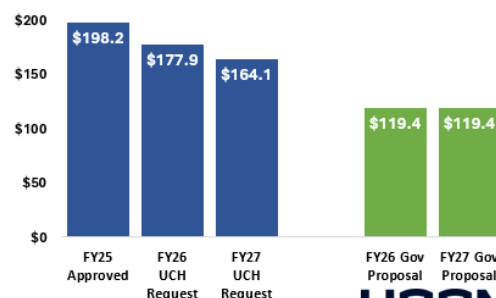
**UConn:**

The shortfall from the Gov. proposed budget is \$72.6M in FY26 and \$57.1M in FY27



**UConn Health:**

The shortfall from the Gov. proposed budget is \$58.5M in FY26 and \$44.7M in FY27

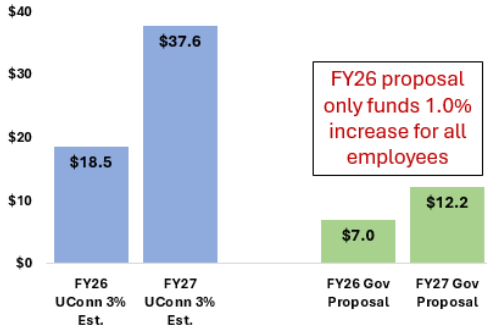


## Additional Inflationary Increase

For FY26, the Governor's proposal includes an additional \$10.7M for inflationary increases to the block grant (for ~3% future wage increase) which is \$32.7M less than required for all employees. For FY27, the Governor's proposal includes \$19.7M which is \$68.3M less than required for all employees.

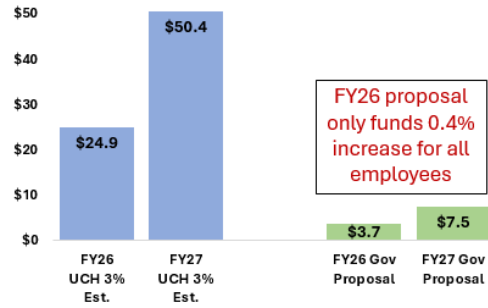
### UConn:

The shortfall from the Gov. proposed ~3% is \$11.5M in FY26 and \$25.4M in FY27



### UConn Health:

The shortfall from the Gov. proposed ~3% is \$21.2M in FY26 and \$42.9M in FY27

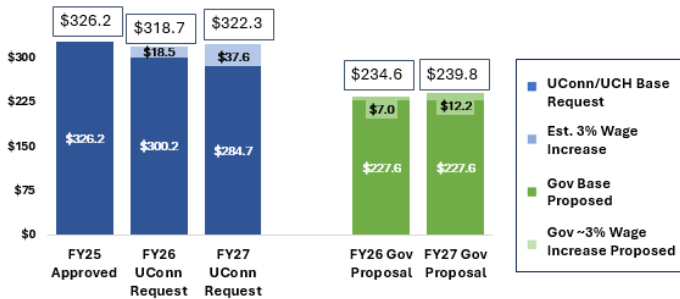


## Total State Operating Support

- UConn and UConn Health base funding requests are lower than the FY25 approved state support by \$46.3M in FY26 and \$75.6M in FY27
- The Governor's proposed biennium budget (including the ~3% additional inflationary increase) is lower than requested creating a combined shortfall of \$163.8M in FY26 and \$170.1M in FY27

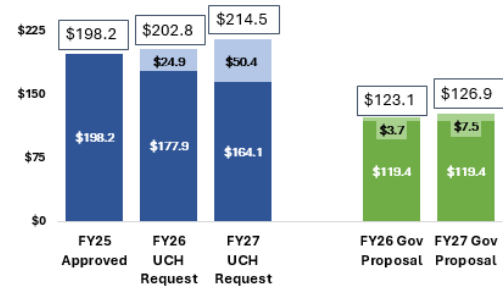
### UConn:

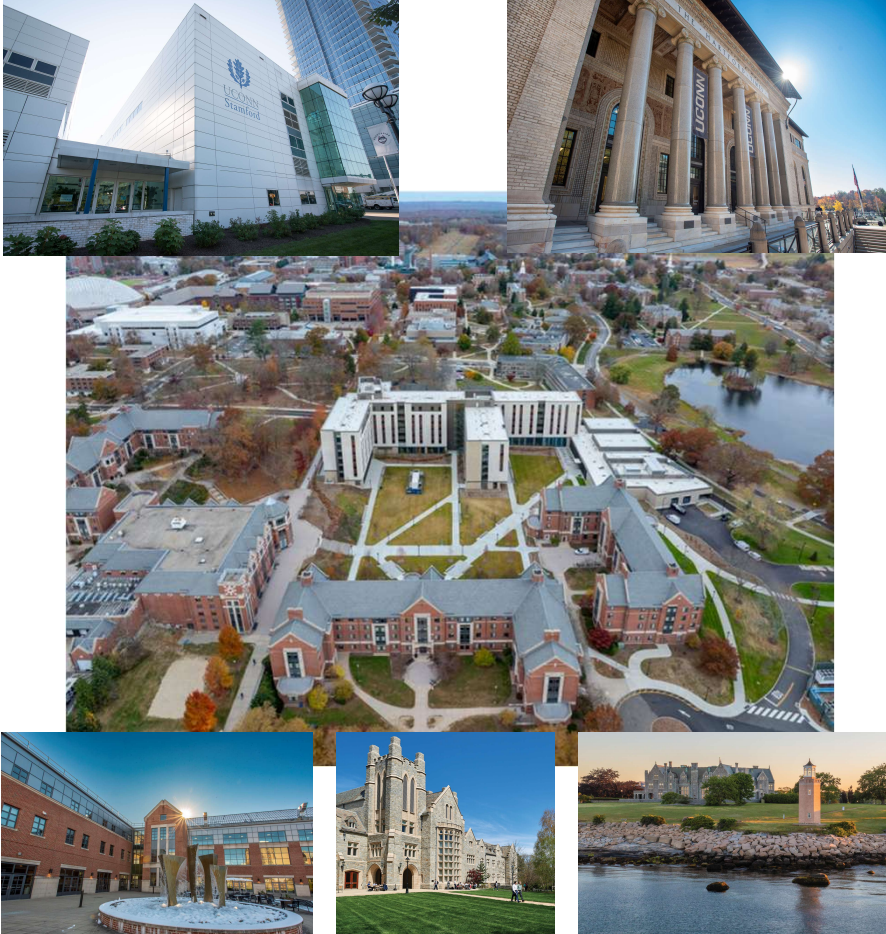
The shortfall from the Gov. proposed budget is \$84.1M in FY26 and \$82.5M in FY27



### UConn Health:

The shortfall from the Gov. proposed budget is \$79.7M in FY26 and \$87.6M in FY27





**UConn** | UNIVERSITY OF CONNECTICUT

# Who We Are

Dr. Radenka Maric, UConn President

Dr. Andy Agwunobi, CEO, UConn Health

Appropriations Committee

State Agency Presentation

February 19, 2025



**UConn** HEALTH

# Agenda

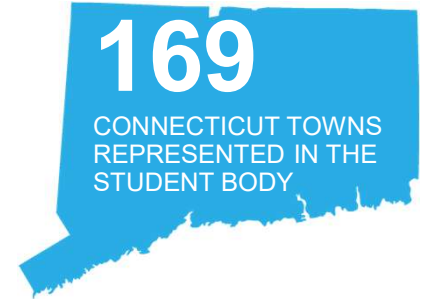
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# UConn by the Numbers

Fall 2024, UConn Storrs, regional campuses, and UConn Health



**4.1 Years**

Average time to degree, ranking UConn 2<sup>nd</sup> among national public research universities

**73%**

Of undergraduates are Connecticut residents

**46** States and **118** Countries called home by students

**25,304**

Undergraduate Students  
7% international

**84%**

Of undergraduates received financial aid in FY24

**2,494**

Permanent Faculty Members  
UConn 1,745 + UCH 749

**8,250**

Graduate & Professional Students  
21% international  
466 Medicine, 205 Dental Medicine

**8,744**

1st Generation Students  
7,054 in FY21 a 24% increase

**8,517**

Permanent Staff  
UConn 3,677 + UCH 4,840

**\$368M**

Annual Research Awards

Who We Are

# UConn is in Demand

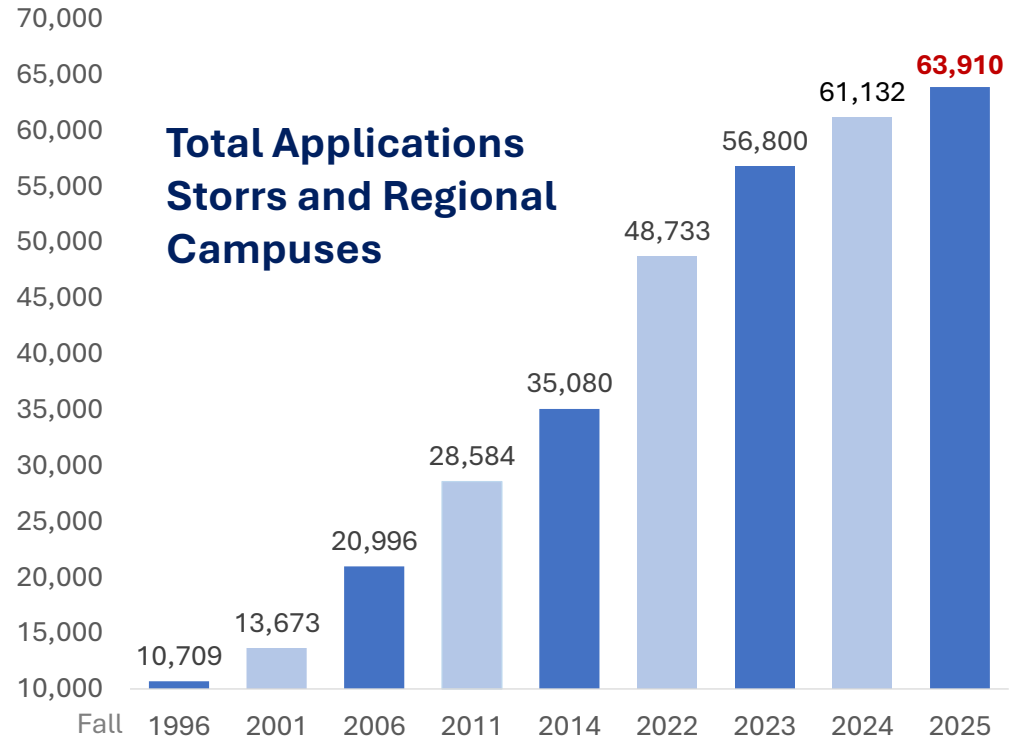
Demand for a UConn education is strong and highly competitive



Nearly 64,000 applications as of Feb 2025



Almost 5,300 more than this time last year



# Undergraduate and Graduate Financial Aid

(in \$ millions)

|   | FY21           | FY22           | FY23           | FY24           | FY25 Est.      |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>1st Generation Students</b>                  | <b>7,054</b>   | <b>7,321</b>   | <b>8,220</b>   | <b>8,426</b>   | <b>8,744</b>   |
| <b>University Supported*</b>                    | <b>\$150.2</b> | <b>\$163.8</b> | <b>\$169.4</b> | <b>\$197.7</b> | <b>\$210.7</b> |
| <b>Federal (Pell/SEOG)</b>                      | <b>56.0</b>    | <b>74.5</b>    | <b>49.0</b>    | <b>53.7</b>    | <b>69.9</b>    |
| <b>Other***</b>                                 | <b>17.3</b>    | <b>20.9</b>    | <b>27.0</b>    | <b>21.1</b>    | <b>21.1</b>    |
| <b>State (includes R. Willis Scholarship)**</b> | <b>10.7</b>    | <b>9.9</b>     | <b>13.7</b>    | <b>15.6</b>    | <b>13.6</b>    |
| <b>Total Aid</b>                                | <b>\$234.2</b> | <b>\$269.1</b> | <b>\$259.2</b> | <b>\$288.1</b> | <b>\$315.4</b> |

**Student need continues to grow and is the single greatest reason students leave.**

Since FY21, university-supported student aid increased by **40%**.

**16.5% of tuition revenues is set aside in FY25 for need-based aid (15% is required)**

\*University-supported aid includes undergraduate and graduate aid funded by tuition, departmental revenue, and work-study.

\*\*State ARPA funds were added to the R. Willis Scholarship program in FY23-FY25.

\*\*\*Other funding comes from the private sources such as the Foundation and endowments.

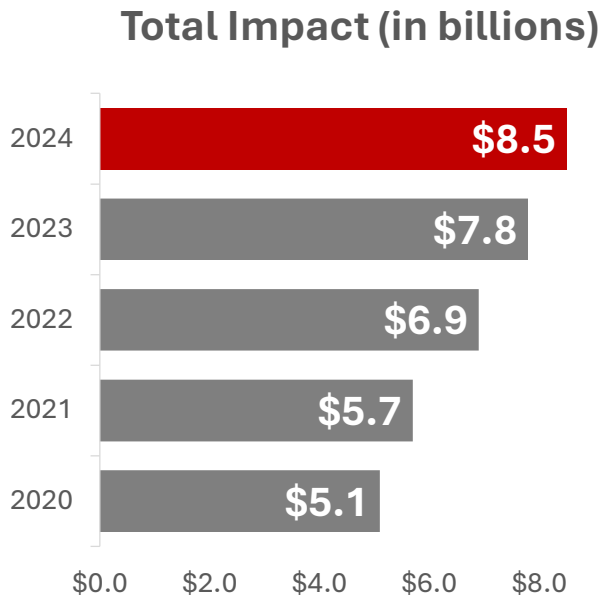
# UConn's Impact on Connecticut's Economy

The State's annual operating investment in UConn is ~1% of the state budget.

UConn's total operations contribute 2.95% to the Gross State Product.

**\$8.5 Billion**

**Total impact per year and growing**



**\$1.76**

**In economic output generated for every dollar UConn spends**

**\$439 Million**

**state and local tax revenue**

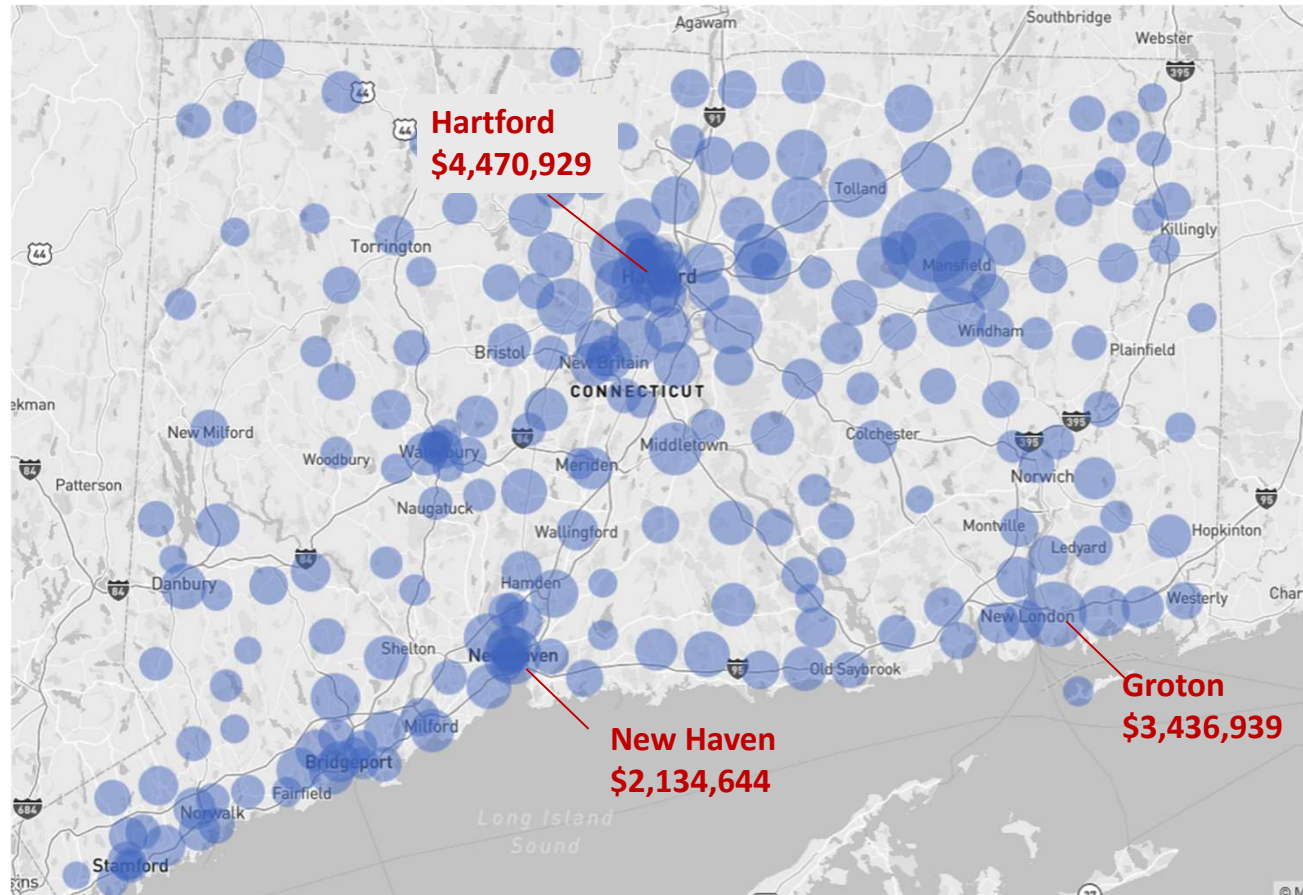
**48,575 jobs**

**supported by UConn**

- ✓ 13,267 - Direct
- ✓ 14,957 - Indirect
- ✓ 20,351 - Induced

## Who We Are

# Impact of FY24 Research Activity across Connecticut



Federal, state, and corporate grants support researchers at an institution, but their contribution to local economies is often overlooked. Grant dollars are spent throughout the state to procure equipment, reagents, and other consumables that are required to carry out research. Grants funds also provide salaries to Connecticut residents working on research projects.

**Grant Trails**  
(<https://granttrails.core.uconn.edu/>)  
interactively shows you where research funds awarded to UConn Faculty are spent throughout our state



Who We Are

# UConn's Impact on Connecticut's Workforce



|  | Enrollment<br>Fall 2014 | Enrollment<br>Fall 2024 |
|--|-------------------------|-------------------------|
| Engineers<br>College of Engineering              | 3,628                   | 4,839                   |
| Business Professionals<br>School of Business     | 3,528                   | 4,287                   |
| Nurses<br>School of Nursing                      | 815                     | 1,201                   |
| Teachers & Educators<br>Neag School of Education | 880                     | 841                     |
| Pharmacists<br>School of Pharmacy                | 447                     | 617                     |
| Social Workers<br>School of Social Work          | 414                     | 476                     |
| Physicians<br>School of Medicine                 | 384                     | 470                     |
| Dentists<br>School of Dental Medicine            | 171                     | 206                     |
| Other STEM Fields<br>Multiple schools            | 8,512                   | 10,288                  |

## Who We Are

# UConn's Impact on Connecticut's Workforce



**76%**  
of graduates  
from CT take  
jobs in the state

**\$63,000**

Average yearly starting salary for UConn graduates,  
higher than the national average

### Top Employers for UConn Grads\*

- Amazon - 471
- Cigna - 475
- Collins Aerospace - 387
- CVS Health/Aetna - 958
- Deloitte - 365
- Ernst & Young LLP - 180
- General Dynamics Electric Boat - 515
- Hartford Healthcare - 619
- KPMG - 122
- Lockheed Martin - 229
- Pratt & Whitney - 1,047
- PricewaterhouseCoopers - 284
- Raytheon Technologies - 264
- Synchrony - 80
- The Hartford - 497
- Travelers - 1,068

*\*Based on LinkedIn profiles. We believe these numbers are underrepresented by 40-50%.*

**UConn**

## Who We Are

# UConn's Student Placements – Statewide Impact



**5,508**

Students in Training



**655+**

Partner Facilities

### Healthcare Pipeline 4,252 Students

Medical, Nursing, Pharmacy, Dental, and Allied Health

### Education

701 future teachers

### Community Services

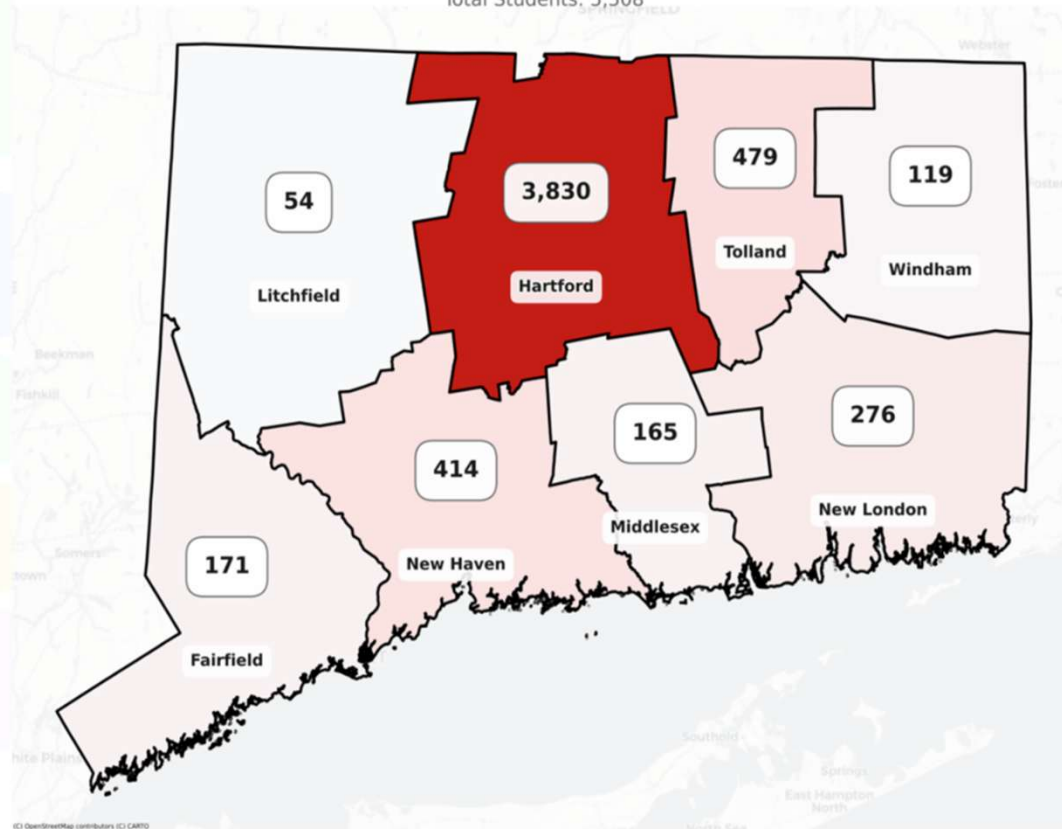
555 social services professionals

### Statewide Reach

Student placements in 141 Connecticut towns  
(83% of all towns in the state)

### UConn's Student Placement by County

Total Students: 5,508



## Training Tomorrow's Workforce

*\*Students may have multiple student placements within an academic year*

# UConn



Who We Are

# Jobs Outlook for Connecticut

**724,000**

Jobs in CT will require a bachelor's degree or higher by 2031

**68%**

Of all jobs in CT will require some training beyond high school

## Projected Growth in Connecticut Jobs in Key Sectors

|                   |                  |              |
|-------------------|------------------|--------------|
| <b>+ 20%</b>      | <b>+ 15%</b>     | <b>+ 10%</b> |
| <b>Healthcare</b> | <b>Education</b> | <b>STEM</b>  |

| <b>Connecticut: Jobs forecast for 2031 by education level</b> |                  |                      |                                   |
|---|------------------|----------------------|-----------------------------------|
| <b>Education level</b>  | <b>2031 Jobs</b> | <b>Share of jobs</b> | <b>Rank by share among states</b> |
| <b>Bachelor's degree</b>                                      | <b>412,000</b>   | <b>24%</b>           | <b>18</b>                         |
| <b>Graduate degree</b>  | <b>312,000</b>   | <b>18%</b>           | <b>4</b>                          |

[Source - State Report: After Everything: Projections of Jobs, Education, and Training Requirements through 2031. Georgetown University, McCourt School of Public Policy, Center on Education and the Workforce.](#)

# Strategic Plan Update

ENVISIONING 2034

## Strategic Goals

Promoting  
Holistic Student  
Success

Expanding  
Research Impact

Powering a  
Thriving  
Connecticut

## Key Performance Indicators (KPIs):

How we are measuring progress

- Key Performance Indicators (KPIs) will be tracked annually.
- Following AAU (Association of American Universities) best practices, UConn will provide public KPI updates as part of its annual Envisioning 2034 report.

# Strategic Plan KPIs

15 key performance indicators with a 2030 milestone to ensure the University achieves the overarching goals of the plan

| KPI Examples   | 2023 Level | 2030 Target |
|--|------------|-------------|
| Undergraduate 6-year Graduation Rate (US News)   | 84%        | 90%         |
| Graduate Composite Graduation Rate *   | 67%        | 74%         |
| Percentage of undergraduate students concerned or very concerned about accumulated educational debt  | 46%        | 41%         |
| Percentage of graduate students concerned, very concerned, or extremely concerned about paying for graduate/professional education next year | 40%        | 35%         |

| KPI Examples   | 2023 Level | 2030 Target  |
|--|------------|--------------|
| Total Research Awards  | \$368M     | \$500M       |
| Faculty National Academy Memberships                                   | 6          | 14           |
| Endowment Market Value   | \$593M     | \$1B (FY 32) |
| UConn Impact on Statewide Economic Output                              | \$6.9B     | \$9.2B       |
| Greenhouse Gas Emissions (measured in tonnes across EPA Scopes 1, 2,3) | 139,888    | Net Neutral  |

## “Monitor” KPIs

~50 indicators that monitor the ongoing operational health of the university and where we may already be in line or above national averages

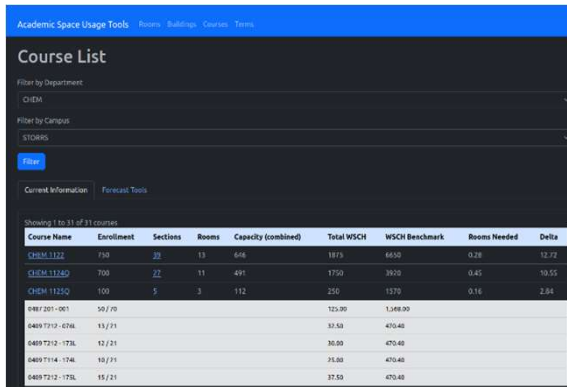
## Who We Are

### Using Custom Technology to Improve Business Processes, Academic Operations and Efficiency

The Internal Insights & Innovation (I3) unit provides custom software and web products in support of improving UConn's business processes, academic operations, and research enterprise. The team has engaged in over 30 unique projects in the past year. Three examples:

#### Space Usage Tool

Provides simulations of lab and instructional space needs based on expected enrollment increases, allowing the University to optimize its usage of academic space.



| Course Name   | Enrollment | Sections | Rooms | Capacity (combined) | Total WSCH | WSCH Benchmark | Rooms Needed | Delta |
|---------------|------------|----------|-------|---------------------|------------|----------------|--------------|-------|
| CHEM 1122     | 730        | 22       | 13    | 646                 | 1873       | 6650           | 0.28         | 12.72 |
| CHEM 1124D    | 700        | 22       | 11    | 491                 | 1750       | 3920           | 0.45         | 10.55 |
| CHEM 1125Q    | 100        | 5        | 3     | 112                 | 250        | 1370           | 0.16         | 2.84  |
| 0487201-001   | 267/29     |          |       |                     | 121.90     | 1,498.00       |              |       |
| 04897310-0766 | 13/21      |          |       |                     | 31.58      | 470.48         |              |       |
| 04897310-173L | 12/21      |          |       |                     | 30.28      | 470.48         |              |       |
| 04897314-174L | 19/21      |          |       |                     | 21.88      | 470.48         |              |       |
| 04897312-175L | 15/21      |          |       |                     | 37.53      | 470.48         |              |       |

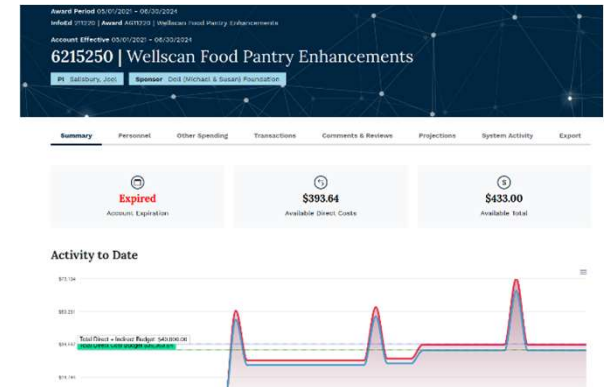
#### Nexus

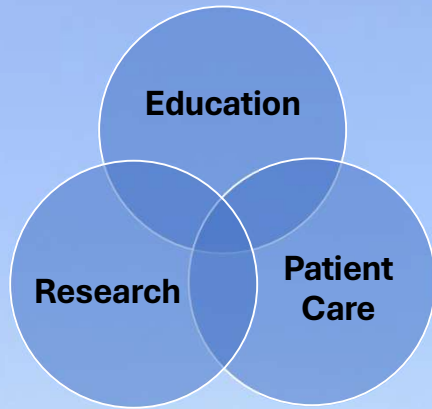
With millions of pageviews and student interactions, provides the advising community with access to critical student success information including G.P.A., academic standing, degree progress, appointment scheduling, and advising notes.



#### Research Insights for Faculty

Provides UConn faculty and research staff with quick access to financial summaries, expenditure details, budget projections, and other information about their sponsored accounts.





Who We Are

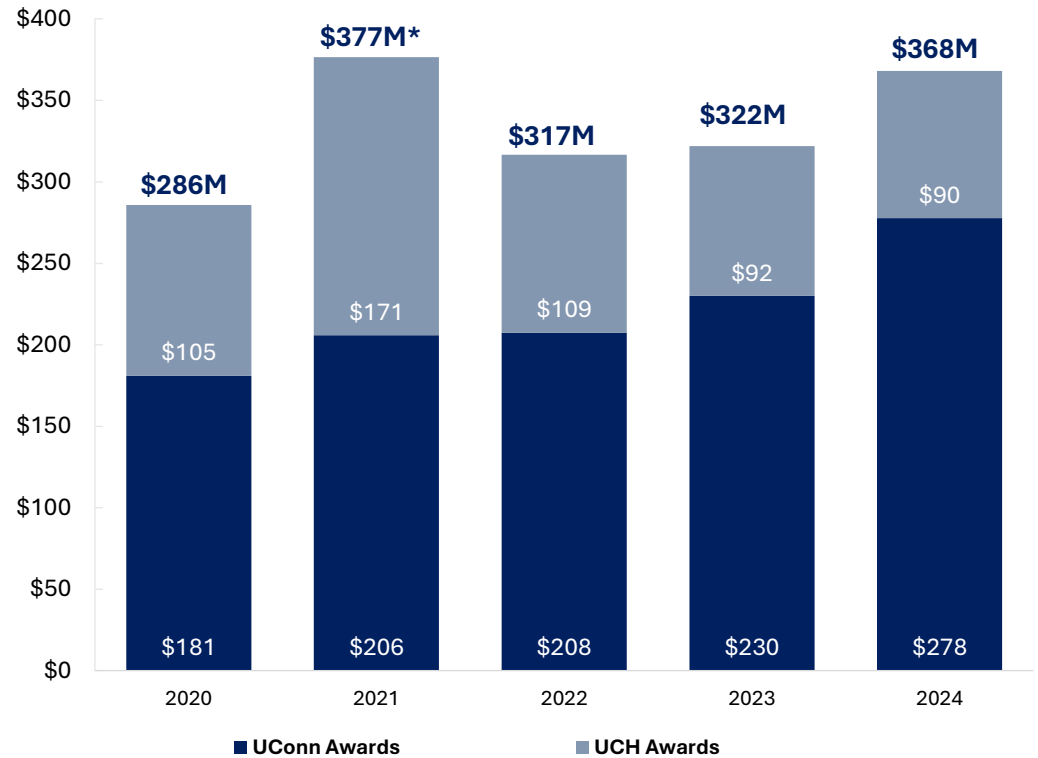
# Research Enterprise Providing Steady Growth in Scientific Knowledge Discovery



Research awards totaled more than

**\$368.1M**

in FY24 with 2,220 proposals submitted (UConn and UConn Health) and awards averaging \$427K per investigator



\*In 2021, UConn Health received a \$40M award from NSF, the largest in UConn history



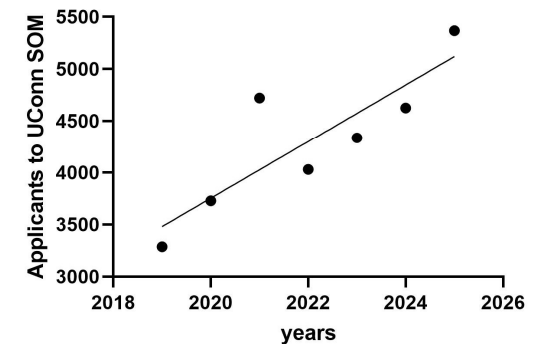
## Who We Are

# The Schools of Medicine (SOM) and Dental Medicine (SODM) Provide Value for the State and its Residents

- **Demand:**
  - SOM had 5360 applicants for 112 spots
  - SODM had 1600 applicants for 52 spots
- **Growth:**
  - SOM increased class size by 10% since 2019
  - SODM increased its class size by 9% since 2019
- **Workforce Development:**
  - ~80% of SOM and 60% of SODM incoming students are CT residents
  - 37% of MDs practicing in CT
  - 65% of dentists practicing in CT



Increasing number of applications to UConn SOM-63% increase since 2019

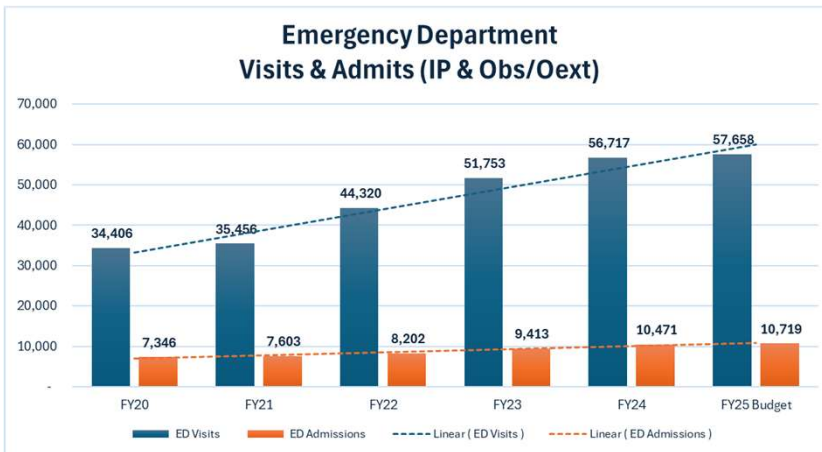
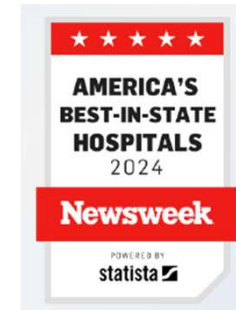


## Who We Are

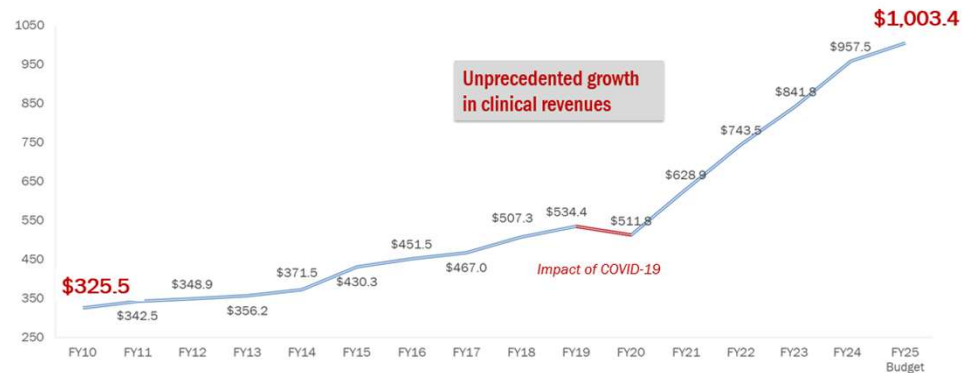
# The Patient Care Enterprise Provides Heavily Demanded State-of-the-Art Care



| Rank | Hospital                | Score  |
|------|-------------------------|--------|
| 1    | Yale New Haven Hospital | 83.70% |
| 2    | John Dempsey Hospital   | 76.09% |
| 3    | Griffin Hospital        | 76.00% |
| 4    | Midstate Medical Center | 75.33% |
| 5    | Sharon Hospital         | 74.74% |



**UCH Net Patient Revenue (in millions)**  
JDH, UMG, DENTAL CLINICS AND SPECIALTY PHARMACY





# UConn Health: An Essential Healthcare Provider for CT's Underserved Citizens

In FY24 alone, UConn Health provided **\$118M** in under-reimbursed care for Connecticut residents



- **Nearly 1/4** of UConn Health's inpatient hospital and outpatient visits are from patients enrolled in Medicaid.
- **UConn Health is CT's leading provider of Specialty services** including surgeries to Medicaid recipients. E.g. In Orthopedics, UConn's payer mix is 35.3% Medicaid, more than double the state average of 15.9%.
- **#1 Provider in the State** of Dental Services to Medicaid recipients and the under- and uninsured.
- UConn physicians, dentists, residents, and medical and dental students **provide thousands of hours of free healthcare annually** to Connecticut's most medically vulnerable citizens.

# UConn Health

## Rapid Inclusive Strategic Planning (RISP)

### UConn Health Strategic Goals



#### **Clinical Excellence**

Be the best place in CT for patient care (quality, safety and experience)



#### **Clinical Growth**

Expand geographic scale, patient volume and health care services statewide



#### **Financial Strength**

Thrive financially and reduce dependence on State funding



#### **Research Growth**

Become a top ranking academic medical center for translational research, clinical trials and commercialization of research

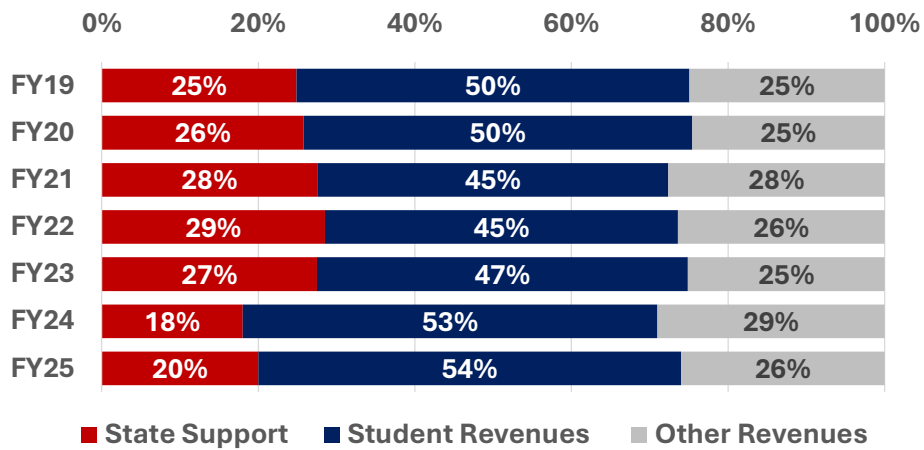


**Prioritizing People, Culture, & Community** Be the employer of choice and be relevant to our state and communities

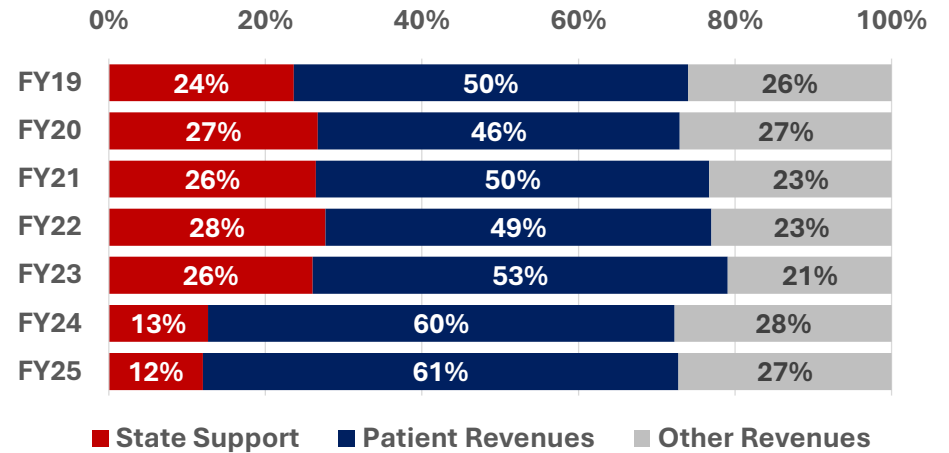
# Revenue Breakdown

The largest portion of UConn’s revenues comes from the students in the form of tuition and fees and for UConn Health from clinical revenues.

UConn Revenue Breakdown  
(% of total)



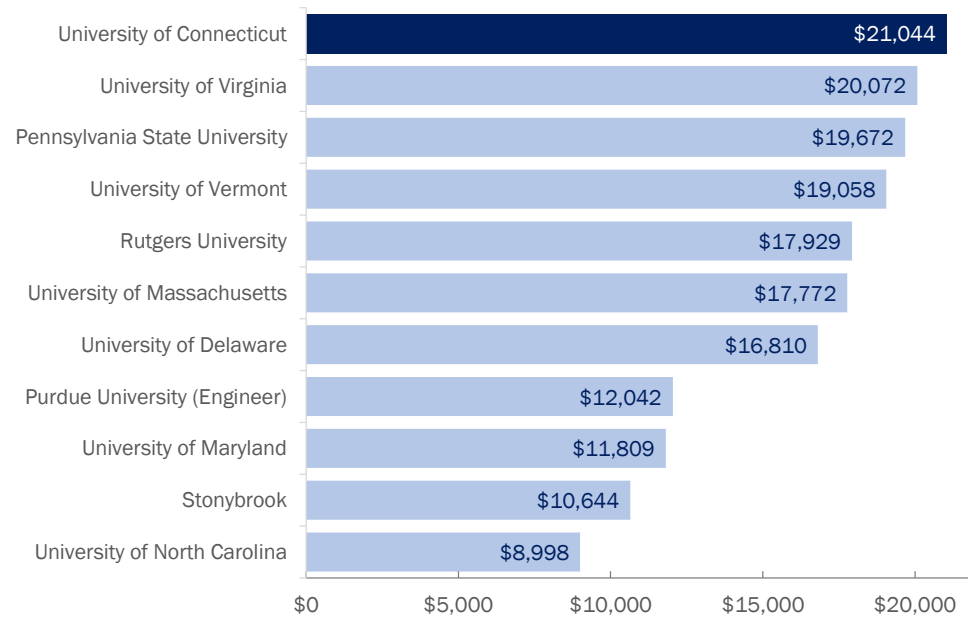
UCH Revenue Breakdown  
(% of total)



# Affordability

**In FY26 and beyond, UConn cannot fill the budget gap through student funds alone.**

**FY25 Undergraduate Tuition and Fees  
Public Flagships (In-State Rates)**



# Budget Constraints and Challenges

## UConn

- On-campus housing limitations with increased enrollment.
- Teaching capacity for new students in high demand majors.
- Declining number of high school graduates in CT.
- Mental health and academic counseling – need is higher than ever.
- ‘Maximum’ student-faculty ratios in select programs due to accreditation standards or regulatory requirements; ratios impact rankings and recruitment.
- Obligatory State processes limit flexibility and rapid response.

## UConn Health

- Patient revenues are driven by reimbursement contracts with Insurance companies.
- Medicaid/Medicare reimbursement rates are set amounts, no flexibility in increasing the amount of revenue for these cases. UConn Health performs a large percent of Medicaid outpatient surgeries, along with providing specialty services to Medicare and Medicaid patients.
- No control of the payor mix of the patient population.
- External competitors growing and merging.
- Workforce shortages; for example, nursing staff being filled with high-cost alternatives such as per diems, agencies and overtime.

# Strategies for Growth and a Balanced Budget

- Continue to expand economic activity in the state.
- Assemble a strategic enrollment plan.
- Increase efficiency in the delivery of education through faculty ratios, advising, class size and modality (in person vs. online).
- Grow fundraising through a \$1.5 B campaign and grow the endowment to \$1B.
- Increase research awards to \$500M/year.
- Generate new revenue, for example through clinical growth and strategic partnerships.
- Implement financial improvement plans.



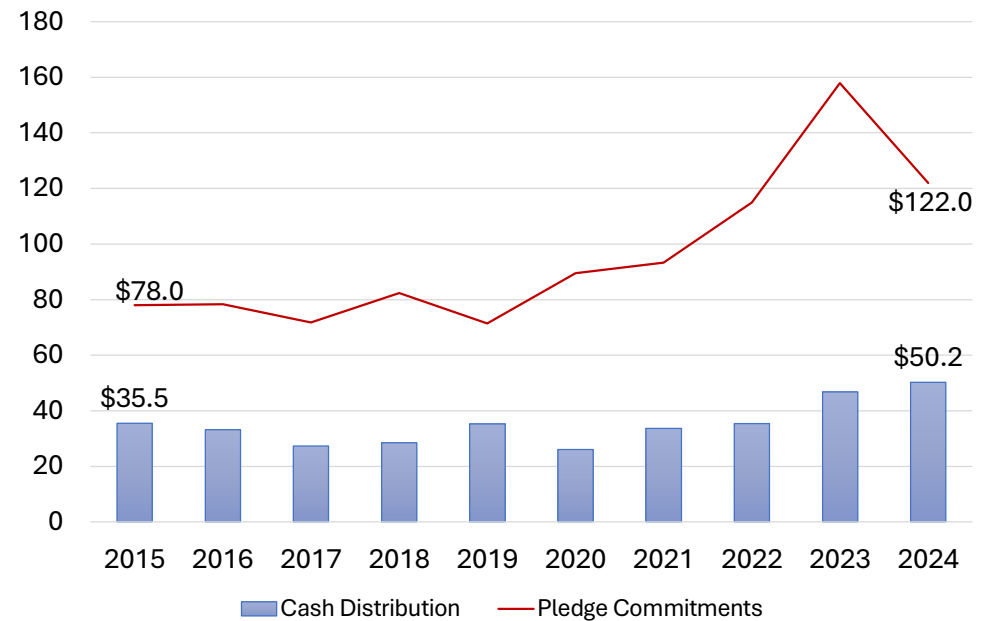
*Ceremonial groundbreaking for the new building for the School of Nursing on Oct. 30, 2024. The new building is made possible by a \$40 million gift from nursing alum Elisabeth DeLuca (fifth from left) to support nursing education. Increasing philanthropic gifts is one of UConn's strategies for growth.*

# Fundraising and the Endowment

**UConn Foundation will launch a \$1.5B campaign in April increasing fundraising by 50% and growing the endowment to ~\$1B by 2030.**

- Approximately 1/3 of dollars raised go to the endowment versus current uses.
- Gifts are usually pledged 5 years and restricted by donor interests, such as scholarships or preferred department or major.
- Endowment grows more through investments than via new gifts.
- When the endowment reaches \$1B, the distribution to the university will increase about \$19M annually.

UConn Foundation  
Historical Pledges and Distributions (in millions)

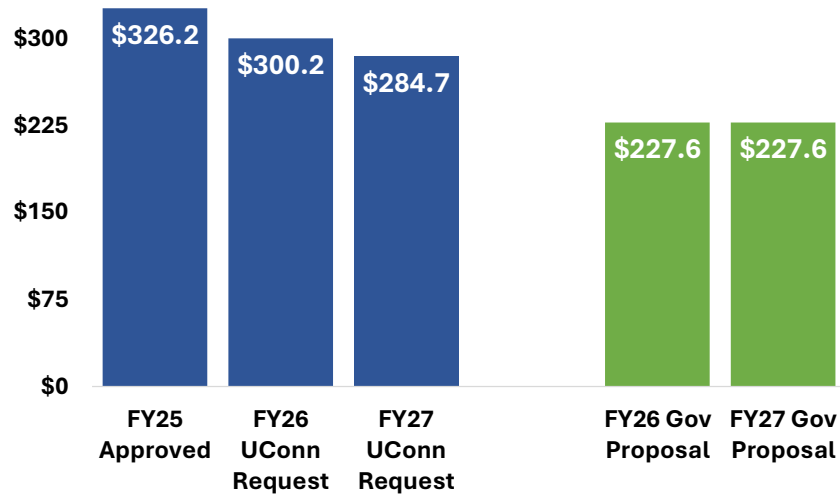


# Request for State Operating Support is Going Down

- UConn and UConn Health base funding requests are lower than the FY25 approved state support by \$46.3M in FY26 and \$75.6M in FY27
- The Governor’s proposed biennium budget (excluding the ~3% additional inflationary increase) is lower than requested creating a combined shortfall of \$131.1M in FY26 and \$101.8M in FY27

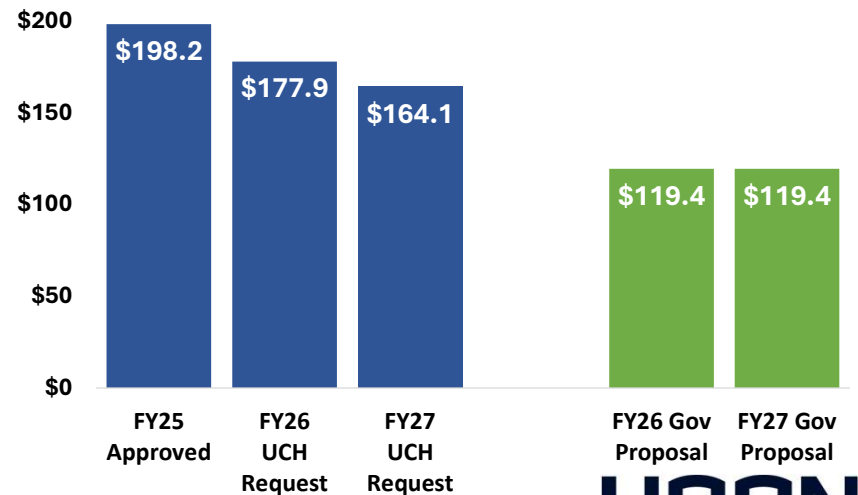
### UConn:

The shortfall from the Gov. proposed budget is \$72.6M in FY26 and \$57.1M in FY27



### UConn Health:

The shortfall from the Gov. proposed budget is \$58.5M in FY26 and \$44.7M in FY27



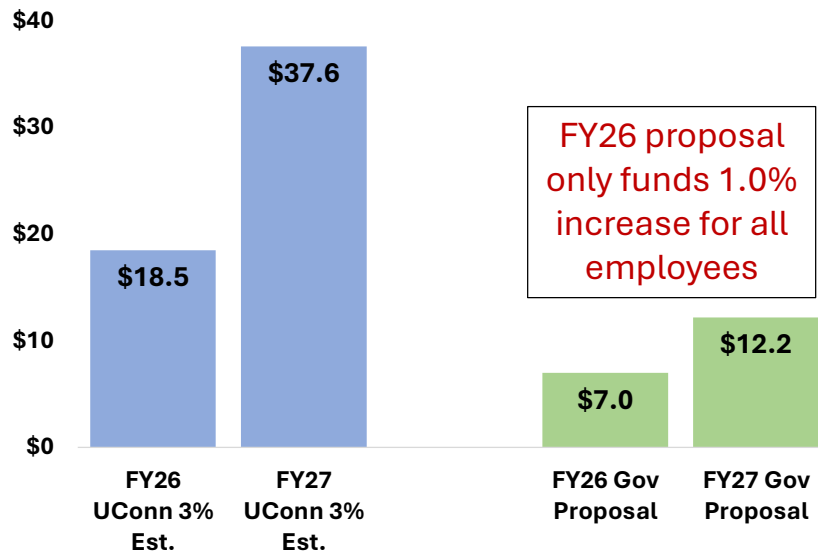


## Additional Inflationary Increase

For FY26, the Governor’s proposal includes an additional \$10.7M for inflationary increases to the block grant (for ~3% future wage increase) which is \$32.7M less than required for all employees. For FY27, the Governor’s proposal includes \$19.7M which is \$68.3M less than required for all employees.

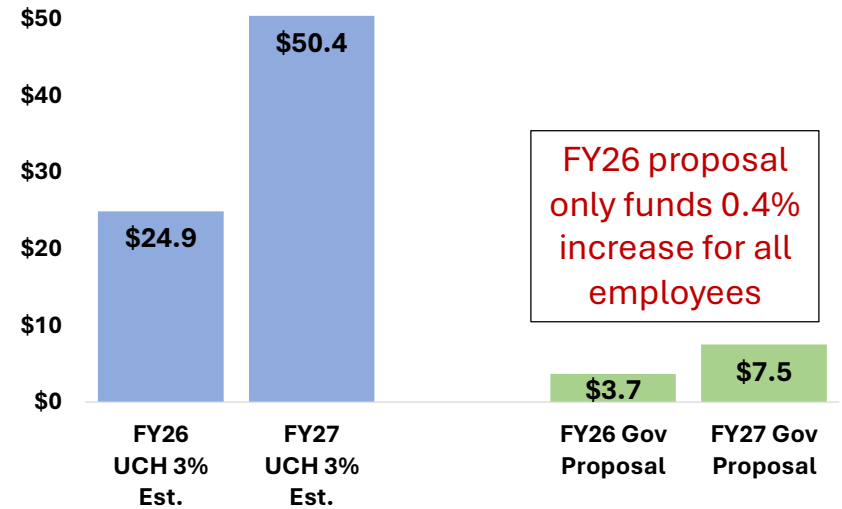
### UConn:

The shortfall from the Gov. proposed ~3% is \$11.5M in FY26 and \$25.4M in FY27



### UConn Health:

The shortfall from the Gov. proposed ~3% is \$21.2M in FY26 and \$42.9M in FY27

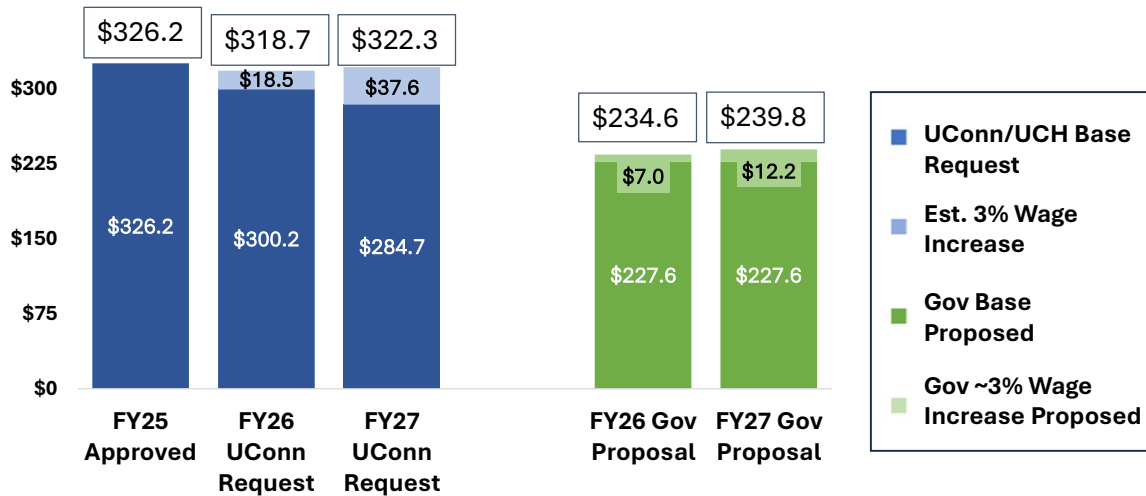


# Total State Operating Support

- UConn and UConn Health base funding requests are lower than the FY25 approved state support by \$46.3M in FY26 and \$75.6M in FY27
- The Governor’s proposed biennium budget (including the ~3% additional inflationary increase) is lower than requested creating a combined shortfall of \$163.8M in FY26 and \$170.1M in FY27

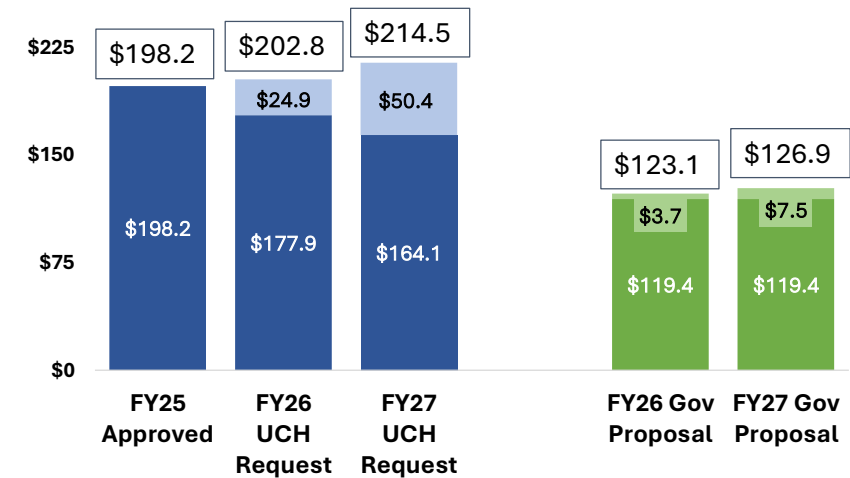
## UConn:

The shortfall from the Gov. proposed budget is \$84.1M in FY26 and \$82.5M in FY27



## UConn Health:

The shortfall from the Gov. proposed budget is \$79.7M in FY26 and \$87.6M in FY27



**Thank  
you!**



*Jonathan XV celebrates Veterans Day with our UConn service members*

**UConn**

## Who We Are

We are  
Connecticut's land  
grant public  
university

We exist to serve the  
State of Connecticut  
and its citizens

We Are

**UConn  
NATION**

EST.  1881

## What We Do

- We promote social and economic mobility
- We educate Connecticut's professional workforce
- We drive economic development by supporting businesses, discovery and innovation, and entrepreneurship
- We promote the public health and wellbeing

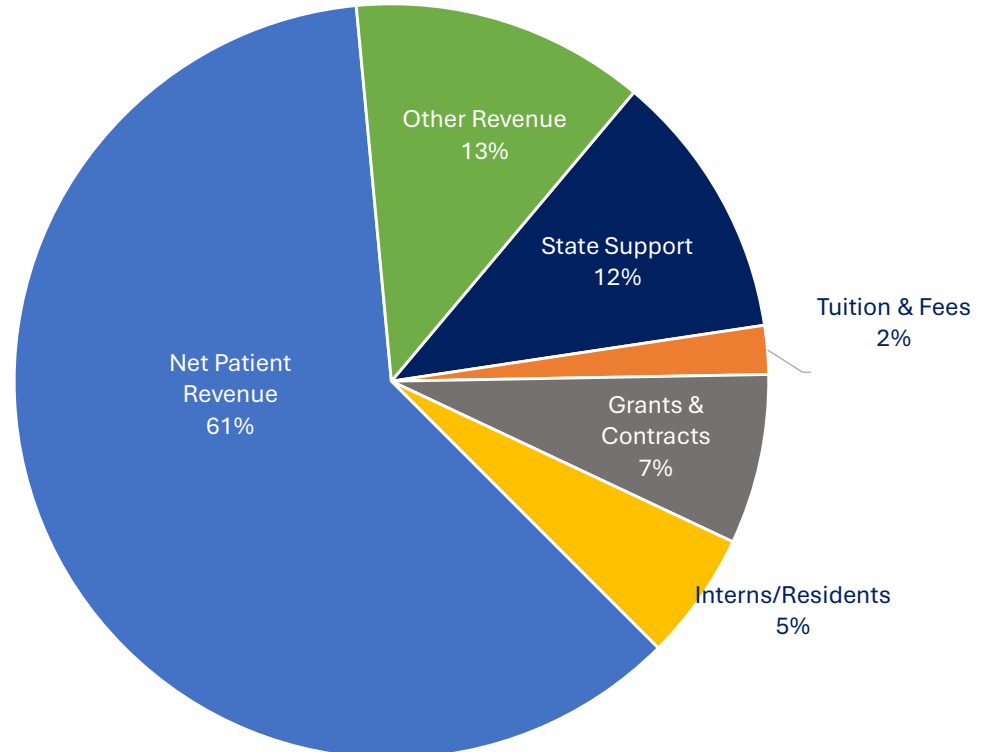
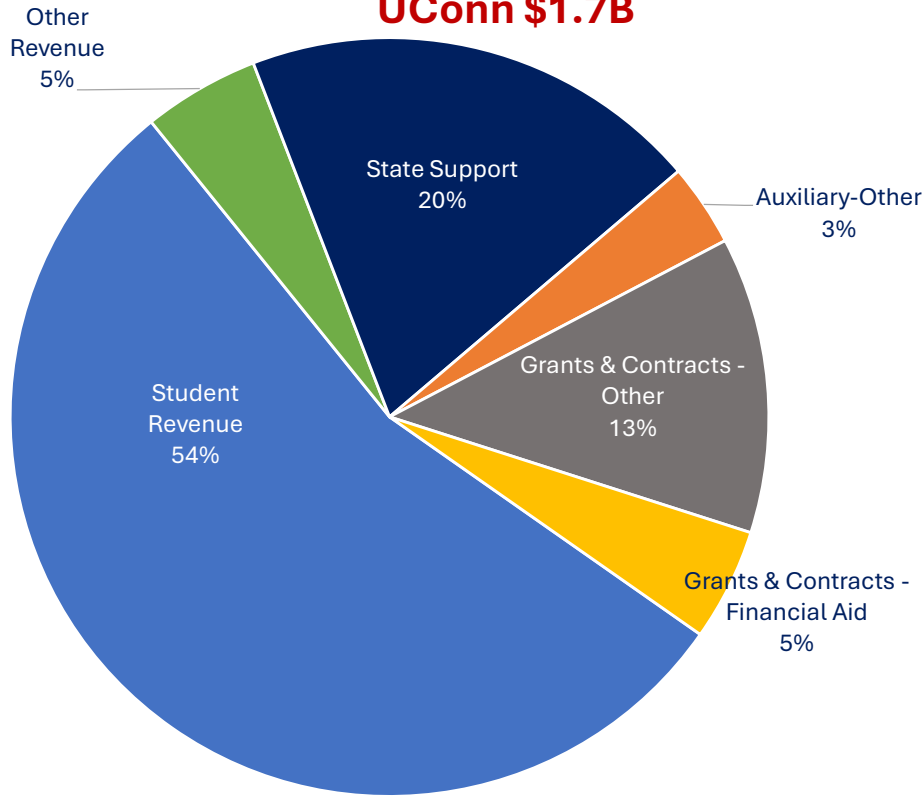
Financial Overview

# FY25 Revenues

**\$3.4B**

**UConn \$1.7B**

**UConn Health \$1.7B**



*Other = Sales and service revenue, study abroad, gifts/ endowments, etc.*

*Other = Auxiliary services, gifts/endowments, external contract revenue and internal income (offset by internal expenses)*

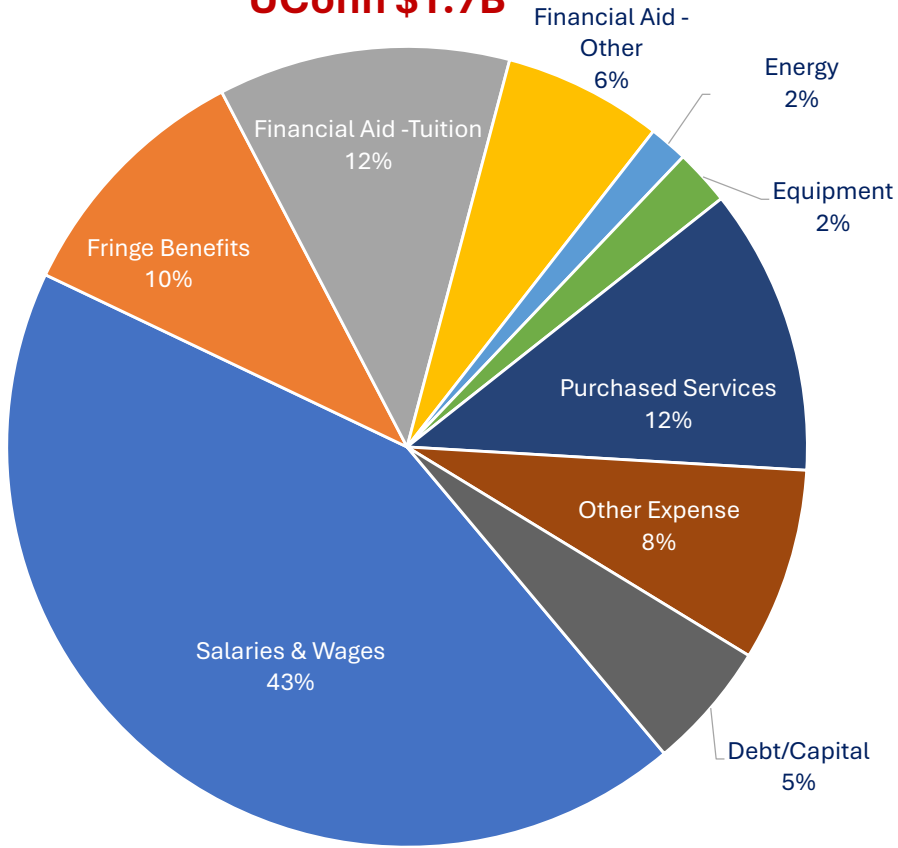


Financial Overview

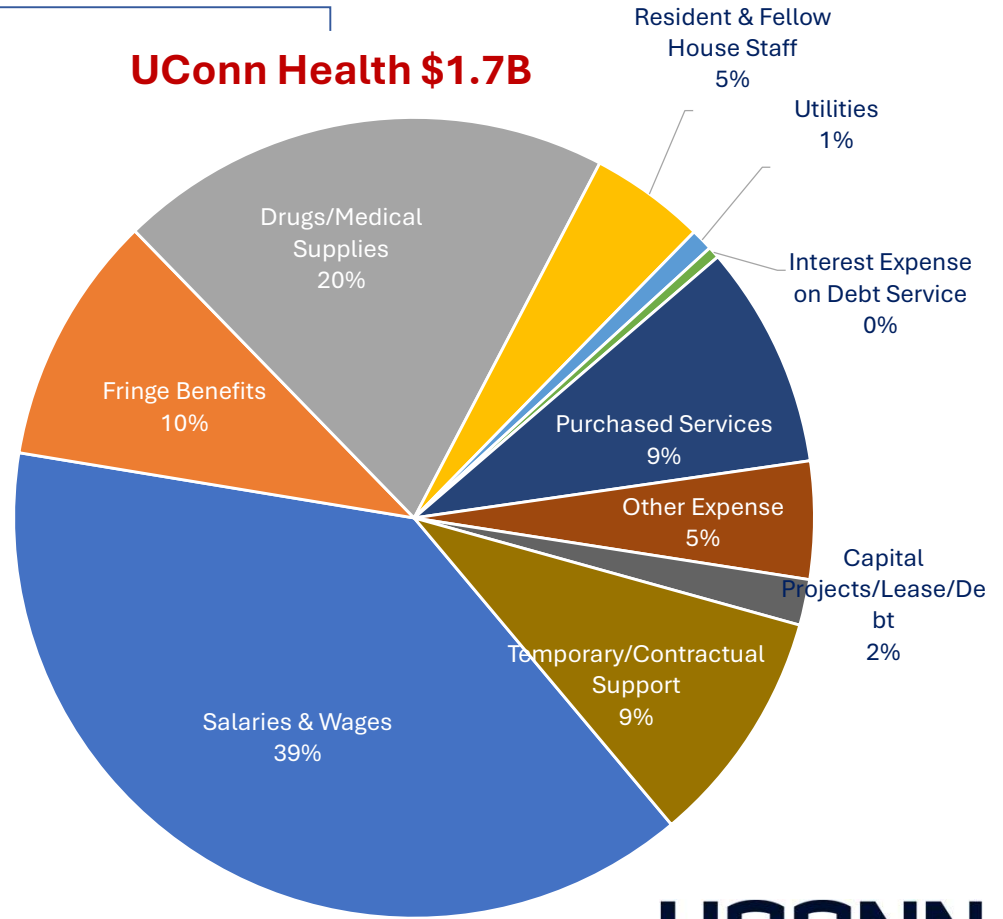
# FY25 Expenses

**\$3.4B**

## UConn \$1.7B

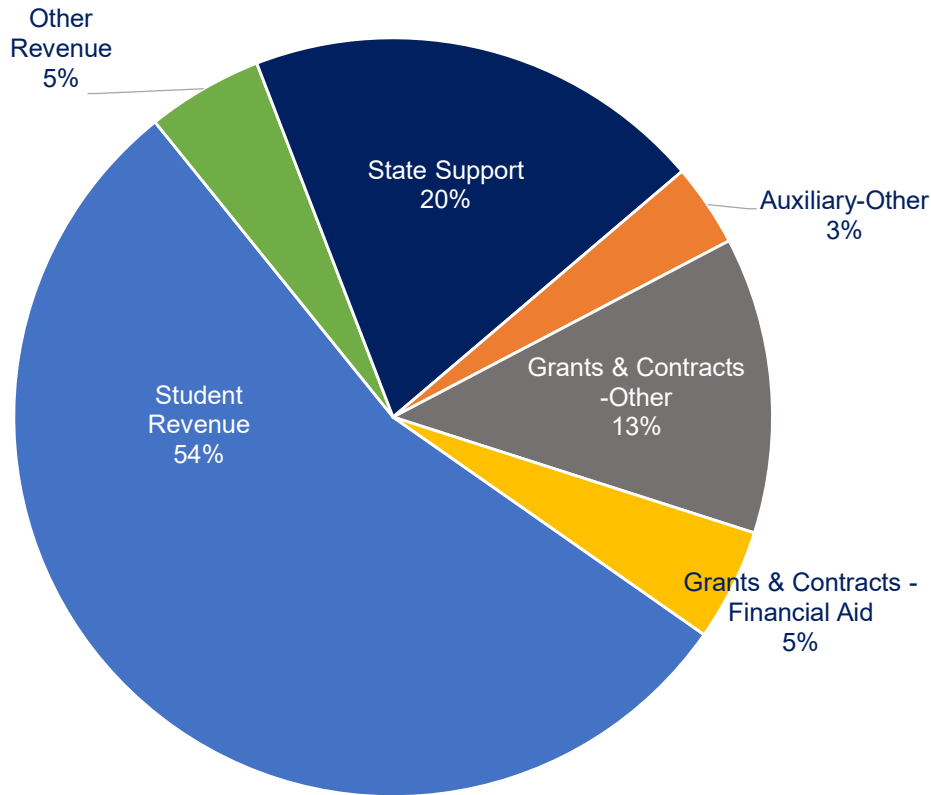


## UConn Health \$1.7B



Financial Overview

# UConn - FY25 Revenues

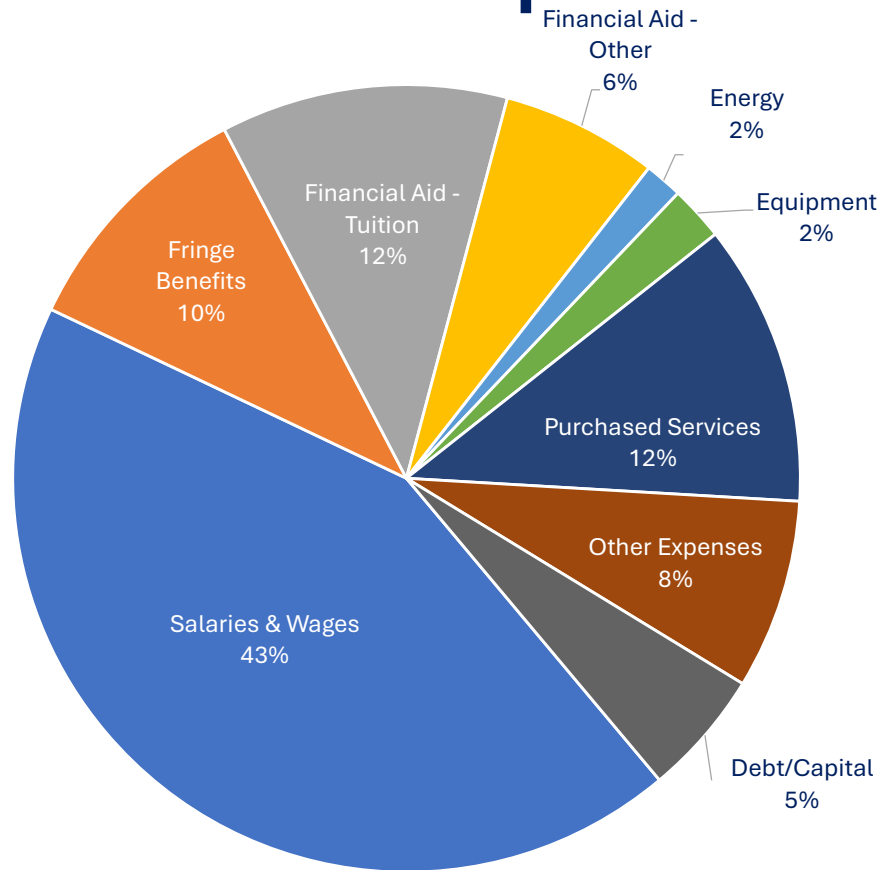


| UConn                              |                   |     |
|------------------------------------|-------------------|-----|
| Total State Support                | \$ 328.1          | 20% |
| Student Revenue                    | 910.3             | 54% |
| Grants & Contracts - Financial Aid | 80.0              | 5%  |
| Grants & Contracts - All Other     | 211.2             | 13% |
| Auxiliary Enterprise               | 58.8              | 4%  |
| Other Revenue                      | 82.8              | 5%  |
| <b>Total Current Fund Revenues</b> | <b>\$ 1,671.3</b> |     |

- 20%** Of total budget is funded by State support
- 54%** Of total revenue is funded by students and their families through tuition, fees, housing and dining.
- 31%** Of total employee salaries are funded by State support

## Financial Overview

# UConn - FY25 Expenses



| UConn                              |                   |     |
|------------------------------------|-------------------|-----|
| Salaries & Wages                   | \$ 727.0          | 43% |
| Fringe Benefits                    | 172.9             | 10% |
| Financial Aid - Tuition            | 198.4             | 12% |
| Financial Aid - Other              | 108.2             | 6%  |
| Energy                             | 26.2              | 2%  |
| Equipment                          | 37.8              | 2%  |
| Purchased Services                 | 194.9             | 12% |
| Other Expenses                     | 131.3             | 8%  |
| Debt/Capital                       | 86.9              | 5%  |
| <b>Total Current Fund Expenses</b> | <b>\$ 1,683.6</b> |     |

**53%**

Of total expense is allocated to personnel costs.

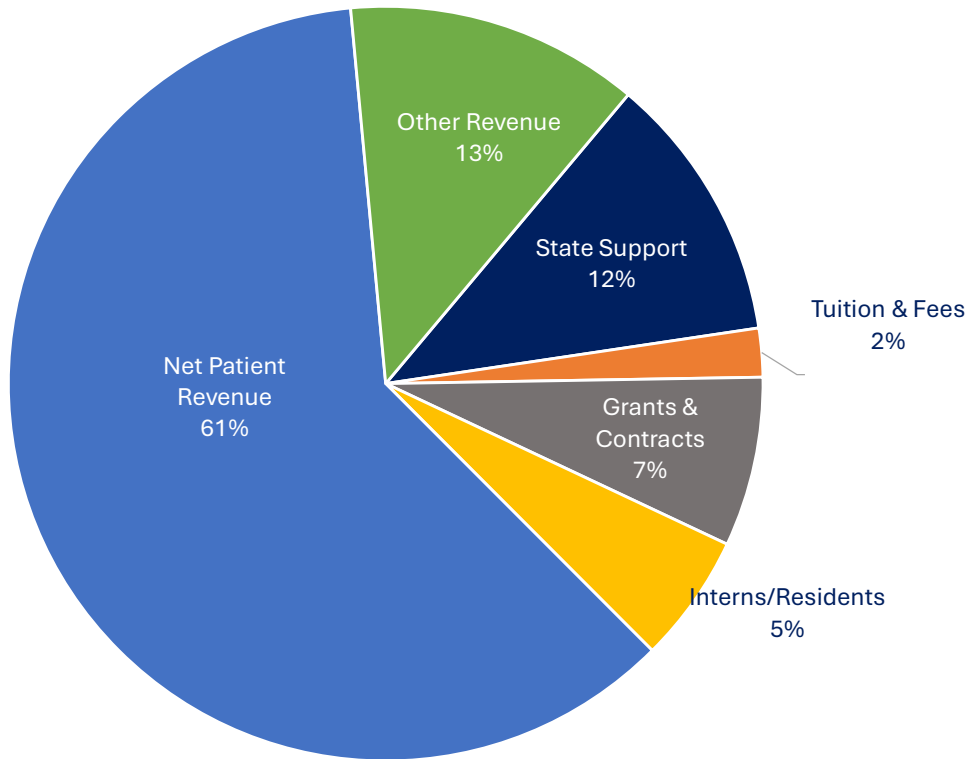
Student financial aid commitment is strong with a **10%** increase in tuition funded aid.

**UConn**



Financial Overview

# UConn Health - FY25 Revenues



| UConn Health                       |               |     |
|------------------------------------|---------------|-----|
| Total State Support                | 198.8         | 12% |
| Tuition and Fees                   | 34.2          | 2%  |
| Interns/Residents                  | 90.2          | 5%  |
| Grants & Contracts                 | 119.2         | 7%  |
| Net Patient Revenue                | 1003.4        | 61% |
| Other Revenue                      | 206.4         | 12% |
| <b>Total Current Fund Revenues</b> | <b>1652.2</b> |     |

**12%** Of total budget is funded by State support

**61%** Of total revenue is funded by patients.

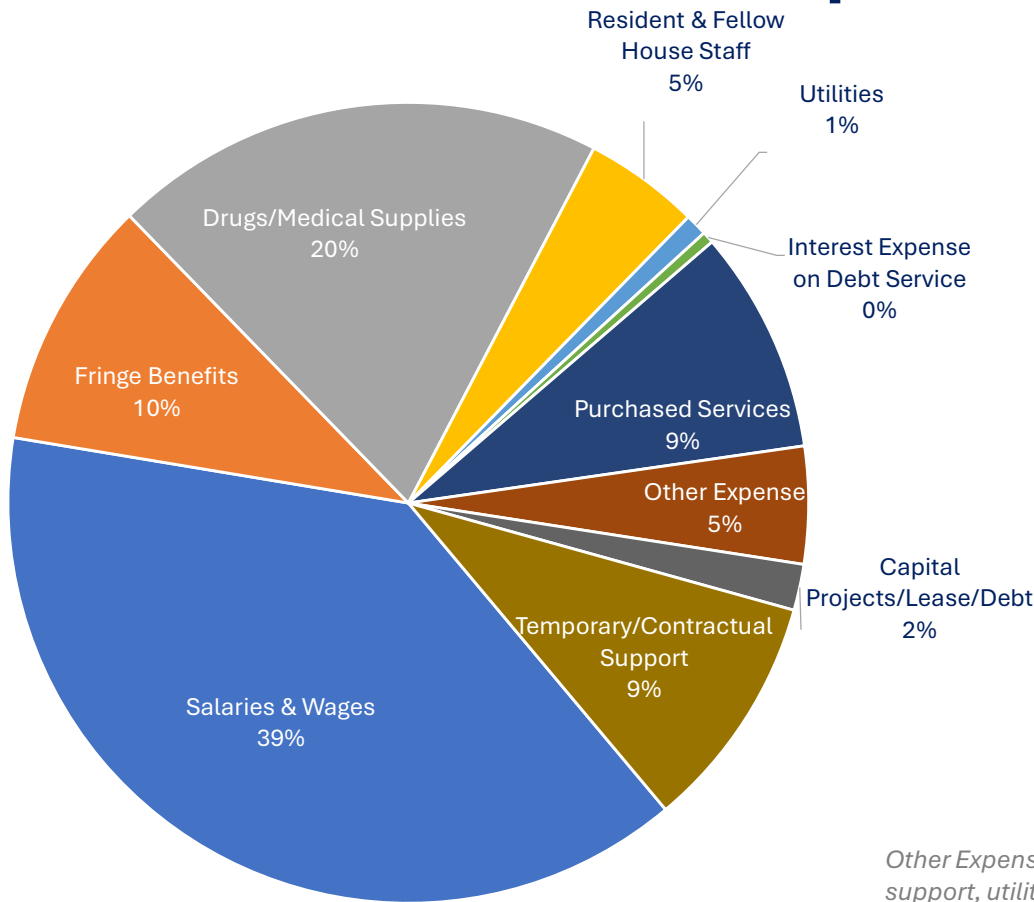
**19%** Of total employee salaries are funded by state support

“Other Revenue” includes auxiliary services, gifts/endowments and internal Income (offset by internal expenses)



Financial Overview

# UConn Health - FY25 Expenses



| UConn Health                       |               |     |
|------------------------------------|---------------|-----|
| Salaries & Wages                   | 640.0         | 39% |
| Fringe Benefits                    | 166.9         | 10% |
| Temporary/Contractual Support      | 159.2         | 9%  |
| Resident and Fellow house staff    | 77.5          | 5%  |
| Drugs/Medical Supplies             | 332.0         | 20% |
| Utilities                          | 14.8          | 1%  |
| Interest Expense on Debt Service   | 8.0           | 0%  |
| Purchased Services                 | 145.4         | 9%  |
| Other Expenses                     | 79.0          | 5%  |
| Capital Projects/Debt Payments     | 30.9          | 2%  |
| <b>Total Current Fund Expenses</b> | <b>1653.8</b> |     |

**63%** Of total expense is allocated to personnel costs

*Other Expenses includes items such as, medical contractual support, utilities, insurance and repairs/maintenance.*

# How does UConn & UCH spend State funds?

**\$526.9 Million** State support = **16%** of total revenue

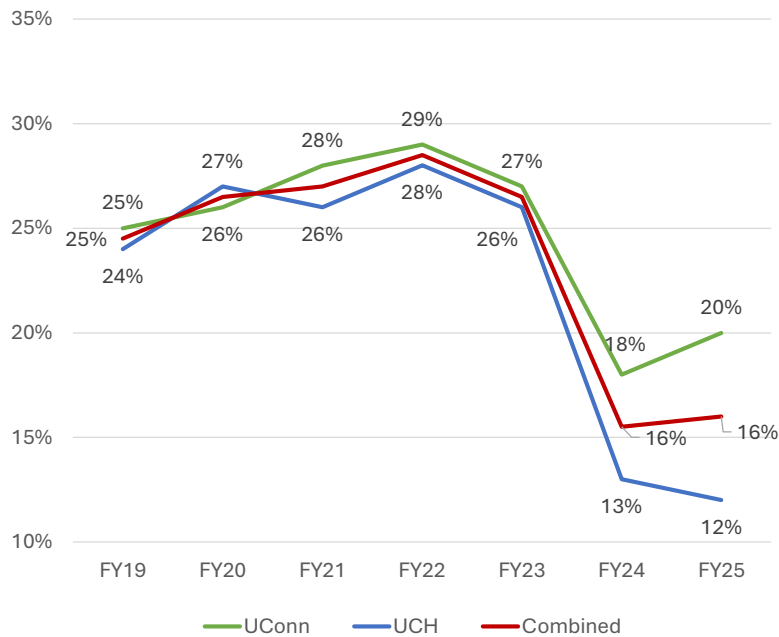
In FY25, the State is supporting

**20% of UConn's total budget**  
**12% of UCH's total budget**

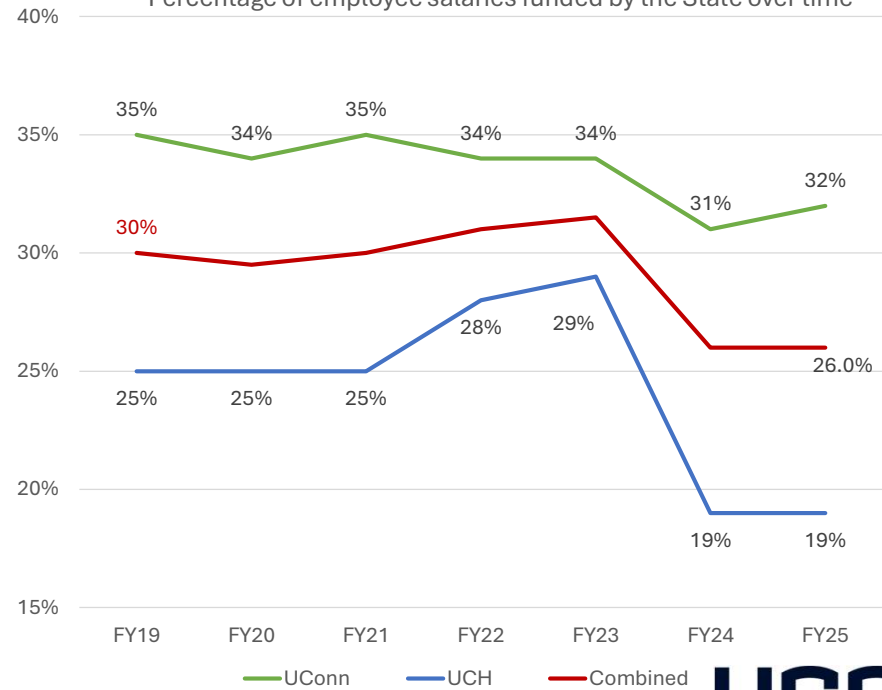
State support is only used for salaries and covers:

**32% of salaries at UConn**  
**19% of salaries at UCH**

Percent of budget funded by the State



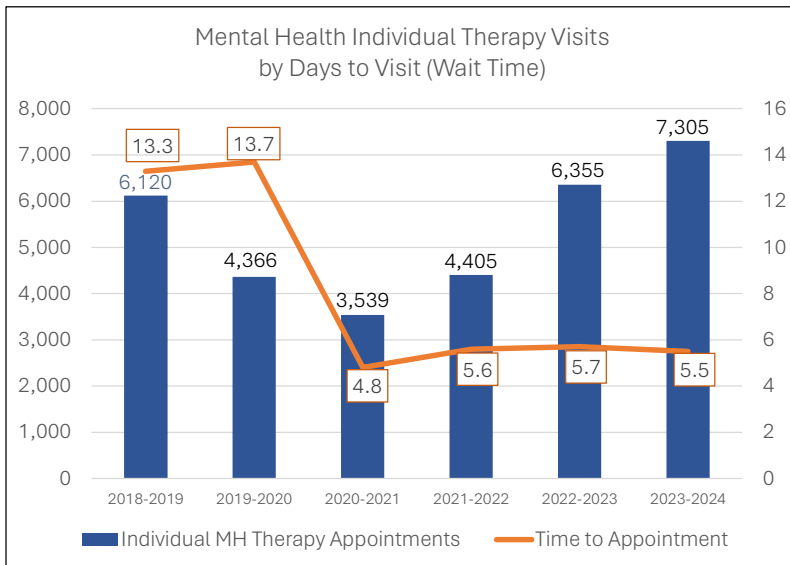
Percentage of employee salaries funded by the State over time



## Financial Overview

# Increased Need for Student Support (Wrap-Around) Services

The university has increased staffing for critical mental health services in recent years to meet student need.



**Over \$75M**

spent in FY24 on services fostering student well-being

**Over 200 staff**

provide direct services to students in advising, physical and mental health, and students with disabilities.

Total SHaW spend has increased from \$16M in FY19 to \$25M in FY25 (56% increase). 80% of SHaW services are funded by student fees.

Student support services include:

- Student physical and mental health
- Academic engagement & support
- Student-athlete success programs
- W-Center (writing tutoring)
- Q- Center (quantitative/ math tutoring)
- Advising
- Veterans' affairs and military programs
- Cultural centers & programs
- Center for Students w/Disabilities

# Athletics Impact on CT's Economy

Operations and visitor spending by UConn Athletics and its fans generated:

- \$242.7 million in overall economic impact for the state in FY24
- \$36.1 million in State and Local Taxes
- 1,821 jobs in the State of Connecticut
- Out-of-state visitors increased from 73,684 in FY19 to 161,062 in FY24 or 119%



UConn

## Strategies for Growth

# UConn Supports Economic Development through Industry Collaboration and Innovation

### INSTITUTE OF MATERIALS SCIENCE INDUSTRIAL AFFILIATES PROGRAM

*Organizations served, past 3 years*

**75** companies

**10** universities and scientific/ technical organizations, such as Yale and CCAT

### INDUSTRIAL PARTNERSHIP BUILDING TECH PARK

*Companies served, past 3 years*

**200** companies, including:

**120** small and medium enterprises (SMEs)



### COLLEGE OF ENGINEERING SENIOR DESIGN

*Organizations supported, past 3 years*

**250+** companies

**40+** government, municipal, and nonprofit organizations

### TECHNOLOGY INCUBATION PROGRAM

*Companies served*

**28** Current (41 in FY24)

**86** past three years



**UConn**

# Continue to Expand Economic Activity in CT



- QuantumCT is a groundbreaking collaboration between UConn, Yale, industry, and the State of Connecticut to generate innovation-driven economic development around quantum technologies.
- UConn is the lead organization on the QuantumCT Regional Innovation Engines proposal to the National Science Foundation.
- The QuantumCT team is competing nationally for up to \$160M in NSF funding over 10 years.

## Our Strategy for Building a Quantum Ecosystem in CT



RESEARCH



TECHNOLOGY  
TRANSLATION



PARTNERSHIPS



EDUCATION &  
WORKFORCE  
DEVELOPMENT

### CORE PARTNERS

- UConn
- Yale
- Governor, State of Connecticut
- CT DECD
- Office of Workforce Strategy
- CT State Community College
- SCSU
- Connecticut Innovations
- Yale Ventures
- Technology Commercialization Services, UConn
- Boehringer Ingelheim
- RTX
- Quantinuum
- NVIDIA
- Travelers
- CBIA
- Brookhaven National Lab.
- ConnCORP, ConnCAT
- City of New Haven

## Strategies for Growth

### Examples of impact on the economy



## Connecticut Transportation Institute (CTI)

### The CT Transportation Institute:

- Serves as a focal point for transportation research at UConn and training for CT.
- Advances safety, maintenance, and enhancement of transportation systems, focusing on CT's current and future needs.
- Promotes innovative research and training to provide timely information on current trends and practices.

CTI saves taxpayers each year in reduced road maintenance costs



**Annual budget:**  
**\$7.5M** from state and federal grants



# UConn



## Strategies for Growth



### Department of Education Mental Health Service Professionals Demonstration Grant

## School of Social Work Scholars

**Award:** **\$3M** Projected, 5-year total  
**\$587,633** Awarded for year 1

**Project Purpose:** Recruit, train, place and provide scholarships graduate social work students to serve as interns in behavioral/ mental health service delivery in four low resource school districts in Connecticut, serving nearly 46,000.

**Principal Investigator:** Prof. Laura Curran, Dean  
School of Social Work



# Increase Efficiency in the Delivery of Education

- Centralize scheduling to create maximum efficiency
- Increase online courses to expand course access, completion rates, and increase revenue
- Revitalize Bachelor of General Studies program to enable non-traditional students to complete degrees and to increase revenues
- Create industry-specific certificates and courses for workforce training and professional development to increase revenues
- Review of low enrollment programs to create programmatic efficiencies and savings over time



# Increase Revenue

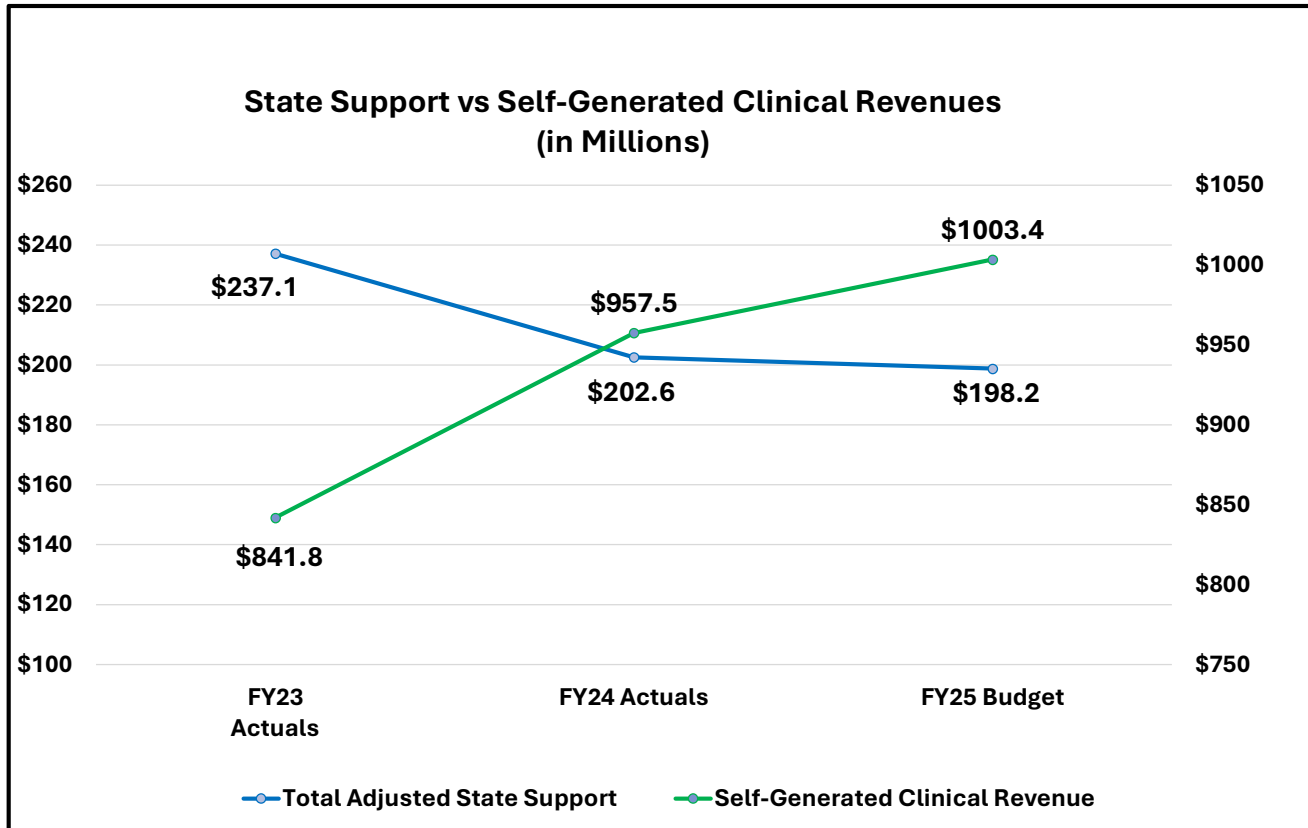
Generate new revenue, for example through:

- Strategic enrollment management
- Use of housing in the summer
- Summer programs
- Online courses
- Auxiliary services to corporations



Strategies for Growth

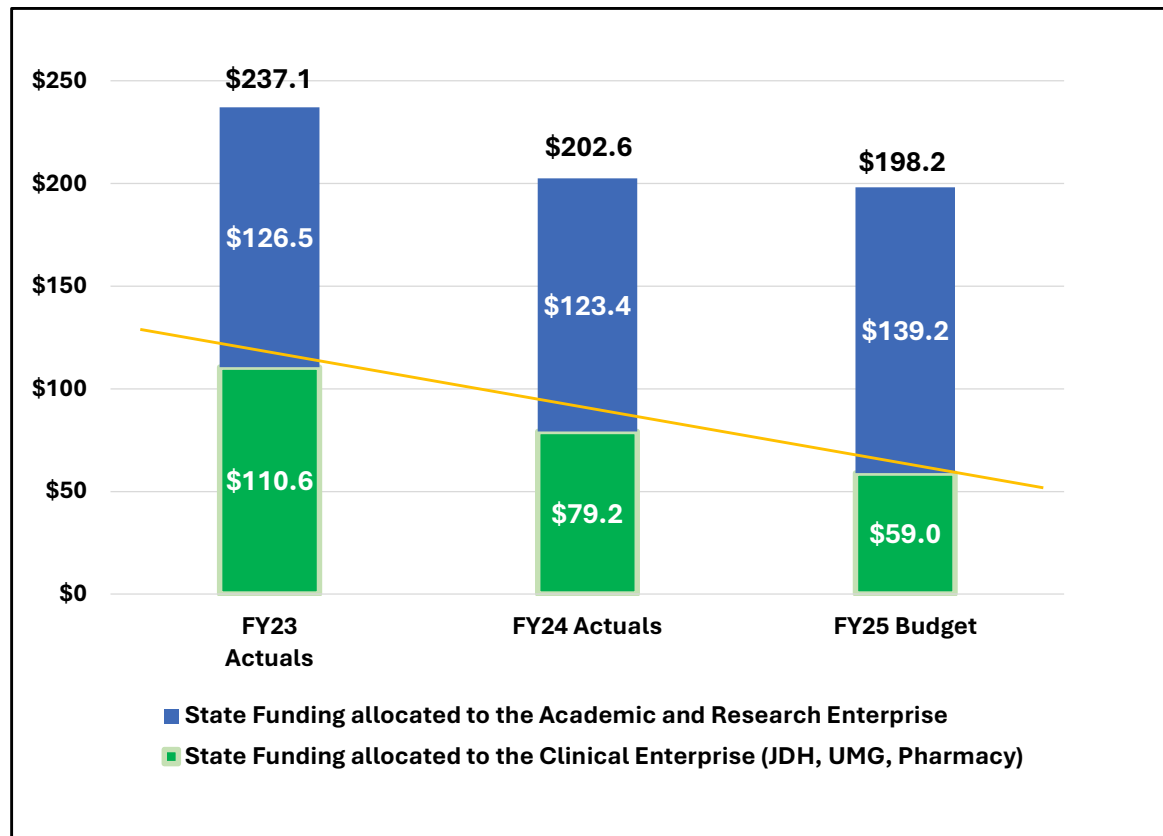
# UConn Health – Self-Generated Clinical Revenue Growth



State Support to UConn Health continues to decrease as patient revenues from the hospital, pharmacy services and the medical group practice grow

Note - FY23 adjusted to remove fringe benefit and adjusted for the new fringe methodology (reduced by \$40M)

# UConn Health – State Support Allocation



Note - FY23 adjusted to remove fringe benefit and adjusted for the new fringe methodology (reduced by \$40M)

UConn Health internally allocates the state support it receives to its Clinical, Academic and Research enterprises.

In FY25, state support allocated to the Clinical Enterprise is \$59M.

Due to cost savings and growth of UConn Health’s clinical volumes – including strategic partnerships – **UConn Health has been reducing state support to the Clinical enterprise**, and there is an opportunity **to eliminate** this funding (i.e. \$59M) for the Clinical enterprise in the coming years.

# Implement Financial Improvement Plans

**UConn has implemented Financial Improvement Plans to help mitigate annual operating budget deficits**

**One-time internal cost-cutting efforts have included:**

- attrition/vacancy elimination
- contract improvements
- operating efficiencies

| <b>One-Time Savings (\$M)</b> | <b>UConn</b>  | <b>UConn Health</b> |
|-------------------------------|---------------|---------------------|
| <b>FY22</b>                   | <b>\$13.4</b> | <b>\$23.0</b>       |
| <b>FY23</b>                   | <b>14.5</b>   | <b>5.0</b>          |
| <b>FY24</b>                   | <b>16.1</b>   | <b>22.1</b>         |
| <b>FY25 est.</b>              | <b>17.7</b>   | <b>15.2</b>         |

## Role of State Investment

- UConn is Connecticut's flagship university focused on student social and economic mobility.
- The partnership with the State is critical to our success and helps us maintain affordability, provide financial aid, graduate more students, create more jobs, and grow the Connecticut economy.
- The State's investment creates jobs, fuels the economy, produces tax revenue, enhances its reputation as an educationally oriented destination, and associates the state with success and excellence.

