

UNIVERSITY SENATE

Budget Overview

July 14, 2025



The Strategic Plan informs the President's Operational Priorities (3-5 years)

Continuous
improvement and
enterprise
effectiveness

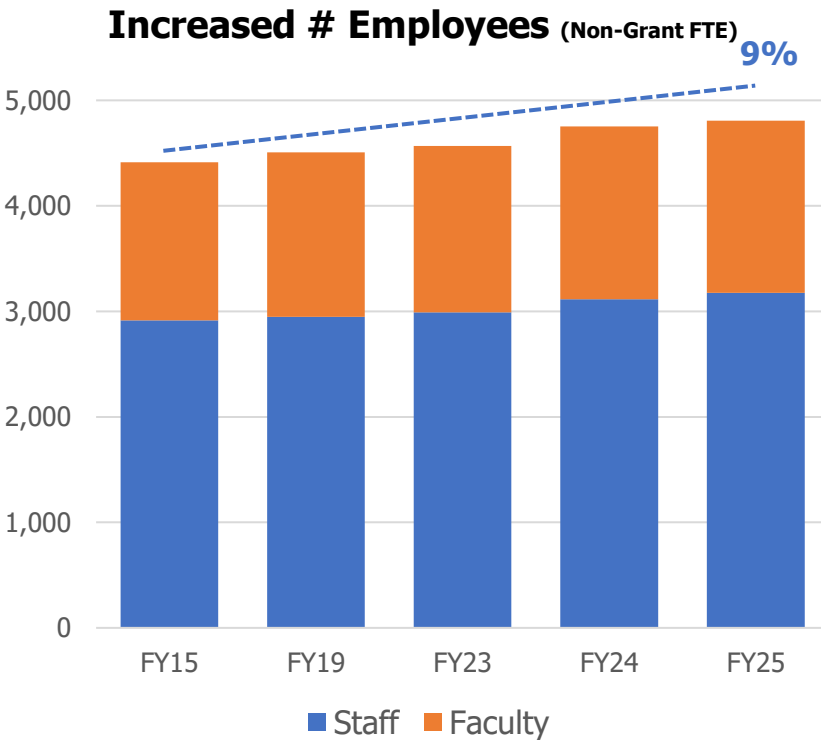
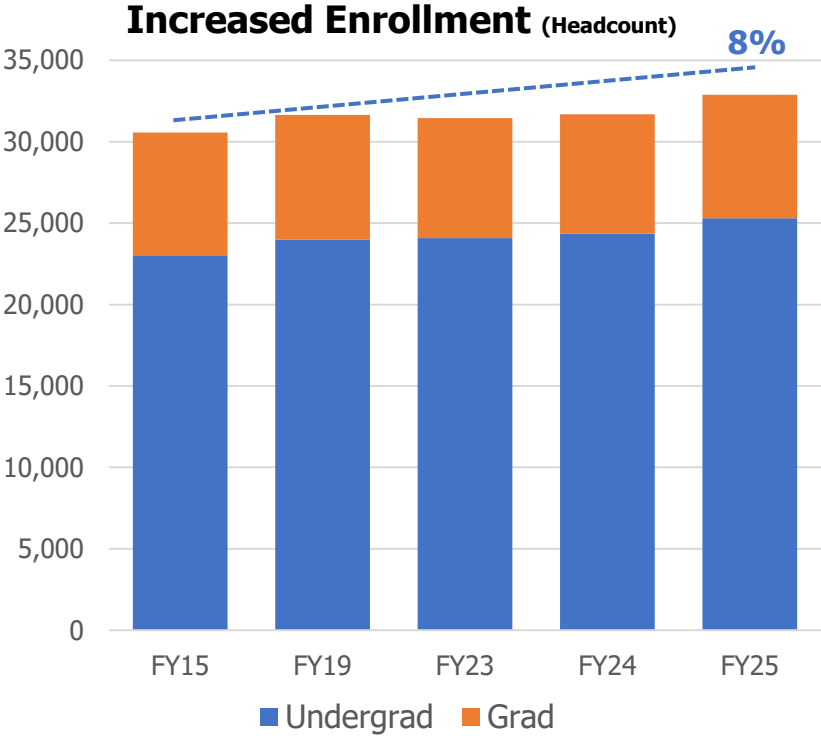
Improve enrollment
outlook

Increase academic
and research profile

Support championship
culture and
competitiveness in
Athletics

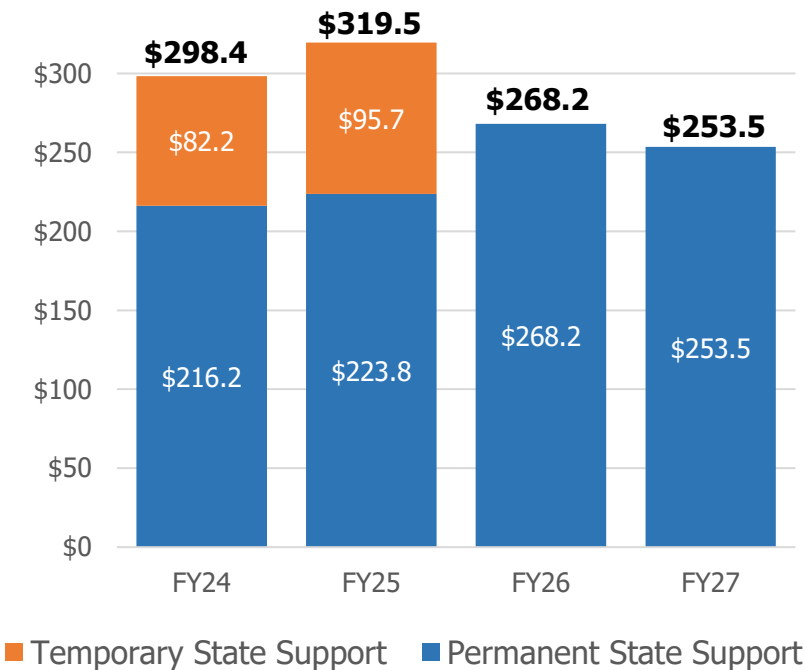
Advance fundraising
efforts and
engagement at the
Foundation

Major Budget Impacts

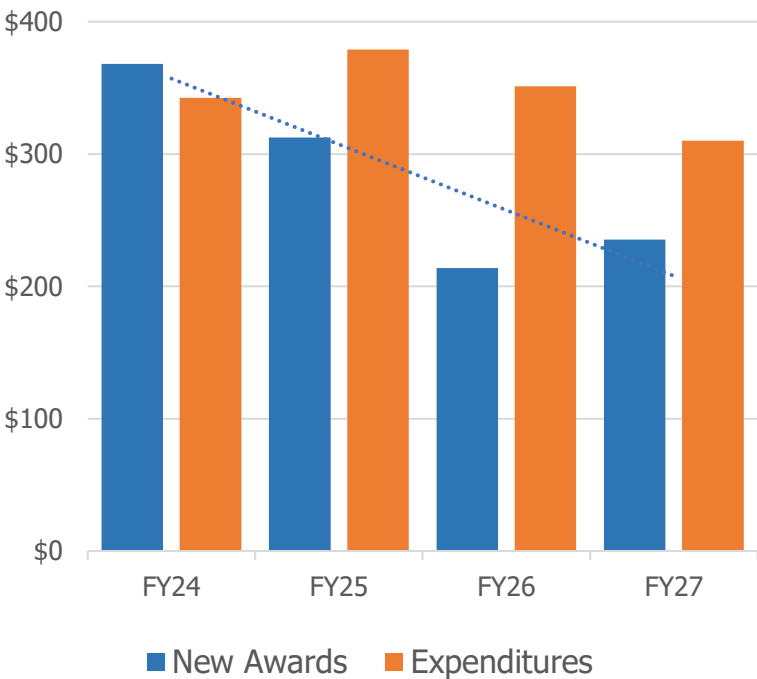


Major Budget Impacts

Reduced State Support
in millions



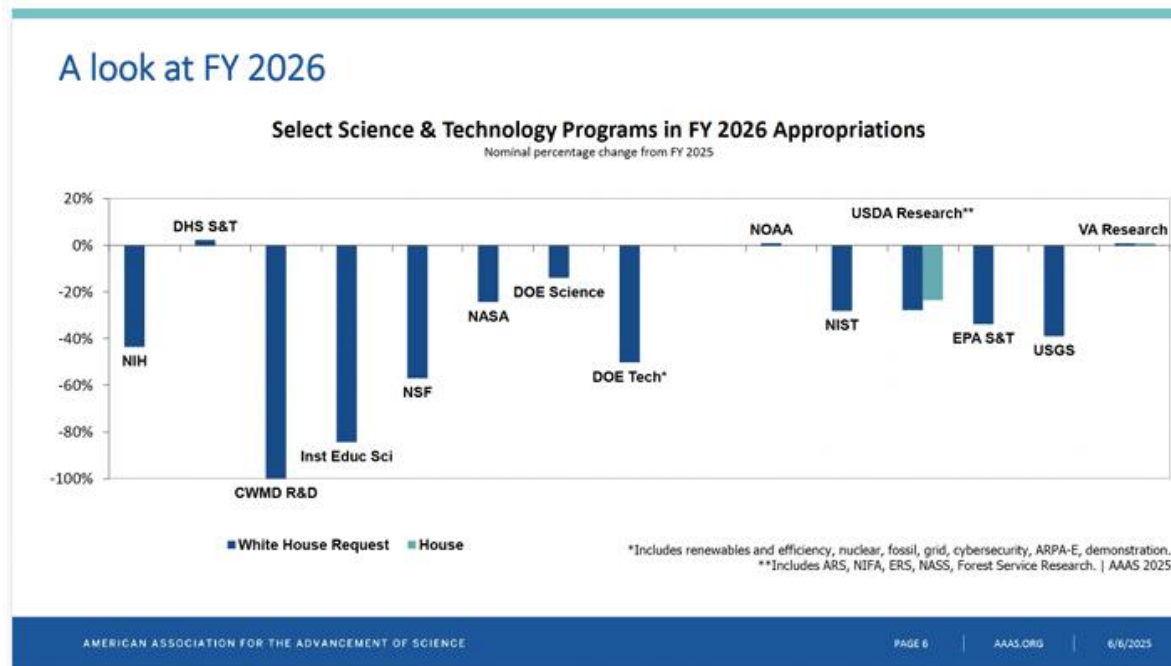
Decline in Research Awards in millions



State of Federal & UConn Research

- Since January 20, 2025, UConn has **lost an estimated \$100M in research and other sponsored activity funding**
- 59 research grant award terminations totaling \$52.2M:
 - 11 terminated awards reinstated - \$12.4M
 - 48 currently terminated - \$39.8M
- UConn currently projects a reduction of new federal research awards in FY26 and FY27.
 - Research expenditures lag new awards usually by 1-2 years.
 - UConn projects research expenditures to decline gradually between FY26-FY27, with further reductions in subsequent years.

- **Slowdown of new federal research funding:** Prior to January 20, 2025, UConn was on pace for a record year in sponsored activity.
 - Requests from the White House for FY26 Appropriations to federal research agencies are overall, greatly reduced from prior years.



UConn's Efforts to Mitigate the Current Research Challenges

What we are doing



November 2025

- Launched 4 Task Forces with representation from faculty, staff and leadership

January 2025

- Launched FAQ website to quickly communicate internally

January 2025-present

- Supported the state with multiple lawsuits against the federal government

February 2025-present

- Hosted 8 university-wide workshops and retreats to support investigators
- Appealed grant terminations

May 2025

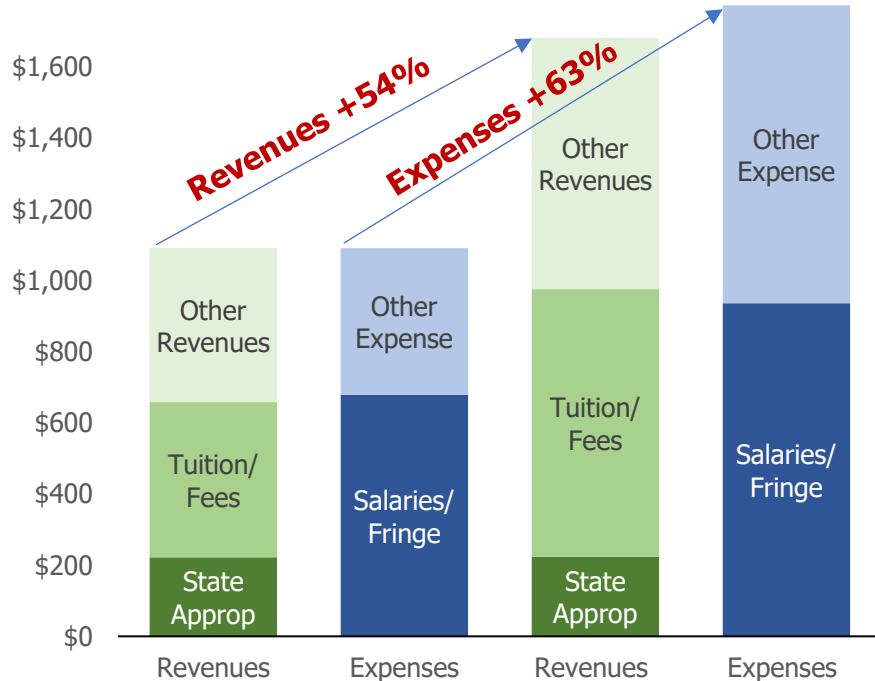
- Developed the EMERGE program
- Launched a UConn Research campaign to promote our value

Growth in Structural Deficit

In Millions

FY15 Actuals

FY25 Forecast



Actions Taken to Date

- ✓ 5 Year Financial Sustainability Plan includes revenue increases and expenditure controls (rescissions)
- ✓ University-wide budgeting guiding principles provided



In our decentralized budget environment, it is the responsibility of unit leaders to be fiscally accountable and ensure budget decisions are based upon the guiding principles, no matter the fund source






- ✓ Budget hearings conducted with units and departments; multiple discussions with various stakeholders

Mitigation

With the approved state budget, the University must implement additional mitigating actions to close the shortfall

UConn		
Mitigation Items (\$M)	FY26	Notes
Initial Shortfall	(\$72.0)	
Tuition (net of aid)	16.1	Add'l enrollment/mix
Auxiliary Revenues	13.0	Housing/Dining gain
Use of State Bond Funds	5.0	Shift capital spend
Gain/(Loss)	(\$37.9)	

This shortfall must be balanced

Potential Options to Balance:	
	Personnel optimization/reduction plan
	Pause non-essential travel, events, and other activities
	Review of purchased service contracts
	Increase utilization of Foundation funds
	Use of fund balance

State Funding Risk:

- The Governor may reduce State agency allotments by up to 5% without General Assembly approval.
- The adopted State budget includes lapse language allowing OPM to reduce State agency allotments by up to \$89.2M in FY26 and \$88.7M in FY27 to achieve savings.

Fund Balances

The State routinely reviews the unrestricted fund balance levels

Unrestricted Fund Balance (\$M)	FY19	FY23	FY24	FY25 Est
Central Administration	-\$80.6	-\$89.0	-\$89.1	-\$89.1
Academic/Auxiliary/Operations	184.4	177.6	181.3	187.1
Operating Subtotal	\$103.8	\$87.9	\$92.2	\$98.0
Deferred Maint/Capital	131.2	59.9	104.2	66.2
Pledged Debt Service	44.1	24.6	42.6	42.6
Unrestricted Fund Balance Total	\$279.1	\$172.4	\$239.0	\$206.8

New Strategy:

Centrally managed utilization of fund balances to reduce risk of additional spend on permanent costs.

This practice will not alleviate the structural deficit.

Thousands of accounts will be reviewed and certain accounts will be exempted.

Next Steps

- Units have worked tirelessly over the past two weeks to re-forecast FY26 budgets, due July 11.
 - BPIR is currently reviewing those re-forecasted budgets.
- The primary goal is to be **balanced** in FY26 through cost-cutting or revenue generating initiatives.
 - [Any permanent changes will help the FY27 deficit of \\$50M.](#)
- Detailed discussions will continue with those units still in deficit to identify appropriate strategies to achieve sustainability. All tools/options will be considered including managed utilization of fund balances.
 - Senior leadership will review and approve unit plans.