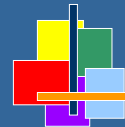


Board of Trustees

Budget Workshop

June 20, 2006



Points of Pride 2006*

Student Quality & Diversity



- Compared to fall 1995 at Storrs campus:
 - Applications for admission will increase by 100% (9,874 to 19,764)
 - Freshman enrollment will increase by 60% (2,021 to 3,225)
 - Minority student enrollment will increase by 108% (308 to 641)
 - SAT scores will increase by about 80 points from fall 96-06 (1113 to 1193)
 - Valedictorians and salutatorians will increase by 64 students (40 to 104) bringing the total since 1995 to 783 at all campuses
- Minority enrollment at the Schools of Medicine & Dental Medicine has increased 45% from 93 in fall 1995 to 135 in fall 2005

* Data based on enrollment deposits as of June 2006.



Points of Pride 2006

Indicators of Success

- UConn rated the top public university in New England for the past 7 years (*U.S. News & World Report*)
- UConn ranked in the top 30 best value public colleges for in-state costs (*Kiplinger's Personal Finance*)
- UConn Health Center's John Dempsey Hospital named a 2005 Solucient 100 Top Hospitals Performance Improvement Leader
- Undergraduate alumni rank 8th in the nation among public universities for alumni giving with an annual giving rate of 24% (*U.S. News & World Report*)



Points of Pride 2006

Indicators of Success

- 92% of recent graduates are either employed or are in graduate/professional schools
- UCONN 2000 construction program has created more than 8.1 million square feet of new and renovated space
- Number of students & families who toured the Storrs campus increased from 13,053 in 1995 to 36,728 last year
- Athletic teams have won 8 NCAA Division I national championships, 32 Big East tournaments and 40 Big East regular season titles since 1995
- Over half of Connecticut dentists age 40 or younger are School of Dental Medicine graduates





FY 2007: Budget Priorities

- Stabilize budget
 - State support: closest to current services request in recent history
 - Health Center: deficits in academic & research programs; reliance on clinical revenues
- Programmatic imperatives
 - Record enrollment, retention and graduation rates
 - Increased expectations of students
 - Enriched educational experiences
 - Response to changing workforce demands
 - Signature Program investment
- Increased funding for operational needs university-wide
 - Fire safety/building inspection/construction management & oversight
 - Audit & compliance
- Other expenditure demands
 - Construction corrections
 - Energy costs
 - Standard Wage Act



FY 2006 Closeout Health Center

Forecasted net loss of \$1.3 million

Revenues - \$623.8M & Expenses - \$625.1M

(Budgeted net gain of \$0.7 million)

<u>Revenues</u>	<u>Budget</u>	<u>Forecast</u>	<u>Variance</u>
State Support	\$102.6	\$100.9	\$1.7
Gifts, Grants & Contracts	\$102.7	\$92.0	\$10.7
Correctional Managed Health Care	\$84.2	\$86.7	\$2.5
Net Patient Care	\$281.4	\$281.1	\$0.3
Other Revenues	\$63.6	\$63.1	\$0.5
<u>Expenses</u>			
Personal Services (including Fringe)	\$398.8	\$396.8	\$2.0
Medical/Dental House Staff	\$33.6	\$32.2	\$1.4
Outside & Other Purchases	\$44.0	\$38.8	\$5.2
Provision for Bad Debts	\$9.1	\$6.3	\$2.8
Drugs/Medical Supplies	\$66.4	\$66.6	\$0.2
Utilities	\$10.3	\$11.3	\$1.0
Insurance	\$4.8	\$8.7	\$3.9
Other Expenses	\$66.8	\$64.4	\$2.4



FY 2006 Closeout Storrs & Regionals

Forecasted net loss of \$8.0 million

Revenues - \$798.0M & Expenses - \$806.0M

(Budgeted net loss of \$8.0 million)

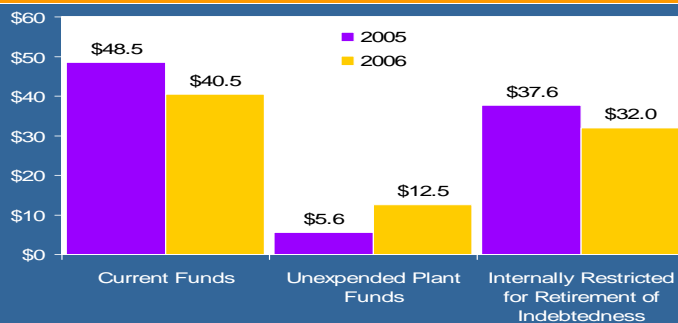
Significant Variances

<u>Revenues</u>	<u>Budget</u>	<u>Forecast</u>	<u>Variance</u>
State Support	\$281.0	\$283.1	\$2.1
Gifts, Grants & Contracts	\$51.7	\$55.2	\$3.5
Investment Income	\$3.3	\$7.2	\$3.9
Auxiliary Enterprise Revenue	\$123.8	\$120.5	\$3.3
Research Fund	\$81.3	\$72.2	\$9.1
<u>Expenses</u>			
Personal Services	\$331.8	\$341.0	\$9.2
Other Expenses	\$138.5	\$132.8	\$5.7
Energy	\$31.7	\$36.0	\$4.3
Transfers	\$25.5	\$29.5	\$4.0
Research Fund	\$81.3	\$72.2	\$9.1



Designation of Unrestricted Net Assets

Storrs & Regionals (\$M)

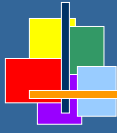


- The estimated FY06 current funds balance reflects a planned reduction in fund balance of \$8.0 million which includes equipment expenditures and a transfer to plant funds.
- The estimated FY06 unexpended plant funds balance of \$12.5 million includes transfers of \$4.0 million from current funds and \$5.6 million from our debt reserve to help cover approximately \$10 million in expenditures to correct certain deficiencies in the construction of some residential facilities and to provide cash resources for on-going capital projects.



State Appropriation (\$M)

	<u>FY06 Appropriation</u>	<u>FY06 Allotment</u>	<u>FY07 Appropriation</u>
Storrs & Regionals	\$205.2	\$205.8	\$213.7
Appropriated New Programs			\$4.0
One-time funds for National Undersea Research Center of \$350K.			
Health Center	\$76.0	\$76.2	\$76.9
One-time funds for Health Professionals Partnership Program Initiative of \$200K. Correctional Managed Health Care via Department of Correction at \$90.7M.			
Higher Education Matching Grant Program - \$3.3M total UConn's share projected at \$2.5M for endowment			



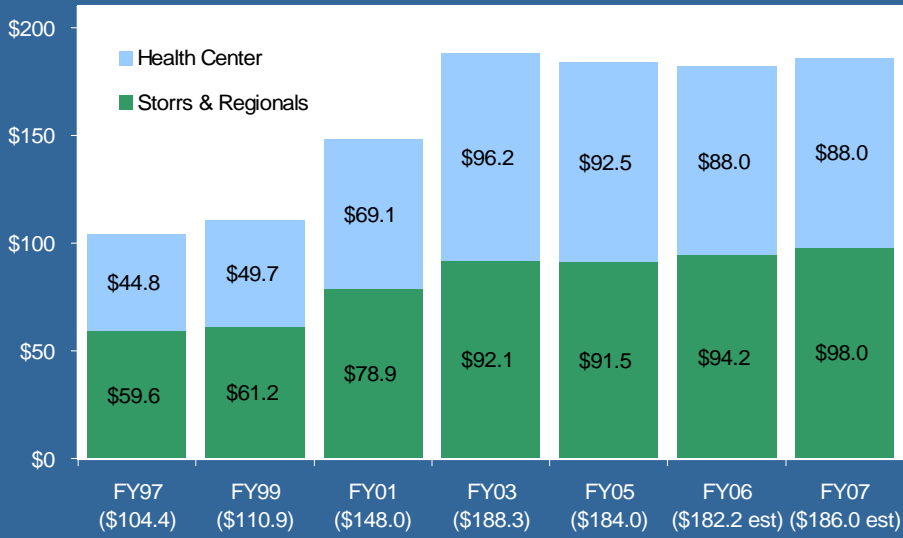
Non-State Revenue Streams

- Research funding
- Private support



- Clinical revenue
@ Health Center
- Tuition/fees/room/board
@ Storrs & Regionals

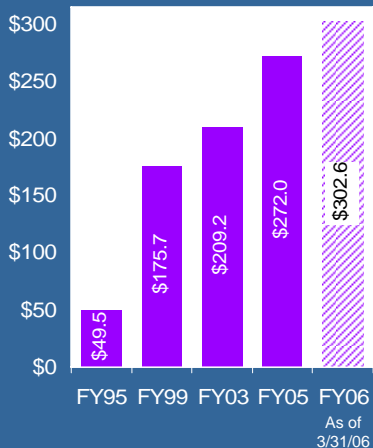
Research, Training & Service External Awards (\$M)



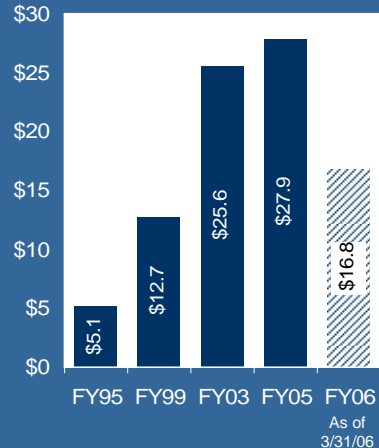
UConn Foundation (\$M)

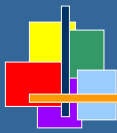
Protecting the growth potential of one of our key external revenue streams

Endowment Assets



Support of Students & Programs





Key Revenue Drivers

Storrs & Regionals

	FY06 Forecast <u>\$798.0M</u>	FY07 Budget <u>\$856.7M</u>
State Support	35.5%	35.4%
Tuition & Fees	29.5%	29.3%
Auxiliaries	15.1%	15.5%
Gifts, Grants & Contracts	15.9%	16.1%
All Other	<u>4.0%</u>	<u>3.7%</u>
Total	100.0%	100.0%



Key Revenue Drivers

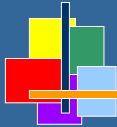
Health Center

	FY06 Forecast <u>\$623.8M</u>	FY07 Budget <u>\$654.8M</u>
Patient Care	45.1%	45.6%
State Support	16.2%	15.7%
Gifts, Grants & Contracts	14.7%	14.3%
Correctional Managed HC	13.9%	13.9%
Interns & Residents	4.8%	4.5%
All Other (including Tuition)	<u>5.3%</u>	<u>6.0%</u>
Total	100.0%	100.0%



FY07 Tuition, Fees, Room & Board Storrs & Regionals

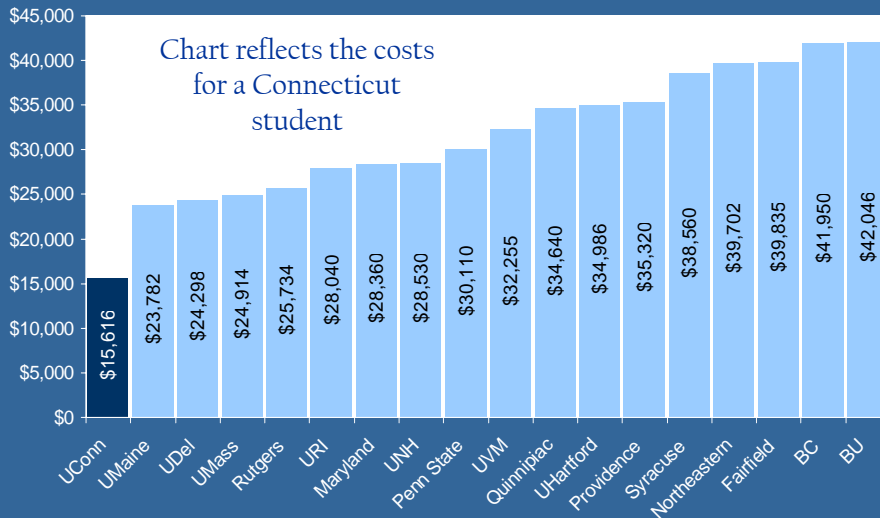
<u>In-State</u>	<u>Amount</u>	<u>Increase Over Previous Year</u>	
Undergraduate - Tuition	\$6,456	5.91%	\$360
Undergraduate - Total	\$16,628	6.48%	\$1,012
Graduate - Total	\$18,374	6.59%	\$1,136
 <u>Out-of-State</u>			
Undergraduate - Total	\$29,828	6.07%	\$1,708
Graduate - Total	\$31,154	6.34%	\$1,856



UConn's Affordability FY06 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	\$42,046	Penn State	\$19,874	\$30,110
Boston College	\$41,950	Rutgers	\$18,135	\$25,734
Fairfield	\$39,835	Univ Vermont	\$18,069	\$32,255
Northeastern	\$39,702	Univ New Hampshire	\$16,810	\$28,530
Syracuse	\$38,560	Univ Maryland	\$16,036	\$28,360
Providence	\$35,320	Univ Massachusetts	\$15,795	\$24,914
Univ Hartford	\$34,986	Univ Connecticut	\$15,616	\$28,120
Quinnipiac	\$34,640	Univ Rhode Island	\$15,398	\$28,040
		Univ Delaware	\$14,142	\$24,298
		Univ Maine	\$13,642	\$23,782

UConn's Affordability FY06 Tuition, Fees, Room & Board



Accessibility: Financial Aid (\$M) Storrs & Regionals



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

Total Financial Aid	<u>FY 2006 est.</u>	<u>FY 2007 est.</u>
Need Based Grants & Student Labor	\$57.2	\$60.3
University Scholarships	\$21.6	\$23.9
Non-University Scholarships	\$5.2	\$5.6
Loans	\$111.8	\$116.7
Tuition Waivers	\$34.5	\$36.5
Total Financial Aid	\$230.3	\$243.0
<u>Tuition Funded Financial Aid</u>		
Need Based Grants & Student Labor	\$29.1	\$31.9
Scholarships	\$9.6	\$11.1
Tuition Waivers	\$34.5	\$36.5
Total Tuition Funded Financial Aid	\$73.2	\$79.5
Total as a % of Gross Tuition Revenue	36.3%	36.8%
Tuition Funded Need Based %	17.4%	17.8%



Accessibility: Financial Aid

Storrs & Regionals

- All tuition, fees, room & board increases have been accompanied by increases in financial aid to ensure that no student's education would be denied or hampered based on financial need
- Eliminated the un-met need gap for the neediest in-state students
- 78% of students (undergraduate and graduate) received aid in FY05



FY 2007 Spending Plan Highlights

- University-wide
 - Audit & compliance: \$2.1M
 - Fire safety/building inspection/construction management & oversight: \$1.9M
 - Eminent faculty: \$2M + Match
- Storrs & Regionals
 - Standard Wage Act: \$2.4M
 - Energy: \$4.6M (14.5% increase)
 - Cogeneration operating cost & debt service: \$11.0M
 - Center for Entrepreneurship: \$2.0M
 - Faculty & undergraduate course coverage: \$3.65M
- Health Center
 - Standard Wage Act: \$0.31M
 - Signature Programs: \$3.0M
 - Energy: \$1.3M (14.4% increase)





Audit, Compliance & Ethics University-wide

FY04 Actual	\$0.6M
FY05 Actual	\$2.0M
FY06 Forecast	\$2.7M
FY07 Budget	\$4.8M

- FY07 budget includes the following investments
 - \$170K @ Storrs
 - \$100K for Corporate Integrity Agreement @ Storrs
 - \$1.5M for UCONN 2000 audit activity
 - \$372K @ Health Center



Fire Marshal & Building Inspectors University-wide

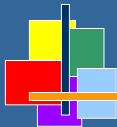
- FY 2006 budget of \$873K for 7 positions
- FY 2007 investment of \$540K for 5 new positions:
 - 2 building inspectors
 - 2 fire code inspectors
 - 1 supervisor
- Expanded capacity will allow a staffing level capable of providing a quality plan and inspection reviews



Architectural & Engineering Services University-wide



- Primarily responsible for planning, managing and completing all capital projects University-wide
- FY 2007 investment of \$865K necessary to expand University capacity which will reduce the University's reliance on 3rd party vendors
- Investment also will allow the office to respond to concerns raised by the Governor's Commission and the General Assembly



Office of Construction Assurance University-wide

- New oversight office set forth in this year's amendments to the UCONN 2000 statute
- FY 2007 investment of \$500K
- Office to be established by the Board of Trustees by August 1, 2006
- Office will be responsible for reviews of construction performance





FY 2007 Operational Investments Storrs & Regionals

- Assessments and planning activities underway for improvements to utility infrastructure
 - \$300K for backflow prevention monitoring
 - \$250K for water management activities
- Security infrastructure increase of \$80K for blue phones/emergency phones
- Maintenance of physical facilities (Standard Wage Act) increase of \$2.4 million



Points of Pride 2006* Student Quality & Diversity

Compared to fall 1995 at Storrs campus:

- Applications for admission will increase by 100% (9,874 to 19,764)
- Freshman enrollment will increase by 60% (2,021 to 3,225)
- Minority student enrollment will increase by 108% (308 to 641)
- SAT scores will increase by about 80 points from fall 96-06 (1113 to 1193)

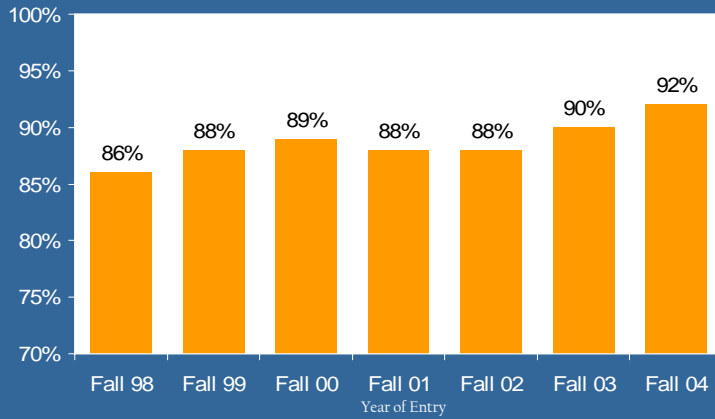


- Valedictorians and salutatorians will increase by 64 students (40 to 104) bringing the total since 1995 to 783 at all campuses

* Data based on enrollment deposits as of June 2006.



Freshman Retention Trends Storrs Campus



Freshman retention rate (Fall 03 entry) is substantially higher than the 81% average for 421 colleges & universities in the national Consortium for Student Retention Data Exchange (CSRDE)

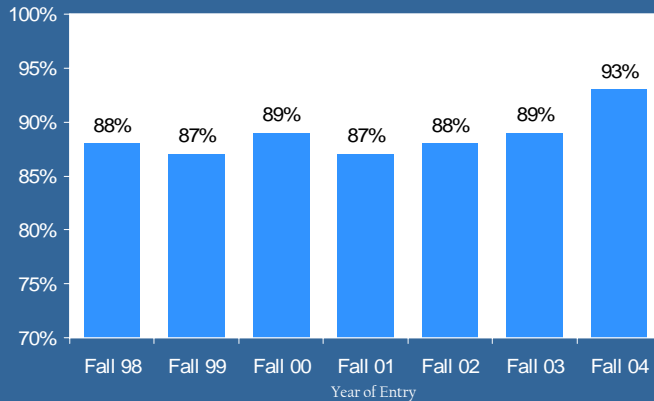


Minority Freshman Retention Trends Storrs Campus

The minority freshman retention rate (Fall 03 entry) is also substantially higher than the national 80% average (CSRDE)



The minority freshman trend is similar to the trend for all freshmen



Graduation Trends

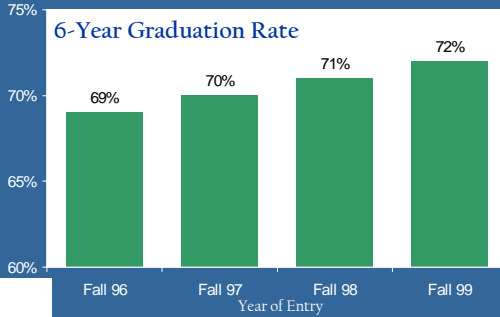
Storrs Campus



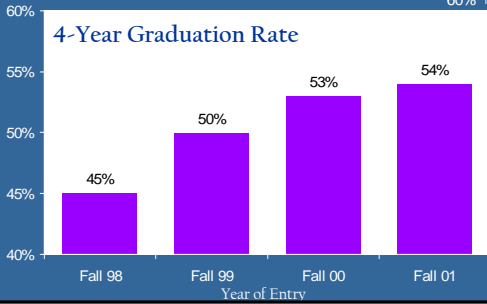
UConn average time to graduate is 4.3 years
(Fall 99 year of entry graduates)

Last year, the UConn average of 4.4 years compared to a peer average of 4.6 years

6-Year Graduation Rate



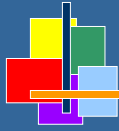
4-Year Graduation Rate



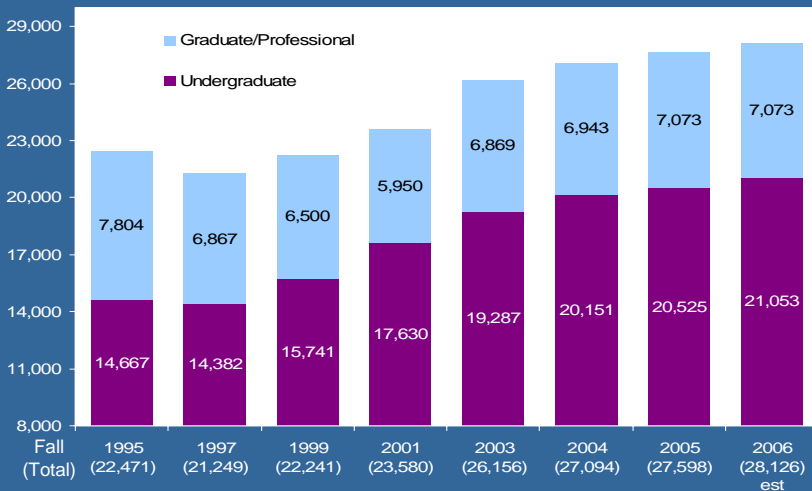
UConn ranks 8th among the top 50 national public universities on *U.S. News & World Report* 6-year graduation rate performance

Student Enrollment

Storrs & Regionals



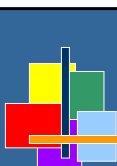
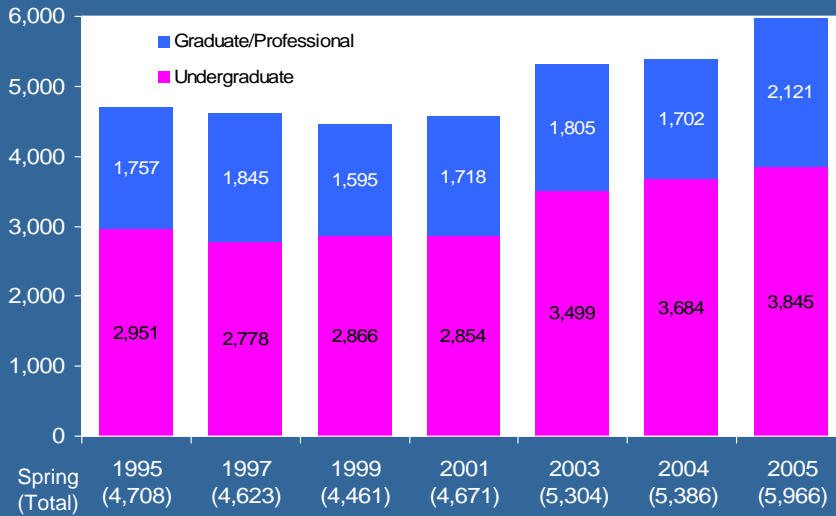
Undergraduate enrollment has grown 44% since 1995



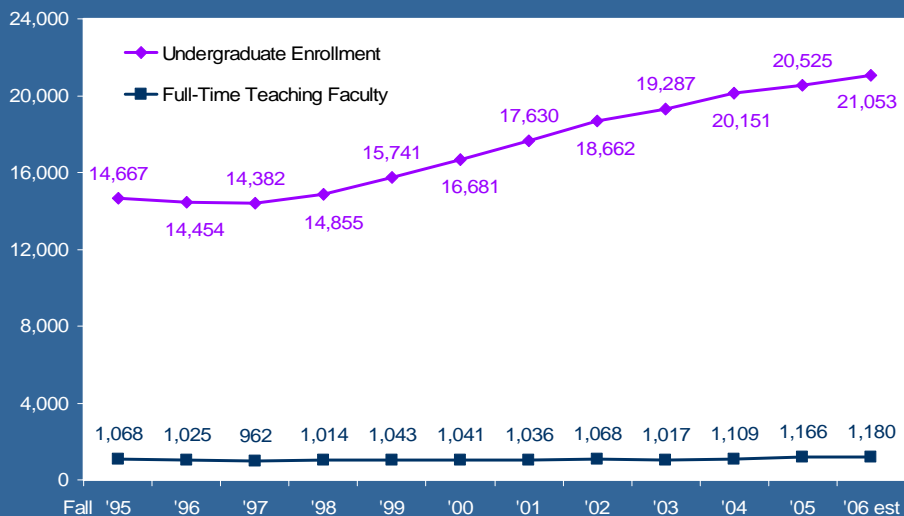


Degrees Awarded Storrs & Regionals

Over 99,500 alumni live in Connecticut



Growth: Faculty vs Enrollment Storrs & Regionals



Student : Faculty Ratio Storrs & Regionals



Undergraduate Education Storrs & Regionals

- \$6.85 million Provost budget in FY07 for course coverage / extra sections (includes additional \$750K in FY07)
- Since FY00, \$6.8 million provided directly to schools and colleges (includes additional \$2.9M in FY07)
- Criteria used to allocate resources
 - Programmatic need
 - Programmatic excellence
 - Enrollment demand
 - Interdisciplinary impact





Undergraduate Course Coverage

Storrs & Regionals

- Significant increases in enrollment in nursing, pharmacy, biological sciences and engineering



- Disciplines that address critical workforce shortage areas
- All of these students take courses in CLAS

- Additional \$750k in FY07 earmarked for course coverage and faculty in high enrollment areas



Research Challenges

Storrs & Regionals

- Flat federal funding
- Academic Plan being developed to identify areas of research emphasis. Criteria to include:
 - Building on strengths
 - Addressing state needs
 - Addressing national needs

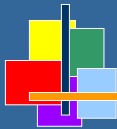




Faculty Hiring Plan Storrs & Regionals



- Increase the number of instructional faculty
- Reduce student : faculty ratio
- Address workforce development issues
- Support research priorities in Academic Plan



Eminent Faculty

- \$2M funding from state
- Requires a match from industry or other sources
- Hire faculty who will:
 - Be involved with applied R&D
 - Support state's economic development
 - Promote core competency areas





Center for Entrepreneurship

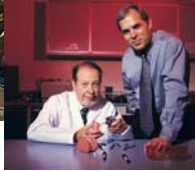
- \$2M funding from state
- School of Business and School of Law
- Implement a plan that:
 - Supports inventors in commercialization and generation of business opportunities
 - Assists technology based programs in finding real-time solutions to business problems
 - Establishes an intellectual property law clinic



Provost's Priorities for FY 2007

- Development of Academic Plan
- Building academic leadership in schools/colleges
- Reorganize & refocus research activities
- NEASC accreditation
- New faculty hiring





University of Connecticut Health Center
Board of Trustees
June 20, 2006
FY2007 Proposed Operating Budget

FY06 Overview



Following 4 straight years of improved financial performance our FY06 budget assumed a leveling off in revenue growth. In that budget we projected that:

- Double digit increases in research grant awards would flatten;
- Clinical volume growth would continue at a slower pace made possible by the MARB and planning for increased ambulatory space;
- Our state appropriation would increase slightly; and
- Federal and state mandates and contractual salary increases could further erode our projected bottom-line

FY06 Overview



The actual financial downturn in FY06 has been greater than we projected. While some of our FY06 planned actions were successful others returned mixed results.

Signature Programs

- **Planned for FY06 were:**
 - **Recruitment - colon cancer prevention and recruitment of MSI Director, neurosurgeons, electrophysiology MD and cancer recruits**
 - **A new translational research dental implant program**
 - **Opening of an electrophysiology lab for pacemaker insertion and fully integrated cardiology service**
 - **Creation of the Center for Public Health and Health Policy**

FY06 Overview



Signature Programs

- **Results:**
 - **Successful recruitment of surgical oncologist, GI cancer, Clinical electrophysiologist, non-invasive cardiologist, neurosurgeon, hand surgeon, bone oncologist and physiatrist**
 - **Colon Cancer Prevention Center opened October, 2005 with \$1.26 million in support from the Neag gift and cancer research start-up support**
 - **\$1,000,000 gift from David and Rhoda Chase Family Foundation to support musculoskeletal research**
 - **\$500,000 gift from Strauman USA in connection with the dental implant program education and research**

FY06 Overview



Signature Programs

- **Results:**
 - **Some planned recruitments will not start until the 1st quarter of 2007 and some unanticipated vacancies occurred**
 - **Electrophysiology Lab will open in FY07 versus FY06**
 - **Further planning required on the Dental Implant Center has delayed operationalizing the center until FY07**
 - **Requested state funding to advance the Center for Public Health was not forthcoming in the FY06 legislative session**

FY06 Overview



Research

- **Planned for FY06:**
 - **Leveling of research grant awards**
 - **Targeted recruitment in Molecular Medicine and Center for Immunotherapy of Cancer and Infectious Diseases;**
 - **Implementation of research operational improvements recommended by PriceWaterhouseCoopers to improve operating efficiencies**
- **Results:**
 - **FY06 research grant awards actually decreased year to date by 2.4% over FY05**
 - **Candidates for Molecular Medicine and CICID not identified and these recruitment efforts remain open**

FY06 Overview



Research

- **Results:**
 - PwC operational improvements estimated at \$500,000 in reprioritized distribution of HCRAC funds through:
 - monthly profit and loss reporting on core service centers
 - revised emergency grant application procedures and required departmental matching
 - improved adherence with compliance standards – grant close-outs, cost reporting, and IRB review procedures
 - Began installation of a fully electronic grant application preparation, routing and submission system to be operational in FY07
 - \$12,000,000 NIH Roadmap for Medical Research grant awarded to Dr. Leslie Loew
 - General Clinical Research Center awarded \$2,500,000 continuation grant

FY06 Overview



Clinical

- **Planned for FY06:**
 - Advance the Collaborative Center for Clinical Care Improvement's (C4I) patient safety initiatives
 - Major investments in new technology to advance patient safety and improve health care outcomes
 - Rehab and radiology service expansions through the opening of the MARB
 - Planning for the proposed Medical Services Building
- **Results:**
 - JDH named a 2005 Solucient 100 Top Hospitals Performance Improvement Leader based on national comparisons

FY06 Overview



Clinical

- **Results:**
 - Roll-out of major new clinical technology systems which allow on-line access to medical information
 - New fully electronic medical record (eHIM) system being implemented
 - New all digital radiology imaging system (PACS) installed
 - New Physician Order Entry electronic ordering system installed
 - Major new equipment investments at the MARB
 - new open MRI resulting in increased volumes
 - new state of the art bone density equipment
 - new on-site SwimEX aquatic rehabilitation pool
 - New Digital Mammography 3D imaging equipment

FY06 Overview



Institutional Efforts

- **Results:**
 - Imposed an out of state travel and hiring freeze effective February, 2006 for the balance of the fiscal year – estimated \$100,000 savings
 - Implemented a clinical “other expenses” opportunity register with estimated expense savings of \$1,200,000
 - The University Health System Consortium (UHC) awarded UHC a Top Ten Award at the 2006 Supply Chain Optimization Forum
 - Reduced capital requisition process from 14 days to 4.6 days using electronic system
 - Implemented on-line shipping system and achieved 15% savings
 - Electronic access to qualified applicant expedited by 2.1 days

FY06 Overview



FY06 proved to be the Health Center's most financially challenging year since 1999-2000 and will result in an FY06 year end deficit due to:

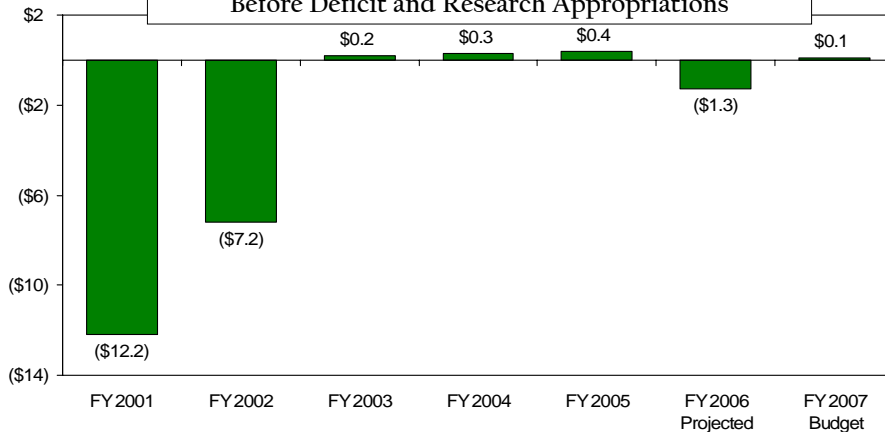
- ❑ Declining trend in clinical volumes
- ❑ Unusually high turnover of clinical faculty and unanticipated medical leaves for physicians
- ❑ Continuing decreases in research awards
- ❑ Impact of tenured faculty obligations
- ❑ State support below current services levels

FY06 Overview



Excess / (Deficiency) by Fiscal Year (\$M)

Before Deficit and Research Appropriations

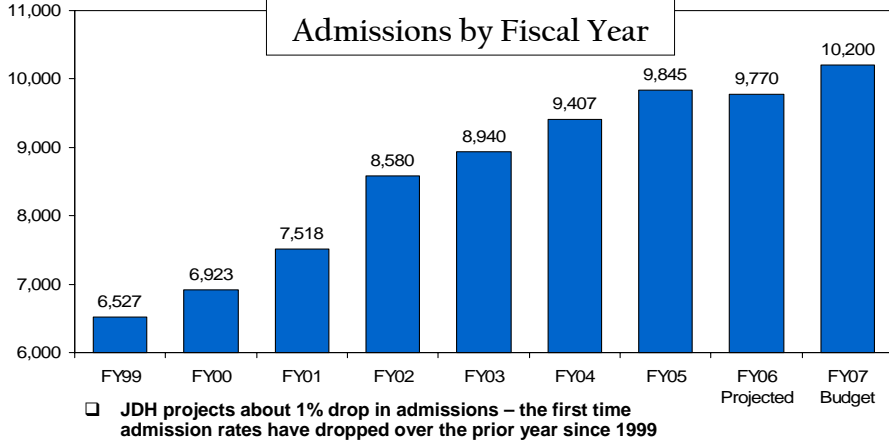


FY06 Overview



Some important FY06 key indicators trended downward for the first time in recent years

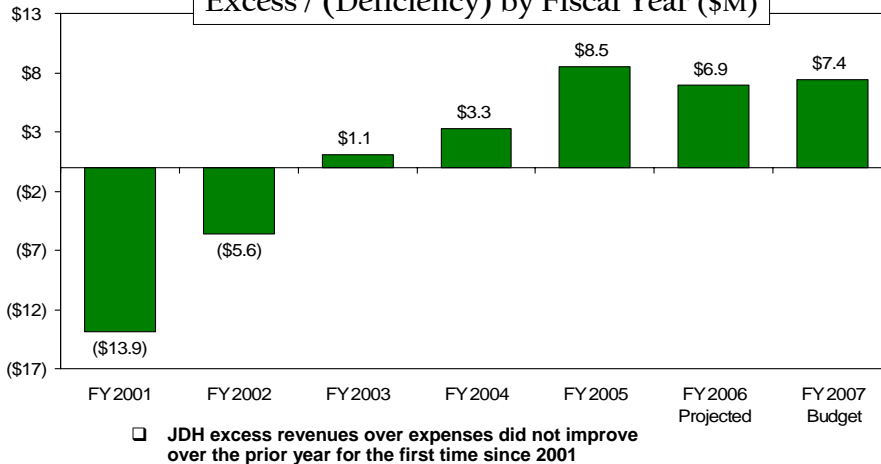
John Dempsey Hospital
Admissions by Fiscal Year



FY06 Overview



John Dempsey Hospital
Excess / (Deficiency) by Fiscal Year (\$M)

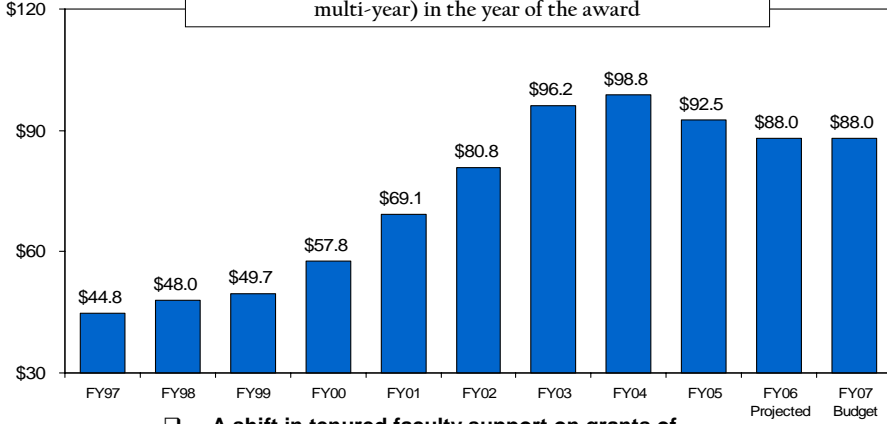


FY06 Overview



Research Awards by Fiscal Year (\$M)

Note: This graph includes the full grant amount (even if multi-year) in the year of the award



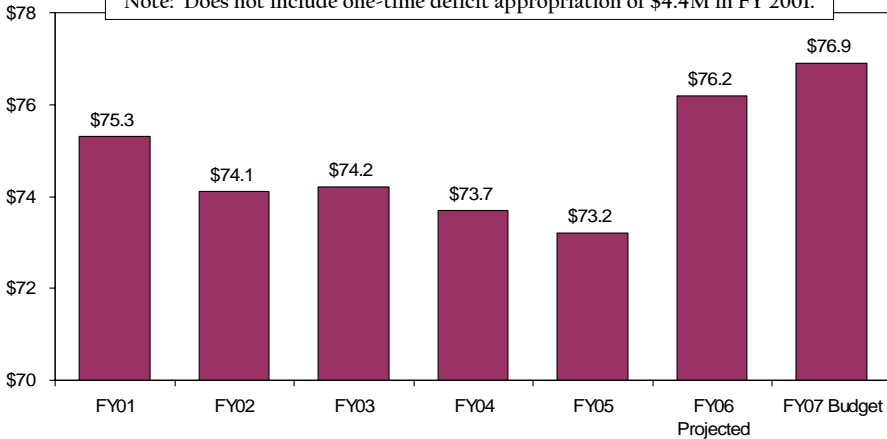
□ A shift in tenured faculty support on grants of approximately \$2,000,000 to the general fund

FY06 Overview



State Appropriation by Fiscal Year (\$M)

Note: Does not include one-time deficit appropriation of \$4.4M in FY 2001.

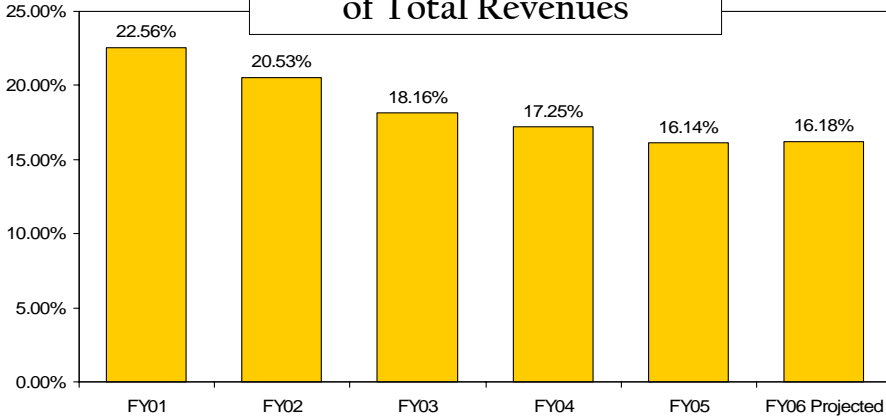


□ State support increased in FY06 but not in keeping with inflation

FY06 Overview



State Support as a Percent of Total Revenues



- State support, including fringe benefits, as a percent of total revenues continues to decrease – down from 22.56% in FY01 to 16.18% in FY06

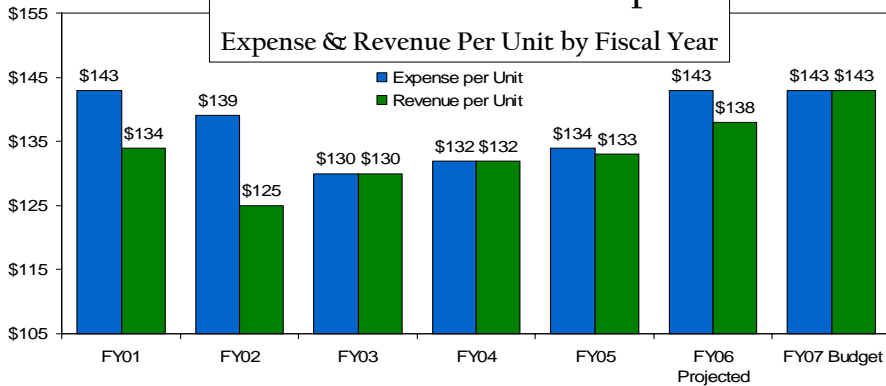
FY06 Overview



Some important FY06 key indicators trended downward for the second straight year

UConn Medical Group

Expense & Revenue Per Unit by Fiscal Year

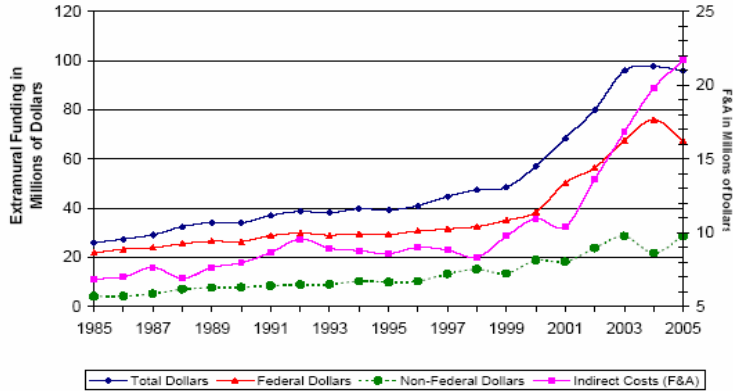


- UMG per unit expenses exceeded revenues for the second straight year since 2002 - with expenses exceeding revenues by (1%) last year to nearly (4%) in FY06. No CMS rate increase in FY06 and potential rate reductions expected in FY07.

FY06 Overview



University of Connecticut Health Center Extramural Funding



- Second year of decline in research awards – projected this year to be down more than \$10,000,000 from its FY2004 high of \$98.8 million

UHC FY07 Consolidated Budget

Revenues:	FY06 Projected	FY07 Budget		
Tuitions	\$ 7,861,200	\$ 9,267,879	\$ 1,406,679	17.9%
Fees	5,038,000	5,675,006	637,006	12.6%
Federal Research Grants and Contracts	67,300,000	68,739,553	1,439,553	2.1%
Non-Federal Research Grants and Contracts	21,600,000	21,086,843	(513,157)	-2.4%
Auxiliary Enterprises	14,167,000	16,952,402	2,785,402	19.7%
Interns and Residents	30,019,225	29,652,211	(367,014)	-1.2%
Net Patient Care	281,112,984	298,647,686	17,534,702	6.2%
Correctional/Managed Health Care	86,722,332	90,677,037	3,954,705	4.6%
Endowment/Foundation Income	3,130,000	4,012,651	882,651	28.2%
Investment Income	2,107,000	2,306,285	199,285	9.5%
Other Income	3,842,004	4,980,760	1,138,756	29.6%
Total Revenues	\$ 522,899,745	\$ 551,988,313	\$ 29,088,568	5.6%
Expenses:				
Personal Services	\$ 312,724,000	\$ 330,301,103	\$ 17,577,103	5.6%
State Supported Fringe Benefits	24,772,000	25,173,338	401,338	1.6%
Fringe Benefits	59,367,000	60,740,887	1,373,887	2.3%
Medical Contractual Support	8,382,264	8,198,575	(183,689)	-2.2%
Medical/Dental House Staff	32,203,225	32,557,718	354,493	1.1%
Outside Agency Per Diems	4,473,000	3,639,466	(833,534)	-18.6%
Drugs	31,967,376	33,387,758	1,420,382	4.4%
Medical Supplies	34,591,000	38,973,841	4,382,841	12.7%
Utilities	11,309,000	13,639,196	2,330,196	20.6%
Outside & Other Purchased Services	38,862,353	41,101,980	2,239,627	5.8%
Insurance	8,094,327	4,968,149	(3,126,178)	-38.6%
Repairs & Maintenance	8,696,000	9,944,913	1,248,913	14.4%
Provision for Bad Debts	6,271,000	6,783,194	512,194	8.2%
Other Expenses	21,374,000	21,743,817	369,817	1.7%
Depreciation	22,068,000	23,561,860	1,493,860	6.8%
Total Expenses	\$ 625,154,545	\$ 654,715,795	\$ 29,561,250	4.7%
Excess/Deficiency of Revenues over Expenses Prior to State Appropriations	\$ (102,254,800)	\$ (102,727,482)	(472,682)	-0.5%
State Appropriation-Block Grant	76,161,417	76,920,245	758,828	1.0%
State Supported Fringe Benefits & Other Adjustm	24,772,000	25,901,338	1,129,338	4.6%
Excess/Deficiency	\$ (1,321,383)	\$ 94,101	\$ 1,415,484	107.1%
Total State Support	100,933,417	102,821,583	1,888,166	1.9%
Percent of Total Revenues	16.18%	15.70%	-0.48%	-2.9%

The FY07 budget must address the challenges of a structural deficit resulting from state appropriations that do not meet inflation, the cyclical deficits resulting from the clinical business cycle and more recently NIH research grant funding retrenchment. These combination of factors are the key contributors to the projected FY06 deficit.

Fiscal Year 2007



The priority for the FY07 budget is achievement of a balanced budget through a mix of revenue growth and cost reduction activities.

Key Revenue Actions

- | | |
|---|-------------|
| ▪ Increase in Tuition and Fees - 15% | \$2,044,000 |
| ▪ New revenues Dental Implant Center | \$1,460,000 |
| ▪ JDH volumes outpatient volume increases | \$5,283,000 |
| ▪ UMG Physician hires/replacements
(volume increases – 19 physicians recruited
for the coming year and 6 in detailed discussions) | \$6,931,000 |

Fiscal Year 2007



Cost Reduction Actions

- | | |
|--|-------------|
| ▪ Workforce Reductions
(filled and vacant position elimination) | \$6,000,000 |
| ▪ Defer Managerial and Academic Merit
Increases (3 mos) | \$375,000 |
| ▪ Suspend research incentive for FY07
to conduct detailed plan review | \$880,000 |

Fiscal Year 2007

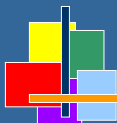


	FY00	FY01	FY02	FY03	FY04	FY05	FY06	TOTAL	Projected FY07
FY00 Register	\$12.91	\$7.70						\$20.61	
FY01 Register		\$5.77	\$1.25					\$7.02	
FY02 Register			\$5.50					\$5.50	
FY02 Supplemental			\$7.10	\$3.00				\$10.10	
FY03 Register				\$9.40	\$2.70			\$12.10	
FY04 Register					\$2.72			\$2.72	
FY05 Register						\$5.15		\$5.15	
FY06 Register							\$1.80	\$1.80	
PROJECTED FY07 Register									\$7.18
	\$12.91	\$13.47	\$13.85	\$12.40 *	\$5.42	\$5.15	\$1.80	\$65.00	
FTE Reductions *									
filled	103	5	21	28	8	5		165	60
vacant	44	3	13	25	5	10		90	20
Other/Transfer	0	0	1	5	1	0		7	0
subtotal	147	8	35	58	14	15		262	80
CMHC	0	0	0	36	0	0		36	0
total	147	8	35	94	14	15		298	80

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

incremental impact of prior year improvements

- Identify additional cost reduction measures beyond those identified within the FY07 budget



UCONN 2000 Capital Budget FY 2007: \$89M

- Storrs & Regionals: \$65.5M
 - Arjona and Monteith: \$7.7M
 - Deferred Maintenance/Code/ADA Renovation Lump Sum: \$24.7M
 - Equipment, Library Collections & Telecommunications: \$20.8M
 - Law School Renovations/Improvements: \$9.0M
 - Mansfield Training School Improvements: \$3.0M
 - Waterbury Downtown Campus: \$0.3
- Health Center: \$23.5M
 - CLAC Renovation Biosafety Level 3 Lab: \$4.8M
 - Deferred Maintenance/Code/ADA Renovation Lump Sum: \$4.8M
 - Dental School Renovation: \$1.1M
 - Equipment, Library Collections & Telecommunications: \$5.5M
 - Library/Student Computer Center Renovation: \$0.6M
 - Main Building Renovation: \$4.4M
 - Medical School Academic Building Renovation: \$2.3M