UConn among the top 24 in the nation and rated the top public university in New England for the past 9 years (U.S. News & World Report)

- UConn ranked in the top 30 best value public colleges for in-state costs (Kiplinger’s Personal Finance)

- 94% of recent graduates are either employed or are in graduate/professional schools

- 68% of those working full-time are doing so in CT
Indicators of Success

- UCONN 2000 program has completed more than 9.5 million square feet of new & renovated space
- Athletic teams have won 8 NCAA Division I national championships, 38 Big East tournaments & 44 Big East regular season titles since 1995
- UConn Health Center’s John Dempsey Hospital honored with a Premier CareScience Select Practice National Quality Award in 2007
- UConn Health Center’s School of Dental Medicine is consistently #1 or #2 in the country by the National Dental Board

UConn’s Contribution to Connecticut

UConn adds $3.1 billion annually to Connecticut’s gross state product

- Faculty Research, Training & Service:
  - Contributes to Connecticut’s economic growth
  - Enhances health, technological advancement & quality of life across the state, the nation & beyond
  - External funding increased 99.5% from FY96 to FY08
- Fuel Cells:
  - CT Global Fuel Cell Center-supported by federal government & major state and other firms
  - Involves 40 faculty in vital cutting-edge research
- Innovative Technologies:
  - Faculty awarded more than 184 patents in the past ten years & over 18 companies have been created from faculty inventions in this time period
Over the last 6 years (fall 2002-2007):

- School of Medicine applications have increased by 68% (1,776 to 2,976)
- School of Dental Medicine applications have increased by 79% (870 to 1,557)
- School of Medicine passing rates on National Exams have averaged 98% or above
- School of Dental Medicine passing rates on National Exams have been at 100%
- Approximately 35% of School of Medicine graduates practice in the state while 46% of School of Dental Medicine graduates practice in the state

Fall 2008 estimates compared to fall 1995 at Storrs:

- Applications will increase 113% (9,874 to 21,004)
- Freshman enrollment will increase 73% (2,021 to 3,500)
- Freshman minority enrollment will increase 134% (308 to 720)
- SAT scores will increase 87 points from fall '96 (1113 to 1200)

- Valedictorians and salutatorians will increase to 146, bringing the total since 1995 to 1,074 at all campuses
Student Enrollment

Undergraduate enrollment is projected to increase 44% from 1995 to 2008

Freshmen Retention Trend

Fall 2005 freshman retention rate is substantially higher than the 80% average for 438 colleges & universities in the national Consortium for Student Retention Data Exchange (CSRDE)
**Minority Freshmen Retention Trend**

Storrs Campus

- Fall 2005 minority freshman retention rate is also substantially higher than the national 79% average (CSRDE)

![Minority Freshmen Retention Trend](image)

**4-Year Graduation Trend**

Storrs Campus

- UConn’s ranking among the 58 Public Research Peer Universities:
  - Fall 2000 4-year graduation rate of 53% ranks 10th
  - Fall 2000 average time to graduate of 4.3 years ranks 5th
    - Only University of Virginia-Main Campus, University of North Carolina at Chapel Hill, University of Michigan-Ann Arbor & University of Illinois at Urbana-Champaign rank higher

![4-Year Graduation Trend](image)
6-Year Graduation Trend

Storrs Campus

UConn’s ranking among the 58 Public Research Peer Universities:

- Fall 2000 6-year graduation rate of 74% ranks 21st
- Fall 2000 6-year minority graduation rate of 69% ranks 20th

Degrees Awarded

Undergraduate degrees have increased 53% since 2001

Approximately 103,800 alumni live in Connecticut
## FY08 Forecast

Revenues: $714.4M & Expenses: $714.4M

### Health Center

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Budget</th>
<th>Forecast</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Support (w/deficiency appropriation)</td>
<td>$130.1</td>
<td>$154.3</td>
<td>$24.2</td>
</tr>
<tr>
<td>Gifts, Grants &amp; Contracts</td>
<td>93.7</td>
<td>85.9</td>
<td>(7.8)</td>
</tr>
<tr>
<td>Correctional Managed Health Care</td>
<td>99.4</td>
<td>100.2</td>
<td>0.8</td>
</tr>
<tr>
<td>Net Patient Care</td>
<td>307.0</td>
<td>300.3</td>
<td>(6.7)</td>
</tr>
<tr>
<td>All Other Revenues</td>
<td>76.6</td>
<td>73.7</td>
<td>(2.9)</td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Budget</th>
<th>Forecast</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Services (including Fringe)</td>
<td>$447.5</td>
<td>$452.0</td>
<td>$4.5</td>
</tr>
<tr>
<td>Drugs/Medical Supplies</td>
<td>72.6</td>
<td>75.6</td>
<td>3.0</td>
</tr>
<tr>
<td>Outside &amp; Other Purchases</td>
<td>51.9</td>
<td>53.6</td>
<td>1.7</td>
</tr>
<tr>
<td>Medical Contractual Support</td>
<td>14.8</td>
<td>15.5</td>
<td>0.7</td>
</tr>
<tr>
<td>Medical/Dental House Staff</td>
<td>34.9</td>
<td>34.7</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Utilities</td>
<td>18.9</td>
<td>16.5</td>
<td>(2.4)</td>
</tr>
<tr>
<td>Insurance</td>
<td>5.0</td>
<td>5.7</td>
<td>0.7</td>
</tr>
<tr>
<td>All Other Expenses</td>
<td>61.2</td>
<td>60.8</td>
<td>(0.4)</td>
</tr>
</tbody>
</table>

Revenues: $714.4M & Expenses: $714.4M

---

## FY08 Forecast

Revenues: $907.6M & Expenses: $901.1M = Net Gain: $6.5M

### Storrs & Regional Campuses

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Budget</th>
<th>Forecast</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Support</td>
<td>$325.3</td>
<td>$325.3</td>
<td>$0.0</td>
</tr>
<tr>
<td>Tuition &amp; Fees</td>
<td>266.3</td>
<td>268.8</td>
<td>2.5</td>
</tr>
<tr>
<td>Gifts, Grants &amp; Contracts</td>
<td>134.5</td>
<td>143.4</td>
<td>8.9</td>
</tr>
<tr>
<td>Investment Income</td>
<td>11.1</td>
<td>10.1</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Auxiliary Enterprise Revenue</td>
<td>139.1</td>
<td>134.0</td>
<td>(5.1)</td>
</tr>
<tr>
<td>All Other Revenue</td>
<td>24.7</td>
<td>26.0</td>
<td>1.3</td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Budget</th>
<th>Forecast</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Services (including Fringe)</td>
<td>$513.0</td>
<td>$514.5</td>
<td>$1.5</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>160.4</td>
<td>154.7</td>
<td>(5.7)</td>
</tr>
<tr>
<td>Energy</td>
<td>31.6</td>
<td>29.0</td>
<td>(2.6)</td>
</tr>
<tr>
<td>Financial Aid</td>
<td>81.0</td>
<td>81.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Transfers</td>
<td>37.5</td>
<td>37.5</td>
<td>0.0</td>
</tr>
<tr>
<td>All Other Expenses</td>
<td>79.8</td>
<td>84.4</td>
<td>4.6</td>
</tr>
</tbody>
</table>

Revenues: $907.6M & Expenses: $901.1M = Net Gain: $6.5M
FY09 Budget
Revenues: $747.5M & Expenses: $759.0M = Net Loss: ($11.5)M

**Health Center**

- **Revenues**:
  - State Support: 19.5%
  - Interns & Residents: 5.6%
  - Patient Care: 43.7%
  - CMHC: 13.9%
  - Gifts, Grants & Contracts: 11.9%
  - All Other: 5.4%

- **Expenses**:
  - Personal Services (w/FB): 63.1%
  - Drugs/Medical Supplies: 10.5%
  - Outside & Other Purchases: 7.6%
  - Medical Contractual Support: 2.0%
  - Medical/Dental House Staff: 4.9%
  - All Other: 11.9%

**Storrs & Regionals**

- **Revenues**:
  - State Support: 36.0%
  - Tuition & Fees: 30.0%
  - Auxiliaries: 14.7%
  - Gifts, Grants & Contracts: 15.6%
  - All Other: 3.7%

- **Expenses**:
  - Personal Services (w/FB): 57.5%
  - Equipment & Other: 21.5%
  - Financial Aid: 9.5%
  - Transfers: 3.8%
  - Research Fund: 7.7%

Revenues: $953.3M & Expenses: $954.2M = Net Loss: ($0.9)M
**FY09 State Appropriation**

- **Storrs & Regionals** $229.4M
  - Includes $2M for the Eminent Faculty program
  - Excludes the state’s share of collective bargaining increases

- **Health Center** $102.0M
  - Includes $6.5M for the Academic Gap
  - Does not reflect $3.6M for JDH fringe benefit costs, included in the appropriation for the State Comptroller’s Office
  - Excludes the state’s share of collective bargaining increases

---

**Non-State Revenue Streams**

- Research funding
- Private support
- Clinical revenue @ Health Center
- Tuition/fees/room/board @ Storrs & Regionals
Program Summary:
- 1996 – 1:1 state to private match
- 1998 – 1:2 state to private match
- 2005 – 1:4 state to private match, no state funds released until Rainy Day Fund is 10% of General Fund

$64M received from state through Program from 1996 to 2007

$11.4M due to University for 2005-2007
### UConn’s Affordability
FY08 Tuition, Fees, Room & Board*

<table>
<thead>
<tr>
<th>Private Schools</th>
<th>In &amp; Out of State</th>
<th>Public Schools</th>
<th>In State</th>
<th>Out of State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boston College</td>
<td>$47,139</td>
<td>Penn State</td>
<td>$20,584</td>
<td>$31,452</td>
</tr>
<tr>
<td>Boston Univ</td>
<td>$46,598</td>
<td>Rutgers</td>
<td>$20,468</td>
<td>$29,636</td>
</tr>
<tr>
<td>Fairfield</td>
<td>$44,738</td>
<td>Univ Vermont</td>
<td>$20,376</td>
<td>$36,280</td>
</tr>
<tr>
<td>Northeastern</td>
<td>$43,569</td>
<td>Univ New Hampshire</td>
<td>$20,038</td>
<td>$32,998</td>
</tr>
<tr>
<td>Syracuse</td>
<td>$43,276</td>
<td>Univ Massachusetts</td>
<td>$17,768</td>
<td>$28,436</td>
</tr>
<tr>
<td>Quinnipiac</td>
<td>$39,920</td>
<td>Univ Rhode Island</td>
<td>$17,762</td>
<td>$32,616</td>
</tr>
<tr>
<td>Providence</td>
<td>$39,740</td>
<td>Univ Connecticut**</td>
<td>$17,702</td>
<td>$31,646</td>
</tr>
<tr>
<td>Univ Hartford</td>
<td>$38,454</td>
<td>Univ Maryland</td>
<td>$17,023</td>
<td>$31,262</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Univ Delaware</td>
<td>$16,253</td>
<td>$27,503</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Univ Maine</td>
<td>$15,814</td>
<td>$28,024</td>
</tr>
</tbody>
</table>

* Board rates reflect the most expensive meal plan available.

** 34% of degree-seeking undergrads do not pay room & 42% do not pay board.

---

### UConn’s Affordability
FY 2008 Tuition, Fees, Room & Board*

Chart reflects the costs for a Connecticut student

*Board rates reflect the most expensive meal plan available.
National Trends in College Pricing at 4-Year Public Institutions

확신

Tuition & Fees:
- National rates 6.6% higher in FY 2008 than FY 2007
  - (UConn 5.86%)
- National increase of 51% from FY 2003 - FY 2008
  - (UConn 44%)
- National increase of 99% from FY 1998 - FY 2008
  - (UConn 69%)

Tuition, Fees, Room & Board:
- National increase of 40% from FY 2003 - FY 2008
  - (UConn 39%)
- National increase of 82% from FY 1998 - FY 2008
  - (UConn 65%)

Source: 2007 Trends in College Pricing, College Board

<table>
<thead>
<tr>
<th></th>
<th>In-State FY08 Amount</th>
<th>In-State FY09 Amount</th>
<th>Increase Over FY08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition</td>
<td>$6,816</td>
<td>$7,200</td>
<td>5.63%</td>
</tr>
<tr>
<td>Room</td>
<td>$4,698</td>
<td>$5,090</td>
<td>8.34%</td>
</tr>
<tr>
<td>Board (Value Meal Plan)</td>
<td>$3,960</td>
<td>$4,210</td>
<td>6.31%</td>
</tr>
<tr>
<td>Total</td>
<td>$17,510</td>
<td>$18,638</td>
<td>6.44%</td>
</tr>
<tr>
<td>Graduate Total</td>
<td>$19,356</td>
<td>$20,592</td>
<td>6.39%</td>
</tr>
<tr>
<td>Out-of-State</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undergraduate Total</td>
<td>$31,454</td>
<td>$33,350</td>
<td>6.03%</td>
</tr>
<tr>
<td>Graduate Total</td>
<td>$32,838</td>
<td>$34,812</td>
<td>6.01%</td>
</tr>
</tbody>
</table>

* Board rates reflect the Value meal plan which is the most popular plan available.
### Total Financial Aid ($M)

<table>
<thead>
<tr>
<th></th>
<th>FY07</th>
<th>FY08 Forecast</th>
<th>FY09 Budget</th>
<th>% Change (FY07-FY09)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Need-Based Grants</td>
<td>$50.7</td>
<td>$54.0</td>
<td>$59.9</td>
<td>18.1%</td>
</tr>
<tr>
<td>University Scholarships</td>
<td>24.9</td>
<td>25.4</td>
<td>28.9</td>
<td>16.1%</td>
</tr>
<tr>
<td>Non-University Scholarships</td>
<td>5.1</td>
<td>5.2</td>
<td>5.5</td>
<td>7.8%</td>
</tr>
<tr>
<td>Loans (federal &amp; private)</td>
<td>118.2</td>
<td>127.1</td>
<td>132.7</td>
<td>12.3%</td>
</tr>
<tr>
<td>Tuition Waivers</td>
<td>37.8</td>
<td>39.9</td>
<td>43.9</td>
<td>16.1%</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$236.7</td>
<td>$251.6</td>
<td>$270.9</td>
<td>14.4%</td>
</tr>
<tr>
<td>Work Study/Student Labor</td>
<td>13.9</td>
<td>15.9</td>
<td>16.3</td>
<td>17.3%</td>
</tr>
<tr>
<td>Total Financial Aid</td>
<td>$250.6</td>
<td>$267.5</td>
<td>$287.2</td>
<td>14.6%</td>
</tr>
</tbody>
</table>

### Tuition Funded Financial Aid ($M)

<table>
<thead>
<tr>
<th></th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Tuition Funded Financial Aid</td>
<td>$85.8</td>
<td>$85.5</td>
<td>$96.0</td>
<td></td>
</tr>
<tr>
<td>Total Tuition Funded as a % of Gross Tuition Revenue</td>
<td>39.5%</td>
<td>37.4%</td>
<td>38.9%</td>
<td></td>
</tr>
<tr>
<td>Tuition Funded Need-Based as a % of Net Tuition Revenue</td>
<td>19.1%</td>
<td>16.6%</td>
<td>17.5%</td>
<td></td>
</tr>
<tr>
<td>DHE Need-Based Set Aside Policy</td>
<td>15.0%</td>
<td>15.0%</td>
<td>15.0%</td>
<td></td>
</tr>
</tbody>
</table>
All tuition, fees, room & board increases have been accompanied by an off-setting increase in financial aid to ensure that any qualified student can attend the University regardless of financial means.

For FY09, total aid is projected to increase 7.4% and need-based grants are projected to increase 10.9%.

Meet direct educational expenses for the neediest in-state students.

77% of students (undergraduate and graduate) received aid in FY08.

Storrs & Regional Campuses

Storrs & Regionals

- Faculty hires
- Undergraduate enrichment
- Course coverage

Health Center

- Financial stability
Senior academic leadership provided by 13 Deans

- 4 Deans hired in FY 2008: Law, Business, Nursing & Engineering
- 4 new Deans recruited to start in FY 2009: Medicine, CLAS, Social Work & CANR
- Successful completion of these searches has been the highest priority in Academic Affairs
**Undergraduate Enrichment**

*Storrs & Regional Campuses*

- Honors program expansion – additional 70 students expected in fall 2008 compared to fall 2007 ($255k)
- Living & Learning Communities – Honors & Global Houses ($100k)
- Study Abroad Goals
  - Increase percentage of students who benefit from an international experience from 18% to 30%
  - Forge substantial partnerships with a limited number of prestigious international universities

**Diversity**

*Storrs & Regional Campuses*

- Increase the international dimension of teaching & research programs and enhance the range of diversity programming
  - Increased diversity in graduate programs
  - Focused effort to recruit diverse faculty

- Increase recruitment efforts for undergraduate international students
- Achieve diversity goals spelled out in various college plans for faculty & students
Increased Collaborations
Inter-Departmental and Inter-Campus

- CICATS (CTSA)-Connecticut Institute for Clinical and Translational Science
- Nanotechnology
- Stem Cell Research: $16.1M supports 23 researchers
- School of Medicine: post doctoral training for Nursing faculty
- Honors Program: students working in Neonatal Intensive Care Unit
- Pappanikou Center for Excellence in Developmental Disabilities: joint hires

Research: Blueprint for the Future
Storrs & Regional Campuses

- Increase emphasis on focused research areas
  - Eminent Faculty program: Alternative Energy & Fuel Cells
    - $2M state funding -Eminent faculty hire anticipated (fall 2009)
  - Center for Entrepreneurship program: Business & Law
    - 6 faculty hired (FY08)
  - Nanotechnology: partnering with state agencies
  - Collaboration with foreign institutions
  - Pursuing workforce development for the state
  - Strategic investment in cultural & artistic programming
Faculty Hiring: Continuing Momentum
Storrs & Regional Campuses

Net new faculty
- 51 in FY06
- 13 in FY07

Faculty Hiring Plan: 175 net new by FY12
- 30 in FY08
- Approximately 30 in FY09 (fall 2008)
  - Workforce Development
  - Undergraduate Instructional Needs
  - Research Direction in Academic Plans
  - Funding from reallocations

Faculty Growth
Storrs & Regional Campuses

![Faculty Growth Chart]

- Fall 1995: 1,148
- Fall 1996: 1,106
- Fall 1997: 1,040
- Fall 1998: 1,096
- Fall 1999: 1,122
- Fall 2000: 1,121
- Fall 2001: 1,130
- Fall 2002: 1,165
- Fall 2003: 1,107
- Fall 2004: 1,200
- Fall 2005: 1,251
- Fall 2006: 1,264
- Fall 2007: 1,294
- Fall 2008: 1,324

Fall
To be in alignment with Academic Plan priorities:

- Enhancement of undergraduate teaching and learning - Arjona and Monteith schematic design in progress
- Building upon research & creative activities – Psychology, Fine Arts and Gentry renovations
- Improvement of technology support – Gant (IMS, Mathematics, Physics, UITS) planning underway
- Increase capacity for modern life science research – determination to replace or renovate Torrey in process
- Achieve AAALAC standards and accreditation
Re-Phasing of UCONN 2000

Storrs & Regional Campuses

- Allows the university to:
  - Focus on academic priorities
  - Continue emphasis on deferred maintenance projects
  - Preserve older beautiful buildings
  - Achieve efficiencies by completing code corrections and renovations together
  - Fund smaller projects while planning for larger projects

Board of Trustees

Budget Workshop
June 24, 2008
We welcome new leadership
We are exploring regional partnership in keeping with the CASE recommendations and subsequent legislation
We are pursuing cost reduction and revenue enhancement
  • After $78M in cost reduction and revenue enhancement since 2000, low-hanging fruit is gone
  • PwC recommendations fuel new efforts
    • Near-term revenue cycle activity is underway and reflected in FY09 budget
    • Productivity enhancement and performance improvement is longer-term
    • Revenue enhancement and cost savings initiatives in the FY09 budget total $9.5M

Structural problems persist
• JDH is undersized and outdated
• 116 of 224 beds are low-reimbursement specialty (NICU, newborn, high-risk maternity, psychiatry, Correction) unavailable for med/surg activity
  • For FY08, NICU average loss per case is estimated at $33,700
• JDH carries a unique hospital fringe benefit obligation: estimated fringe benefit differential for FY08 is $12.5M

UMG must rebalance the physician clinical service mix to enhance revenue while still meeting the needs of a comprehensive medical education program
UCHC: Time of Transition

The academic/research enterprise faces challenges
- A tight federal fiscal environment threatens medical education and intensifies competition for the research dollar
- Changing federal direction in research requires restructuring and investment (CTSA)
- Current regional arrangement prevents full cost recovery for the UCHC intern/residency program
- Current SOM and SODM class size may not produce the number of doctors and dentists the region will need

FY09 Overview

- The proposed budget is $759M, which supports "current services" increases and limited new activity:
  - essential clinical investment to stimulate growth in patient volume
  - strategic positioning in research
  - cost efficiencies in management and operations (PwC, IT) require upfront financial support ($586,000)
- The proposed $759M budget shows a deficit of $11.5M
  - It reflects an increase in expenses of $44.7M
  - Revenues are increasing over FY08 by $41.6M
- Every effort will be made to reduce the projected FY09 deficit through faculty productivity, other performance improvements, and cost reductions
Approximately 75% of the $44.7M increase in expenses is for current services:

- $16.9M is associated with existing employees (contractual & fringe benefit increases)
- $2.2M is for medical house staff increases
- $2.3M is associated with utilities, repairs and maintenance
- $4.2M is for drugs and medical supplies
- Approximately $9.0M is for purchased services, depreciation and other expenses

$10.1M is associated with new positions and related fringe:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOM-New Positions (7.6 new faculty, including 5.5 of Dean/VP &amp; research team)</td>
<td>$2,077,000</td>
</tr>
<tr>
<td>SOM-New Positions (CICATS)</td>
<td>161,000</td>
</tr>
<tr>
<td>SODM-New Positions (Oral Surgeon &amp; U24 researcher)</td>
<td>239,000</td>
</tr>
<tr>
<td>Dental Implant Center-New Positions</td>
<td>693,000</td>
</tr>
<tr>
<td>JDH-New Staffing Impact (Cardiology Space Expansion)</td>
<td>401,000</td>
</tr>
<tr>
<td>UMG-New Faculty &amp; support staff</td>
<td>2,440,000</td>
</tr>
<tr>
<td>CMHC-Offset by Revenue</td>
<td>754,000</td>
</tr>
<tr>
<td>Institutional Support-PwC Recommendations (Decision Support, Project Mgr, Director of Contracts, Cap Purchasing Specialist)</td>
<td>388,000</td>
</tr>
<tr>
<td>Institutional Support-New Positions (5 Dean, Construction Proj Mgr, AVP for IT Res, IT Tech Analyst, Application Developers, HR Director)</td>
<td>790,000</td>
</tr>
<tr>
<td>Fringe Benefit Increase-New Positions</td>
<td>2,202,000</td>
</tr>
</tbody>
</table>
FY09 Strategic Priorities

Signature Programs

- Musculoskeletal Institute
  - Dental Implant Center to start June 2008
  - Three clinical faculty (1 Joint, 2 Sports Medicine)
  - Four basic scientists (tissue engineering)
- Cancer
  - Tomotherapy Center enhancement (high dose density)
- Cardiology
  - Electrophysiology Lab Operations
  - 5 clinical faculty (3 Cardiologists and 2 EPs)
  - Cardiology space expansion
- Center for Public Health at current services level

Research Strategic Investments

- Connecticut Institute for Clinical and Translational Science (CICATS)
- Transition funding for General Clinical Research Center (GCRC)
- Stem Cell Core (signal pathways for embryonic stem cells)
- Musculoskeletal (new research team)
- Immunology
**FY09 Strategic Priorities**

**Clinical Stabilization**

- **UMG**
  - Faculty recruitment & hiring plan – rebalancing the clinical mix to grow revenue
  - GI, Cardiology, Orthopedics, Dermatology

- **John Dempsey Hospital**
  - Revenue cycle improvement (PwC)
  - Performance improvement (PwC)
  - Supply chain
  - Labor expense management through training, consolidation & reorganization
  - This budget reflects conservative volume estimates, including a decrease in patient visits for existing physicians and a decrease in patient visits due to loss of physician time (turnover, medical and family leave)

**FY09 Budget Highlights**

- **State Support for the “Academic Gap”, Current Services, partial JDH Fringe Benefits, and Correctional Managed Health Care**
  - The FY09 budget includes the increases above the FY08 amounts as enacted in the second year of the state’s FY08 - FY09 biennial budget
  - Academic Gap $6,500,000
  - JDH Fringe Benefits $3,600,000
  - Current Services $1,093,000
  - Correctional Managed Health Care $4,693,000

- **Full cost recovery in the intern/residency program**
  - Full accounting of direct costs
  - 15% indirect cost charge

- **Full transition of student health insurance to University-wide program**

- **Financial aid increases to reflect tuition increase**
FY09 Budget Highlights

- **Research**
  - The overall research budget deficit is estimated at $9M as compared to the FY08 projected loss of $8M.
  - The FY09 budget assumes a flat revenue projection for spending, which reflects retention of most existing grants, but a lower level of new grants.
    - The non-federal revenue is expected to increase due to the additional awards for the Stem Cell program.
  - The F&A recovery is budgeted to increase due to the 25% F&A recovery on the Stem Cell grants.
    - Federal grants are expected to receive the current F&A rate.
    - However, total federal dollars will decrease with the NMR purchase, as there is no F&A recovery on capital expenditures.
    - The net loss grows due to salary and fringe benefit increases, which are higher than the total F&A recovery.

- **Salary Support on Grants**
  - The FY09 budget assumes that the loss of grant funding will make it necessary to move $1.1M of salary expense from grant dollars to the General Fund.

- **CICATS**
  - The creation of this research support infrastructure is undertaken jointly with the Storrs research program.
  - 4th quarter GCRC activity moves from grant funds to general fund ($569,000).
  - $222,000 in new and $345,000 in reallocated dollars for salary/fringe costs will support pursuit of the CTSA.
**FY09 Budget Highlights**

- **Endowment / Foundation Income**
  - This revenue is anticipated to decrease by $158,000
  - The Dental Implant Center budget includes the expenditure of $450,000 in donations
  - The drawdown of restricted and unrestricted funds for FY09 will decrease by $608,000 from FY08, as FY08 included a one-time gift for operating costs

- **Utilities**
  - Based on current consumption, costs, and rate structures, we are estimating an increase of 4.5% over the FY08 utility budget
    - Gas, fuel oil and water costs are projected to increase significantly
    - Electric expenses will decrease as the result of the state-negotiated purchase agreement

- **Repairs and Maintenance**
  - JDH costs will increase due to new service agreements on equipment coming off warranty
  - Based on FY08 experience, we are estimating an increase of 14.2% for FY09

- **Depreciation**
  - The FY09 budget is based on up-to-date data and also takes into consideration the anticipated capital expenditures and assets that will be fully depreciated by FY09
Information Technology
• Increased staffing supports clinical systems as well as the central infrastructure and academic/research IT investments of UCONN 2000
• FY09 increase is $2.5M which includes:
  • Enhanced security and data storage hardware and software
  • Support for audit compliance, server support and student administration system upgrade

Investment Income
• The overall investment revenue is anticipated to decrease by $954,000 based on current interest rates

Salary and Fringe Benefit Costs: annualization, collective bargaining increases, managerial and faculty pools, fringe rate changes, and new hires, total $27.1M
• Annualization and compensated balance increase $3.3M
• Collective Bargaining salary increases $9.9M
• Managerial and faculty salary pools $1.9M
• New hires salary $7.9M
• Fringe benefit increases on salary $4.1M

• Total salary costs:
  • FY08 $ 352,109,000
  • FY09 $ 374,966,000

• Total fringe benefit costs:
  • FY08 $ 99,987,000
  • FY09 $ 104,082,000
FY09 Budget Highlights: JDH

- John Dempsey Hospital has a loss of $15.5M in this budget, of which $3.6M is offset by the new fringe benefit support from the State, leaving a budgeted $11.9M shortfall
  - This compares to a FY08 projected loss of $20.0M (As in FY08, much of the loss is associated with the NICU, Psychiatry and high risk maternity OB/GYN programs)
  - Total net patient revenue is anticipated to increase by $15.7M:
    - The FY09 budget includes an increase in net revenue of $8M from the results of the PwC revenue cycle engagement
    - Net Revenue per Adjusted Discharge is increasing by 3.4% or $418 per discharge, of which $397 is due to the PwC Revenue Cycle initiatives (Net Expense per Adjusted Discharge is up only 1.1% over FY08)
    - Budgeted increases for inpatient admissions and outpatient visits increase budgeted net revenue by $6.7M

FY09 Budget Highlights: UMG

- UConn Medical Group has a loss of $3.5M in this budget
  - This compares to a FY08 projected loss of $6.9M
  - Total net patient revenue is anticipated to increase by $7.6M:
    - The FY09 budget includes the annualized impact ($500,000) of the increase in Medicaid rates implemented in January 2008
    - The FY09 budget includes the annualized impact of the renegotiated managed care contracts, an increase of $1.8M
    - Estimates of ambulatory visits increase the budgeted net revenue by $5.7M
The impact in FY05 of this fringe benefit differential is an additional expense of $8.1M; $6.3M in FY06; $10.7M in FY07 and is estimated to be $12.5M in FY08. The fringe benefit rate is budgeted at 40.34% in FY09.