



# Board of Trustees

Budget Workshop

June 25, 2014

**UConn**

# Budget Policy

- Intrinsic in all budgets are policy decisions
- Although this is an annual budget, these policy priorities track the long term goals of the University, therefore the decisions are long lasting
- In a period of constrained resources, hard choices have to be made

# Budget Priorities

- Commitment to students, faculty and research
- Commitment to financial aid
- Protect academic programs / Academic Plan
- Next Generation Connecticut commitment to State

# Commitment to Students & Faculty

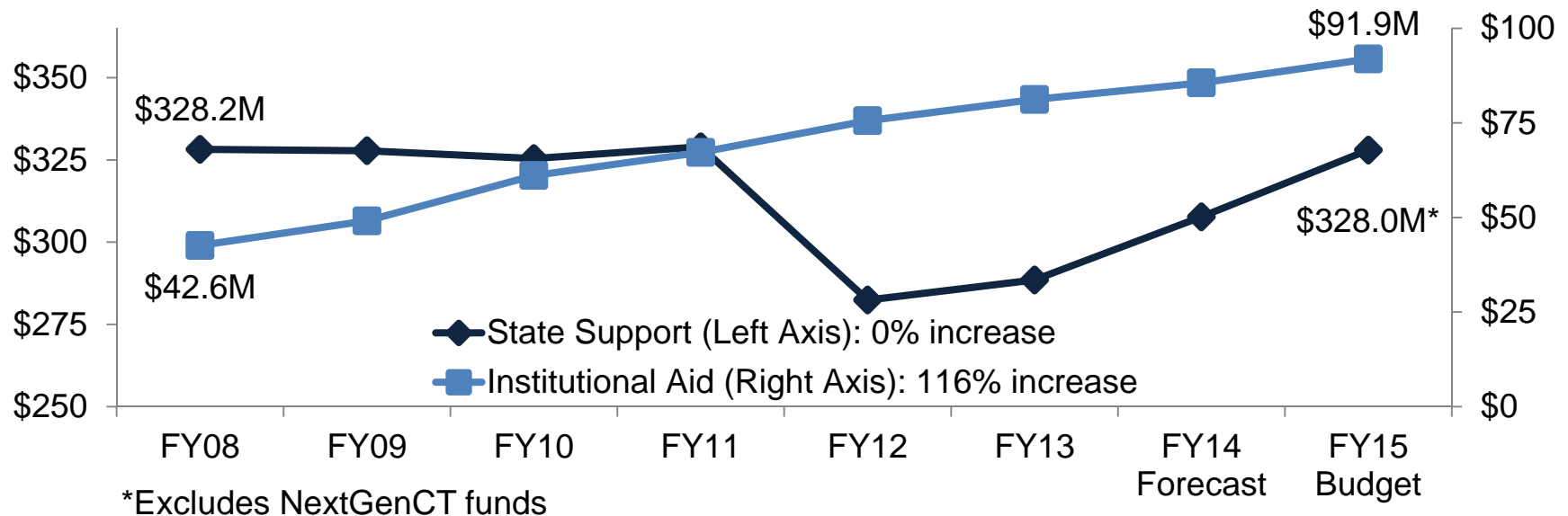
## Growth in Faculty:

- Full-time faculty increase of 14% over the past 3 years
- Decreased the student to faculty ratio
- Expanded course offerings to help students to graduate on time

Student to Faculty Ratio	
FY96	14.2
FY98	14.9
FY10	17.9
FY11	18.1
FY12	18.3
FY13	17.3
FY14	16.3
FY15 est	15.9

# Commitment to Financial Aid

UConn's commitment to affordability: despite prior year reductions in State funding, UConn increased aid from \$42.6M in FY08 to \$91.9M in FY15



# Commitment to Financial Aid

Total Financial Aid in Budget (\$M)	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Forecast	FY15 Budget	FY11-FY15 % Change
Tuition Funded Aid	\$63.1	\$70.5	\$74.5	\$77.8	\$83.1	32%
Other Scholarships	4.1	5.1	6.7	7.8	8.8	115%
State Aid	13.1	10.7	9.5	9.4	9.3	-29%
Federal Aid	26.1	23.0	23.5	24.3	25.5	-2%
Private Aid	12.0	11.8	11.0	12.3	12.5	9%
<b>Total Aid in Budget</b>	<b>\$118.4</b>	<b>\$121.1</b>	<b>\$125.2</b>	<b>\$131.6</b>	<b>\$139.2</b>	<b>18%</b>

# Protect Academic Programs / Plan

With uncertain budgets, it is a challenge to incorporate Academic Plan

**UConn**

# Commitment to *Next Generation Connecticut*

- \$1.5B of additional capital funds over 10 years
- Requested \$137M of State funding increase by 2024
- Increase undergraduate enrollment (676 in FY15)
- Hire faculty (61 in FY15) & staff
- Award STEM scholarships & fellowships, Big Idea grants, and internship experiences
- Develop critical facilities for research & teaching and improve infrastructure



# Issues Impacting the Budget

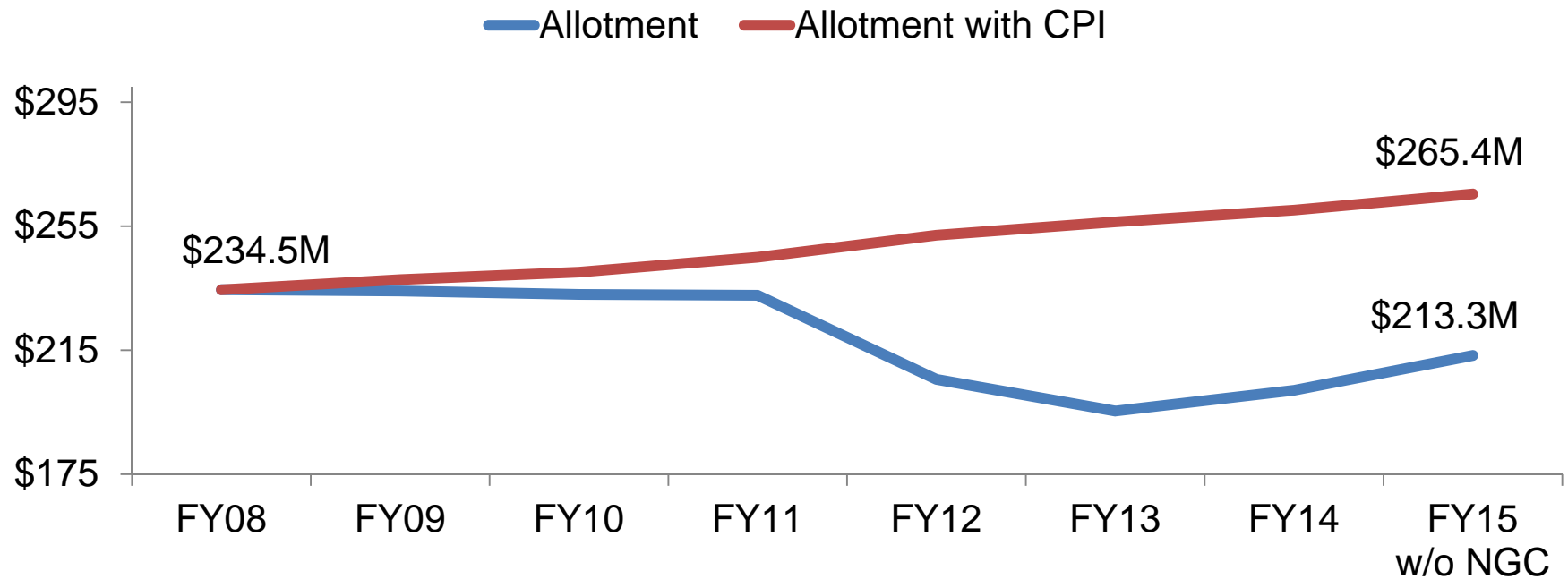
- State Support
- Enrollment
- Personnel Costs
- Financial Commitments
- Contractual Constraints

# Budget Impact: State Support

State Support as % of Total Revenues	
FY91	50.0%
FY95	43.4%
FY11	31.1%
FY12	27.4%
FY13	27.4%
FY14 Forecast	27.7%
FY15 Budget w/o NextGenCT	28.1%

FY15 State support as a % of total revenues including  
*Next Generation Connecticut* support is 29.3%

# Budget Impact: State Support



# Budget Impact: Enrollment

	FY11	FY12	FY13	FY14	FY15 Projection	FY11-FY15 % Change
Freshmen	5,073	5,185	4,923	5,280	5,414	6.7%
Other Undergrad	16,081	16,587	16,702	16,655	16,903	5.1%
Non-Degree	<u>727</u>	<u>700</u>	<u>676</u>	<u>660</u>	<u>660</u>	-9.1%
<b>Total Undergrad</b>	<b>21,881</b>	<b>22,472</b>	<b>22,301</b>	<b>22,595</b>	<b>22,977</b>	<b>5.0%</b>
Graduate	6,748	6,662	6,613	6,555	6,555	-3.1%
Professional	<u>875</u>	<u>860</u>	<u>814</u>	<u>782</u>	<u>734</u>	-17.2%
<b>Total</b>	<b>29,504</b>	<b>29,994</b>	<b>29,728</b>	<b>29,932</b>	<b>30,266</b>	<b>2.6%</b>

# Budget Impact: Personnel Costs

Salaries & Fringes are expected to account for almost 66% of the operating budget expenditures in FY15

Fiscal Year	Salary (\$M)	Fringes (\$M)	Salary & Fringe % of Budget	Fringe % of Budget
FY11	\$413.0	\$148.2	58.6%	15.5%
FY12	\$414.2	\$151.0	60.7%	16.2%
FY13	\$425.4	\$170.3	62.1%	17.8%
FY14 Forecast	\$460.7	\$212.3	64.9%	20.5%
FY15 Budget	\$489.5	\$228.1	65.7%	20.9%

Blended fringe benefit rate for permanent and continuing employees is expected to be 54.2% for FY15 or a potential increase of 24% from the FY11 rate of 43.6%

# FY15 Budget Plan

- State appropriation for *Next Generation Connecticut*: \$15.0M
- Other State support (salary increases/fringes): \$20.3M
- Tuition increase: 6.5%
- Undergraduate enrollment growth: 1.7%
- Wage increases & higher fringe benefit rates: \$24.0M
- Faculty & staff hiring: \$20.6M
- Increased University funded financial aid and new STEM merit scholarships: \$6.3M

# Current Funds Budget

Revenues (\$M)	FY14 Forecast	% of Total	FY15 Budget	% of Total	Change
State Support	\$307.7	27.7%	\$348.7	29.3%	\$41.0
Tuition	291.2	26.2%	313.2	26.3%	22.0
Fees	107.7	9.7%	110.6	9.3%	2.9
Grants & Contracts	82.1	7.4%	85.6	7.2%	3.5
Auxiliary Enterprises	200.2	18.0%	209.2	17.6%	9.0
Other	26.3	2.4%	25.5	2.2%	(0.8)
Research	96.0	8.6%	96.0	8.1%	0.0
<b>Total</b>	<b>\$1,111.2</b>	<b>100%</b>	<b>\$1,188.8</b>	<b>100%</b>	<b>\$77.6</b>

# Current Funds Budget

Expenditures (\$M)	FY14 Forecast	% of Total	FY15 Budget	% of Total	Change
Personal Services	\$460.7	40.5%	\$489.5	41.2%	\$28.8
Fringe Benefits	212.3	18.7%	228.1	19.2%	15.8
Other Expenses	204.1	18.0%	212.6	17.9%	8.5
Equipment	6.6	0.6%	7.0	0.6%	0.4
Financial Aid	131.6	11.6%	139.2	11.7%	7.6
Debt Service/Projects	21.9	1.9%	15.6	1.3%	(6.3)
Research	99.2	8.7%	96.8	8.1%	(2.4)
<b>Total</b>	<b>\$1,136.4</b>	<b>100%</b>	<b>\$1,188.8</b>	<b>100%</b>	<b>\$52.4</b>



# FY15 Capital Budget Plan

UCONN 2000 Capital Budget Request: \$315.5M

- UConn Storrs & Regional Campuses
  - \$205.0M to support the *Next Generation Connecticut* initiative
- UConn Health
  - \$110.5M to support the Bioscience CT initiative

# FY15 Capital Budget

UConn (\$M)		UConn Health (\$M)	
Academic & Research Facilities	\$48.6	CLAC Renovation	\$5.8
Deferred Maintenance	51.7	Deferred Maintenance	2.9
Equipment	34.5	Equipment	4.1
Regional Campuses	31.8	Main Building Renovation	11.7
Residential Life Facilities	38.4	New Construction & Renovation	86.0
<b>Total</b>	<b>\$205.0</b>	<b>Total</b>	<b>\$110.5</b>

# Future Year Challenges

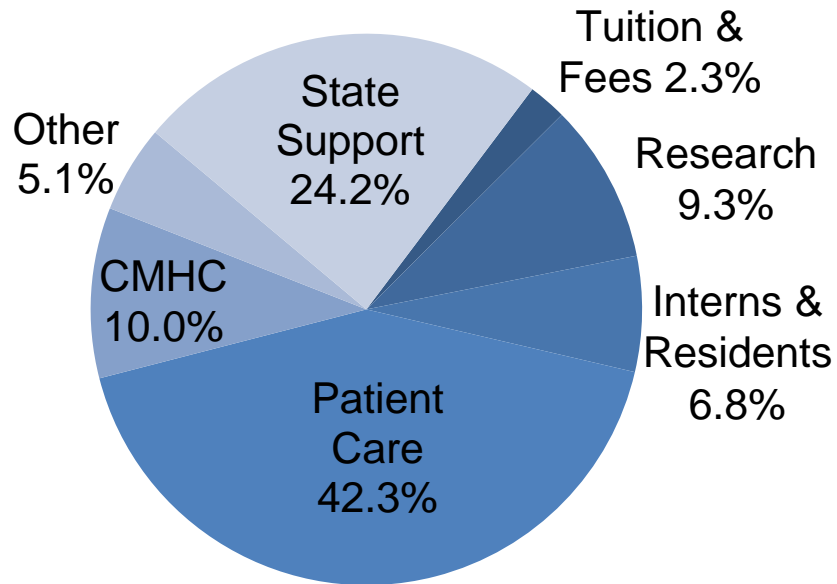
- Continuation of university-wide savings efforts
- New position planning
- Academic Plan implementation
- Negotiation of new collective bargaining agreements
- Connecticut's economy



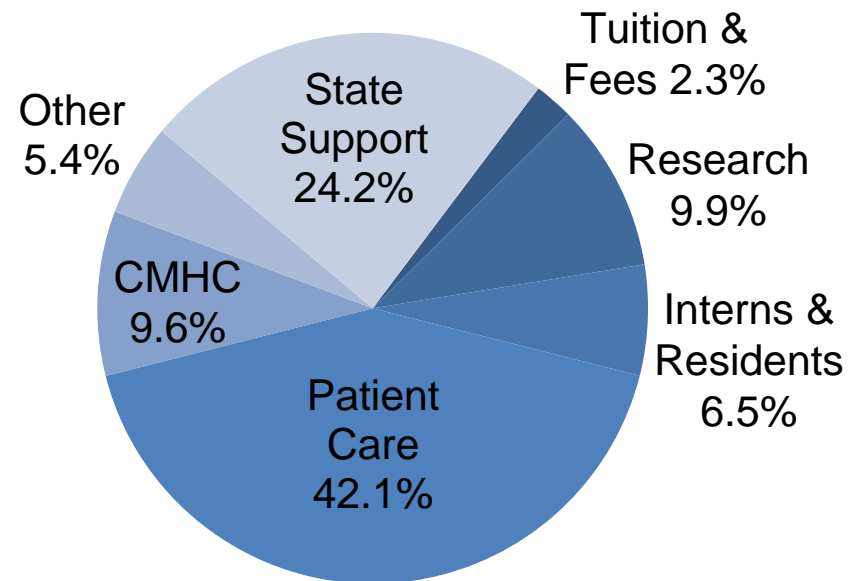
# UConn Health Budget

# UCH Revenues by Source

## FY15 Proposed

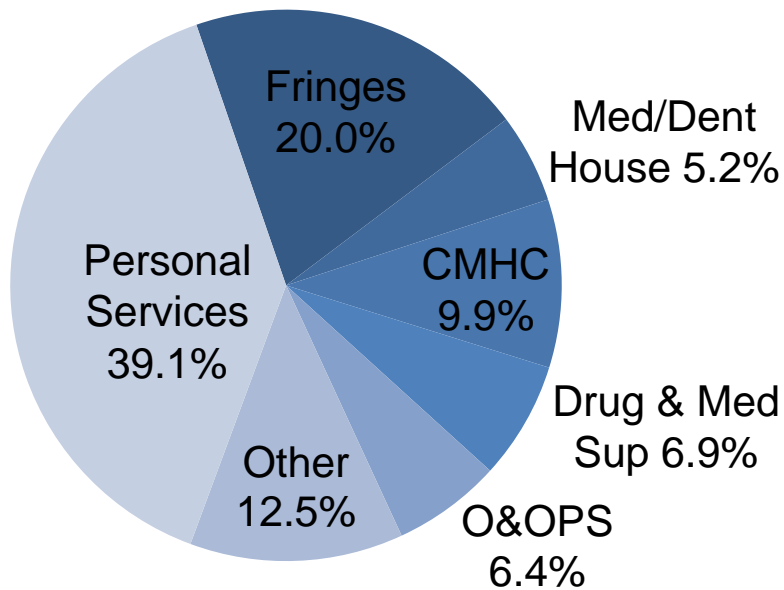


## FY14 Annualized (YTD April)

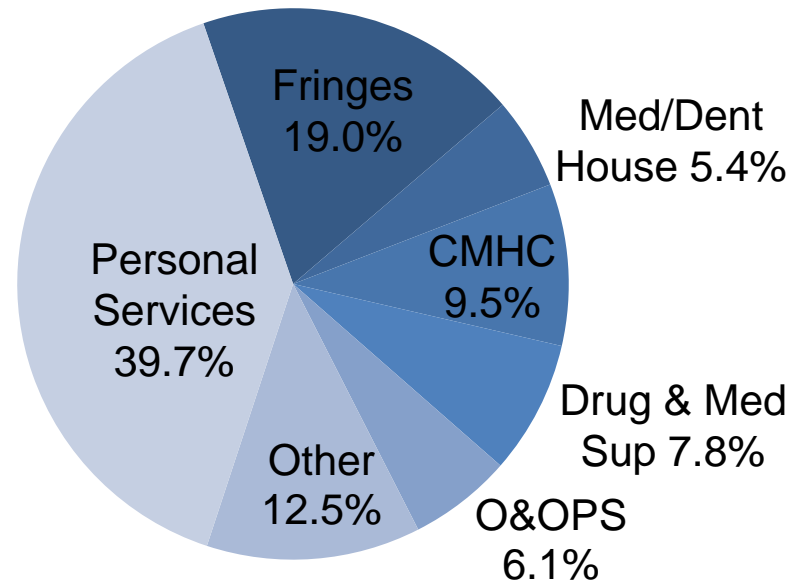


# UCH Expenses by Source

## FY15 Proposed



## FY14 Annualized (YTD April)



# Berkeley Research Group Savings

\$M	JDH	UMG	Total
<b>Total Revenues</b>	<b>\$5.2</b>	<b>\$0.5</b>	<b>\$5.7</b>
Salary Expense	3.9	1.7	5.6
Fringe Benefits	1.0	0.4	1.4
Outside & Other Purchased Serv	(3.0)	(0.9)	(3.9)
Drugs	0.2		0.2
Medical Supplies	1.4		1.4
Other Expense - Equipment	0.03	0.03	0.07
<b>Total Expenses</b>	<b>\$3.5</b>	<b>\$1.2</b>	<b>\$4.7</b>
<b>Net Income</b>	<b>\$8.7</b>	<b>\$1.7</b>	<b>\$10.4</b>

# UCH FY15 Budget

\$M	FY14 Budget	FY14 Forecast	FY15 Budget
Revenues	\$680.3	\$661.0	\$712.0
Expenses	895.9	887.2	951.4
Net Loss (after State Support)	(\$11.0)	(\$15.7)	(\$12.5)



Projected based on results through April; assumes May and June are similar to April



# UCH FY15 Spending Plan (\$M)

Total Operating Revenue	\$712.0
State Support	226.9
Restricted Capital Balances	
Use Allowance	6.5
Endowments	0.6
Departmental/Grant Funds	1.1
<b>Total Available for Spending</b>	<b>\$947.1</b>

Total Operating Expenses	\$918.3
Current Capital Projects	4.7
Working Capital Needs	4.0
FY15 Capital Spending	9.3
Use Allowance	6.5
Departmental/Grant Funds	1.1
Principal Payment on Debt	3.2
<b>Total Spending Plan</b>	<b>\$947.1</b>
<b>Excess/(Deficiency)</b>	<b>\$0.0</b>