

10-11-2010

2010 October 11

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MINUTES OF THE UNIVERSITY SENATE October 11, 2010

1. The regular meeting of the University Senate October 11, 2010 was called to order by Moderator Susan Spiggle at 4:05 PM. The Moderator announced that the new rule that limits oral reports and presentations to ten minutes is now in effect. She pointed out Samantha Mitchell, student staff member of the Senate Office, who was at the back of the room to signal to presenters with the time remaining for their reports.
2. Approval of the Minutes

Moderator Spiggle presented the minutes from the regular meeting of September 13, 2010 for review.

The minutes were approved as written.

3. Report of the President

A report was presented by Provost Peter Nichols in lieu of the President's report. He discussed the National Research Council (NRC) rankings, which have now been posted and are available from the NRC web site. Provost Nichols pointed out that there are tools available on the NRC web site to assist with analysis of the data in the reports.

Provost Nichols suggested that members of the Senate should be aware that the University has submitted a 100 million dollar grant application to accompany the state's further application funding the revamping of the University of Connecticut Health Center. The results of these applications should be known by December 15, 2010.

The Provost announced that there has been a security breach that resulted from the theft of a laptop computer from a storage cabinet on the West Hartford campus. The laptop contained admissions data for more than 10,000 persons who had applied for admission to the University at various times in the past. The compromised data includes contact information and social security numbers of applicants. He also pointed out that a further breach involving social security numbers has been discovered as well and warned all assembled that breaches of security involving social security numbers are a matter of grave potential institutional liability. He stated that increased security measures are being investigated and implemented where necessary and that work will continue on prevention of future incidents.

Provost Nichols discussed the status of the search for a consulting firm that will be engaged to examine our operations and recommend efficiencies. There were ten replies to the University's RFP and representatives of three firms were interviewed. Contract negotiations are about to begin and Provost Nichols is hopeful that a contract will be signed and work will begin shortly. The Provost assured members of the Senate that the process will be an informed one, incorporating a steering committee which he will personally chair. This committee will include a wide range of interested parties including faculty and representatives of various unions. The

study will last for three or four months and the hope is that there will be useful recommendations made at the conclusion of the work. The studies will examine support services rather than academic programs, but Provost Nichols pointed out that support services and academic programs are closely tied to one another.

Senator Mannheim inquired about the security breach asking why Admissions is still using social security information and why this information should be included on a laptop. The Provost replied that action is moving forward on all fronts. He pointed out that potential restrictions to social security number access is being examined as are various data encryption schemes.

4. Senator Clausen presented the Report of the Senate Executive Committee.

(Attachment #6)

5. Moderator Spiggle presented the Consent Agenda.

The Senate voted to approve the Consent Agenda reports as presented.

- a. Report of the Nominating Committee

(Attachment #7)

- b. Report of the Curricula & Courses Committee

(Attachment #8)

6. Senator Clausen presented Proposed By-Law Changes on Annual Reports on behalf of the Senate Executive Committee.

(Attachment #9)

Senator Clausen presented a motion on proposed By-Law changes concerning changes on Annual Reports to the Senate which will be voted on at the November 8, 2010 meeting of the University Senate.

Senator Zirakzadeh asked if questions are included the ten minute rule. The Moderator replied that no, reports themselves are limited, not the debate itself.

Senator Mannheim asked if these By-Law changes should include an admonition that there should be no oral presentation of the committee reports. Senator Clausen took this point under advisement.

7. Senator Recchio was recognized by Moderator Spiggle and stated that the vote on the proposed By-Law changes on Semester Examinations and Final Assessments would be postponed until the November meeting so that further discussion could take place.
8. Vice President Feldman presented the Semi-Annual Report of the Capital Projects Planning Committee and the Building and Grounds Committee.

(Attachment #10)

Senator Feldman introduced Alexandria Roe, Director of University Planning, and Brian Gore, Interim Director of Architectural, Engineering and Building Services, who presented an

overview of the activities of both offices accompanied by illustrations of the major ongoing projects on campus.

Senator Moiseff asked that in light of the present budget problems if there is any notion that these projects might not be bonded. The reply was that these are already funded.

Senator Tuchman inquired about Manchester Hall and cited its many deficiencies. Alexandria Roe responded that a remedial project for this building was currently being examined and considered.

Senator Faustman asked about the management of the new classroom building going up on the old pharmacy site. Alexandria Roe replied that this issue is currently under discussion with the Registrar's Office on who will be in charge of that edifice.

9. Lysa Teal, Director of the Budget Office, presented the Report of the Vice President and Chief Financial Officer on the University's Budget.

(Attachment #11)

Senator Tuchman mentioned the *Hartford Courant's* articles concerning legal representation of members of the staff of the Division of Athletics and inquired where the funds for this representation are coming from when there are fiscal difficulties across campus. Lysa Teal responded that she believes that the operations of the Division of Athletics, including the case under discussion, are covered by a separate budget apart from state funds.

Senator Mannheim inquired if the Board of Trustees (BOT) were to ask for a tuition increase, what would be the latest date that they could do that. Lysa Teal said that she is unaware of any particular time limitation, although no matter when it is done there will be repercussions. There is an intention that the matter of tuition go to the BOT in February but there is no guarantee that there will be a budget in place from the State by that time, especially given that there will be a new governor in place then.

10. Moderator Spiggle inquired if there were any New Business items.

Senator Pane moved that there be a reconsideration of a change approved by the Senate last year which added a reading day in the fall semester to the Academic Calendar. The motion was seconded by Senator Armstrong. Senator Pane presented several considerations and issues for the consideration of the Senate, emphasizing scheduling difficulties imposed on the regional campuses by this change. Senator Haggerty spoke in opposition to reconsidering the change made to the Academic Calendar and emphasized that students have requested the addition of a reading day for several years. Senator Haggerty suggested that the Senate allow at least one year to pass to try out the new calendar changes before considering altering them.

Senator Fox moved to refer this issue to the Scholastic Standards Committee with a report made back to the Senate at its November meeting. Debate and discussion ensued.

Senator Freake moved to amend the Fox motion to remove the requirement that the report on the matter be made by November, with the report being made whenever the committee finishes its work.

The motion to remove the November deadline carried.

Moderator Spiggle presented the Fox motion as amended to the Senate.

The motion refer the matter to committee carried.

11. There was a motion to adjourn.

The motion was approved by a standing vote of the Senate.

The meeting adjourned at 5:05 PM.

Respectfully Submitted,

Robert Miller
Professor of Music
Secretary of the University Senate

The following members and alternates were absent from the October 11, 2010 meeting:

Accorsi, Michael	Cooper, Douglas	Majumdar, Suman
Anderson, Amy	Croteau, Maureen	Martin, Jeanne
Armando, Kayla	Deibler, Cora Lynn	McCoy, Patricia
Austin, Philip	Desai, Manisha	Ogbar, Jeffrey
Boyer, Mark	Eby, Clare	Paul, Jeremy
Bradford, Michael	Franklin, Brinley	Ratcliff, Kathryn
Bramble, Pamela	Gilbertson, David	Roe, Shirley
Breen, Margaret	Gray, Richard	Segerson, Kathleen
Brown, Scott	Kazerounian, Kazem	Skoog, Annelie
Chambers, Kim	Laurencin, Cato	Thorson, Robert
Choi, Mun	Letendre, Joan	von Hammerstein, Katharina
Colon, Richard	Lowe, Charles	

Report of the Senate Executive Committee
to the University Senate
October 11, 2010

The Senate Executive Committee has met twice since the September 13th meeting of the University Senate.

On October 1st the SEC met in closed session with Provost Nicholls. Afterwards the SEC met with the chairs of the senate standing committees to plan for the agenda of this meeting and to coordinate the activities between the committees. Topics included student evaluation of teaching form and FAQs that the Faculty Standards Committee is working on. They will hold an open forum October 13th at 3:00 pm. Senator Segerson has asked for comments by October 20th. The Provost has asked for a review of granting emeritus status and that review is underway. GEOC is discussing the transfer in of general education credits, as well as course assessment, especially in regards to clarity of learning objectives. The Diversity committee is examining challenges facing international students. The Scholastic Standards Committee continues to work on online course standards and honors regulations.

On October 8th the Senate Executive Committee met in closed session with President Austin. Afterwards the SEC met with President Austin, Provost Nicholls, Senior Vice Provost Singha, Chief Financial Officer Gray, and Vice President Melvin, Vice President Munroe, and Vice President Saddlemire. Much of the discussion centered on the potential one time switch in benefits, computer security, budget uncertainty, student behaviors in October, and effect of adding the common app.

The Senate Executive Committee is pleased to announce that undergraduate student, Thomas Haggerty, has been elected to serve on the Senate Executive Committee for a one-year term.

Respectfully submitted,
John C. Clausen
Chair, Senate Executive Committee
October 11, 2010

ATTACHMENT #7

**Nominating Committee Report
to the University Senate**

October 11, 2010

1. We move to appoint Lawrence Gramling as Chair of the Scholastic Standards Committee effective January 1, 2011 through June 30, 2011.
2. We move to reinstate Rosa Chinchilla to the General Education Oversight Committee with the term ending June 30, 2011.
3. We move to appoint Blanca Silvestrini to the General Education Oversight Committee with the term ending June 30, 2012.
4. We move to appoint the following faculty and staff members to the named committee effective immediately with the term ending June 30, 2011.

Norma Bouchard to the Diversity Committee as representative of the
Curricula & Courses Committee

Karen Bresciano to the Diversity Committee

Eva Gorbants to the Growth & Development Committee as representative of
the Enrollment Committee

Abigail Hastillo to the Growth & Development Committee as representative
of the Curricula & Courses Committee

Katrina Higgins to the Growth & Development Committee as representative of
the Scholastic Standards Committee

Michael Howser to the Diversity Committee as representative of the
Enrollment Committee

Kelly Kennedy to the Growth & Development Committee as representative of
the Enrollment Committee

Carol Lewis to the Growth & Development Committee as representative of the
University Budget Committee

Andrew Moiseff to the Diversity Committee as representative of the University
Budget Committee

Linda Neely to the Diversity Committee as representative of the Enrollment Committee

5. We move to remove Margaret Breen from the Curricula & Courses Committee.
6. We move to appoint Joseph Madaus and Thomas Recchio to the Standing Honors Committee effective September 1, 2010 through August 31, 2013.

Respectfully submitted,

Marie Cantino, Chair
Thomas Bontly
Karla Fox

Andrea Hubbard
Debra Kendall
Andrew Moiseff

**University Senate Curricula and Courses Committee
Report to the Senate
October 11, 2010**

I. The Curricula and Courses Committee recommends approval to ADD the following 1000 or 2000 level courses:

AH 2093 Foreign Studies in Allied Health

Either semester. Variable credit (1-6). Hours by arrangement. May be repeated for credit; may count up to 6 credits toward the major with consent of advisor and Department Head.

Department Head consent required prior to study abroad. Students may only count a maximum combined credit total of 6 credits toward the Allied Health major of Foreign Study, Independent Study and Internship credits.

II. The Curricula and Courses Committee recommends approval to REVISE the following 1000 or 2000 level courses:

Current Title and Catalog Copy

CHEG 2103. Introduction to Chemical Engineering

First semester. Three credits. Recommended preparation: CHEM 1128 or CHEM 1125 and 1126; MATH 1122 or MATH 1132 or CSE 1100.

Revised Title and Catalog Copy

CHEG 2103. Introduction to Chemical Engineering

First semester. Three credits. Prerequisites: CHEM 1128 or CHEM 1125 and 1126; MATH 1122 or MATH 1132; and CSE 1010.

(strengthening prerequisites)

III. The GEOC and Curricula and Courses Committee recommends approval of the following courses for inclusion in CA1 Arts and Humanities:

CLCS 1002 Reading Between the Arts

Either Semester. Three credits.

Introduction to interrelations between literature, music, and the visual arts, including multi-media.

IV. The following actions are reported for the information of the Senate:

A. The GEOC and Curricula and Courses Committee have approved the following course for inclusion in the Writing Competency:

MCB 3601W Physiology of Archaea and Bacteria
Second semester. Four credits. Two class periods and one 2-hour computer lab period.
Prerequisite: MCB 2000, MCB 2610 or MCB 3010; ENGL 1010 or 1011 or 3800.
Examination of biochemical energy generation, regulation of metabolism, and cellular structures of archaea and bacteria. Physiological processes as they occur in nature and the biotechnology industry. Analysis of microbial genome sequences using computational methods in the laboratory.

B. The GEOC and Curricula and Courses Committee have approved dropping the following course from the Writing Competency:

CHEG 4139W Chemical Engineering Laboratory

C. The GEOC and Curricula and Courses Committee have approved the following revision to a Writing Competency course:

Existing Title and Catalog Copy

BME 3600W. Biomechanics

Biomechanics. First Semester. Four credits. Prerequisite: BME 3100 and BME 3150; ENGL 1010 or 1011 or 3800. Lecture and laboratory.

Mechanics of bone and soft tissues, biosolids and biofluids, simple and combined stress and strain, torsion and flexure, tissue strength and constitutive equations, fatigue and fracture resistance of bone, mechanics, friction and wear of the synovial joint.

Revised Title and Catalog Copy

BME 3600W. Biomechanics

Biomechanics. Four Credits. Prerequisites: BME 3150, or CE 2110 and CE 2120; ENGL 1010 or 1011 or 3800. A lecture and laboratory course that covers mechanics of bone and soft tissues. Biosolids and biofluids. Simple and combined stress and strain, torsion and flexure. Tissue strength and constitutive equations. Fatigue and fracture resistance of bone. Synovial joint mechanics, friction and wear.

D. The GEOC have approved the following courses to be offered in the Intersession

CA1 Arts and Humanities

CLCS 1110 Introduction to Film Studies

DRAM 1110 Introduction to Film

FREN 1177 Magicians, Witches, Wizards: Parallel Beliefs and Popular Culture in France

CA2 Social Science

HRTS/POLS 1007 Introduction to Human Rights

CA4 Diversity and Multiculturalism- International

HRTS/POLS 1007 Introduction to Human Rights

FREN 1177 Magicians, Witches, Wizards: Parallel Beliefs and Popular Culture in France

Respectfully Submitted by the 10-11 Senate Curricula and Courses Committee.

Hedley Freake, Chair, Keith Barker, Norma Bouchard, Marianne Buck, Michael Darre, Andrew DePalma, Dean Hanink, Abigail Hastillo, Kathleen Labadorf, Susan Lyons, Joseph Madaus, Maria Ana O'Donoghue, Felicia Pratto, Annelie Skoog

10-01-10

SENATE EXECUTIVE COMMITTEE
Report to the University Senate
October 11, 2010

Background:

Last academic year the Senate Executive Committee requested that Jack Clausen and Tammy Gifford investigate ways to make Senate meetings more efficient and perhaps shorter. At the September 2010 Senate meeting, it was announced that Curricula & Courses Committee and Nominating Committee reports would become consent agenda items. All other regular reports would be limited to a maximum of ten minutes with the exception of all action items that will continue to receive full debate. The following represents our proposal to move the annual reports from the Senate's committees to the final meeting of the year into the consent agenda.

Motion:

The Senate Executive Committee proposes that the By-Law language quoted in strike-through below be deleted and replaced with the language that is shown underlined as follows:

By-Laws, Rules, and Regulations of the University Senate

I. By-Laws

C. Senate Committees

1. *Executive Committee*

The Executive Committee organizes and coordinates the business of the Senate and its committees (See Art. IX.G. of the ~~Laws, By-Laws and Rules of the Board of Trustees~~ University of Connecticut for its composition, functions, and the election of its members). Its eight members constitute the faculty membership on the Trustee-Administration-Faculty-Student Committee.

2. *Standing Committees*

There shall be ~~seven~~ eight standing committees of the Senate, as described in the following subparagraphs. Eligibility to serve on standing committees is not limited to Senate members. There shall be at least one member from the Regional Campus faculties and at least one student on each standing committee. The Vice President for Academic Affairs shall be a member of each such committee. Each standing committee shall submit an annual report for the final Senate meeting of the academic year.

a. *Growth and Development*

This committee shall keep under review the general changes, actual and prospective, of the University over time and may recommend any desirable expressions of Senate opinion on these matters. The committee may also provide on behalf of the Senate an evaluation and review of specific issues and activities related to institutional advancement. The committee shall include two undergraduate students and one graduate student. ~~It shall make an annual report at the March meeting of the Senate.~~

b. *Faculty Standards*

This committee shall continuously review University policies and practices relating to tenure, academic freedom, work loads, rank and promotion, remuneration, retirement, and other matters affecting the faculty and shall propose any desirable expression of Senate opinion on these matters, including proposals to the Trustees for modifications in their rules and regulations on these matters. The committee shall include two undergraduate students and one graduate student. ~~It shall make an annual report at the November meeting of the Senate.~~

c. *Student Welfare*

This committee shall review the conditions that contribute to the academic success, personal development and well-being of students, including available forms of financial aid. It may seek the opinion of the Senate on such matters and make recommendations. The committee shall include one graduate student and two undergraduate students. ~~It shall make an annual report at the February meeting of the Senate.~~

d. *Scholastic Standards*

This committee shall prepare legislation within the jurisdiction of the Senate concerning those scholastic matters affecting the University as a whole, and not assigned to the Curricula and Courses Committee, including special academic programs, the marking system, scholarship standards, and the like. ~~It shall make an annual report at the February meeting for the Senate.~~ This committee shall include two undergraduate students and one graduate student.

e. *Curricula and Courses*

This committee shall prepare legislation within the jurisdiction of the Senate on course requirements for general education of all undergraduate schools and colleges and specific courses open to freshmen and sophomores. The committee shall include two undergraduate students. ~~It shall make an annual report at the March meeting of the Senate.~~

f. *University Budget*

This committee shall review the planning, negotiation, and allocation of the University operating, capital, and other budgets, the process of making budgetary and financial decisions and the determination of priorities among academic and other programs having financial implications. This committee may recommend any desirable expressions of Senate opinion on these matters. ~~, and it shall make an annual report at the April meeting of the Senate.~~ The committee shall include two undergraduate students and one graduate student.

g. *Enrollment*

This committee shall propose legislation within the jurisdiction of the Senate and make recommendations on all matters relating to the recruitment, admission, enrollment, and retention of an outstanding and diverse student population. The committee shall include two undergraduate students. ~~It shall make an annual report at the December meeting of the Senate.~~

h. *Diversity*

This committee shall review University policies, practices, and conditions relevant to supporting and promoting diversity among students, faculty, and staff. This committee may recommend any desirable expressions of Senate opinion on these matters. ~~and it shall make an annual report at the April meeting of the Senate.~~ The committee shall include two undergraduate students, one graduate student, and a representative from each of the other Senate Standing Committees.

UNIVERSITY SENATE

10.11.10

SSHB WEST BUILDING CONSTRUCTION













SSHB EAST BUILDING CONSTRUCTION





STUDENT UNION STAIRS

10/11 - A - 63



FIELD HOUSE STAIRS



MANSFIELD RD./ RTE. 195 INTERSECTION







CHEMICAL TREATMENT FACILITY





COMPOST FACILITY



WATER TOWER CONSTRUCTION





WATERBURY ART PROJECT



HUSKY VILLAGE BEFORE

10/11 - A - 73

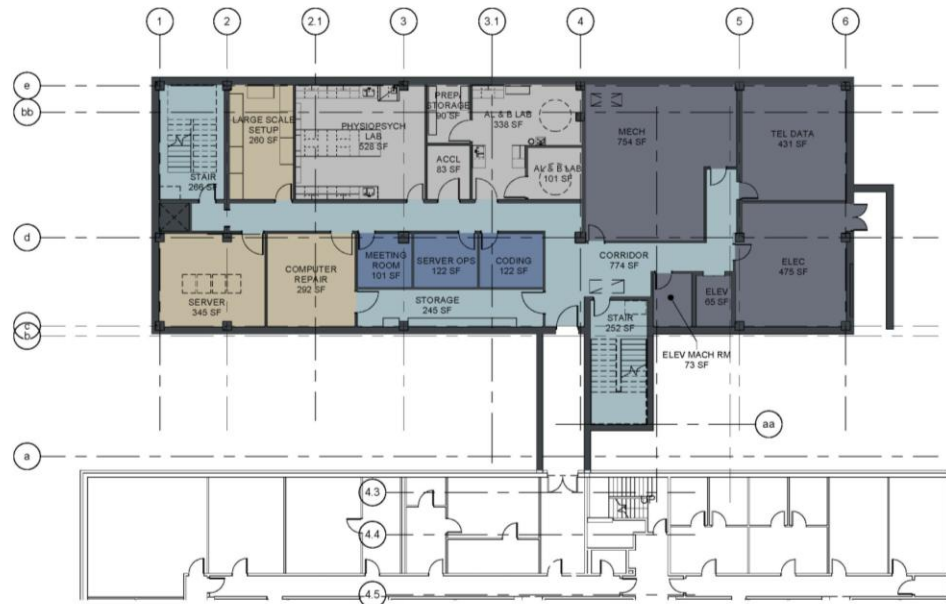


HUSKY VILLAGE AFTER



PSYCHOLOGY ADDITION





FLORICULTURE RENOVATION AND ADDITION



VIEW FROM EAST



VIEW FROM NORTHEAST



VIEW OF GREENHOUSE #00 FROM EAST



VIEW FROM EAST

Charney Architects LLC

1180 CHARTER ST.
STAMFORD, CT 06907
TEL: 203.375.0007
FAX: 203.375.0008



JOHN J. MCNEIL, INC.
2001 BELLAMY PARK DRIVE
BALTIMORE, MARYLAND 21206

AGRITECHNOVE

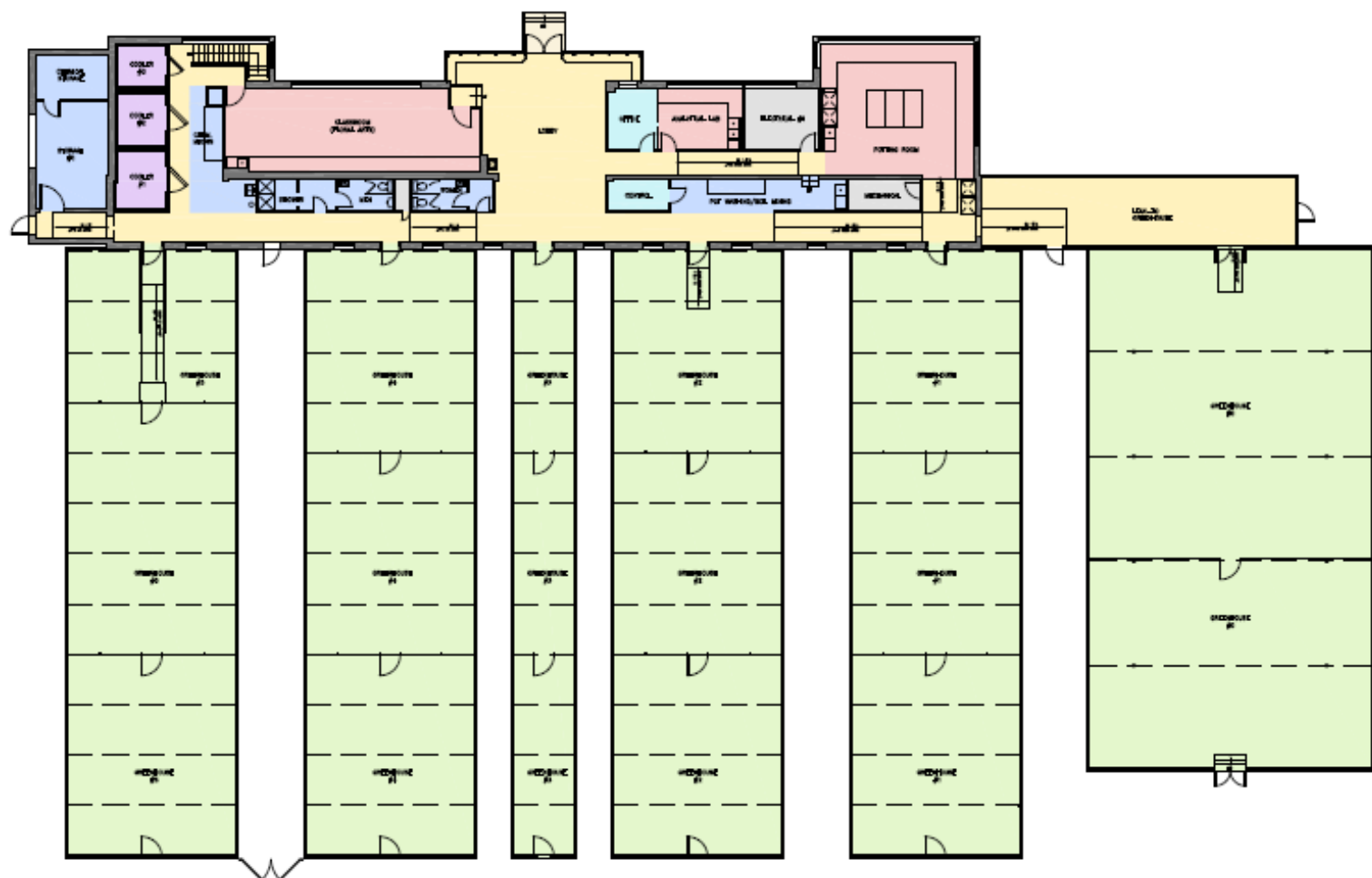
1000 ROUTE 1
LANSING, MI 48306
TEL: 313.487.1000
FAX: 313.487.1001

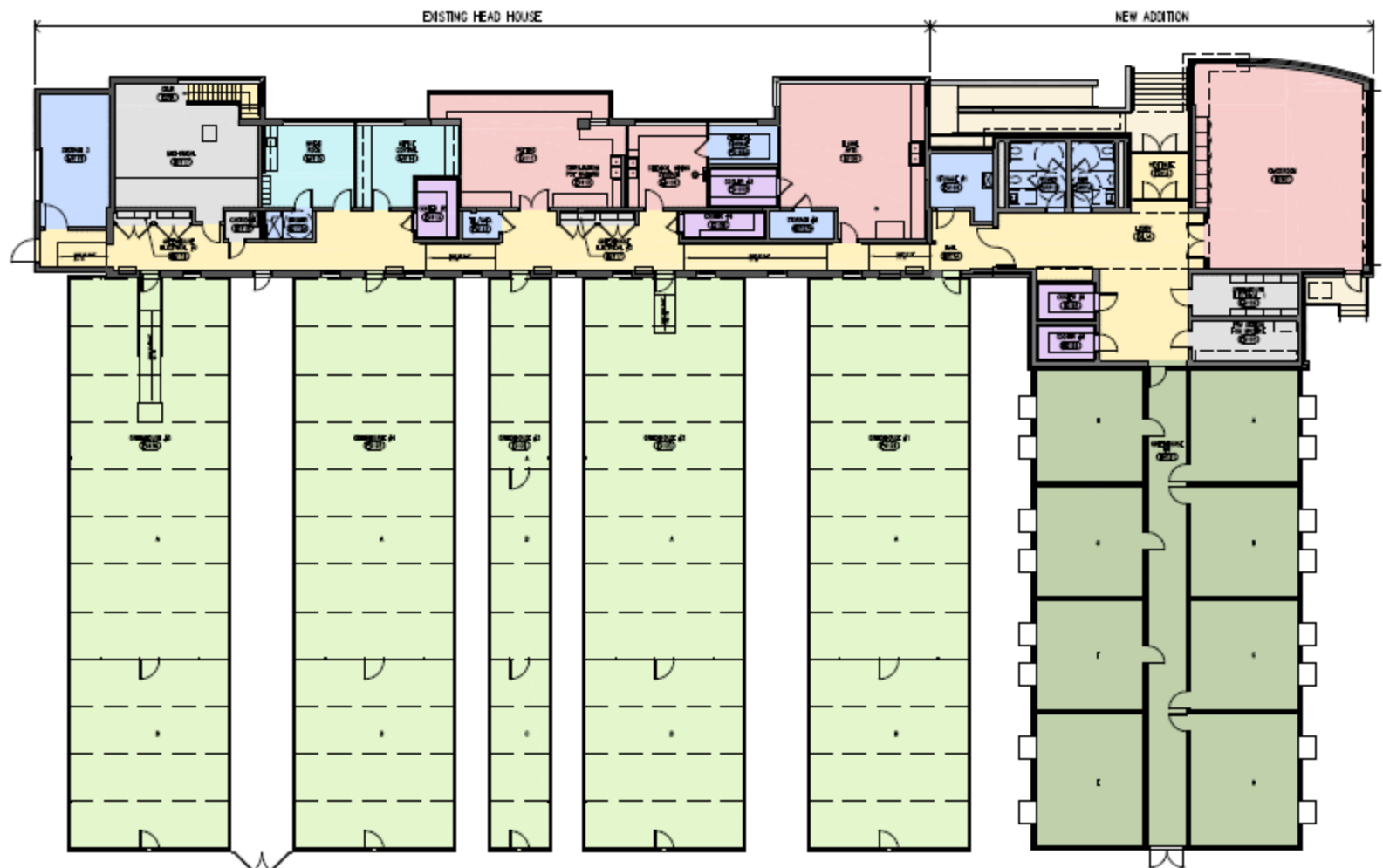


University of Connecticut
Floriculture Building
1395 Storrs Road
Storrs, Connecticut

Existing Exterior

05/06/16





Chamey Architects LLC

1160 Chapel Street
New Haven, CT 06511
Tel: 203/777-0001
Fax: 203/777-2000



University of Connecticut
Floriculture Building
1395 Storrs Road
Storrs, Connecticut

Proposed Plan

05/2010
SCALE 1/16" = 1'-0"



Chamey Architects LLC

1100 Chapel Street
New Haven, CT 06511
Tel: 203.777.0887
Fax: 203.777.2855



300 North Main Street
New Haven, CT 06510
Tel: 203.777.0887
Fax: 203.777.2855



University of Connecticut
Floriculture Building
1395 Storrs Road
Storrs, Connecticut

Street View Looking West

06/2010



Chamey Architects LLC
 1160 Chapel Street
 Storrs, CT 06268
 Tel: 860/771-0001
 Fax: 860/771-0002



University of Connecticut
Floriculture Building
 1395 Storrs Road
 Storrs, Connecticut

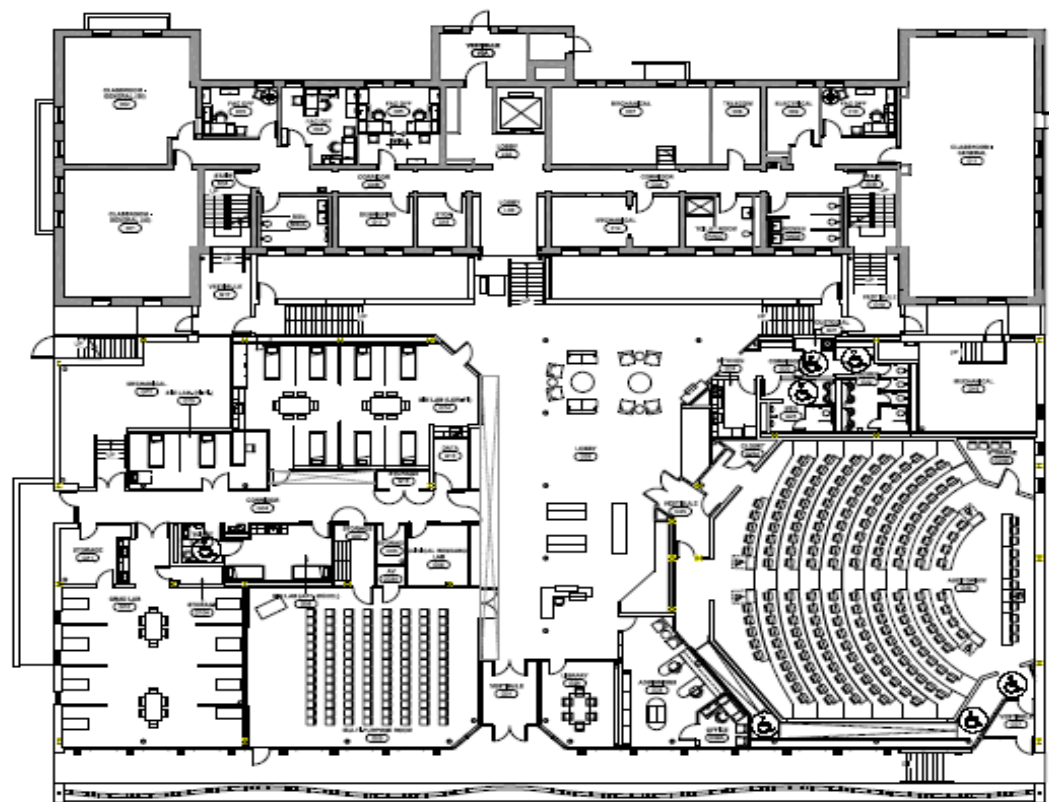
Street View Looking Southwest

05/30/10

STORRS HALL ADDITION








1 BASEMENT AND GROUND FLOOR FURNITURE PLAN
SCALE 1/8" = 1'-0"

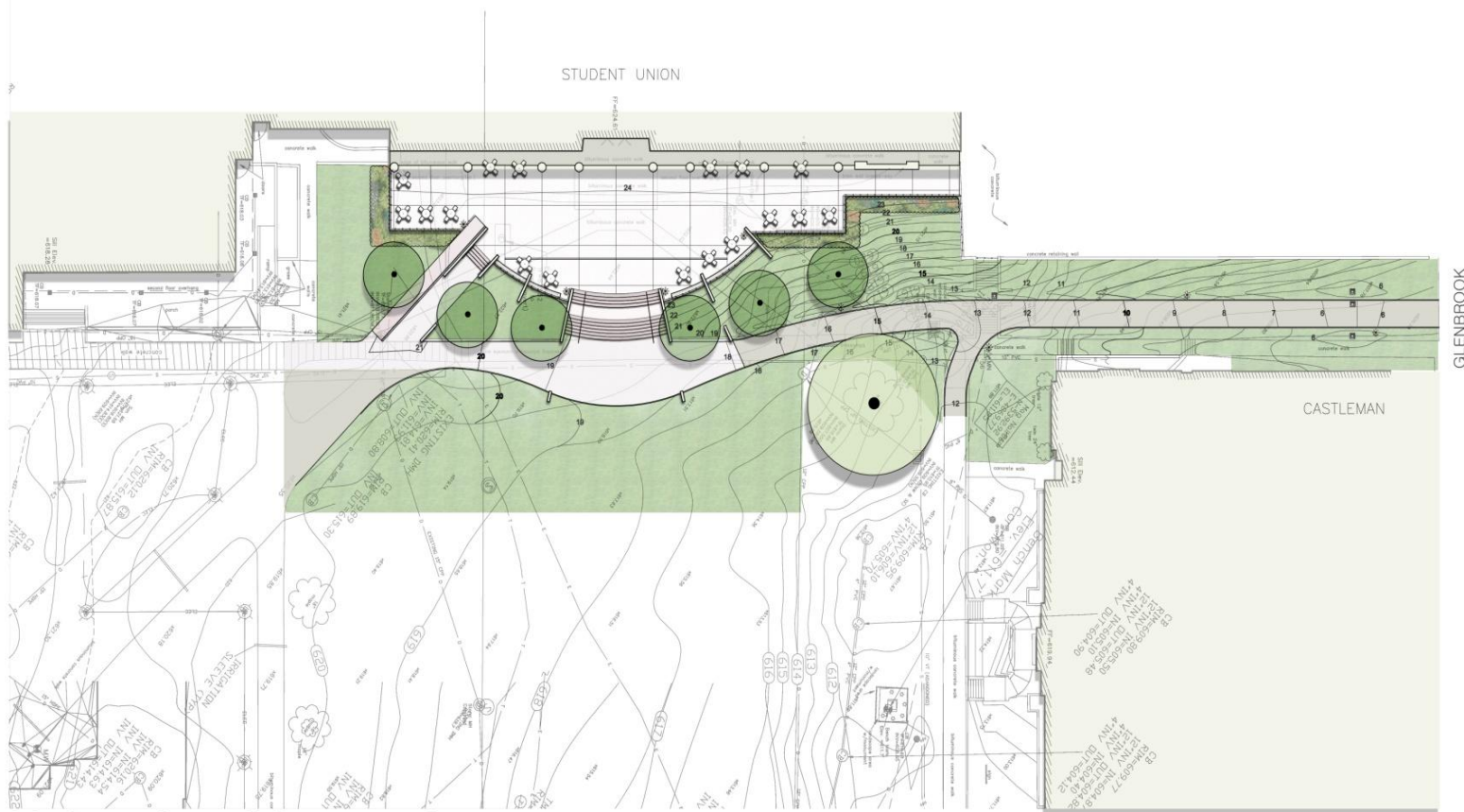


	UNIVERSITY OF CONNECTICUT FACILITIES MANAGEMENT DEPARTMENT STORM CONCOURSE		DATE DRAWN BY CHECKED BY APPROVED BY
	PROJECT STORM CONCOURSE UNIVERSITY OF CONNECTICUT STORM CONCOURSE BUILDING		
DRAWN BY GROUND FLOOR AND BASEMENT FURNITURE PLAN	DATE 10/11/11	CHECKED BY 10/11/11	APPROVED BY 10/11/11
			PROJECT NO. 10/11/11
			SHEET NO. 10/11/11
			TOTAL SHEETS 10/11/11



 <div>1400 Storrs Road Storrs, CT 06269-3043 (860) 486-6100 www.uconn.edu</div>	UNIVERSITY OF CONNECTICUT FACEBOOK EMPLOYMENT DEPARTMENT STORRS, CONNECTICUT		Date	
Detailed Title: Project FOLIO: Fundraising Plan	Title: <u>Adult NewHaven</u> 1. <u>INTRODUCTION</u> 2. <u>CONCLUSIONS</u> 3. <u>REFERENCES</u> 4. <u>APPENDICES</u> 5. <u>ACKNOWLEDGEMENTS</u> 6. <u>NOTES</u> 7. <u>INDEX</u> 8. <u>GLOSSARY</u> 9. <u>ABSTRACT</u> 10. <u>INTRODUCTION</u> 11. <u>CONCLUSIONS</u> 12. <u>REFERENCES</u> 13. <u>APPENDICES</u> 14. <u>ACKNOWLEDGEMENTS</u> 15. <u>NOTES</u> 16. <u>INDEX</u> 17. <u>GLOSSARY</u> 18. <u>ABSTRACT</u> 19. <u>INTRODUCTION</u> 20. <u>CONCLUSIONS</u> 21. <u>REFERENCES</u> 22. <u>APPENDICES</u> 23. <u>ACKNOWLEDGEMENTS</u> 24. <u>NOTES</u> 25. <u>INDEX</u> 26. <u>GLOSSARY</u> 27. <u>ABSTRACT</u> 28. <u>INTRODUCTION</u> 29. <u>CONCLUSIONS</u> 30. <u>REFERENCES</u> 31. <u>APPENDICES</u> 32. <u>ACKNOWLEDGEMENTS</u> 33. <u>NOTES</u> 34. <u>INDEX</u> 35. <u>GLOSSARY</u> 36. <u>ABSTRACT</u> 37. <u>INTRODUCTION</u> 38. <u>CONCLUSIONS</u> 39. <u>REFERENCES</u> 40. <u>APPENDICES</u> 41. <u>ACKNOWLEDGEMENTS</u> 42. <u>NOTES</u> 43. <u>INDEX</u> 44. 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<u>GLOSSARY</u>	Address: STORRS HALL SCHOOL OF BUSINESS UNIVERSITY OF CONNECTICUT STORRS, CONNECTICUT	City: STORRS State: CT Zip: 06269	Phone: 860-486-6100 Fax: 860-486-6100 E-mail: hr@uconn.edu

STUDENT UNION TERRACE



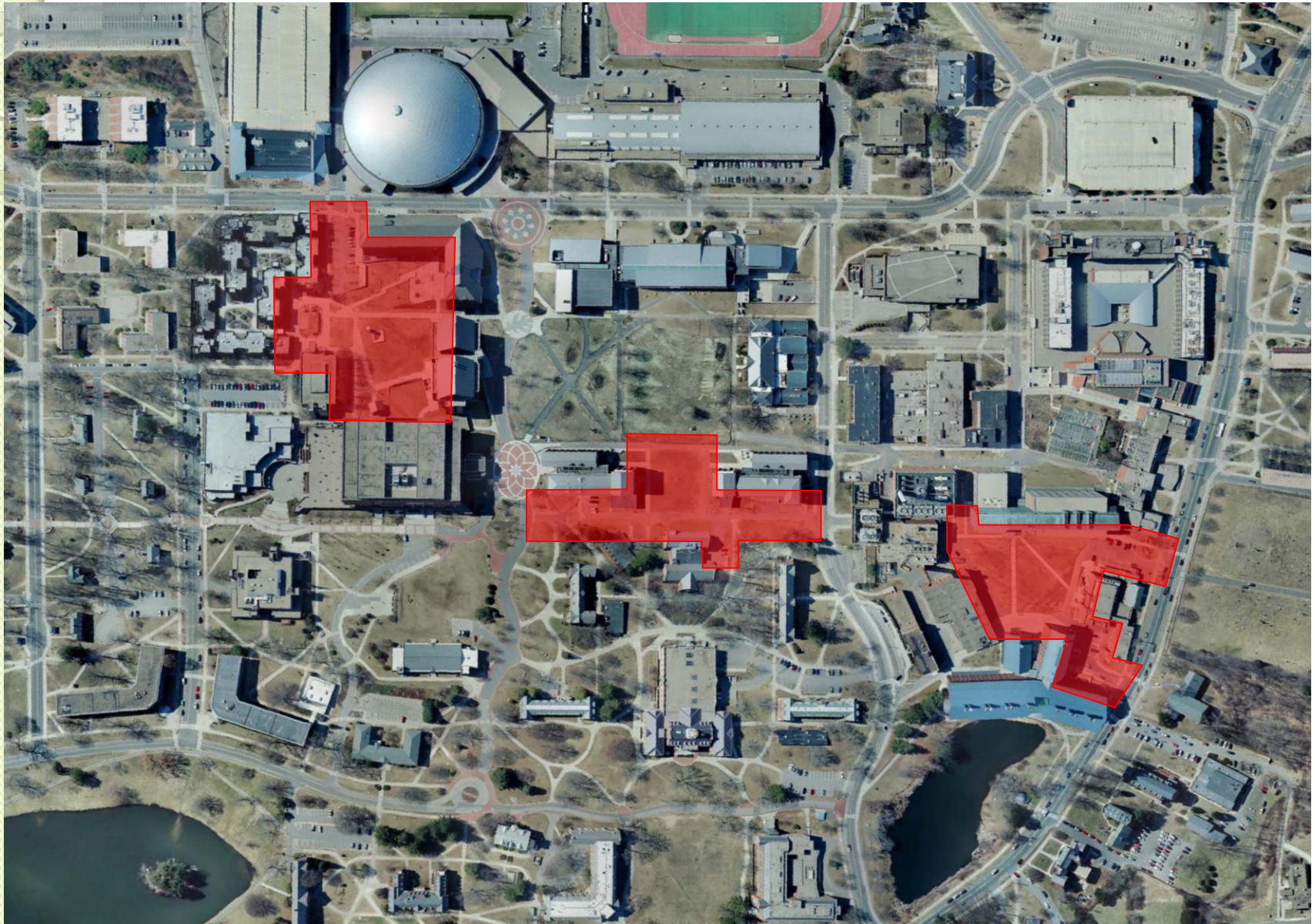
University of Connecticut
 Student Union Terrace
 Preliminary Design
 February 20, 2009



C R J A

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THREE LANDSCAPE AND ACCESS MANAGEMENT PROJECTS



BACKGROUND

These areas have significant site planning and character problems:

- **Pedestrian circulation**
- **Vehicle access and delivery issues**
- **Storm water concerns**
- **Significant wear and tear**

The Landscape Master Plan and Access Management Plan address these areas

- **LMP – available online**
- **Access Plan – still in development**

PROCESS

Site visit and meetings with interested parties

- **Project Neighbors**
- **Campus departments and groups**

Develop schematic options

Review options with interested parties

Develop a final schematic option

Acquire survey and other critical information

Construction Documents



WEBSITE:
PLANNING.UCONN.EDU

LINK:
RECENT PROJECT
PRESENTATIONS

University Senate

Operating Budget Presentation



Prepared By
Budget Office

October 11, 2010

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*These documents were submitted to the Board of Trustees on June 10, 2010 and are available on the CFO's website at <http://www.cfo.uconn.edu/BOT/BOT.html>

University of Connecticut (Storrs & Regionals)
 Draft Statement of Current Funds Budget Operations and Variance Analysis
 FY10 (unaudited)
 (Dollars in Millions)

	Budget	Actual	Variance	% Change
Current Funds Revenues:				
Operating Fund				
State Support	\$325.3	\$325.4	\$0.1	
Tuition	225.5	226.2	0.7	
Fees	87.5	88.6	1.1	
Grants & Contracts	78.2	75.6	(2.6)	
Investment Income	1.1	1.3	0.2	
Sales & Service Education	17.0	15.2	(1.8)	
Auxiliary Enterprise Revenue	161.5	164.8	3.3	
Other Revenue	<u>10.4</u>	<u>10.7</u>	<u>0.3</u>	
Total Operating Fund	906.5	907.8	1.3	0.1%
Research Fund	<u>85.8</u>	<u>89.7</u>	<u>3.9</u>	4.5%
Total Current Funds Revenues	\$992.3	\$997.5	\$5.2	0.5%
Current Funds Expenditures / Transfers:				
Operating Fund				
Personal Services	\$397.0	\$387.5	(\$9.5)	
Fringe Benefits	138.6	137.7	(0.9)	
Other Expenses	162.2	158.0	(4.2)	
Energy	30.7	27.8	(2.9)	
Equipment	21.3	26.0	4.7	
Student Financial Aid	102.6	104.8	2.2	
Transfers	<u>56.1</u>	<u>65.3</u>	<u>9.2</u>	
Total Operating Fund	908.5	907.1	(1.4)	-0.2%
Research Fund	<u>85.8</u>	<u>88.1</u>	<u>2.3</u>	2.7%
Total Current Funds Expenditures / Transfers	\$994.3	\$995.2	\$0.9	0.1%
Net Gain²/Loss	<u>(\$2.0)</u>	<u>\$2.3</u>	<u>\$4.3</u>	

¹ The University prepares and presents its Operating Budget requests and annual Spending Plan in a current funds format. The current funds format shows gross student tuition and fees and does not net out scholarship allowances, as required in the financial statements which are prepared in the GASB Nos. 34/35 format. Scholarship allowances are shown as an expense item. In addition, the University's current funds format includes equipment purchases as an expense, does not include depreciation and does not include the State debt service

² The University had a net gain of \$2.3 million for the fiscal year ended June 30, 2010, which was comprised of a \$1.8 million unrestricted net gain and a \$0.5 million restricted net gain. The net gain included the \$1.0 million reserve repayment for the November 2001 drawdown of \$11.5 million for the Towers Dining Center and Student Union; savings in food costs, energy and personnel costs in Residential Life, Dining Services and Student Health Services; and additional facilities and administrative cost recovery as a result of increased research activity.

Quarterly Overview of the Operating and Research Funds For the Twelve Months Ended June 30, 2010

Results of Annual Operations

The enclosed report comparing the Operating and Research Funds actual results to budget for the twelve month period ended June 30, 2010 reflects unaudited figures and is subject to additional year-end accounting and audit adjustments.

On November 5, 2009, the Board of Trustees approved a Spending Plan for Fiscal Year 2010 of \$991.3 million plus a \$3 million transfer to the State General Fund. This budget included \$992.3 million of revenue to cover \$994.3 million in expenses and transfers, yielding a \$2.0 million loss. The loss is a net result of the \$1.0 million reserve repayment for the November 2001 drawdown of \$11.5 million for the Towers Dining Center and Student Union, and a \$3.0 million transfer from University operating reserves to the State's General Fund.

The University ended the year with an unrestricted Operating Budget gain of \$1.8 million (Operating Fund \$0.3 million and Research Fund \$1.5 million) and a restricted gain of \$0.5 million (Operating Fund \$0.5 million and Research Fund \$0.0 million). The Operating Fund unrestricted net gain of \$0.3 million was slightly more than anticipated primarily due to savings in food costs, energy and personnel costs in Residential Life, Dining Services and Student Health Services. An analysis of the results of operations for various categories of accounts is presented below.

	<u>Operating Fund</u>	<u>Research Fund</u>	<u>Total</u>
Unrestricted	\$0.3	\$1.5	\$1.8
Restricted	<u>0.5</u>	<u>0.0</u>	<u>0.5</u>
Total	\$0.8	\$1.5	\$2.3

Revenues - Operating Fund

Total **Operating Fund** revenue collections for Fiscal Year 2010 were \$907.8 million which represented 100.1% of the annual budget. Last fiscal year, Operating Fund revenue collections represented 101.5% of the annual budget. A major source of revenue, **State Support**, consisted of a \$231.8 million appropriation and a fringe benefit allotment of \$93.6 million. The State Support amount is consistent with the University's Biweekly Schedule of State Appropriation Transfers. State Support represented 35.9% of total Operating Fund receipts for the year.

Tuition collections were the second largest source of revenue, totaling \$226.2 million, which represented 24.9% of total Operating Fund receipts. Tuition receipts were 100.3% of the annual amount budgeted (\$225.5 million). Tuition revenue collections reflect a 6.0% rate increase coupled with a 0.7% increase in the number of undergraduate degree-seeking students who account for approximately 87.1% of budgeted tuition revenues. Tuition revenue was slightly ahead of budget at year end.

Fee revenue is comprised of course fees from summer school, part-time, and non-degree students as well as self-supporting programs (off campus MBA, EMBA, etc.). Also included in this category is the General University Fee, which supports several Auxiliary Enterprise

programs and various other fees such as the Infrastructure Maintenance Fee, Application Fees and Late Payment Fees. The Fee collections were \$88.6 million or 101.3% of the amount budgeted for the year primarily due to higher enrollment than expected.

Auxiliary Enterprise Revenue for Fiscal Year 2010 was \$164.8 million which represented 102.0% of the annual budgeted amount and was greater than projected mainly due to greater than expected Athletic revenue from post season activity. Auxiliary revenue consisted primarily of Room and Board Fees which reflect rate increases of 6.0% and 7.0% respectively (\$123.0 million) and Athletic Department receipts (\$37.5 million).

Gifts, Grants and Contracts revenue consists of restricted revenues from a granting agency or private donor and gifts transferred from the UConn Foundation. For Fiscal Year 2010, Gifts, Grants and Contracts revenue of \$75.6 million, which included \$16.0 million from the UConn Foundation, was 96.8% of the annual budget and is slightly less than expected due to a lower level of Foundation support for Athletics.

Investment Income was \$0.2 million more than the budget for the year with revenues of \$1.3 million. Interest rates in the State Treasurer's STIF were 0.27% by the end of the fiscal year. The average interest rate for Fiscal Year 2010 was 0.33% compared to 1.47% for Fiscal Year 2009.

Sales and Services of Educational Activities and Other Sources (primarily parking, transit fee, and rental income) revenue totaled \$25.9 million and were \$1.5 million below budget. This is primarily due to the closing of self-supporting programs on campus.

Revenues - Research Fund

With respect to the **Research Fund**, the granting agency or donor restricts most of the revenues. Research Fund revenues were \$89.7 million and represented 104.5% of the amount budgeted for the year. In Fiscal Year 2009, Research Fund revenues totaled \$80.6 million and represented 109.3% of the amount budgeted. This category was ahead of budget primarily due to additional funds from the Federal American Recovery and Reinvestment Act. The unrestricted fund balances have also seen an increase as a result of increased recovery of facilities and administrative costs.

Expenditures - Operating Fund

Total Operating Fund expenditures (excluding transfers) for Fiscal Year 2010 were \$841.8 million or 98.8% of the annual budgeted amount. Fiscal Year 2009 reflected expenditures of 100.7% of the annual budget. Individual categories of expenditures as a percentage of the annual budget were as follows:

Personal Services	97.6%
Fringe Benefits	99.3%
Other Expenses	96.3%
Equipment	122.3%
Student Aid	102.2%

Personal Services/Fringe Benefits represented 98.1% of the annual budgeted amount of \$535.6 million. The official full-time faculty count (based on IPEDS federal reporting standards)

is 38 less than the prior year and reflects the impact of the RIP offered by the state at the end of Fiscal Year 2009. Due to the vacancies created by the RIP and the amount of time it takes to refill positions, especially faculty, this category was under budget.

Other Expenses (including energy costs) were \$185.8 million for the year and represented 96.3% of the amount budgeted. Energy expenditures were below budget for the year due to lower than expected expenditures at the regional campuses. Other Expenses (excluding energy costs) were less than budget due to the late approval of the annual spending plan which delayed expenditures included in this category. This delay also resulted in significant increases in encumbrances at year-end rather than actual expenditures.

Equipment expenditures of \$26.0 million were 122.3% of the amount budgeted. This category was greater than budget for the year because of the larger than expected expenditures in the Eminent Faculty program and Facilities Operations.

Student Aid was \$104.8 million and represented 102.2% of the amount budgeted. This category was slightly ahead of the budget due to increased availability of restricted funds and additional University support for Juniors and Seniors provided by the President.

Expenditures - Operating Fund Transfers

The **Transfers** line reflects transfers for bond and installment loan payments, payments for the capital lease for the cogeneration plant, and transfers to Plant Funds for construction and information technology projects. Transfers were over budget by \$9.2 million. On April 14, 2010, AN ACT CONCERNING DEFICIT MITIGATION FOR THE FISCAL YEAR ENDING JUNE 30, 2010 was passed by the Governor and the General Assembly. This plan required the University to transfer an additional \$5 million of operating reserves to the State's General Fund which is included in the \$9.2 million previously mentioned.

Expenditures - Research Fund

Finally, **Research Fund** expenditures and transfers totaled \$88.1 million and represented 102.7% of the budgeted amount. In Fiscal Year 2009, Research Fund expenditures and transfers totaled \$78.2 million and represented 106.1% of the budgeted amount.

Enrollment

Total University enrollment for fall 2009 (excluding the Health Center) is up 0.4% from fall 2008 and undergraduate enrollment (degree and non-degree) is up 0.6%. The budget is based on these enrollment levels.

Fund Balance

The University has a combined net gain of \$2.3 million for the fiscal year ended June 30, 2010, which is comprised of a \$1.8 million unrestricted net gain and a \$0.5 million restricted net gain. This results in a Current Funds Unrestricted Fund Balance of \$70.9 million (Operating Fund-\$49.2 million; Research Fund-\$21.7 million). The unrestricted fund balance represented 8.2% of the Fiscal Year 2010 unrestricted expenditure budget (\$862.0 million) or, alternatively stated, 30 days' worth of operations.

In accordance with standard University procedures, centrally funded unrestricted fund balances are carried forward in departmental accounts and are available for expenditure in the current

and future fiscal years. The Fiscal Year 2010 budget assumed a consistent level of departmental fund balances at June 30, 2010. The \$70.9 million fund balance represents the funds and inventory remaining in these accounts: the Research Fund (designated for research); the Auxiliary Operations (residential, dining, health, student activities and recreational services); and Departmental accounts (self-supporting fee-based instructional programs such as Continuing Studies and MBA). A significant amount of the increase in unrestricted fund balance was in the Research Fund which had greater than expected research activity resulting in increased facilities and administrative costs recovery.

The fund balances, while not all technically encumbered, are committed in a more generic sense. First of all, funds may be held in a departmental account in anticipation of expenditure such as start-up costs for a new researcher. Second, under the provisions of UCONN 2000, the University is required to maintain a Renewal and Replacement Fund to keep projects in sound operating condition; the fund balance serves this purpose under the Master Indenture. Third, these amounts include inventory and prepaid expenses.

The fund balance is our operating capital and reserve for programs and activities that generate revenue and are not supported by state appropriation or tuition funds. We borrow from the fund balance to pay our bills when necessary. For example, in Fiscal Year 2004, the University did not receive \$13.4 million in state fringe benefit support until June—the very end of the fiscal year. In Fiscal Year 2005, the first quarter allotment of our entire appropriation did not arrive until September 28th—two days before the close of the fiscal quarter. Another example: the state generally informs us of changes in fringe benefit rates after the fiscal year has started, and frequently the increases have a significant fiscal impact. The fund balance allows us to manage these dislocations without disrupting the University's operations.

The total unrestricted net assets of \$162.2 million are made up of the \$70.9 million current funds balance, \$56.3 million in unexpended Plant Funds, and \$35.0 million in funds that are Internally Restricted for the Retirement of Indebtedness. The University has traditionally been very conservative with regard to savings for debt obligations, maintaining funds at a level of approximately 1.75 times our annual debt payments. We believe that this policy has served us well as the University's bond rating has remained consistently strong. In 2010, student fee revenue bonds were refunded thereby lowering the annual debt service, hence the University reduced the Internally Restricted for the Retirement of Indebtedness funds.

The Plant Funds balance of \$56.3 million includes cash resources for on-going code related corrective action and for projects for Auxiliary Enterprise operations such as Residential Life, Dining Services, Student Health Services, Student Union and Athletics. The University has a policy that a departmentally funded construction project does not begin unless the funding has been identified and transferred to Plant Funds. For Residential Life, the window of opportunity to actually complete many repairs and renovations is limited as some projects cannot be done while students are occupying the buildings, so the actual spending of the cash is a timing issue.



University of Connecticut
*Office of the Vice President and
 Chief Financial Officer*

June 10, 2010

TO: Members of the Board of Trustees

FROM: Richard D. Gray
 Vice President and Chief Financial Officer

Paul R. McDowell
 Chief Financial Officer

RE: Spending Plan for Fiscal Year 2011 for the University of Connecticut, Storrs & Regional Campuses

RECOMMENDATION:

That the Board of Trustees approve the Spending Plan for Fiscal Year 2011 of \$1,032.5 million for the University of Connecticut, Storrs and Regional Campuses.

BACKGROUND:

The Fiscal Year 2011 Spending Plan includes \$1,033.5 million of revenue, including state funding of \$233.0 million (excluding fringe benefits), to cover \$1,047.5 million in expenses and transfers. The net loss of \$14.0 million consists of the \$1.0 million reserve repayment from the November 2001 drawdown of \$11.5 million for the Towers Dining Center and Student Union, and a \$15.0 million transfer from University operating reserves to the State General Fund as required by the 2011 State budget.

An Equal Opportunity Employer

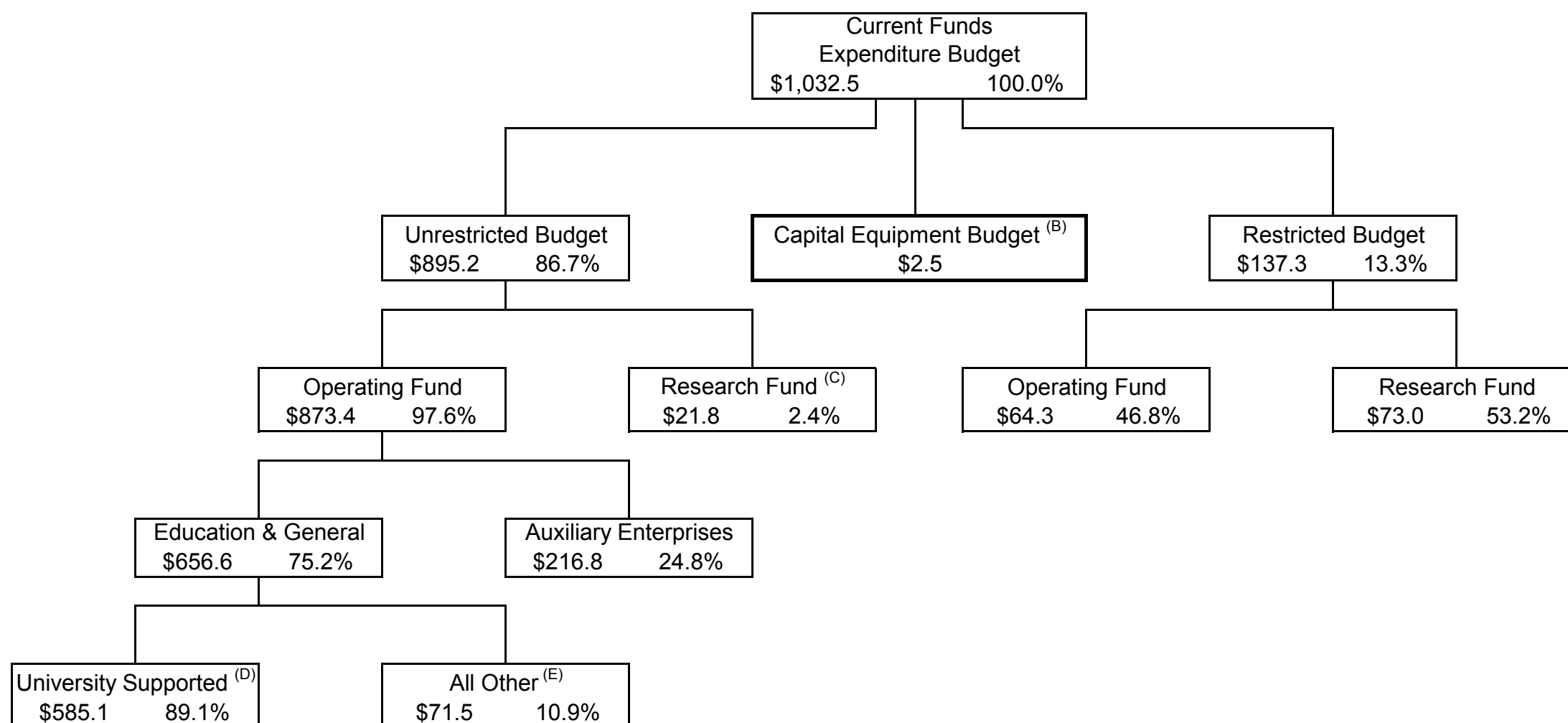
352 Mansfield Road Unit 2122
 Storrs, Connecticut 06269-2122

Telephone: (860) 486-3455
 Facsimile: (860) 486-1070

University of Connecticut (Storrs & Regional Campuses)

Total Current Funds Expenditure Budget (in millions) ^(A) - % by Categories

FY 2011



^(A) Includes transfers for Debt Service and construction projects.

^(B) The Capital Equipment Budget, funded by UCONN 2000, is shown for illustrative purposes only and is not included in the Current Funds Expenditure Budget figures.

^(C) This amount represents grant indirects (F&A) funding only. Sponsored grants are reflected in the restricted portion of the budget.

^(D) Primary revenue sources are the State Appropriation and tuition receipts.

^(E) Primarily E&G Enterprise activities (e.g., Continuing Studies, MBA, etc...).

University of Connecticut (Storrs & Regional Campuses)

Current Funds Budget

FY 2011

	TOTAL	E & G	AUXILIARY	UNRESTRICTED	RESTRICTED
Revenues					
Operating Fund					
State Support					
State Appropriation/Allotment	\$ 235,541,587	\$ 235,541,587	\$	\$ 235,541,587	\$
Fringe Benefits	96,525,205	96,525,205		96,525,205	
Total State Support	332,066,792	332,066,792		332,066,792	
Student Tuition & Fees-Gross	378,378,624	342,314,513	36,064,111	378,378,624	
Tuition Waiver Discounts	(47,431,779)	(47,431,779)		(47,431,779)	
Net Student Tuition & Fees	330,946,845	294,882,734	36,064,111	330,946,845	
Grants & Contracts	55,510,013	54,534,133	975,880	2,010,000	53,500,013
Private Gifts & Grants	23,400,000	13,989,350	9,410,650	13,000,000	10,400,000
Investment Income	1,151,330	1,101,330	50,000	748,895	402,435
Sales/Services of Educational Depts	14,884,308	14,884,308		14,884,308	
Sales/Services Auxiliary Enterprises	170,246,704		170,246,704	170,246,704	
Other Revenue	10,446,353	10,446,353		10,446,353	
Total Operating Fund	\$ 938,652,345	\$ 721,905,000	\$ 216,747,345	\$ 874,349,897	\$ 64,302,448
Research Fund					
Research Grants and Contracts	94,828,000	94,828,000		21,810,000	73,018,000
Total Revenues	\$ 1,033,480,345	\$ 816,733,000	\$ 216,747,345	\$ 896,159,897	\$ 137,320,448
Expenditures/Transfers					
Education and General (E&G):					
Instruction	\$ 298,286,142	\$ 298,286,142	\$	\$ 293,406,622	\$ 4,879,520
Research	81,442,129	81,442,129		6,628,430	74,813,699
Public Service	37,255,619	37,255,619		21,484,668	15,770,951
Academic Support	76,496,007	76,496,007		73,997,016	2,498,991
Library	21,715,899	21,715,899		21,675,498	40,401
Student Services	28,374,330	28,374,330		28,326,385	47,945
Institutional Support	87,124,271	87,124,271		87,124,271	
Physical Plant	69,280,403	69,280,403		69,280,403	
Student Aid	99,931,136	99,931,136		60,662,195	39,268,941
Sub-Total Education and General	799,905,936	799,905,936		662,585,488	137,320,448
E&G & Research Transfers/Debt Retirement	15,796,164	15,796,164		15,796,164	
Total Education and General	\$ 815,702,100	\$ 815,702,100	\$	\$ 678,381,652	\$ 137,320,448
Auxiliary Enterprises					
Expenditures	169,615,794		169,615,794	169,615,794	
Mandatory Transfers for Debt Retirement	12,597,593		12,597,593	12,597,593	
Auxiliary Expend. / Mandatory Trans	\$ 182,213,387	\$	\$ 182,213,387	\$ 182,213,387	\$
Non-Mandatory Transfers	34,533,958		34,533,958	34,533,958	
Total Auxiliary Enterprises	\$ 216,747,345	\$	\$ 216,747,345	\$ 216,747,345	\$
Total Expenditures/Transfers	\$ 1,032,449,445	\$ 815,702,100	\$ 216,747,345	\$ 895,128,997	\$ 137,320,448
Gain prior to Transfer*	\$ 1,030,900	\$ 1,030,900	\$ 0	\$ 1,030,900	\$ 0
Transfer to State General Fund	(15,000,000)				
Net Loss	\$ (13,969,100)				

* The \$1.0 million gain is for the reserve repayment for the November 2001 drawdown of \$11.5 million for the Towers Dining Center and Student Union.

University of Connecticut (Storrs & Regional Campuses)
Current Funds - Actual and Proposed (in millions)
Fiscal Years Ended June 30, 2007-2011

	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>			<i>Proposed</i>		
	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>Change</u>	<u>%</u>	<u>FY 2011</u>	<u>Change</u>	<u>%</u>
Revenues:				(unaudited)					
Operating Fund									
State Support	\$305.9	\$328.2	\$327.8	\$325.4	(\$2.4)	-0.7%	\$332.1	\$6.7	2.1%
Tuition (Net of Discounts)	177.8	190.0	210.3	226.2	15.9	7.6%	240.1	13.9	6.1%
Fees	74.6	78.9	82.9	88.6	5.7	6.9%	90.8	2.2	2.5%
Auxiliary Enterprise Revenue	130.0	136.0	152.4	164.8	12.4	8.1%	170.2	5.4	3.3%
All Other Revenues	<u>102.2</u>	<u>109.3</u>	<u>105.6</u>	<u>102.8</u>	<u>(2.8)</u>	-2.7%	<u>105.5</u>	<u>2.7</u>	2.6%
Total Operating Fund	\$790.5	\$842.4	\$879.0	\$907.8	\$28.8	3.3%	\$938.7	\$30.9	3.4%
Research Fund	<u>71.8</u>	<u>72.9</u>	<u>80.6</u>	<u>89.7</u>	<u>9.1</u>	11.3%	<u>94.8</u>	<u>5.1</u>	5.7%
Total Revenues	\$862.3	\$915.3	\$959.6	\$997.5	\$37.9	3.9%	\$1,033.5	\$36.0	3.6%
Expenditures / Transfers:									
Operating Fund									
Personal Services	\$358.8	\$385.7	\$403.3	\$387.5	(\$15.8)	-3.9%	\$411.9	\$24.4	6.3%
Fringe Benefits	122.2	134.2	136.7	137.7	1.0	0.7%	151.5	13.8	10.0%
Other Expenses	173.7	172.7	185.1	185.8	0.7	0.4%	187.9	2.1	1.1%
Equipment	10.9	11.0	14.8	26.0	11.2	75.7%	17.8	(8.2)	-31.5%
Student Financial Aid	76.7	81.2	90.4	104.8	14.4	15.9%	110.1	5.3	5.1%
Transfers	<u>41.5</u>	<u>43.5</u>	<u>46.3</u>	<u>57.3</u>	<u>11.0</u>	23.8%	<u>58.5</u>	<u>1.2</u>	2.1%
Total Operating Fund	\$783.8	\$828.3	\$876.6	\$899.1	\$22.5	2.6%	\$937.7	\$38.6	4.3%
Research Fund Expenditures	<u>69.2</u>	<u>74.5</u>	<u>78.2</u>	<u>88.1</u>	<u>9.9</u>	12.7%	<u>94.8</u>	<u>6.7</u>	7.6%
Total Expenditures / Transfers	\$853.0	\$902.8	\$954.8	\$987.2	\$32.4	3.4%	\$1,032.5	\$45.3	4.6%
Gain Prior to Transfer	<u>\$9.3</u>	<u>\$12.5</u>	<u>\$4.8</u>	<u>\$10.3</u>			<u>\$1.0</u>		
Transfer from Reserves to State General Fund				(8.0)			(15.0)		
Net Gain (Loss)				<u>\$2.3</u>			<u>(\$14.0)</u>		

University of Connecticut
Storrs & Regional Campuses
State Appropriation

	FY 2010				FY 2011				
	UConn Requested	HB 6802	Gov Reduction	Actual	UConn Requested	HB 6802	HB 5018	Unallotted	Forecasted
	<u>Appropriation</u>	<u>9/1/2009</u>	<u>9/22/2009</u>	<u>Allotment</u>	<u>Appropriation</u>	<u>9/1/2009</u>	<u>4/14/2010</u>	<u>Adjust 6/18/10</u>	<u>Allotment</u>
Operating Fund	\$246,820,430	\$222,447,810	(\$2,280,852)	\$220,166,958	\$258,688,928	\$222,447,810	\$219,793,819	(\$355,663)	\$219,438,156
Tuition Freeze	4,803,530	4,741,885		4,741,885	4,865,975	4,741,885	4,741,885		4,741,885
Regional Campus	7,418,673	8,002,420		8,002,420	7,463,185	8,375,559	8,375,559		8,375,559
Vet Diagnostic Lab	<u>103,000</u>	<u>100,000</u>	<u></u>	<u>100,000</u>	<u>106,090</u>	<u>100,000</u>	<u>100,000</u>	<u></u>	<u>100,000</u>
Total	\$259,145,633	\$235,292,115	(\$2,280,852)	\$233,011,263	\$271,124,178	\$235,665,254	\$233,011,263 ^A	(\$355,663)	\$232,655,600

^A Total appropriation for FY11 represents the amount included in House Bill 5018 passed on April 14, 2010 and does not include year-end accounting accruals which are included in the budget.

Highlights Fiscal Year 2011 University Spending Plan

BUDGET PROCESS

For even-numbered fiscal years, the University prepares a single fiscal year spending plan; for odd-numbered years, the University also prepares a “current services” budget for the upcoming biennium for submission to the Office of Policy and Management (the Governor’s budget agency), as well as to the State Department of Higher Education. (“Current services” refers to the cost of continuing current programs and services, updated for inflation. The “current services” budget forms the basis of the Governor’s recommendations to the legislature.) The June 10th budget workshop will focus on the spending plan for Fiscal Year 2011, but the Board will also be asked to act on the biennial “current services” request for Fiscal Years 2012 and 2013. The tuition and fee rates for Fiscal Year 2011 were set in February 2010 by the Board. FY12 tuition and fee rates are tentatively scheduled to be presented to the Board in the fall of 2010.

BUDGET GOALS

Our budget goals at Storrs have changed with the changing times, from managing dramatic growth to growing quality. Even though UConn’s excellent value is evidenced by increases not just in applications, but in paid deposits, we have made the conscious decision to maintain flat freshman enrollment for Fiscal Year 2011. Faculty hiring (which translates into course coverage, improved student faculty ratio and research productivity) remains the focal point in the proposed spending plan for the Storrs-based program.

At the Health Center, our goal in FY11 is to breakeven. The first key to achieving this goal are expense control while providing patient safety, quality health care and adequate resources to fulfill our teaching and research missions. The second key will be to achieve patient volumes budgeted in FY11. The uncertainty of the future of John Dempsey Hospital has had an effect on referrals in FY10 and also on the Health Center’s ability to recruit clinical faculty. The FY11 budget includes funds to recruit clinical faculty. A marketing campaign will continue in FY11 to emphasize that the Health Center is providing quality health care and to emphasize that our missions will continue.

THE STATE BUDGET

While we have been preparing for the reality of declining state support, we remain compelled to meet the needs of our students, patients and faculty. UConn is a vital state asset that plays a critical role in addressing our economic crisis in the short-term and ensuring Connecticut’s economic viability in the long-term. Investing in UConn is investing in our state’s future by educating our high-achieving students, providing Connecticut with a highly qualified workforce, ensuring high quality health care, and conducting research that serves as a catalyst for innovation, product development and job creation.

On September 8, 2009, the State budget for the next two fiscal years was passed. The state appropriation reflected the continuing difficult fiscal environment. On April 14, 2010, a deficit mitigation plan was passed by the Governor and the General Assembly. This plan required the Storrs-based program to transfer an additional \$5 million of University reserves to the State's General Fund for FY10 for a total of \$8.0 million. In addition, another \$10 million is required to be transferred in FY11 for a total of \$15.0 million. Over the two year period, a total of \$23 million will be transferred from the University to the State's General Fund. On May 7, 2010, a bill passed which makes adjustments to the FY11 State budget and reduces the University appropriations.

As we have worked through strategies to address these dramatic cuts, to the extent possible, we are committed to protecting financial aid to ensure access to our outstanding programs for those students with the greatest need for assistance. As a general principle, protecting program quality and accessibility are foremost, yet we recognize that cuts of this magnitude will necessitate sacrifices by all. The support for the University is as follows.

For Fiscal Year 2011, the Storrs appropriation of \$233.0 million is manageable, yet not without its challenges. The amount represents flat funding. University employees agreed to benefit and wage concessions for FY10 and FY11 in an effort to help the State and University through very challenging economic times. Therefore, the University must fund wage increases in FY11. It will not be easy as we are doing more with less, but there has been a continued commitment to do all we can with what we have. Unfortunately, the State will be once again sweeping University reserves to the State's General Fund in the amount of \$15 million in FY11. It is important to note that fund balances do not occur as a result of the state appropriation, but through the stewardship of resources provided via non-state revenue streams. The sweeping of these fund balances to the State General Fund will reduce resources available to support the Academic Plan, to repair the physical plant and bridge the period between additional reductions in State support and additional reductions in expenses or increases in revenues.

For FY11, the Health Center's budget includes state funding for fringe benefits of \$13.5 million for John Dempsey Hospital (JDH). This is in recognition of the fringe benefit differential between JDH and the average at other Connecticut hospitals. The legislature approved an appropriation of \$119.3 million for FY11. The \$119.3 is an increase over the FY10 appropriation of \$1.6 million. This is continued recognition of the structural challenges at the Health Center. These structural challenges include a higher proportion of Medicaid patients and a higher proportion of non-medical surgical programs delivered by the Health Center.

Fringe benefit support from the State for Storrs is estimated to be \$96.5 million for FY11. The State share of the Storrs-based operating budget, which stood at 50% in FY91 and 35.4% in FY06, is projected to be 32.1% for FY11. Fringe Benefit support from the State for the Health Center is estimated at \$47.5 million for FY11. Total State support (including fringe benefits) for the Health Center is 22.9% for FY11.

SPENDING REDUCTIONS AND CONTROLS

Over the course of the last few years, Governor Rell has issued a number of directives to reduce state spending as an immediate response to revised revenue projections. The University has instituted new procedures in keeping with the Governor's specifications, including serious constraints on the hiring of personnel for both the Storrs-based program and the Health Center.

We continue to seek efficiencies where possible, both immediate and long-term. At Storrs, the CORE Task Force continues to seek ways to generate cost-savings, efficiencies, and revenue enhancements. For example, certain operating expense categories, such as advertising, printing, postage, travel, and consulting fees, have decreased by more than \$7 million since FY08.

Pursuant to the direction of the Board of Trustees, a Request for Information (RFI) to independent consulting firms to perform strategic educational redesign and transformation services to the University, was issued on April 23, 2010 with a deadline of May 7, 2010 (extended to May 14, 2010). The University received sixteen responses to the RFI. Two of the responders indicated that they did not perform the services as required by the RFI and one firm stated that they could not respond to the RFI given its commitments to other clients but might respond to a formal Request for Proposals (RFP). The informal RFI process allows the Administration to engage in conversations with firms in regards to the crafting of the scope of the Request for Proposals without violating State procurement requirements. During the week of May 24, 2010, staff interviewed twelve of the thirteen responders and they plan to interview the one remaining responder during the week of May 31, 2010. The goal is to issue the RFP in the next few weeks, receive responses by the end of August 2010 and hire the firm during September 2010.

At the Health Center, the "value analysis" project, a systematic look at ways to reduce costs and enhance operations, continues to produce savings in such areas as product standardization and scheduling improvements. In addition, the revenue cycle enhancement program is also producing efficiencies. The Health Center is benefiting from UCONN 2000 in energy conservation efforts. Two major deferred maintenance projects (cooling coil and heating coil) are converting the original electric heat system to more energy efficient steam and hot water systems. The main cooling tower replacement is complete, and we continue to replace boilers and chillers with up-to-date energy efficient equipment.

BUDGET PLAN AND PRIORITIES

Although we have not yet completed the FY10 year-end closeout, our very preliminary estimates indicate that the Storrs-based program is forecasted to close the year with a net gain of \$2.9 million. While approximately \$1.0 million of the gain represents a reserve repayment for the Towers Dining Center and the Student Union, additional revenues expected in Tuition & Fees, Auxiliary Enterprises and Research as well as savings in Personal Services, Other Expenses and Energy will offset the required transfer of \$8 million from University reserves to the State General Fund.

The Health Center projects a FY10 operating gain of \$1.9 million. The proposed budget for UCHC for FY11 is essentially break even, a gain of \$42,293.

The proposed spending plan for FY11 projects a \$14.0 million net loss for the Storrs-based program consisting of the \$15.0 million transfer of University reserves to the State General Fund and the \$1.0 million reserve repayment from the November 2001 drawdown of \$11.5 million for the Towers Dining Center and the Student Union. (Percentages represent increases over the prior year.)

	<u>FY10 Forecast</u>	<u>FY11 Budget</u>
Storrs based*	\$993.1 million	\$1,047.5 million (5.5%)
Health Center	\$751.1 million	\$787.3 million (4.8%)
Total	\$1,744.2 million	\$1,834.8 million (5.2%)

*Note that these expenditure figures include the transfer of funds to the State General Fund.

(Please note: detailed charts for the current funds budgets, and their revenue/expenditure components, are found in Tab 5 and 6 of the budget materials.)

This budget reflects the following:

- The state appropriation and estimates of state fringe benefit support.
- Efficiencies, cost-reductions and reallocations rolled out permanently into the base budget.
- Revenue enhancement/implementation of charges previously approved by the Board.
- Expenditures for quality: faculty hiring plan, course coverage and an enriched educational experience.
- Expenditures for equity and increased financial aid.

STORRS & REGIONAL CAMPUSES

Our strategic budgetary focus remains the faculty hiring plan, which is the key to realizing the Academic Plan's three interrelated objectives: improving undergraduate instruction, growing research productivity and enhancing the University's reputation as a center for scholarly endeavor. The University's plan to increase full-time faculty is designed to: enhance the quality of the student experience, further the state's economic growth through research and workforce development, solidify the University's growing national reputation, and maximize the investment of parents and all taxpayers by ensuring that students can graduate in four years.

In FY06, we began the academic year with 51 net new faculty members. In FY07, we added 13 faculty to that number. Starting in FY08, the effort to recruit more faculty was organized into a comprehensive five-year plan. The plan provided for hires in areas that respond to student demand, offer greatest research opportunity and tie to the state's economic development. Many of the initial positions are in the fields of the state's

workforce needs, namely science, technology and financial services. The faculty hiring plan had as its five year goal the addition of 145 net new faculty active in both instruction and research by FY14. Although we had sought state support for the effort in past years, until FY08 our additional hiring was funded through reallocation of resources. In FY08, \$2 million in reallocated funds were enhanced with an important infusion of \$1 million in new, targeted State aid for the hiring of additional faculty. (The biennial budget included \$1 million-not additive-for FY09 as well.) The funding of the FY08 component of the plan resulted in a net increase of 30 faculty members. The FY09 phase of the plan, all funded through reallocation, supported yet another addition of 30 faculty.

Due to the 52 faculty who took advantage of the Retirement Incentive Plan (RIP), we are behind planned faculty hiring goals once again. During FY10, the total faculty count dropped by 38. Rebuilding our base over the next several years in order to ensure that the faculty hiring plan aligns with the Academic Plan will require a continued investment during a time of scarce resources.

Revenue

The University relies heavily on its non-state revenue streams for fiscal stability, particularly in times when the State budget is under stress. These sources include tuition/room/board/fees at Storrs and the regional campuses, as well as private support and research funding.

The proposed budget incorporates the implementation of increases approved in February 2010 for tuition, room, board and fees. Detailed breakouts are in Tab 6 of these materials. Please note that for an in-state student, tuition covers only about one-third of the cost of academic services; all charges combined (tuition, room, board and fees) cover only one-half of total costs.

For FY11, the total in-state undergraduate charge will be \$20,968, an annualized increase of 5.96% over FY10. Out-of-state undergraduate charges would rise at approximately the same percentages, for a total charge of \$37,432 in FY11. As described below, additional financial aid is budgeted to offset the impact of increased charges on financially needy students and families. UConn remains a tremendous value in comparison to our competitors—but it is a value only if the high quality of education remains high.

Tuition revenue growth, the combined effect of enrollment and tuition charges, is projected at 6.0% for FY11 over FY10. (Please see Tab 6 Current Funds chart.) Changes in room and board (in Auxiliary Enterprises) and fees drive an increase of 4.2% for FY11 over FY10 revenue. Please note that growth in these revenue streams is a function of rate changes and occupancy. Another major source of revenue for FY11 is state support of \$332.1 million (a 1.6% increase over FY10 is due to changes in the fringe benefit rate).

Expenditure Highlights

- Current Services Needs
This budget respects the constraints of the current economic environment. A portion of the increase in the budget is to support inflationary growth in ongoing activity: fringe benefit costs, utility demands, and service and commodities contracts. The one area of expansion that serves as the primary exception to this general rule is financial aid, described below.
- Financial Aid
Financial aid represents an expenditure that, while to some extent discretionary, is inextricably intertwined with the mission of the University and is therefore treated as a mandatory line item in our budgets. When we develop our budget, each increase in student costs is matched by increased financial aid to ensure that no student's UConn education is denied or hampered based on financial need. For FY11, the University will earmark \$358.4 million for all forms of financial aid, and \$112.8 million (including tuition waivers) of that amount will be funded with tuition revenue. In other words, over 39% of this University's tuition revenue is dedicated to financial aid; 17.7% is dedicated to need-based aid. In fact, 77% of UConn's students received some form of assistance last year. This budget represents an increase of \$17.5 million over FY10 total financial aid expenditures.
- Equipment and Plant Renewal Program
As you know, UCONN 2000 includes project lines entitled "Equipment, Library Collections and Telecommunications," and "Deferred Maintenance/Code/ADA Renovation Lump Sum". In the past several years, we successfully shifted all library collections purchases onto operating dollars in order to help free up Equipment funds to address other capital needs. Additionally, in the past years, we have discussed the importance of gradually shifting equipment and some deferred maintenance onto operating dollars to ensure a stable funding stream for these activities. A steady phase-in would free up UCONN 2000 dollars for reallocation to other capital expenses. The FY11 budget includes \$3.5 million for equipment to the operating budget. The equipment phase-in will continue each fiscal year with the total coming from operating dollars by FY16. For FY11, we have set-aside \$2.5 million for a plant renewal program which will assist us with our deferred maintenance needs. We hope to increase this amount each year in order to relieve the pressure on other UCONN 2000 named projects.

HEALTH CENTER

In Fiscal Years 07, 08 and 09, the Health Center incurred losses before deficit appropriations of \$26.3 million, \$23.4 million and \$23.0 million respectively. The FY10 forecast is a gain of \$1.9 million. The proposed budget for FY11 is a breakeven budget. The following is a summary of significant revenue and expense changes.

Revenue

The state appropriation for FY11 for the Health Center is \$119.3 million. The Health Center expects State fringe benefit support of \$47.5 million, along with \$13.5 million for the John Dempsey Hospital fringe benefit differential. Of the Health Center's \$607.1 million in revenue for FY11, sources other than the state appropriation account for an

increase of \$29.4 million. Clinical revenue is projected at \$335.1 million, a 4.3% increase over FY10. Clinical revenues for JDH are forecast to increase 3.9% over FY10 and the revenue increase is due primarily to increased reimbursement. For UConn Medical Group (UMG), the overall increase to revenue is 4.4% of which 2.3% is based on volume and the remainder is due to rate increases.

In FY11, we expect research award activity to increase. Research revenue is budgeted at \$88.2 million, a 3.0% increase over the prior year. Income related to the placement of interns and residents is \$47.8 million, an increase of 9.7% which includes a full year of the 15% rate for the cost recovery of operating the graduate medical education program. Tuition and fee revenue is \$18.4 million, which reflects the rate increases approved by the Board. \$98.6 million (on both the revenue and the expense side) reflects the contract with the Department of Correction for inmate health services. All other sources of revenue (including auxiliary) come to \$18.9 million.

Expenditures

The Health Center's "Signature Programs" in cancer, cardiology and musculoskeletal medicine are the nexus for the programmatic confluence of distinguished basic science research, clinical services growth and educational excellence. Through translational research, the Health Center's investment in the integration of research, clinical care and education via the Signature Programs is a key component of the Health Center's plan for long-term fiscal sustainability.

Detail for the Health Center spending plan is in Tab 5.

FUND BALANCE

For the Storrs-based program, the FY10 year-end unrestricted current funds balance is projected to be \$71.9 million. The unrestricted fund balance represents 8.0% of the FY11 unrestricted expenditure budget (\$895.1 million) or, alternatively stated, 29 days' worth of operations.

The \$71.9 million projected current funds balance represents the funds and inventory remaining in these accounts: the research fund (designated for research); the auxiliary operations (residential, dining, health, student activities and recreational services); and departmental generated (self-supporting fee-based instructional programs such as Continuing Studies and MBA).

It is important to remember that the fund balances, while not all technically encumbered, are committed in a more generic sense. First of all, funds may be held in a departmental account in anticipation of expenditure such as start-up costs for new researchers. Second, under the provisions of UCONN 2000, the University is required to maintain a renewal and replacement fund to keep projects in sound operating condition; the fund balance serves this purpose under the Master Indenture. Third, these amounts include inventory and prepaid expenses.

The unrestricted fund balance is our operating capital and reserve for programs and activities that generate revenue and is not supported by the State appropriation. We borrow from the fund balance to pay our bills when necessary. For example, in Fiscal

Year 2004, the University did not receive \$13.4 million in state fringe benefit support until June—the very end of the fiscal year. In Fiscal Year 2005, the first quarter allotment of our entire appropriation did not arrive until September 28th—two days before the close of the fiscal quarter. Another example: the state generally informs us of changes in fringe benefit rates after the fiscal year has started, and frequently the increases have a significant fiscal impact. The fund balance allows us to manage these dislocations without disrupting the University's operations.

Throughout the year, when funds are available, we also set aside dollars in accounts for planned one-time expenditures, mostly capital. These accounts comprise our plant funds resources for projects for Auxiliary Enterprise operations such as Residential Life, Dining Services, Student Health Services, Student Union and Athletics. The University has a policy that a departmentally funded construction project does not begin unless the funding has been identified and transferred to plant funds. For Residential Life, the window of opportunity to actually complete many repairs and renovations is limited as some projects cannot be done while students are occupying the buildings, so the actual spending of the cash is a timing issue.

Also, the plant funds balance includes funds set-aside for on-going code related corrective action such as the Office of the State Fire Marshal Legacy Code Remediation project, which will correct discrepancies in 56 buildings, and various fire alarm audibility upgrade projects. The additional funding for these projects totaled \$15.1 million. These projects are moving forward expeditiously with completion anticipated near the end FY11.

For Storrs, then, our FY10 year-end unrestricted net assets forecast of \$177.2 million is made up of the \$71.9 million current funds balance, \$69.0 million in unexpended plant funds and a third component: \$36.3 million in funds that are internally restricted for the retirement of indebtedness. We have traditionally been very conservative with regard to savings for debt obligations, maintaining funds at a level of approximately 1.76 times our annual debt payments. We believe that this policy has served us well when we are evaluated by the various credit rating agencies.

Finally, at the Health Center, the forecasted FY10 year-end unrestricted operating fund balance of \$78 million represents 10% of the FY10 budgeted expenditures (\$780 million) or, alternatively stated, 36.5 days' worth of operations.