Board of Trustees

Tuition Planning Presentation

FY17- FY20

October 28, 2015

UCONN

Agenda

- Academic Quality Advancements
- Tuition is an Important Part of the University Budget
- Increasing Costs and Declining State Funding
- Measures to Mitigate Against Budget Gap
- Comparison of UConn Tuition to Peers and Competitors

Student Success by the Numbers

- UConn is a Top 25 Public National University (19th) in *U.S. News & World Report* undergraduate ranking.
- UConn's outstanding Retention & Graduation Success has contributed to this recognition.
- Among the 58 Public Research Universities, we rank:
  - ✓ 14th in Freshmen Retention Rate at 93%
  - ✓ 6th in Average Time to Degree at 4.2 years
  - ✓ 15th in 6-year Graduate Rate at 83%
  - ✓ 9th in 6-year Minority Graduation Rate at 82%

Outstanding Academic Success

UConn has improved by leaps and bounds over the last few years, including reduced time to graduation and increased educational quality.

UConn successes:

- Hired 260 new faculty
- Lowered student to faculty ratio from 18.3:1 to 16.8:1
- Increased number of class offerings by 33%
- Reduced class size throughout general education and science courses

UConn has made great strides and needs to continue moving forward

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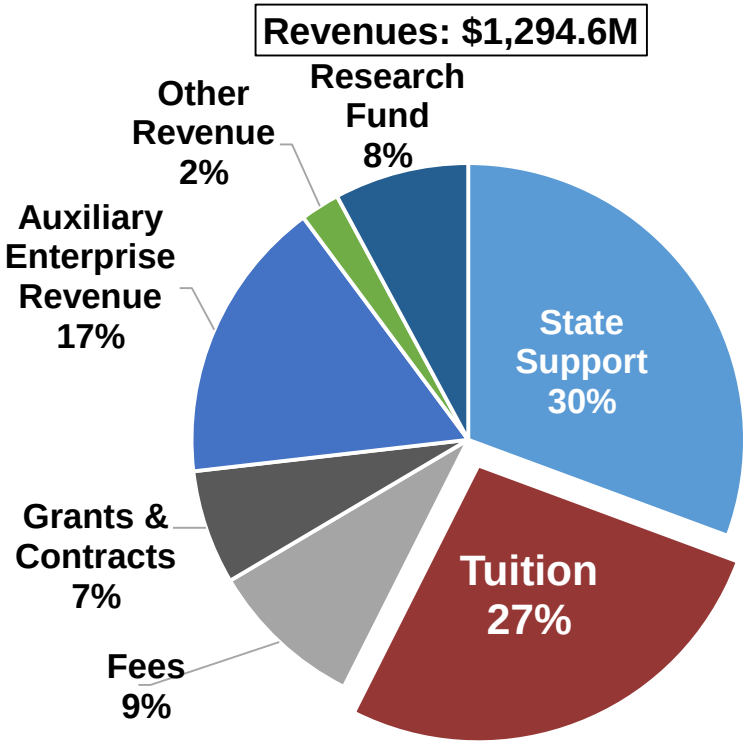
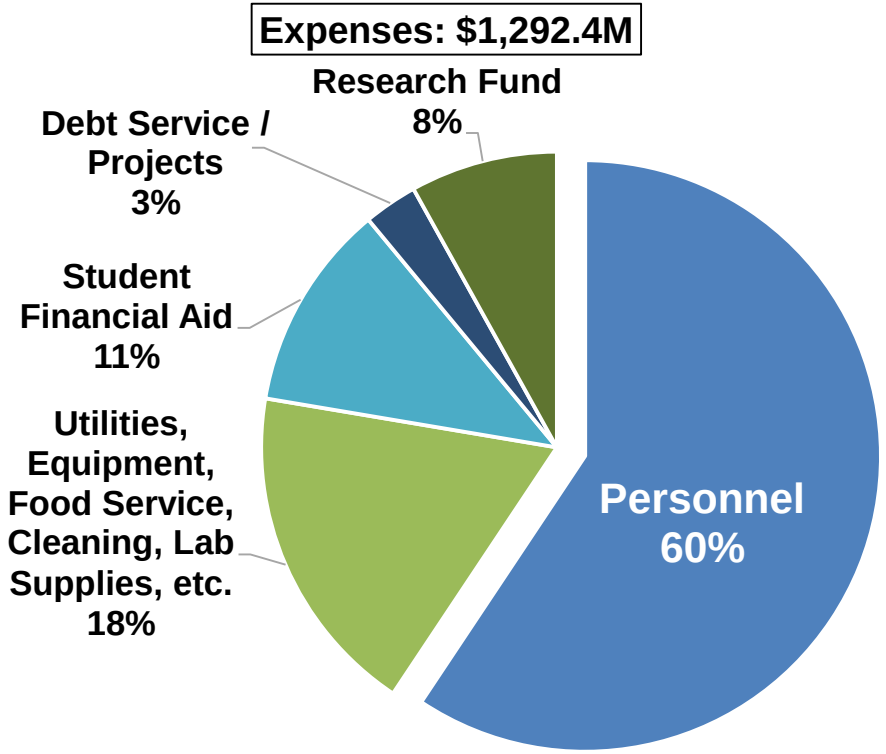
Tuition is 27% of Overall FY16 Operating Budget





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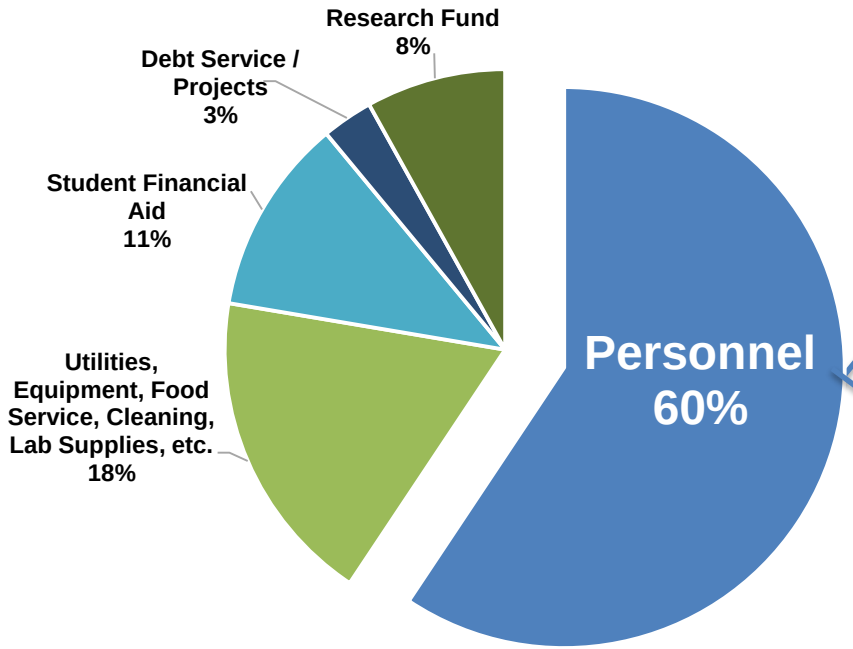
Personnel Breakdown

Expenses: $1,292.4M



Personnel Breakdown	
Faculty	41%
Professional Staff	33%
Police/Fire/Facilities/etc.	13%
Graduate Assistants	5%
Leadership	2%
Other (student labor, temps, etc.)	6%

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Some things tuition pays for….

Not a full list, for illustrative purposes only.

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State Cuts to UConn

Over last 8 years, UConn has been cut by approximately $82M:

- $40M Rescissions
- $19M Fringe Benefits Return
- $23M Fund Balance Sweeps

State Support vs Mandated Salary/Fringe Increases

Since FY13, growth in State funding has been $32.4M less than mandatory salary & fringe increases.

$ Millions	FY13	FY14	FY15	FY16	TOTAL
Mandatory Increases					
Contractual Wage Increases	$0.0	$17.0	$19.6	$23.8	**$60.4**
Healthcare and Retirement Increases	$11.2	$21.1	$2.7	$14.1	**$49.1**
Total Mandatory Increases	**$11.2**	**$38.1**	**$22.3**	**$37.9**	**$109.5**
State Support Increase	**$6.1**	**$19.6**	**$20.2**	**$31.2**	**$77.1**
Funding Gap	**($5.1)**	**($18.5)**	**($2.1)**	**($6.7)**	**($32.4)**

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Impact of Cuts

UConn has done the following to balance the University budget as a result of State cuts:

- Workforce reductions
- Slowing down of faculty hiring
- Academic program elimination and reduction
- Fewer Library collections
- Reduced Library hours
- Consolidation of academic units
- Less maintenance of facilities
- A reduced amount of Financial Aid

FY17 Budget Projection

- Current FY17 Projected Budget Gap is $40.2M
- UConn is bracing for additional cuts in FY16 and a lower appropriation for FY17 due to recent State budget news

Going Forward

Goal: Keep UConn great by protecting quality in the face of shortfalls in State funding, through generation of the necessary resources and encouraging efficiency and cost reductions.

Tools Used for Balancing the Budget

UConn continuously uses the following tools to balance the budget:

Revenue Options

- Grow philanthropy
- Increase enrollment
- Offer more online and summer programs
- Grow entrepreneurial programs
- Increase Technology Commercialization & Business Incubation

Expense Options

- Reduce workforce through position elimination
- Cut academic programs and departments
- Streamline processes for cost reductions
- Promote efficiencies
- Slow down faculty hiring

Tuition Considerations

As we consider tuition for FY17 – FY20, the University must balance the need for increased revenue by:

- Ensuring a great education for students
- Protecting the physical and mental health of our community
- Promoting diversity – geographic, ethnic, socio-economic, etc.
- Competitiveness
- Accessibility and affordability for students and families

Cost of Attendance in FY16

Current FY16 rates for in-state and out-of-state students.

	In-State	Out-of-State
Tuition	$10,524	$32,066
Mandatory Fees	2,842	2,842
Subtotal	**$13,366**	**$34,908**
Room & Board	12,174	12,174
Direct Cost of Attendance	**$25,540**	**$47,082**

Does not include costs for books, supplies, transportation, etc.

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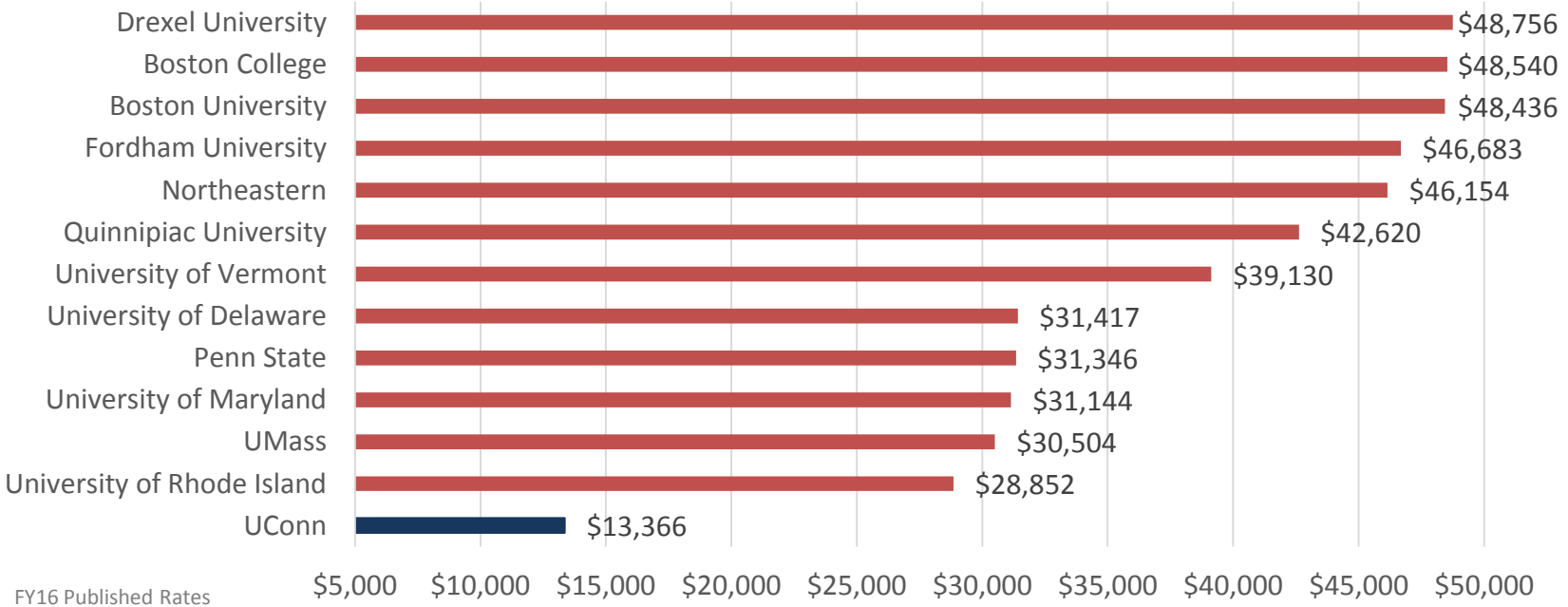
Financial Aid to Undergraduate Students

UConn is committed to providing financial aid.

	Amount Awarded	Number of Students	Percent of Students
UConn Grant	$68.8M	10,600	46%
CT Governor's Grant	$6.5M	2,393	10%
Federal SEOG	$0.75M	194	0.8%
Federal Pell Grant	$23.9M	5,684	25%
Federal Perkins and Direct Stafford Loans	$75.7M	11,166	49%
Financial Aid from All Sources	$336M	17,871	78%

Tuition and Fees for a Connecticut Resident vs. Competitors

For Connecticut residents, UConn offers the best value



FY16 Published Rates

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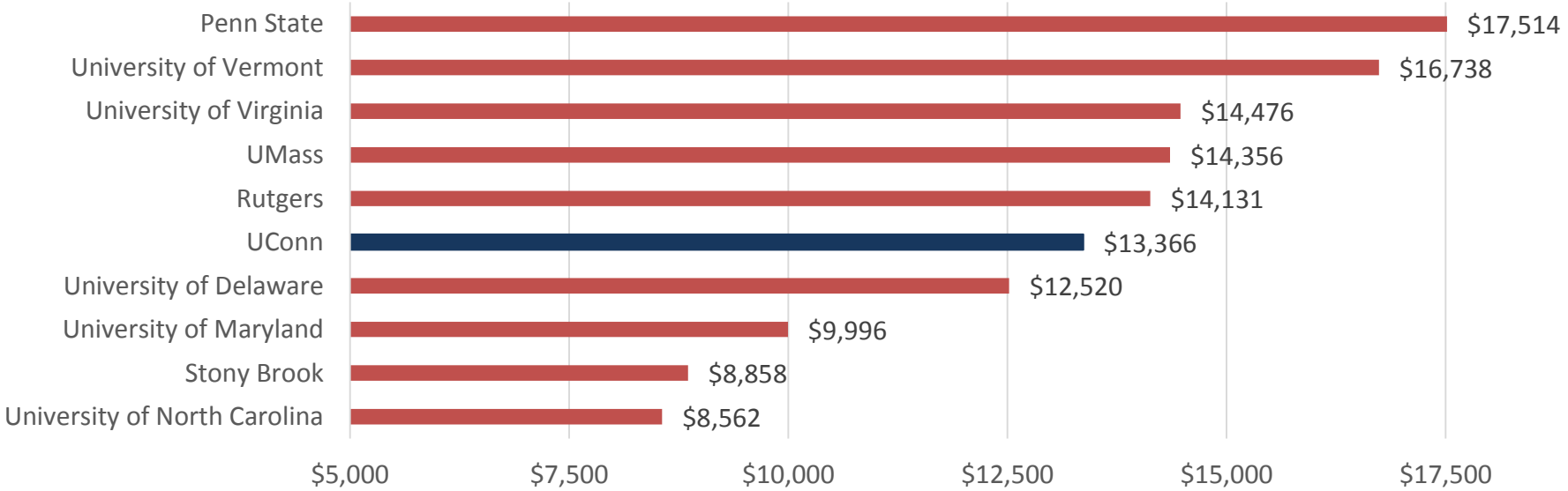
In-State Tuition and Fees Compared to Public Competitors

In-state tuition and fee rates at competitor public flagship institutions



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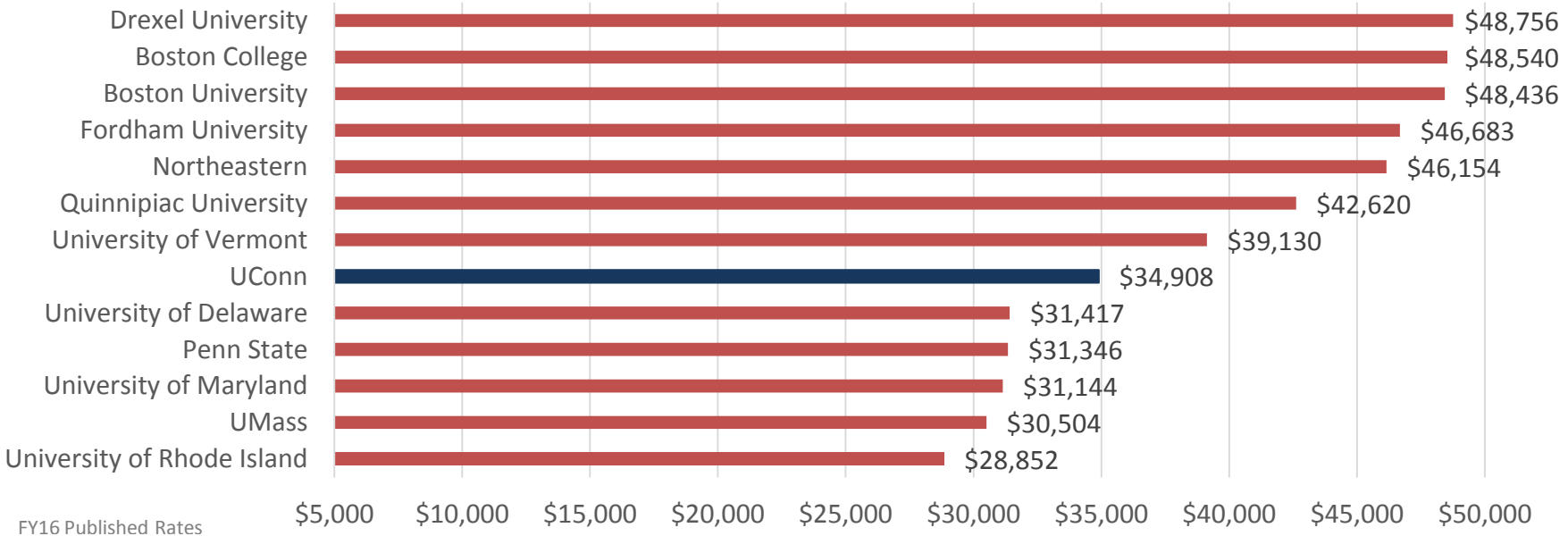
Tuition and Fees for a Non-Connecticut Resident vs. Competitors

For non-Connecticut residents, UConn is the second highest cost among public flagship institutions



FY16 Published Rates

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Consequences of Inaction: What we want to avoid

Possible consequences of inaction:

- Drop in *US News & World Report* rankings
- Closing of Regional Campuses
- Increased class sizes
- Fewer courses offered
- Elimination of sports
- Lack of police and fire personnel
- Scarcity of mental health resources
- Reduced maintenance of facilities
- Less access for low-income students
- Elimination of academic programs or departments
- Less GA/TA support available

Next Steps

- Due to State cuts and rising mandatory costs, UConn is projected to have a Budget Gap in FY17
- UConn will need to address the Budget Gap with multiple solutions, including cost reductions, efficiencies, and increased revenue or the University is in danger of losing the major gains that have been made with respect to academic quality, including faculty hiring, course offerings, and student success
- Need to decide on tuition for FY17 – FY20