

December Town Hall
Tuition Planning Presentation
FY17- FY20
December 1, 2015

Why Do We Have To Raise Tuition?

1. To keep UConn great by protecting academic quality and the gains made over the last few years
2. Cuts and Shortfalls in State Funding
3. Increasing Costs – specifically mandated contractual increases and benefits

Outstanding Academic Quality

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

UConn successes:

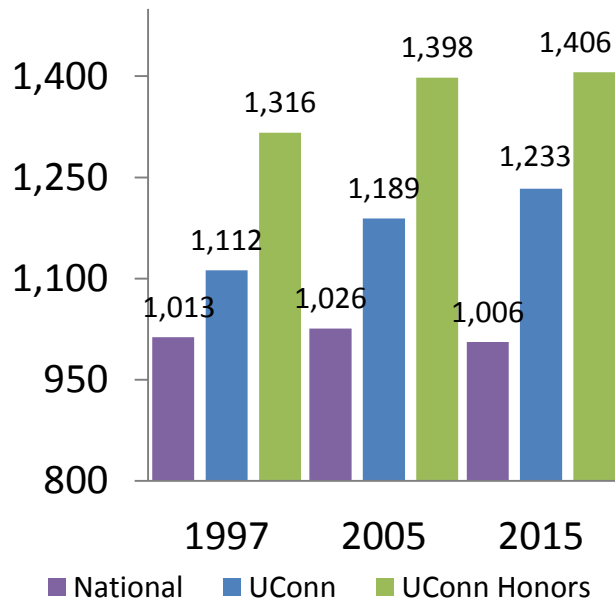
- Top 25 Public National University (19th) in U.S. News and World report
- Hired 260 new faculty
- Lowered student to faculty ratio from 18.3:1 to 16.8:1
- Decreased average time to degree to 4.2 years
- Increased number of class offerings by 33%
- Reduced class size throughout general education and science courses
- Increased academic quality of students

UConn has made great strides and needs to continue moving forward

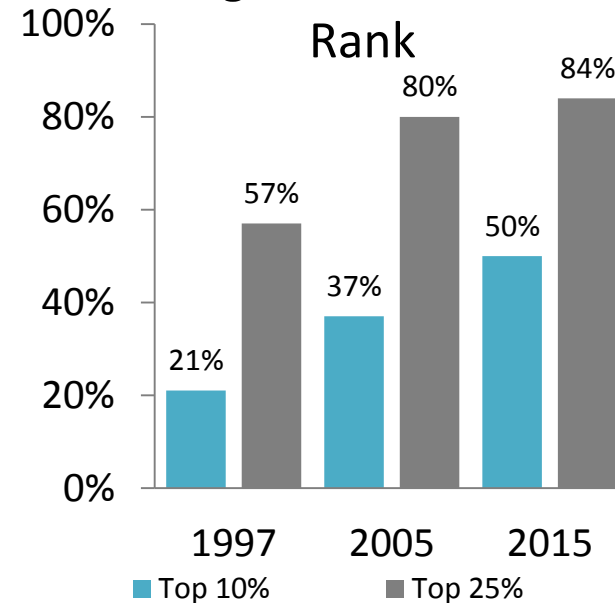
Freshmen Quality

Freshmen quality has improved by all measures, including SAT and High School Rank.

Mean SAT Scores

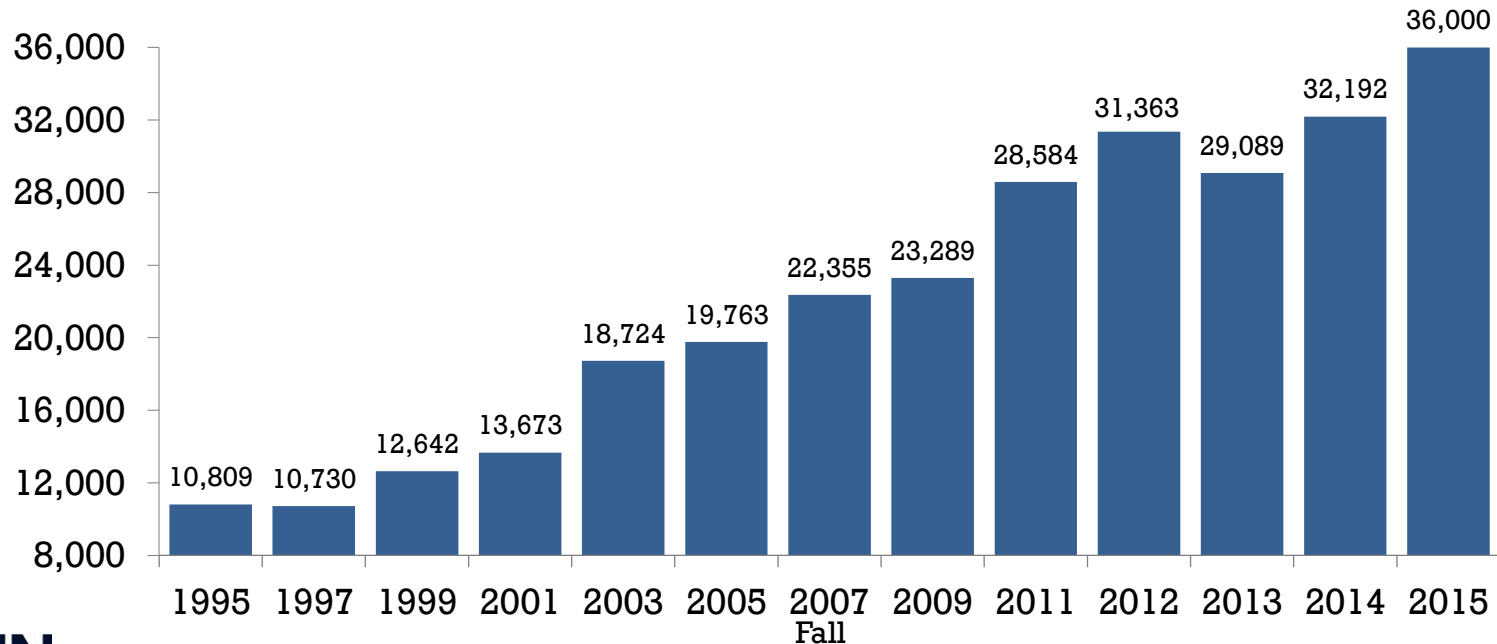


High School Class Rank



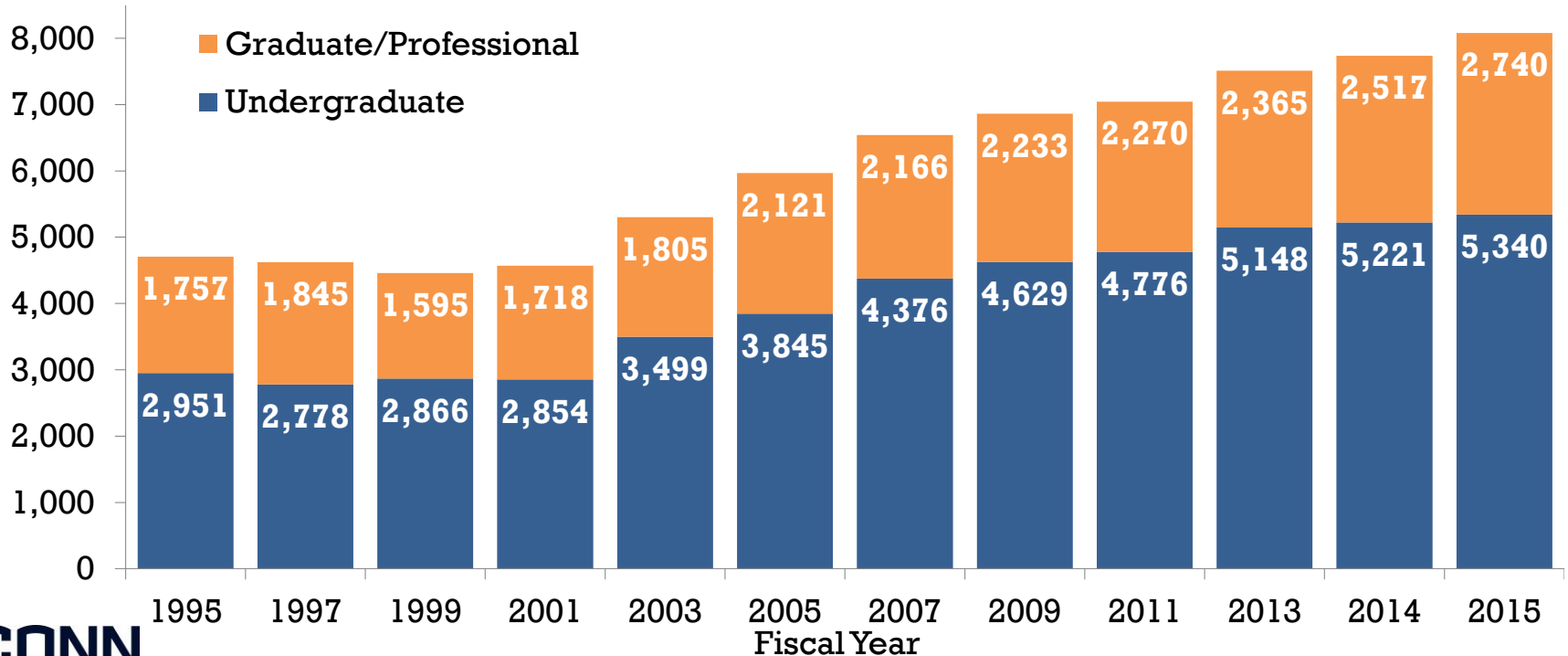
Freshman Application Trends

Applications at all campuses have increased 233% from Fall 1995 to Fall 2015



Degrees Awarded

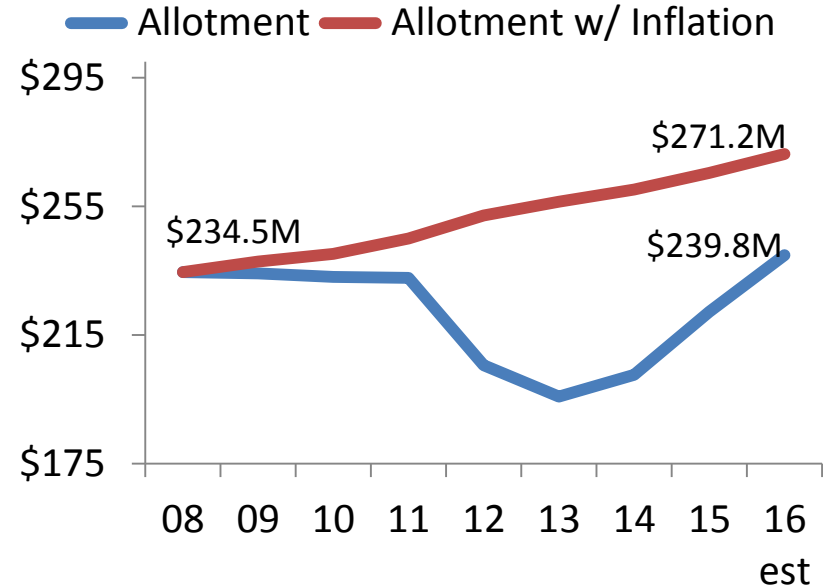
Undergraduate degrees awarded have increased 81% since 1995



Trends in State Funding

Fiscal Year	Approp (\$M)	Actual Allotment (\$M)	Reductions (\$M)	% Perm Employees Funded by Allotment
'09	\$247.9	\$234.1	\$13.8	70%
'10	235.3	233.0	2.3	73%
'11	233.0	232.6	0.4	68%
'12	207.7	205.6	2.1	61%
'13	206.1	195.8	10.3	57%
'14	203.4	202.6	0.8	53%
'15	229.6	222.2	7.4	56%
'16 est	243.2	239.8	3.4	~58%
Total Reductions		Approximately \$40M or \$59M w/FB + \$23M of Fund Balance Sweeps		

- More UConn tuition, fees & other revenues are required to provide support for employees & the increase in students since FY08



Shortfall in State Support

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)

UConn 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

Tools Used for Balancing the Budget

UConn continuously uses the following tools to balance the budget:

Increased Revenue Options

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

Cost Saving Options

- Restricted hiring through strict scrutiny
- Reduce workforce through position elimination
- Cut academic programs and departments
- Streamline processes for cost reductions
- Promote efficiencies
- Slow down faculty hiring
- Analyze closing regional campuses

Impact of Cuts

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

- Workforce reductions
- Careful review and strict scrutiny of hiring decisions
- Reduced faculty hiring
- Academic program elimination and reduction
- Consolidation of academic units
- Less maintenance of facilities

Cost of Attendance in FY16

Current 2015-16 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.

Financial Aid to Undergraduate Students

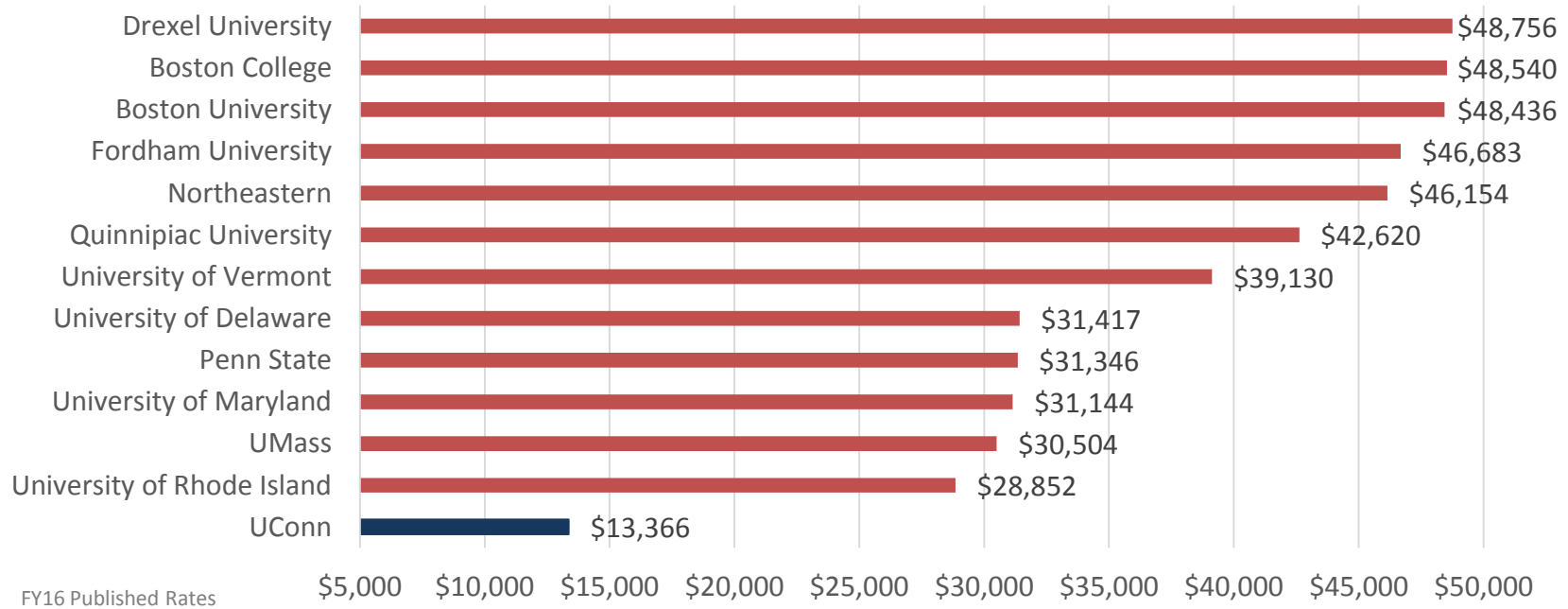
UConn is committed to providing financial aid.

	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%

46% of students receive University financial aid.

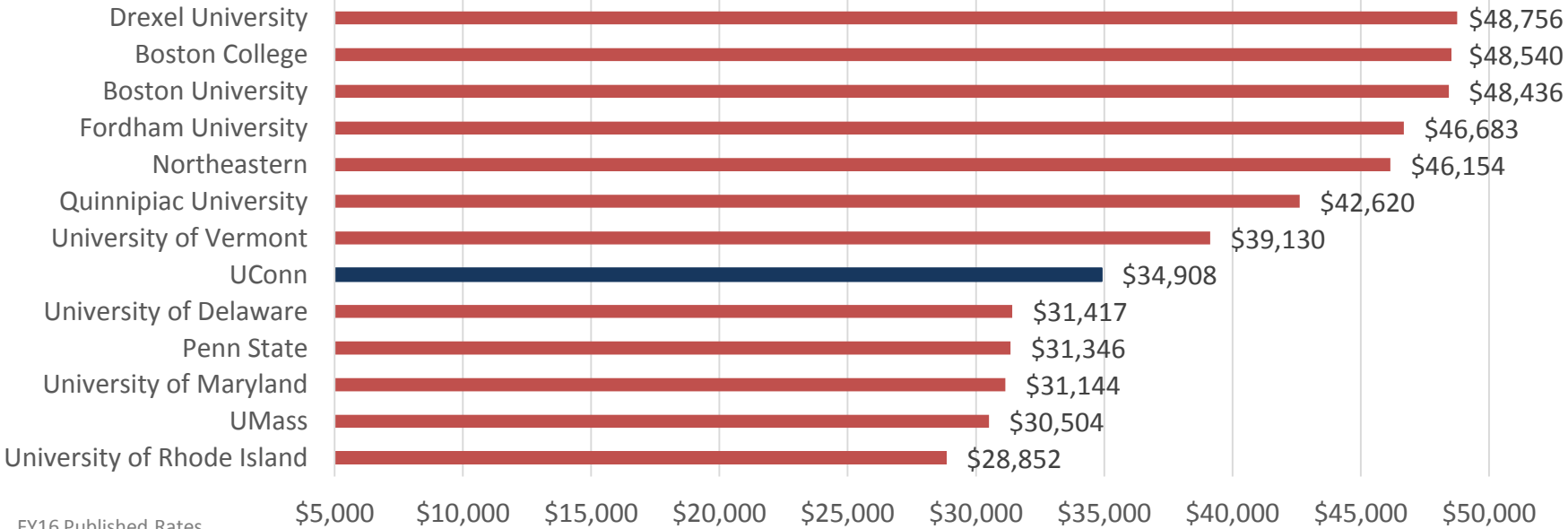
Tuition and Fees for a Connecticut Resident vs. Competitors

For Connecticut residents, UConn offers the best value



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

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

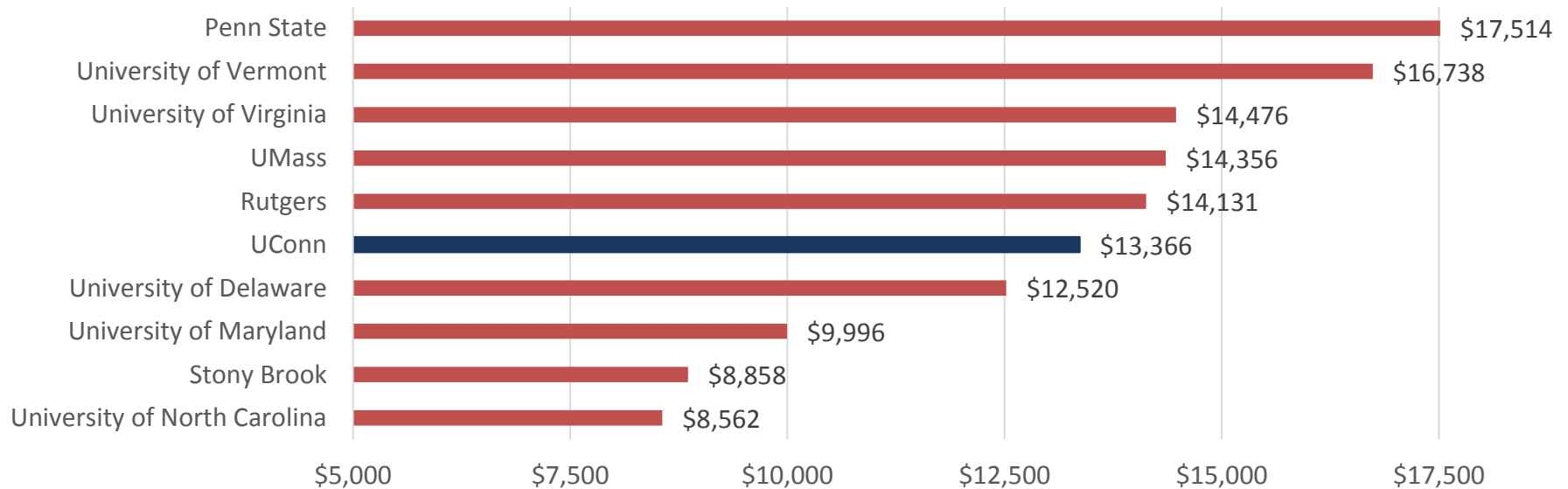


FY16 Published Rates



In-State Tuition and Fees Compared to Public Competitors

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



Four Year Tuition Plan: Administration Proposal

This plan balances the need for increased revenue with accessibility, affordability, and remaining attractive to students and parents.

	2016-17		2017-18		2018-19		2019-2020	
	Resident	Non-Resident	Resident	Non-Resident	Resident	Non-Resident	Resident	Non-Resident
Tuition Amount	11,224	33,016	11,999	34,066	12,849	35,216	13,799	36,466
Dollar Increase	\$700	\$950	\$775	\$1,050	\$850	\$1,150	\$950	\$1,250
New Revenue	\$15.3M		\$17.0M		\$18.6M		\$20.6M	
New Financial Aid	\$2.5M		\$2.8M		\$3.0M		\$3.4M	
Net New Revenue	\$12.8M		\$14.2M		\$15.6M		\$17.2M	

Current 2015-16 resident tuition is \$10,524 and non-resident is \$32,066.

FY17 Projected Budget Gap After Tuition Increases

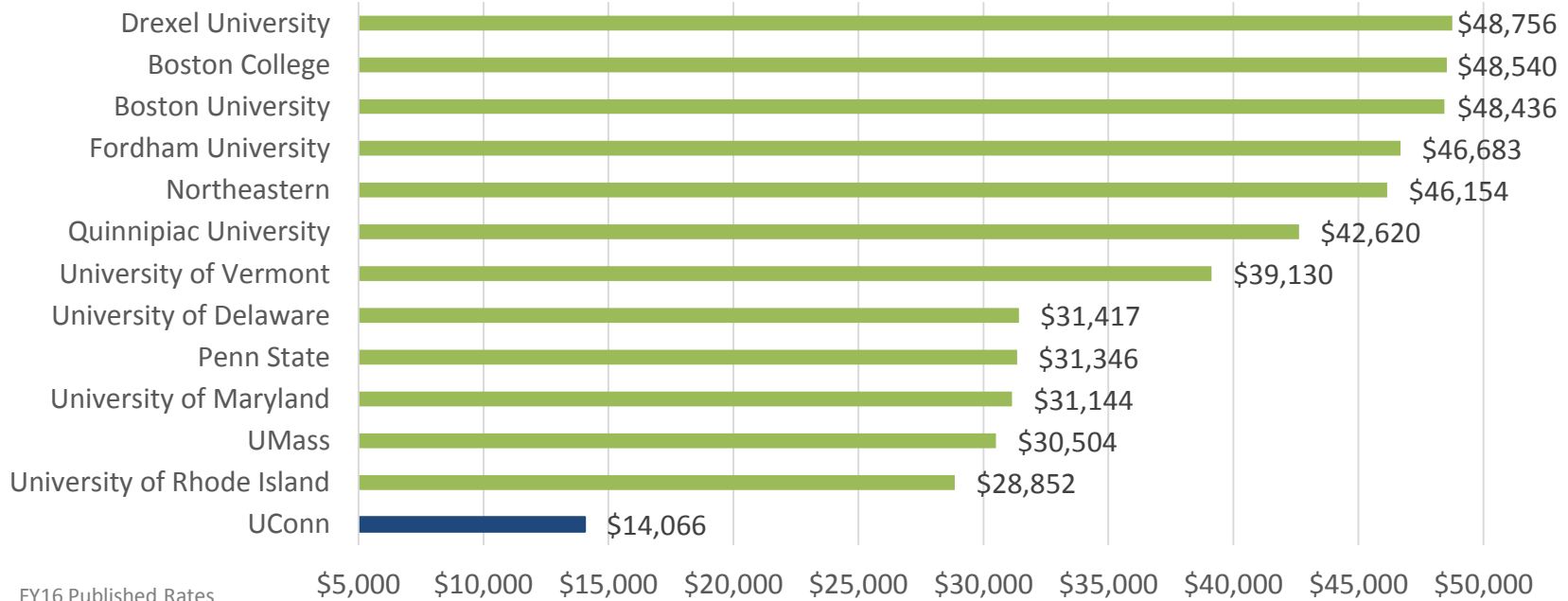
The proposed tuition increases will only contribute \$12.8M to the FY17 Budget Gap.

	FY17	
Projected Budget Gap	\$40.2M	
Proposed Tuition Increase (New Revenue)	\$12.8M	32%
FY17 Remaining Budget Gap	\$27.4M	68%

Other mitigation strategies – including cuts, judicious hiring, and operational efficiencies – will need to be utilized to fill the remainder of the gap.

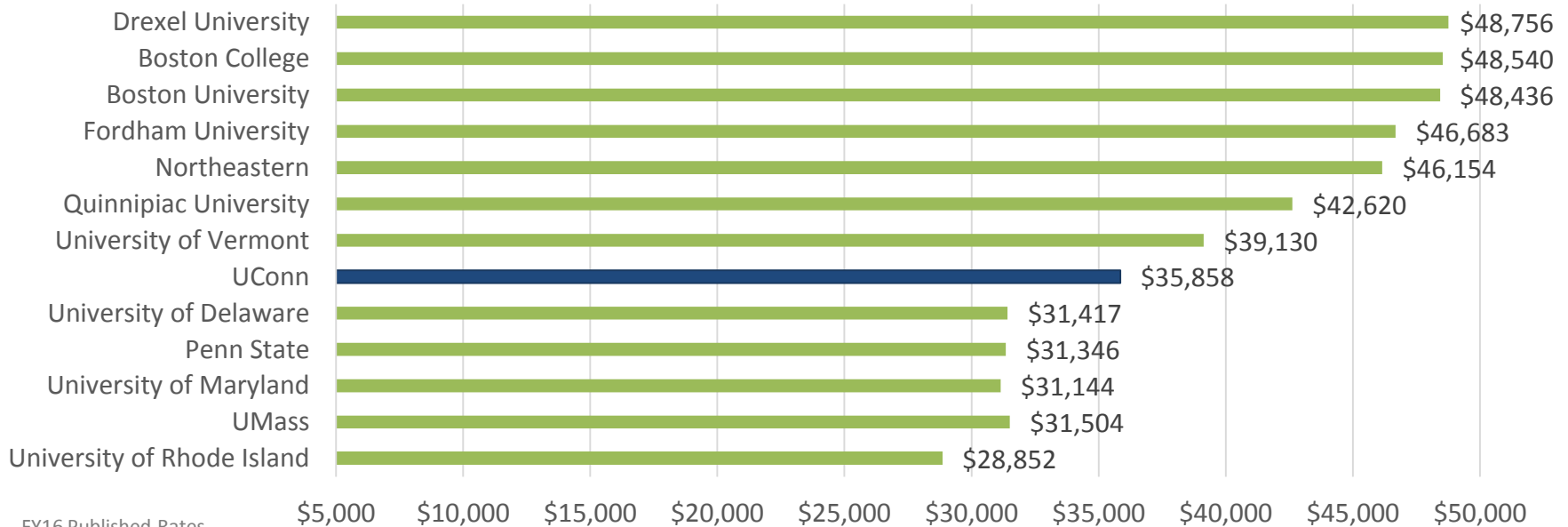
With 2016-17 Tuition Increase, UConn is still the best value

Comparing UConn's 2016-17 proposed tuition rates to Competitors 2015-16 rates still shows UConn offers the best value for Connecticut Residents.



UConn's 2016-17 Proposed Tuition and Fees for a Non-Connecticut Resident vs. 2015-16 Competitors rates

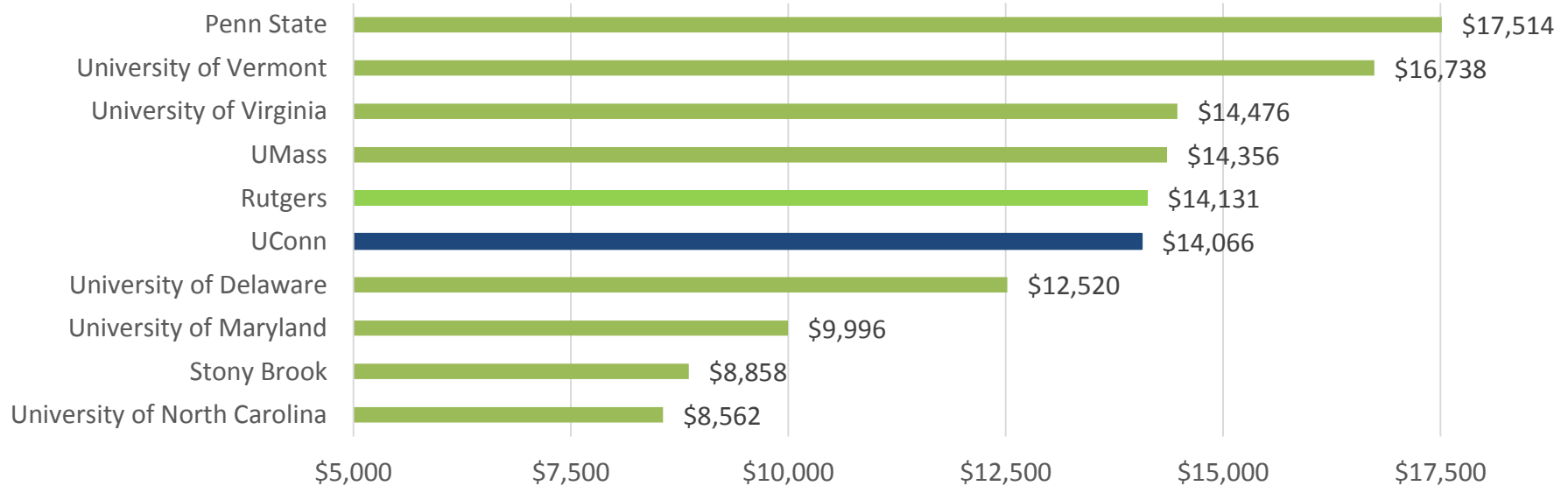
With 2016-17 tuition increase, for non-Connecticut residents, UConn remains the second highest among public flagship institutions



FY16 Published Rates

UConn's proposed 2016-17 In-State Tuition and Fees Compared to 2015-16 Public Competitors' rates

When comparing UConn's 2016-17 in-state tuition and fee rates to 2015-16 competitor public flagship institutions, UConn remains competitive



Summary

- UConn has increased academic quality over the last few years, including reduced time to graduation and smaller class sizes. We need to protect these investments and continue moving forward.
- UConn budget pressures are increasing due to increased costs and decline in State funding.
- As part of the tuition planning process our goal has been to maintain academic excellence and financial affordability.
- This 4 year tuition plan provides certainty for students and parents.
- Much work will still need to be done on the cost cutting side in the coming months to close the budget gap.
- UConn is a great university and a great deal for students.