

# UConn HEALTH

## Appropriations Committee Testimony

**Dr. Andrew Agwunobi**

**CEO and Executive Vice President for Health Affairs, UConn Health**

**February 19, 2025**

I am Dr. Andrew Agwunobi, Chief Executive Officer and Executive Vice President for Health Affairs of UConn Health. Joining me today is Jeff Geoghegan, Executive Vice President for Finance and Chief Financial Officer for UConn and UConn Health.

I would like to start by thanking each of you for your leadership, dedication and support. I would also like to thank the Governor, Secretary Beckham, Comptroller Scanlon, and others in the administration who continue to work closely with UConn Health.

Attached to my testimony is a packet of information about UConn Health for your review - it will provide you information on who we are and our budget requests.

Most of you know that UConn Health is the only public academic medical center in the state. We have a \$1.6 Billion budget of which the state provides 12%. UConn Health delivers three important services for the people of Connecticut: 1) First we educate and train healthcare professionals; this includes physicians, dentists, public health professionals, and graduate students; 2) Second, we conduct innovative and life changing research such as research into Lyme disease and stroke care; and 3) We provide the same world class care to all Connecticut residents whether they have Medicaid or commercial insurance.

What you may not know about UConn Health is that our schools of medicine and dental medicine: are highly competitive nationally- just this past year, our medical school received 5,721 applications for 112 spots, and the dental school had 1,600 applications for 52 spots. This benefits our state residents and workforce development: 80% of the School of Medicine incoming students and 60% of School of Dental Medicine incoming students are Connecticut residents. In terms of graduates, a notable statistic is that 25% of the physicians and 65% of the dentists practicing in CT trained at UConn

Health. Our School of Medicine is also a leader in building and developing a diverse healthcare provider pipeline for Connecticut through the Health Career Opportunity Programs, the Aetna Health Professions Partnership Initiative and the Visiting Students for Underrepresented Minorities program. The School of Dental Medicine has also been recognized by the American Dental Education Association for achievements in the recruitment and matriculation of underrepresented minority students.

From a patient care standpoint, you may also not have realized, that you as Connecticut State leaders have helped create a public academic healthcare system that Connecticut can be proud of. John Dempsey Hospital and our University Medical Group, i.e. the physicians, is as good if not better than most health systems in the state when it comes to quality, patient experience and growth. For the last three years, our hospital has been recognized by Newsweek as one of America's Best-In-State Hospitals; and has received 8 consecutive "As" for Patient Safety by the national non-profit hospital watchdog organization, the Leapfrog Group; and has been named Top 15% in the nation for Patient Experience by Healthgrades. As a public academic medical center, the excellent care we provide is available for all Connecticut residents.

Perhaps the most telling testament to the amazing care and patient experience at UConn Health is that UConn Health's patient volumes have been rising exponentially. We had a record 1.6 million outpatient visits last year, and our hospital's Emergency Department saw over 57,000 patients - an increase of 63% since FY 21. Due to the demand for our services we applied for and were recently granted an additional 23 beds a 10% increase in capacity. No surprise our clinical revenues have also risen steeply: From 2014-2024, UConn Health has grown its net patient care revenue by 158% from \$371.5 Million to \$957.5 Million and by the end of FY 25 we expect revenues to be at \$1,003.4 Million

As I have mentioned, we are most proud that we provide this same level of care to the insured and the underinsured. Overall, one in four of our patients are Medicaid recipients, and we provide an out-sized share compared to other hospitals of specialty services and surgeries to Connecticut's patients who are on Medicaid.

**With regard to Research, Innovation and Start-Ups:** UConn Health has a vibrant research enterprise with \$90 Million in research awards with faculty who are engaged in a broad range of research activities with the goal of improving the health and well-being of the people of Connecticut and populations across the globe. We do research in basic, behavioral, and biomedical sciences, and seek to expand knowledge to propel the development of new and innovative drugs and treatments. Our clinical research programs encompass a broad range of contemporary medicine, with particular strengths in the areas of addiction studies, aging, and cardiovascular disease. We are also deeply engaged in genomics and the development of personalized medicine.

Our collaboration with The Jackson Laboratory-Genomic Medicine is strong with joint grant submissions that have resulted in \$144.6 million in with another \$47 million pending. We also have a biotechnology startup incubator in Farmington that is highly successful. It remains at capacity, with 41 start-up companies that raised \$77 million in equity and other funding last year, and paid \$4.6 million in taxes.

We also continue to partner with Jackson Laboratory on our extremely impactful EndoRISE collaboration, which created the Endometriosis Connecticut Data and Biorepository, a diverse data and specimen biorepository to enable research, clinical, and industry collaborations, and serve as a centralized resource to disseminate information and raise public awareness about endometriosis.

Thanks in large part to your leadership and investment, UConn Health now generates **\$3.6 billion** in overall economic benefit to Connecticut, it contributes to nearly 21,000 jobs to the state economy, and is the single largest source of physicians, surgeons, and dentists in the state. And we are not done. We are continuing on our trajectory of adding even more value to the State, while at the same time working to reduce and eventually eliminate state funding for UConn Health's clinical enterprise over the next few years.

### **Financial Outlook and Budget Request:**

At UConn Health, our long-term strategic planning focused on growth and increased clinical revenue continues to make excellent progress. It is important to note that our efforts to reduce expenses, increase self-generated revenues and rely less on state support is part of a multi-year strategic plan to enable UConn Health to close funding shortfalls.

The Governor's proposed budget, if approved as written, will lead to a significant budget deficit of \$58.5 million for UConn Health in the upcoming fiscal year. Note that these comparisons exclude funding requests for salary increases.

Please note that our financial assumptions are based on current patient volume at UConn Health. Should these variables change, which they might, it could potentially affect our budget projections.

If approved, the FY26 percentage of UConn Health's budget funded by the state will be 7%, or 5% less than FY25.

State financial support to UConn Health is currently only 12% of our total budget. The Governor's proposed budget for FY26 & FY27 includes an appropriation of \$123.1 million and \$126.9 million for UConn Health (after the proposed 3% increase). Both are less than the UConn Health requested.

For FY26, before any salary increase, we requested **\$177.9 million for UConn Health which is \$20.3 million less than the FY25 approved allocation.**

With a combination of internal revenue gains and spending reductions already expected to be in place FY26, this additional support from the state is requested to balance the budget.

At UConn Health, we would be unable to absorb a funding shortfall of this magnitude, in such a short period of time, without harm to the educational, research and patient care mission.

Please also note another area of significant fiscal concern for us revolves around the new uncertainty regarding critical funding from the federal government. This includes the recently announced changes to the National Institutes of Health funding model that would reduce federal support for UConn Health related to our federal NIH grants which will significantly impact our research endeavors by millions of dollars this next year alone. That completely unexpected and dramatic reduction would have far-reaching negative implications. It could be the first of multiple changes that have major fiscal implications for breakthroughs in treatments for our patients now and in the future.

With regard to union contracts for all state employees that are currently being negotiated, any salary increases will require additional permanent state support. To be clear: the university and UConn Health support our workforce being paid fairly and competitively; our request is that the state fund the full cost of any pay increases it negotiates, as it does for nearly every other state agency. We are asking the state to cover those increases for all our employees on a permanent basis. For context, the value of a 3% increase in salary for all our employees is \$24.8 million. The Governor's proposal would provide \$3.7 million for this (noted as additional inflationary increases in the proposal) leaving a shortfall of \$21.1 million.

Every dollar in state support is spent on employee salaries. At UConn Health, 19% of our workforce is supported by state appropriated funding, while the remaining 81% is funded by UConn Health. This data illustrates that UConn Health is doing more than our fair share of absorbing the costs of running a major public health system and medical school that benefits our entire state.

**Additional Budgetary Impacts:**

**UConn Health Fringe Benefit Differential:** The proposal eliminates funding of \$4.5 million in both FY26 and FY27 associated with fringe benefit costs for UConn Health. This subsidy was originally added in the FY24 and FY25 Budget corresponding with the

repeal of a statute related to fringe benefit support for the UConn Health Center. Section 44 of PA 24-81 continued this funding.

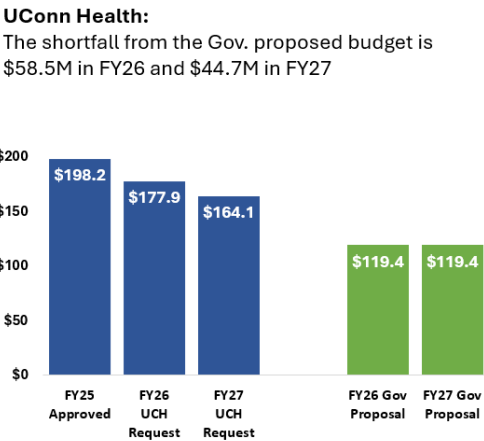
**Medicaid Reimbursement:** We are very encouraged that the Governor’s proposal includes an increase of \$35.4 million in state funding for Medicaid reimbursement to providers over the biennium, including \$10.4 million in FY26 and \$25 million in FY27. DSS recommends putting that funding towards increasing payments to health care providers, ensuring that behavioral health providers receive the same reimbursement for children and adults, and other adjustments. If passed by the Legislature, this will increase Medicaid reimbursement rates for providers at UConn Health- something we, along with other private providers have been advocating for every legislative session. The exact impact to UConn Health’s operation is unknown at this time.

We are grateful for your continued support and look forward to working with you over the coming months as we engage in our continued partnership with the state.

**Financial Overview**

**Request for State Operating Support is Going Down**

- UConn Health base funding request is lower than the FY25 approved state support by \$20.3M in FY26 and \$34.1M in FY27
- The Governor’s proposed biennium budget (excluding the ~3% additional inflation funds) is lower than requested creating a shortfall of \$58.5M in FY26 and \$44.7M in FY27

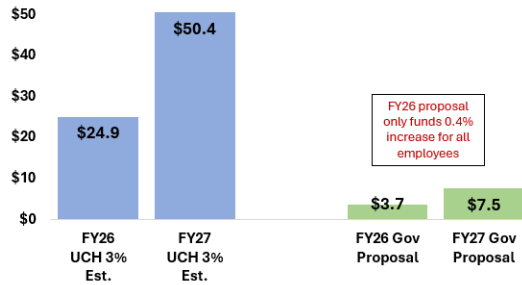


## Additional Inflationary Increase

For FY26, the Governor's proposal includes an additional \$3.7M for inflationary increases to the block grant (for ~3% future wage increase) which is \$21.2M less than required for all employees. For FY27, the Governor's proposal includes \$7.5M which is \$42.9M less than required for all employees.

### UConn Health:

The shortfall from the Gov. proposed ~3% is \$21.2M in FY26 and \$42.9M in FY27

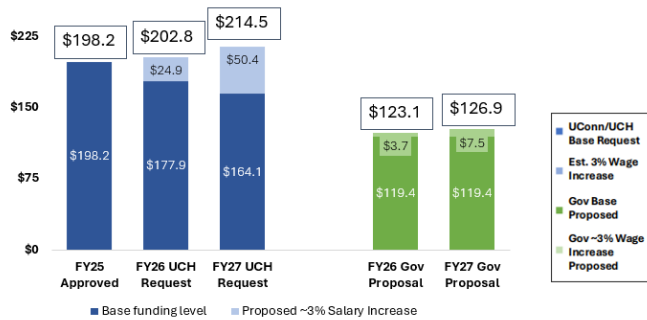


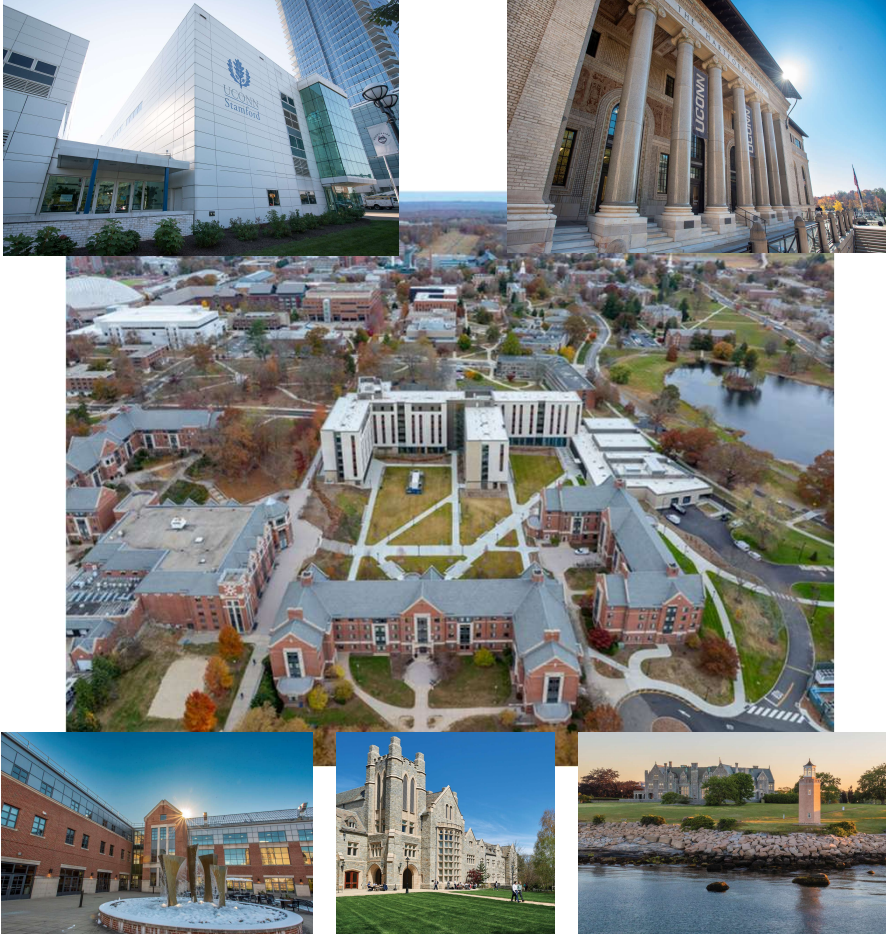
## Total State Budget Operating Support

- UConn Health base funding request is lower than the FY25 approved state support by \$20.3M in FY26 and \$34.1M in FY27
- The Governor's proposed biennium budget (including the ~3% additional inflationary increase) is lower than requested creating a shortfall of \$58.5M in FY26 and \$44.7M in FY27

### UConn Health:

The shortfall from the Gov. proposed budget is \$79.7M in FY26 and \$87.6M in FY27





**UConn** | UNIVERSITY OF CONNECTICUT

# Who We Are

Dr. Radenka Maric, UConn President

Dr. Andy Agwunobi, CEO, UConn Health

Appropriations Committee

State Agency Presentation

February 19, 2025



**UConn** HEALTH

# Agenda

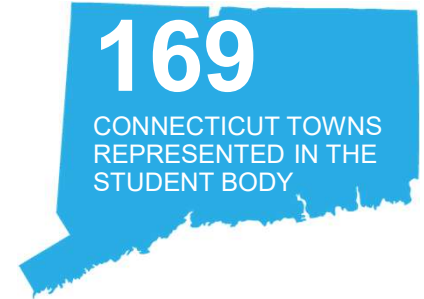
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# UConn by the Numbers

Fall 2024, UConn Storrs, regional campuses, and UConn Health



**4.1 Years**

Average time to degree, ranking UConn 2<sup>nd</sup> among national public research universities

**73%**

Of undergraduates are Connecticut residents

**46** States and **118** Countries called home by students

**25,304**

Undergraduate Students  
7% international

**84%**

Of undergraduates received financial aid in FY24

**2,494**

Permanent Faculty Members  
UConn 1,745 + UCH 749

**8,250**

Graduate & Professional Students  
21% international  
466 Medicine, 205 Dental Medicine

**8,744**

1st Generation Students  
7,054 in FY21 a 24% increase

**8,517**

Permanent Staff  
UConn 3,677 + UCH 4,840

**\$368M**

Annual Research Awards

Who We Are

# UConn is in Demand

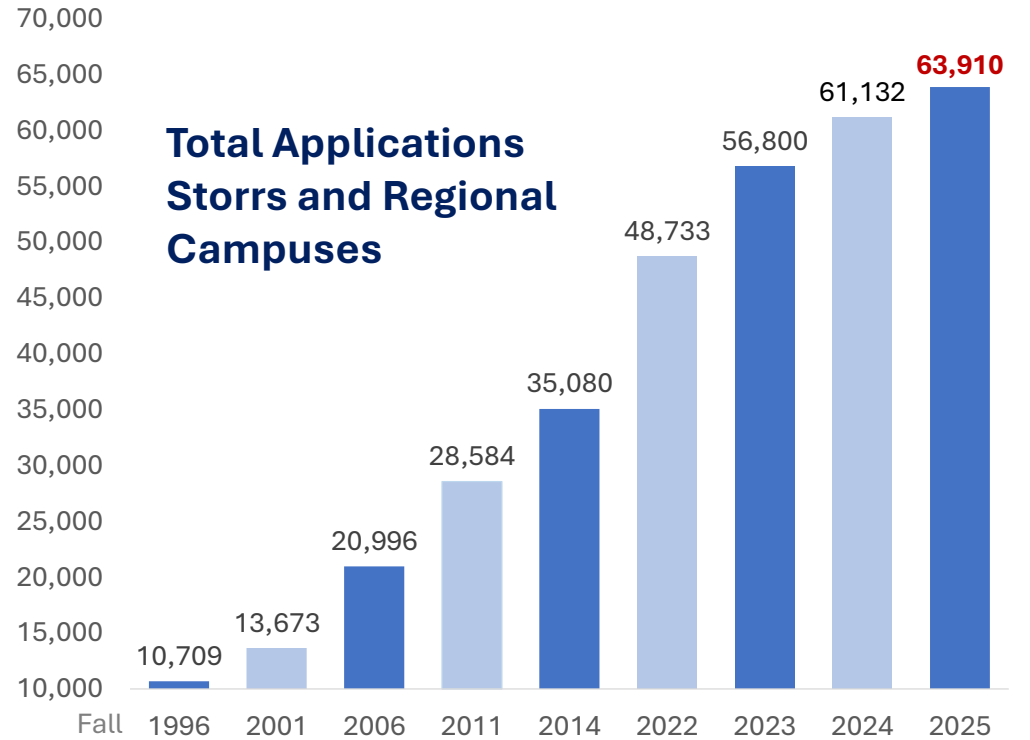
Demand for a UConn education is strong and highly competitive



Nearly 64,000 applications as of Feb 2025



Almost 5,300 more than this time last year



# Undergraduate and Graduate Financial Aid

(in \$ millions)

	FY21	FY22	FY23	FY24	FY25 Est.
<b>1st Generation Students</b>	<b>7,054</b>	<b>7,321</b>	<b>8,220</b>	<b>8,426</b>	<b>8,744</b>
<b>University Supported*</b>	<b>\$150.2</b>	<b>\$163.8</b>	<b>\$169.4</b>	<b>\$197.7</b>	<b>\$210.7</b>
<b>Federal (Pell/SEOG)</b>	<b>56.0</b>	<b>74.5</b>	<b>49.0</b>	<b>53.7</b>	<b>69.9</b>
<b>Other***</b>	<b>17.3</b>	<b>20.9</b>	<b>27.0</b>	<b>21.1</b>	<b>21.1</b>
<b>State (includes R. Willis Scholarship)**</b>	<b>10.7</b>	<b>9.9</b>	<b>13.7</b>	<b>15.6</b>	<b>13.6</b>
<b>Total Aid</b>	<b>\$234.2</b>	<b>\$269.1</b>	<b>\$259.2</b>	<b>\$288.1</b>	<b>\$315.4</b>

Student need continues to grow and is the single greatest reason students leave.

Since FY21, university-supported student aid increased by **40%**.

**16.5%** of tuition revenues is set aside in FY25 for need-based aid (15% is required)

\*University-supported aid includes undergraduate and graduate aid funded by tuition, departmental revenue, and work-study.

\*\*State ARPA funds were added to the R. Willis Scholarship program in FY23-FY25.

\*\*\*Other funding comes from the private sources such as the Foundation and endowments.

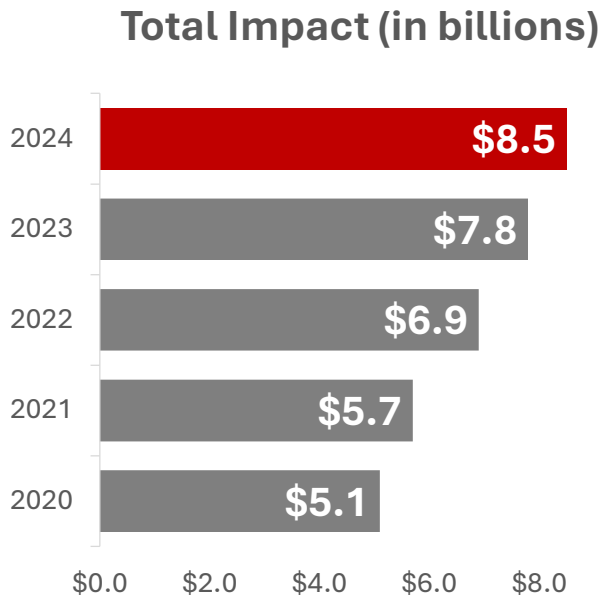
# UConn's Impact on Connecticut's Economy

The State's annual operating investment in UConn is ~1% of the state budget.

UConn's total operations contribute 2.95% to the Gross State Product.

**\$8.5 Billion**

Total impact per year and growing



**\$1.76**

In economic output generated for every dollar UConn spends

**\$439 Million**

state and local tax revenue

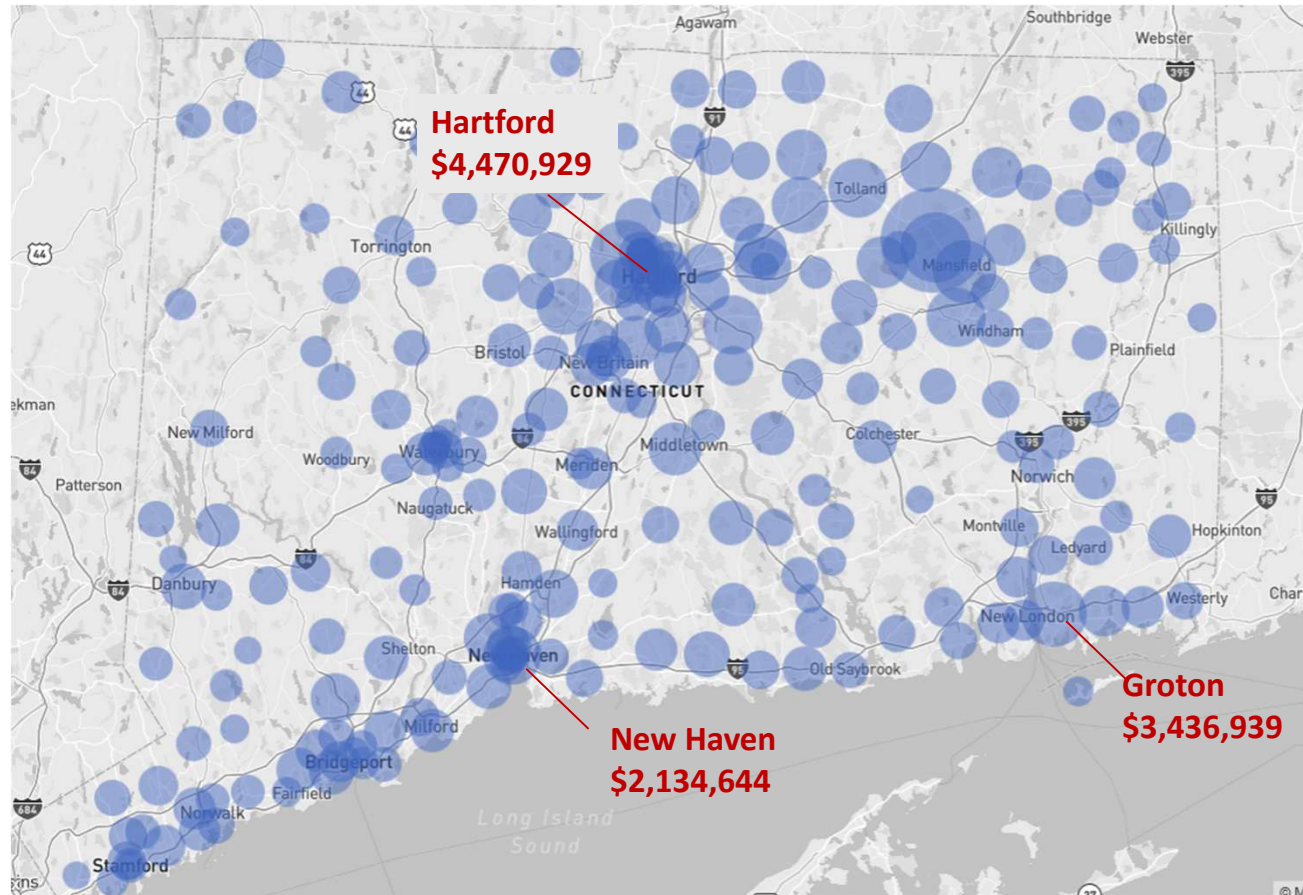
**48,575 jobs**

supported by UConn

- ✓ 13,267 - Direct
- ✓ 14,957 - Indirect
- ✓ 20,351 - Induced

## Who We Are

# Impact of FY24 Research Activity across Connecticut



Federal, state, and corporate grants support researchers at an institution, but their contribution to local economies is often overlooked. Grant dollars are spent throughout the state to procure equipment, reagents, and other consumables that are required to carry out research. Grants funds also provide salaries to Connecticut residents working on research projects.

**Grant Trails**  
(<https://granttrails.core.uconn.edu/>)  
interactively shows you where research funds awarded to UConn Faculty are spent throughout our state



Who We Are

# UConn's Impact on Connecticut's Workforce



	Enrollment Fall 2014	Enrollment Fall 2024
Engineers College of Engineering	<b>3,628</b>	<b>4,839</b>
Business Professionals School of Business	<b>3,528</b>	<b>4,287</b>
Nurses School of Nursing	<b>815</b>	<b>1,201</b>
Teachers & Educators Neag School of Education	<b>880</b>	<b>841</b>
Pharmacists School of Pharmacy	<b>447</b>	<b>617</b>
Social Workers School of Social Work	<b>414</b>	<b>476</b>
Physicians School of Medicine	<b>384</b>	<b>470</b>
Dentists School of Dental Medicine	<b>171</b>	<b>206</b>
Other STEM Fields Multiple schools	<b>8,512</b>	<b>10,288</b>

## Who We Are

# UConn's Impact on Connecticut's Workforce



**76%**  
of graduates  
from CT take  
jobs in the state

**\$63,000**

Average yearly starting salary for UConn graduates,  
higher than the national average

### Top Employers for UConn Grads\*

- Amazon - 471
- Cigna - 475
- Collins Aerospace - 387
- CVS Health/Aetna - 958
- Deloitte - 365
- Ernst & Young LLP - 180
- General Dynamics Electric Boat - 515
- Hartford Healthcare - 619
- KPMG - 122
- Lockheed Martin - 229
- Pratt & Whitney - 1,047
- PricewaterhouseCoopers - 284
- Raytheon Technologies - 264
- Synchrony - 80
- The Hartford - 497
- Travelers - 1,068

*\*Based on LinkedIn profiles. We believe these numbers are underrepresented by 40-50%.*

**UConn**

## Who We Are

# UConn's Student Placements – Statewide Impact



**5,508**

Students in Training



**655+**

Partner Facilities

### Healthcare Pipeline 4,252 Students

Medical, Nursing, Pharmacy, Dental, and Allied Health

### Education

701 future teachers

### Community Services

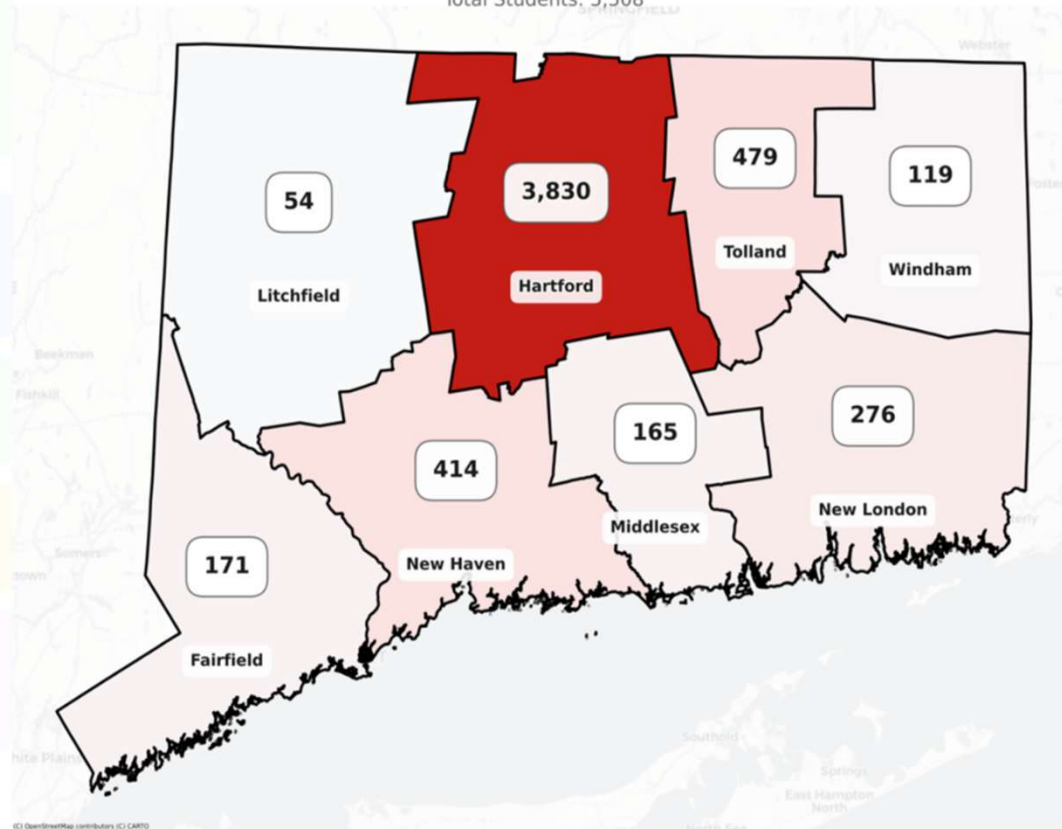
555 social services professionals

### Statewide Reach

Student placements in 141 Connecticut towns  
(83% of all towns in the state)

### UConn's Student Placement by County

Total Students: 5,508



**Training  
Tomorrow's  
Workforce**

\*Students may have multiple student placements within an academic year

**UConn**



Who We Are

# Jobs Outlook for Connecticut

**724,000**

Jobs in CT will require a bachelor's degree or higher by 2031

**68%**

Of all jobs in CT will require some training beyond high school

## Projected Growth in Connecticut Jobs in Key Sectors

<b>+ 20%</b>	<b>+ 15%</b>	<b>+ 10%</b>
<b>Healthcare</b>	<b>Education</b>	<b>STEM</b>

<b>Connecticut: Jobs forecast for 2031 by education level</b>			
<b>Education level</b>	<b>2031 Jobs</b>	<b>Share of jobs</b>	<b>Rank by share among states</b>
<b>Bachelor's degree</b>	<b>412,000</b>	<b>24%</b>	<b>18</b>
<b>Graduate degree</b>	<b>312,000</b>	<b>18%</b>	<b>4</b>

Source - State Report: After Everything: Projections of Jobs, Education, and Training Requirements through 2031. Georgetown University, McCourt School of Public Policy, Center on Education and the Workforce.

# Strategic Plan Update

ENVISIONING 2034

## Strategic Goals

Promoting  
Holistic Student  
Success

Expanding  
Research Impact

Powering a  
Thriving  
Connecticut

## Key Performance Indicators (KPIs):

How we are measuring progress

- Key Performance Indicators (KPIs) will be tracked annually.
- Following AAU (Association of American Universities) best practices, UConn will provide public KPI updates as part of its annual Envisioning 2034 report.

# Strategic Plan KPIs

15 key performance indicators with a 2030 milestone to ensure the University achieves the overarching goals of the plan

KPI Examples	2023 Level	2030 Target
Undergraduate 6-year Graduation Rate (US News)	84%	90%
Graduate Composite Graduation Rate *	67%	74%
Percentage of undergraduate students concerned or very concerned about accumulated educational debt	46%	41%
Percentage of graduate students concerned, very concerned, or extremely concerned about paying for graduate/professional education next year	40%	35%

KPI Examples	2023 Level	2030 Target
Total Research Awards	\$368M	\$500M
Faculty National Academy Memberships	6	14
Endowment Market Value	\$593M	\$1B (FY 32)
UConn Impact on Statewide Economic Output	\$6.9B	\$9.2B
Greenhouse Gas Emissions (measured in tonnes across EPA Scopes 1, 2,3)	139,888	Net Neutral

## “Monitor” KPIs

~50 indicators that monitor the ongoing operational health of the university and where we may already be in line or above national averages

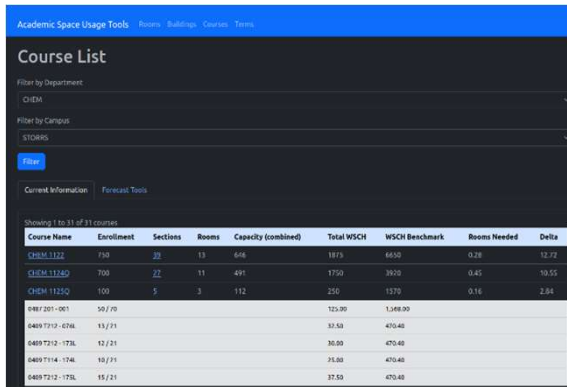
## Who We Are

### Using Custom Technology to Improve Business Processes, Academic Operations and Efficiency

The Internal Insights & Innovation (I3) unit provides custom software and web products in support of improving UConn's business processes, academic operations, and research enterprise. The team has engaged in over 30 unique projects in the past year. Three examples:

#### Space Usage Tool

Provides simulations of lab and instructional space needs based on expected enrollment increases, allowing the University to optimize its usage of academic space.



Course Name	Enrollment	Sections	Rooms	Capacity (combined)	Total WSCH	WSCH Benchmark	Rooms Needed	Delta
CHEM 1122	730	22	13	646	1873	6650	0.28	12.72
CHEM 1124D	700	22	11	491	1750	3920	0.45	10.55
CHEM 1125Q	100	5	3	112	250	1370	0.16	2.84
0487201-001	267/29				121.90	1,498.00		
04897310-0766	13/21				31.58	470.48		
04897310-173L	12/21				30.28	470.48		
04897314-174L	19/21				21.88	470.48		
04897312-175L	15/21				37.53	470.48		

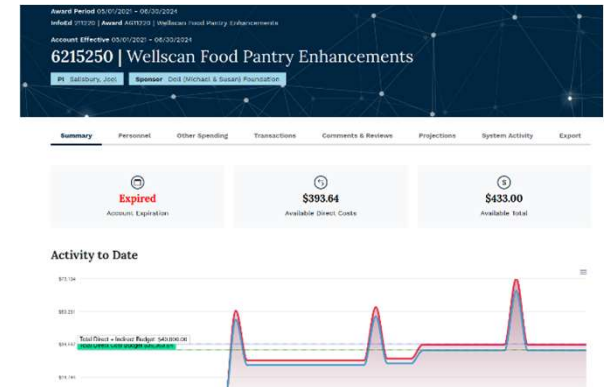
#### Nexus

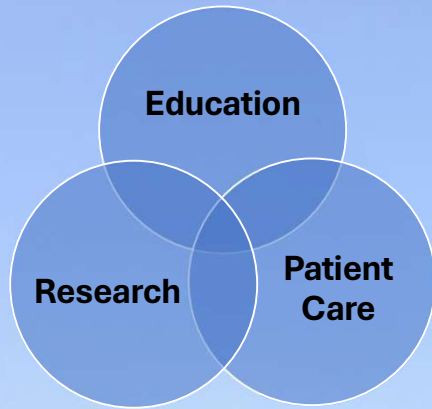
With millions of pageviews and student interactions, provides the advising community with access to critical student success information including G.P.A., academic standing, degree progress, appointment scheduling, and advising notes.



#### Research Insights for Faculty

Provides UConn faculty and research staff with quick access to financial summaries, expenditure details, budget projections, and other information about their sponsored accounts.





## Who We Are

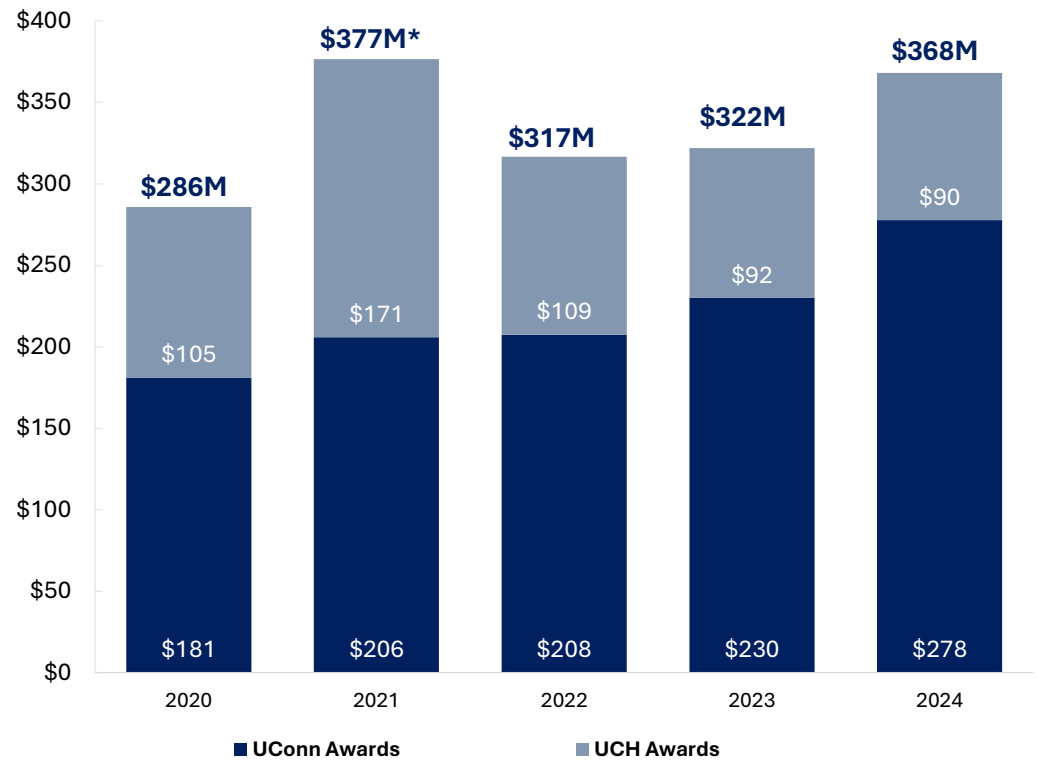
# Research Enterprise Providing Steady Growth in Scientific Knowledge Discovery



Research awards totaled more than

**\$368.1M**

in FY24 with 2,220 proposals submitted (UConn and UConn Health) and awards averaging \$427K per investigator



\*In 2021, UConn Health received a \$40M award from NSF, the largest in UConn history

**UConn**

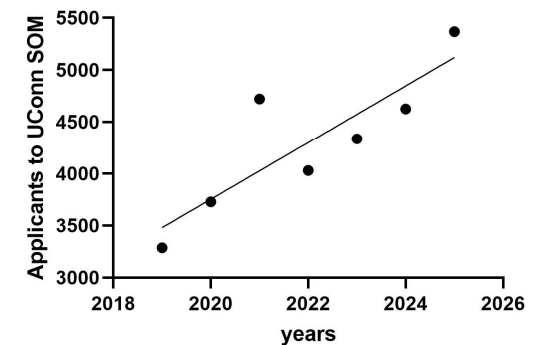
## Who We Are

# The Schools of Medicine (SOM) and Dental Medicine (SODM) Provide Value for the State and its Residents

- **Demand:**
  - SOM had 5360 applicants for 112 spots
  - SODM had 1600 applicants for 52 spots
- **Growth:**
  - SOM increased class size by 10% since 2019
  - SODM increased its class size by 9% since 2019
- **Workforce Development:**
  - ~80% of SOM and 60% of SODM incoming students are CT residents
  - 37% of MDs practicing in CT
  - 65% of dentists practicing in CT



Increasing number of applications to UConn SOM-63% increase since 2019

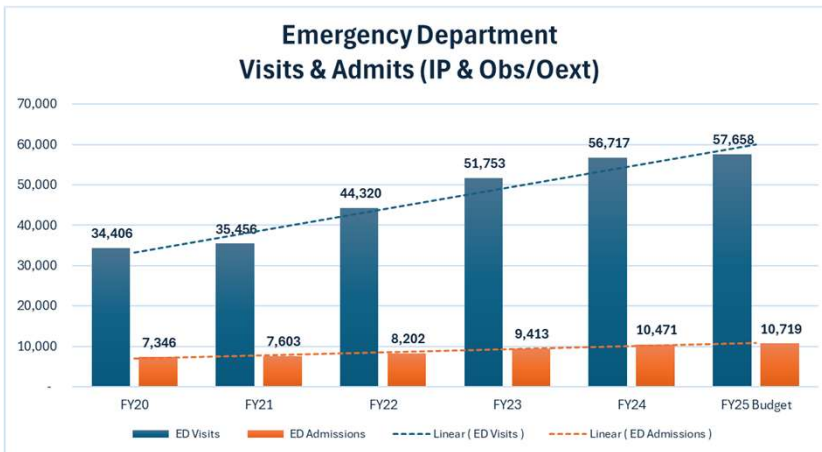


## Who We Are

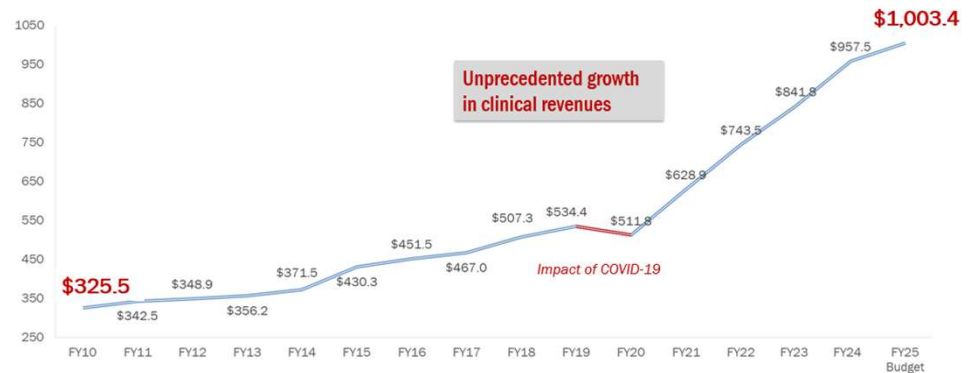
# The Patient Care Enterprise Provides Heavily Demanded State-of-the-Art Care



Rank	Hospital	Score
1	Yale New Haven Hospital	83.70%
2	John Dempsey Hospital	76.09%
3	Griffin Hospital	76.00%
4	Midstate Medical Center	75.33%
5	Sharon Hospital	74.74%



**UCH Net Patient Revenue (in millions)**  
JDH, UMG, DENTAL CLINICS AND SPECIALTY PHARMACY





# UConn Health: An Essential Healthcare Provider for CT's Underserved Citizens

In FY24 alone, UConn Health provided **\$118M** in under-reimbursed care for Connecticut residents



- **Nearly 1/4** of UConn Health's inpatient hospital and outpatient visits are from patients enrolled in Medicaid.
- **UConn Health is CT's leading provider of Specialty services** including surgeries to Medicaid recipients. E.g. In Orthopedics, UConn's payer mix is 35.3% Medicaid, more than double the state average of 15.9%.
- **#1 Provider in the State** of Dental Services to Medicaid recipients and the under- and uninsured.
- UConn physicians, dentists, residents, and medical and dental students **provide thousands of hours of free healthcare annually** to Connecticut's most medically vulnerable citizens.

# UConn Health

## Rapid Inclusive Strategic Planning (RISP)

### UConn Health Strategic Goals



#### **Clinical Excellence**

Be the best place in CT for patient care (quality, safety and experience)



#### **Clinical Growth**

Expand geographic scale, patient volume and health care services statewide



#### **Financial Strength**

Thrive financially and reduce dependence on State funding



#### **Research Growth**

Become a top ranking academic medical center for translational research, clinical trials and commercialization of research

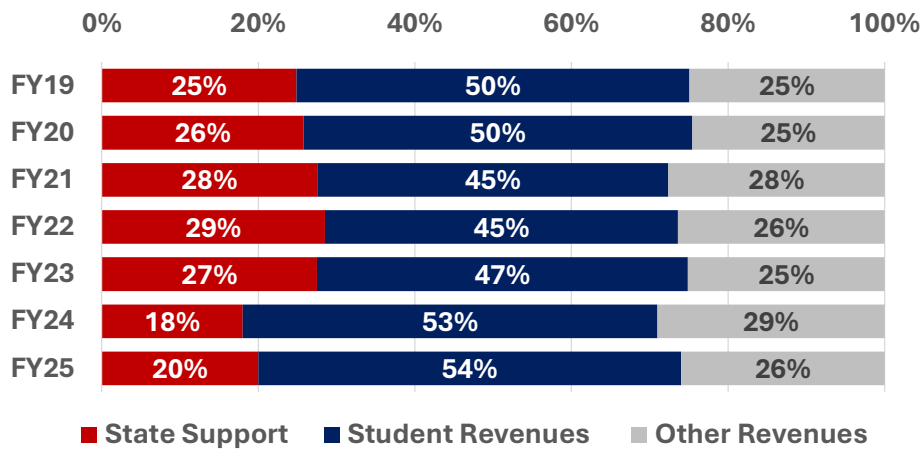


**Prioritizing People, Culture, & Community** Be the employer of choice and be relevant to our state and communities

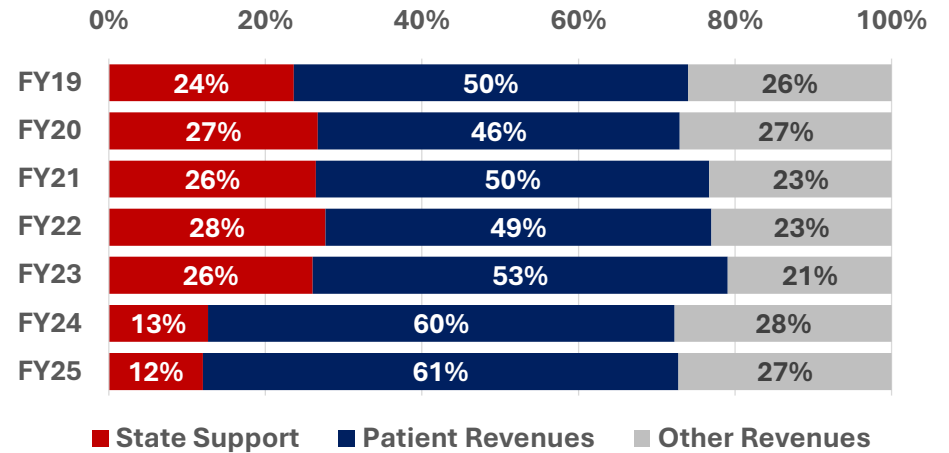
# Revenue Breakdown

The largest portion of UConn’s revenues comes from the students in the form of tuition and fees and for UConn Health from clinical revenues.

UConn Revenue Breakdown  
(% of total)



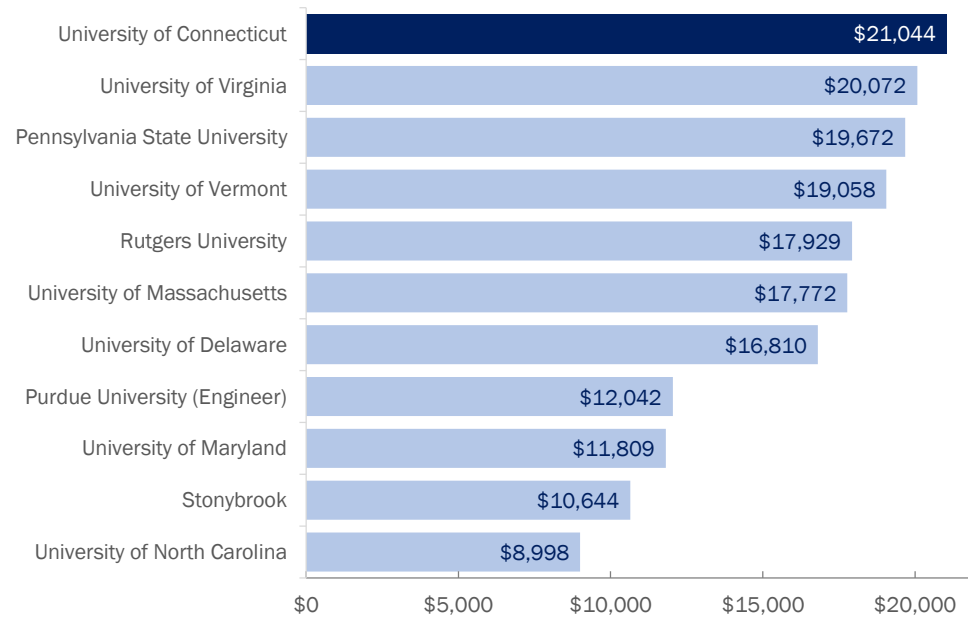
UCH Revenue Breakdown  
(% of total)



# Affordability

**In FY26 and beyond, UConn cannot fill the budget gap through student funds alone.**

**FY25 Undergraduate Tuition and Fees  
Public Flagships (In-State Rates)**



# Budget Constraints and Challenges

## UConn

- On-campus housing limitations with increased enrollment.
- Teaching capacity for new students in high demand majors.
- Declining number of high school graduates in CT.
- Mental health and academic counseling – need is higher than ever.
- ‘Maximum’ student-faculty ratios in select programs due to accreditation standards or regulatory requirements; ratios impact rankings and recruitment.
- Obligatory State processes limit flexibility and rapid response.

## UConn Health

- Patient revenues are driven by reimbursement contracts with Insurance companies.
- Medicaid/Medicare reimbursement rates are set amounts, no flexibility in increasing the amount of revenue for these cases. UConn Health performs a large percent of Medicaid outpatient surgeries, along with providing specialty services to Medicare and Medicaid patients.
- No control of the payor mix of the patient population.
- External competitors growing and merging.
- Workforce shortages; for example, nursing staff being filled with high-cost alternatives such as per diems, agencies and overtime.

# Strategies for Growth and a Balanced Budget

- Continue to expand economic activity in the state.
- Assemble a strategic enrollment plan.
- Increase efficiency in the delivery of education through faculty ratios, advising, class size and modality (in person vs. online).
- Grow fundraising through a \$1.5 B campaign and grow the endowment to \$1B.
- Increase research awards to \$500M/year.
- Generate new revenue, for example through clinical growth and strategic partnerships.
- Implement financial improvement plans.



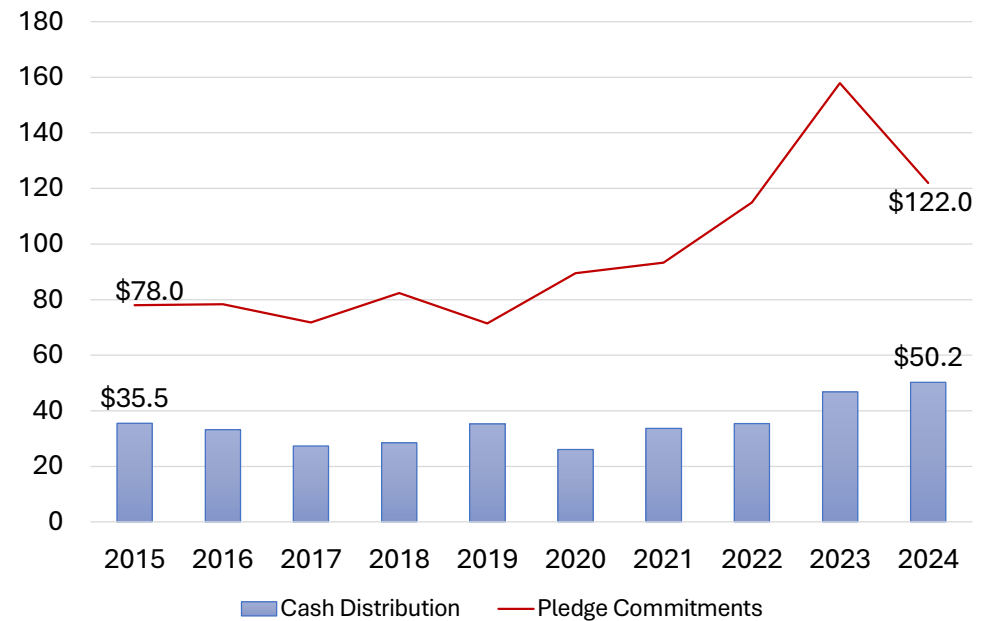
*Ceremonial groundbreaking for the new building for the School of Nursing on Oct. 30, 2024. The new building is made possible by a \$40 million gift from nursing alum Elisabeth DeLuca (fifth from left) to support nursing education. Increasing philanthropic gifts is one of UConn's strategies for growth.*

# Fundraising and the Endowment

**UConn Foundation will launch a \$1.5B campaign in April increasing fundraising by 50% and growing the endowment to ~\$1B by 2030.**

- Approximately 1/3 of dollars raised go to the endowment versus current uses.
- Gifts are usually pledged 5 years and restricted by donor interests, such as scholarships or preferred department or major.
- Endowment grows more through investments than via new gifts.
- When the endowment reaches \$1B, the distribution to the university will increase about \$19M annually.

UConn Foundation  
Historical Pledges and Distributions (in millions)

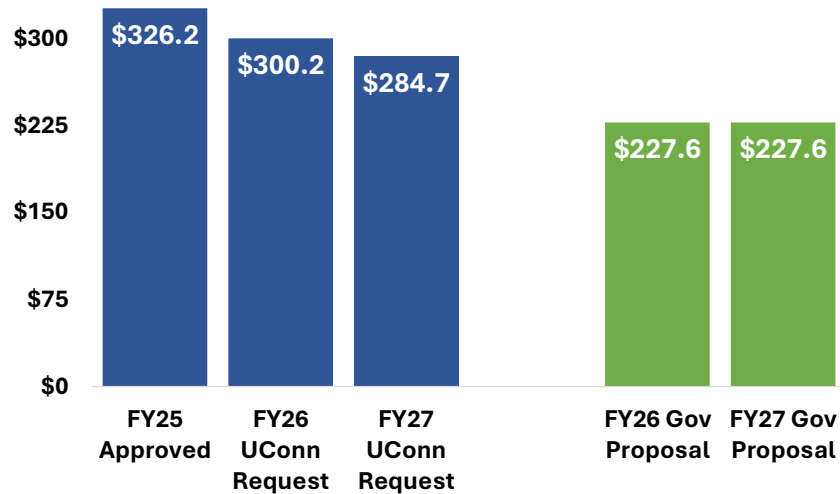


# Request for State Operating Support is Going Down

- UConn and UConn Health base funding requests are lower than the FY25 approved state support by \$46.3M in FY26 and \$75.6M in FY27
- The Governor’s proposed biennium budget (excluding the ~3% additional inflationary increase) is lower than requested creating a combined shortfall of \$131.1M in FY26 and \$101.8M in FY27

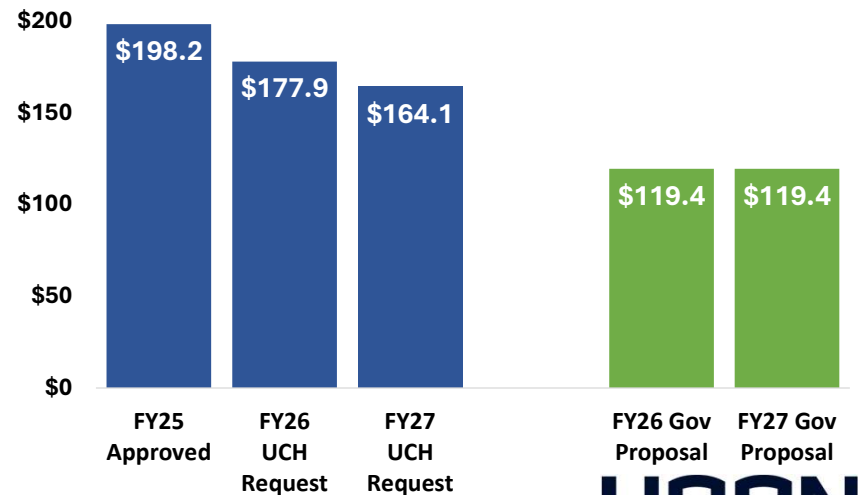
### UConn:

The shortfall from the Gov. proposed budget is \$72.6M in FY26 and \$57.1M in FY27



### UConn Health:

The shortfall from the Gov. proposed budget is \$58.5M in FY26 and \$44.7M in FY27



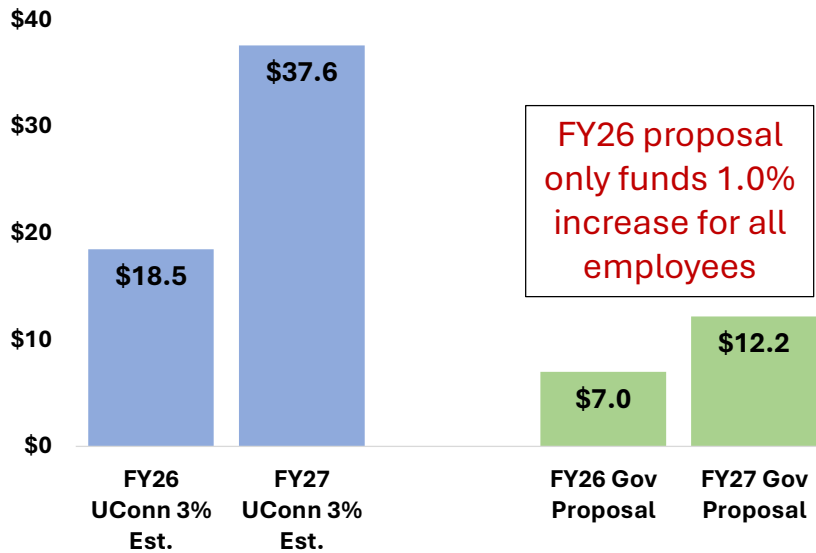


## Additional Inflationary Increase

For FY26, the Governor’s proposal includes an additional \$10.7M for inflationary increases to the block grant (for ~3% future wage increase) which is \$32.7M less than required for all employees. For FY27, the Governor’s proposal includes \$19.7M which is \$68.3M less than required for all employees.

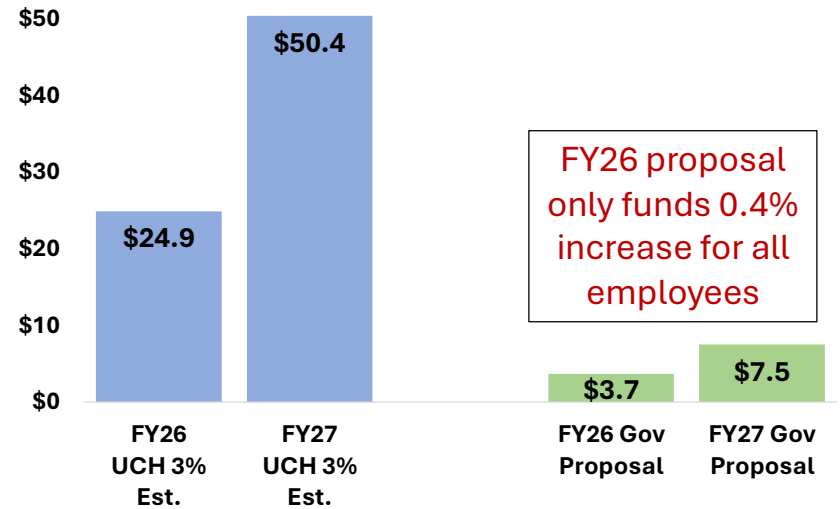
### UConn:

The shortfall from the Gov. proposed ~3% is \$11.5M in FY26 and \$25.4M in FY27



### UConn Health:

The shortfall from the Gov. proposed ~3% is \$21.2M in FY26 and \$42.9M in FY27

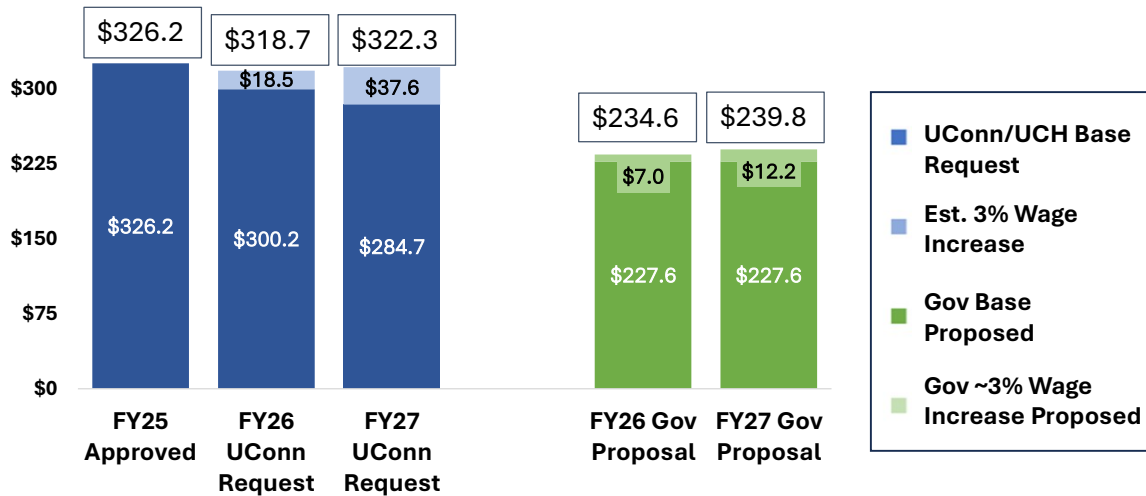


# Total State Operating Support

- UConn and UConn Health base funding requests are lower than the FY25 approved state support by \$46.3M in FY26 and \$75.6M in FY27
- The Governor’s proposed biennium budget (including the ~3% additional inflationary increase) is lower than requested creating a combined shortfall of \$163.8M in FY26 and \$170.1M in FY27

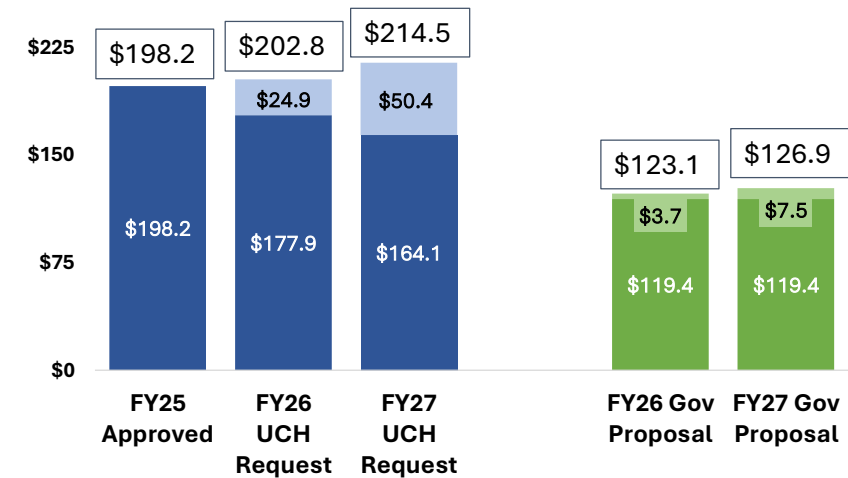
## UConn:

The shortfall from the Gov. proposed budget is \$84.1M in FY26 and \$82.5M in FY27



## UConn Health:

The shortfall from the Gov. proposed budget is \$79.7M in FY26 and \$87.6M in FY27



**Thank  
you!**



*Jonathan XV celebrates Veterans Day with our UConn service members*

**UConn**

## Who We Are

We are  
Connecticut's land  
grant public  
university

We exist to serve the  
State of Connecticut  
and its citizens

We Are

**UConn  
NATION**

EST.  1881

## What We Do

- We promote social and economic mobility
- We educate Connecticut's professional workforce
- We drive economic development by supporting businesses, discovery and innovation, and entrepreneurship
- We promote the public health and wellbeing

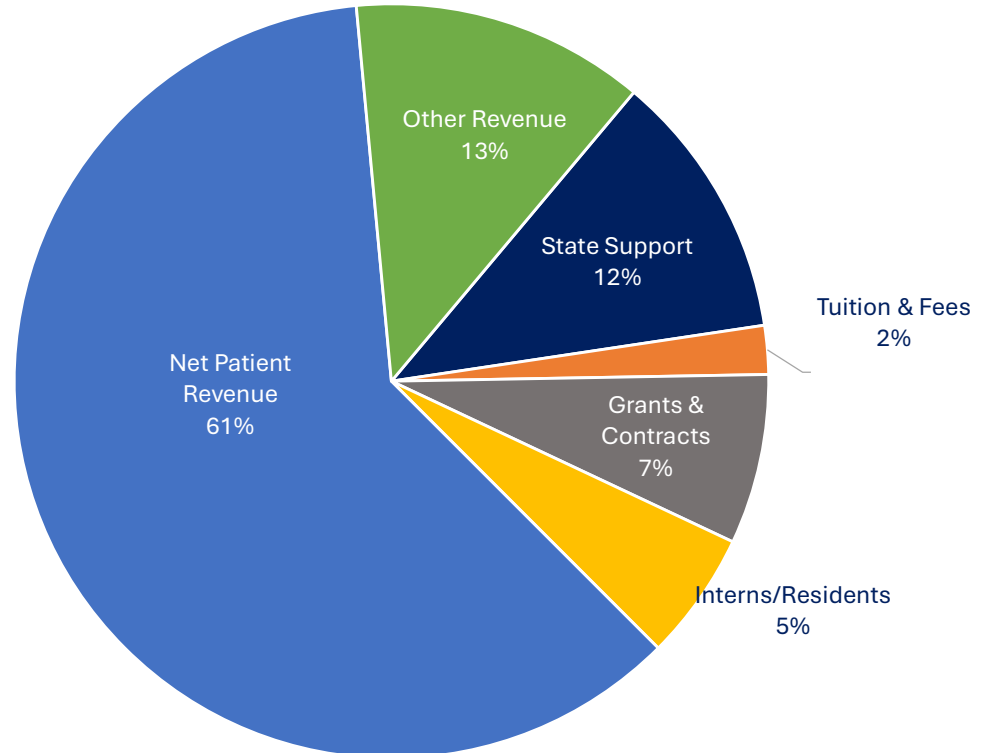
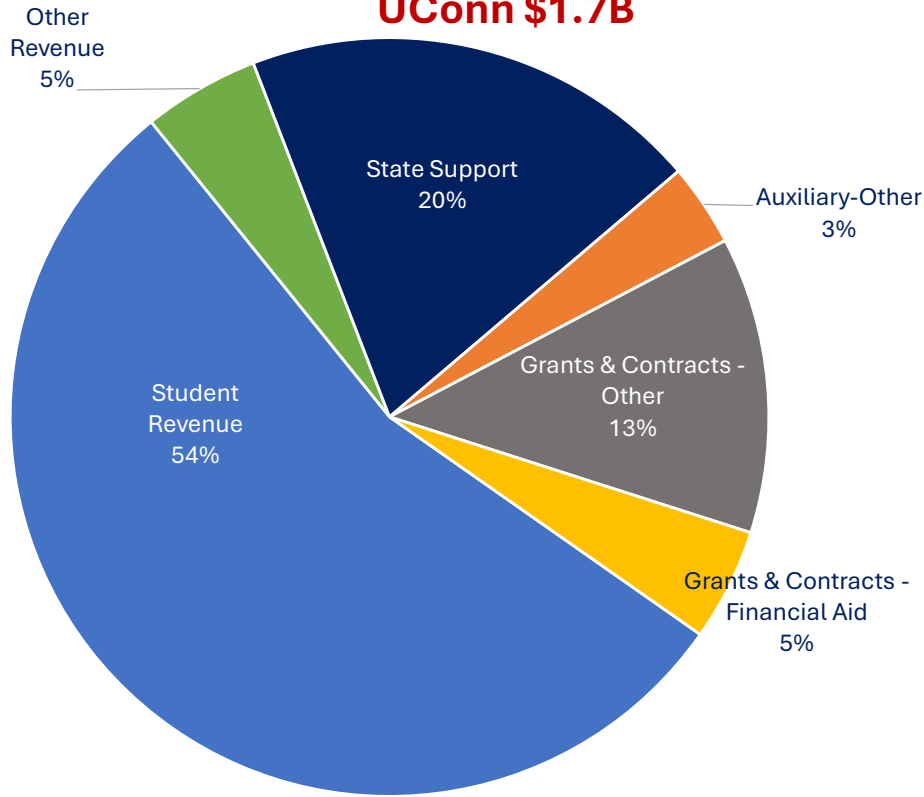
Financial Overview

# FY25 Revenues

**\$3.4B**

**UConn \$1.7B**

**UConn Health \$1.7B**



*Other = Sales and service revenue, study abroad, gifts/ endowments, etc.*

*Other = Auxiliary services, gifts/endowments, external contract revenue and internal income (offset by internal expenses)*

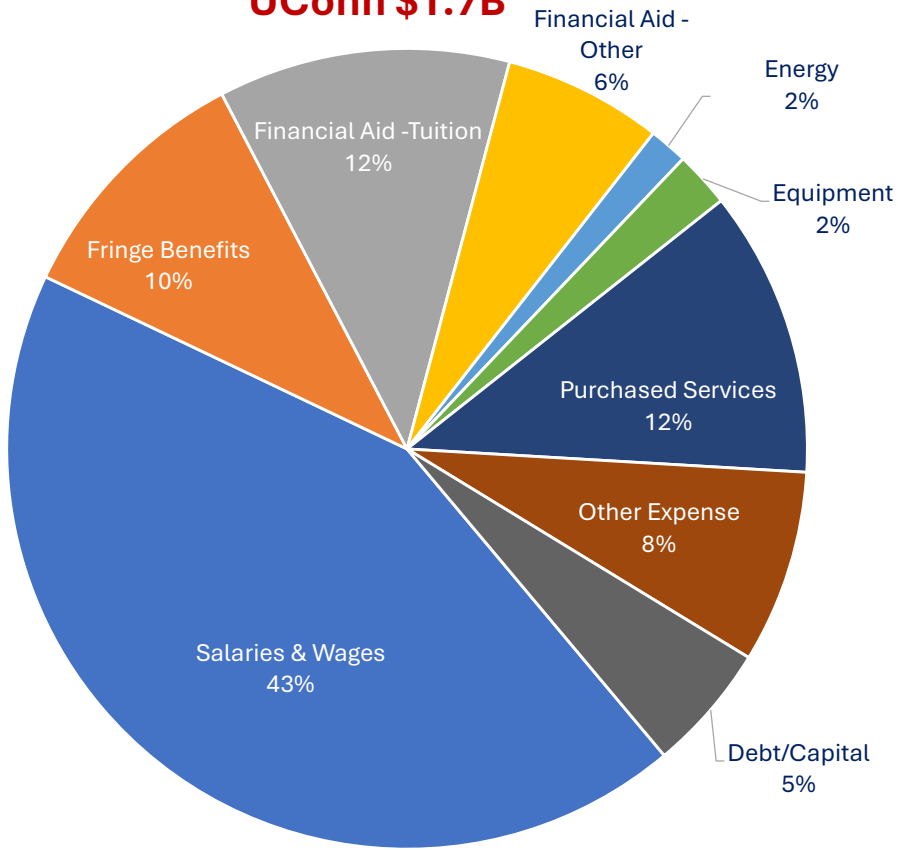


Financial Overview

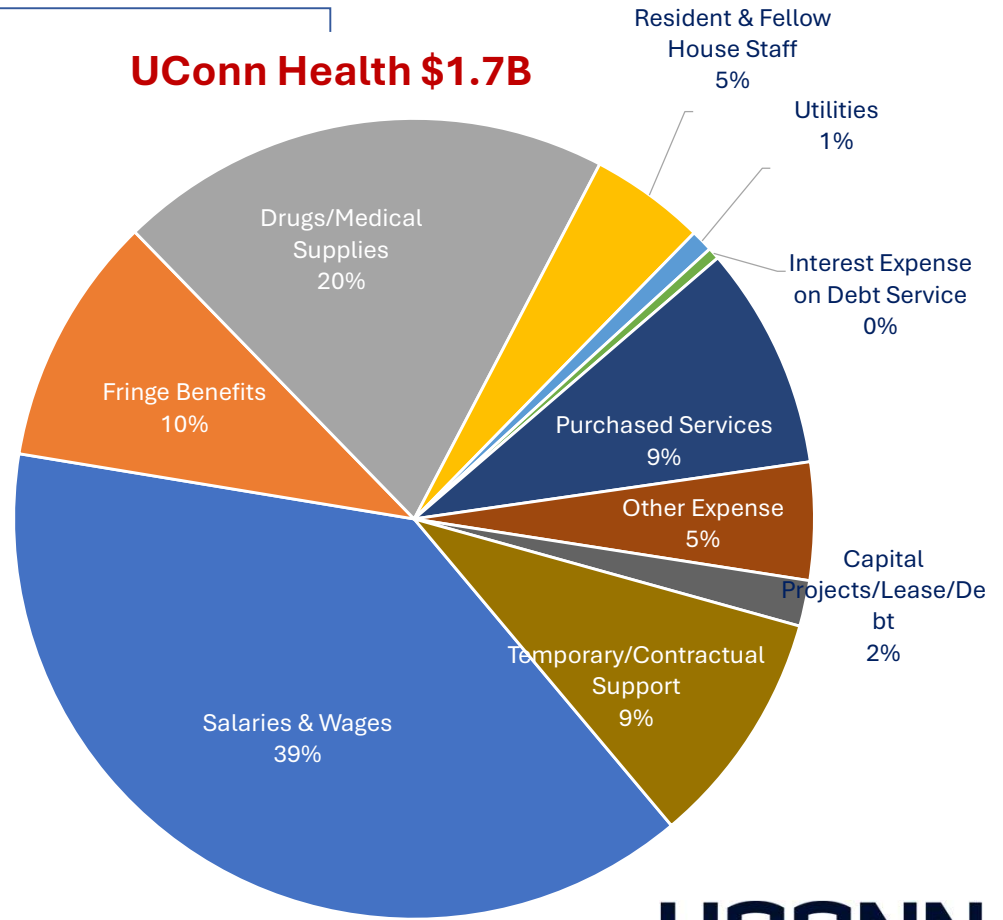
# FY25 Expenses

**\$3.4B**

## UConn \$1.7B

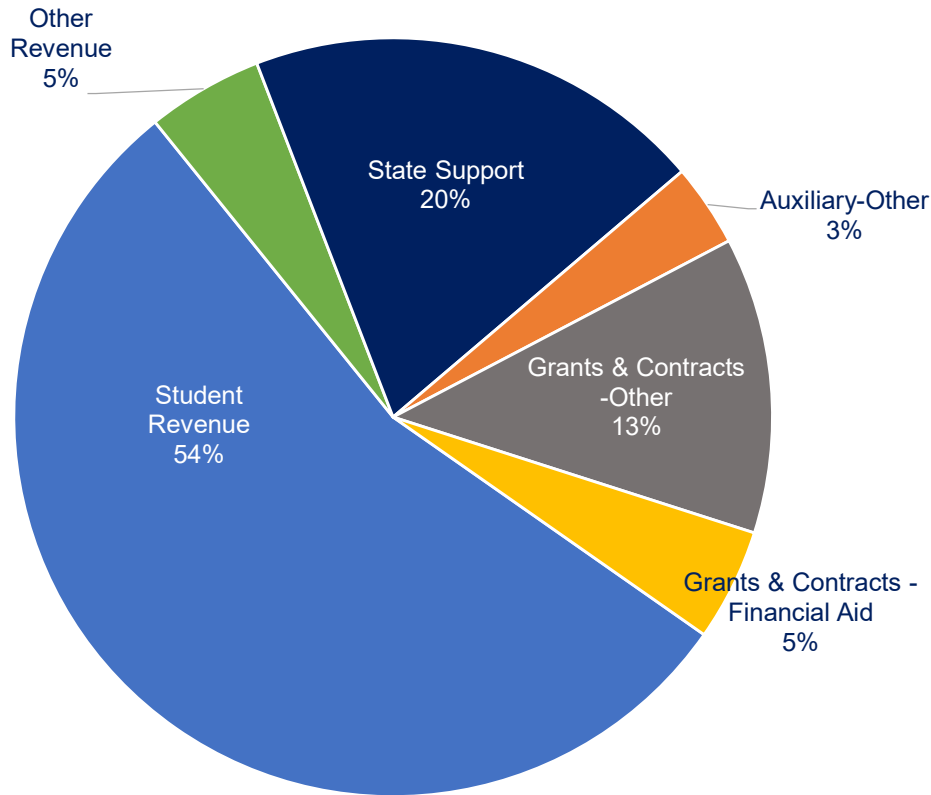


## UConn Health \$1.7B



## Financial Overview

# UConn - FY25 Revenues



UConn		
Total State Support	\$ 328.1	20%
Student Revenue	910.3	54%
Grants & Contracts - Financial Aid	80.0	5%
Grants & Contracts - All Other	211.2	13%
Auxiliary Enterprise	58.8	4%
Other Revenue	82.8	5%
<b>Total Current Fund Revenues</b>	<b>\$ 1,671.3</b>	

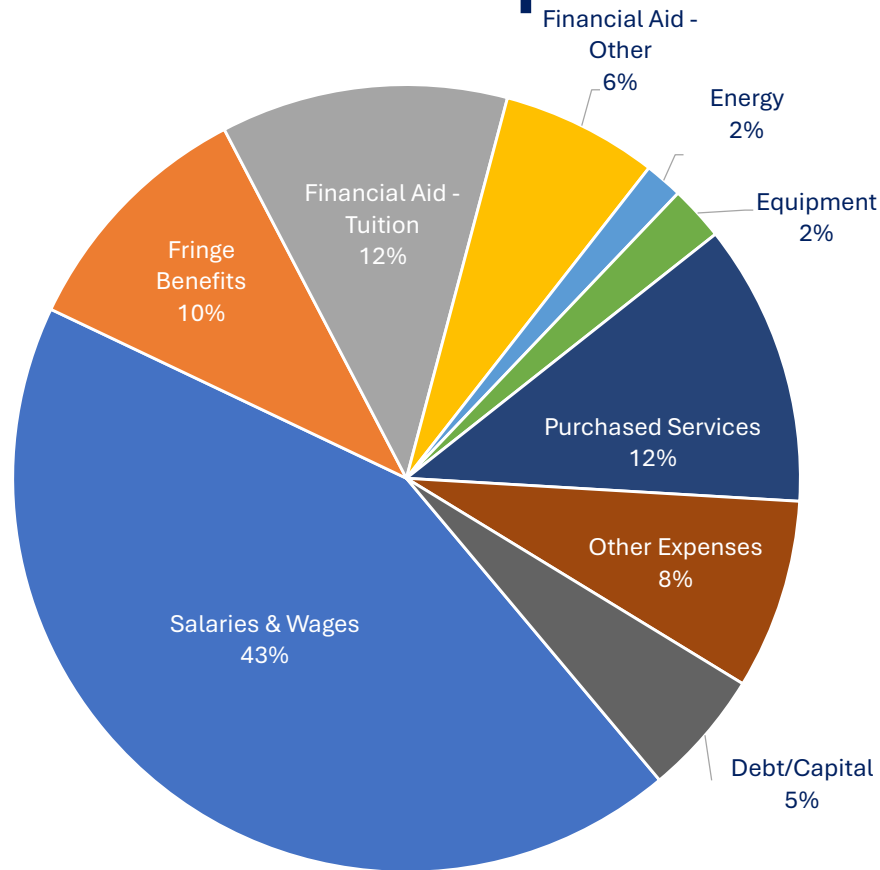
**20%** Of total budget is funded by State support

**54%** Of total revenue is funded by students and their families through tuition, fees, housing and dining.

**31%** Of total employee salaries are funded by State support

## Financial Overview

# UConn - FY25 Expenses



UConn		
Salaries & Wages	\$ 727.0	43%
Fringe Benefits	172.9	10%
Financial Aid - Tuition	198.4	12%
Financial Aid - Other	108.2	6%
Energy	26.2	2%
Equipment	37.8	2%
Purchased Services	194.9	12%
Other Expenses	131.3	8%
Debt/Capital	86.9	5%
<b>Total Current Fund Expenses</b>	<b>\$ 1,683.6</b>	

**53%**

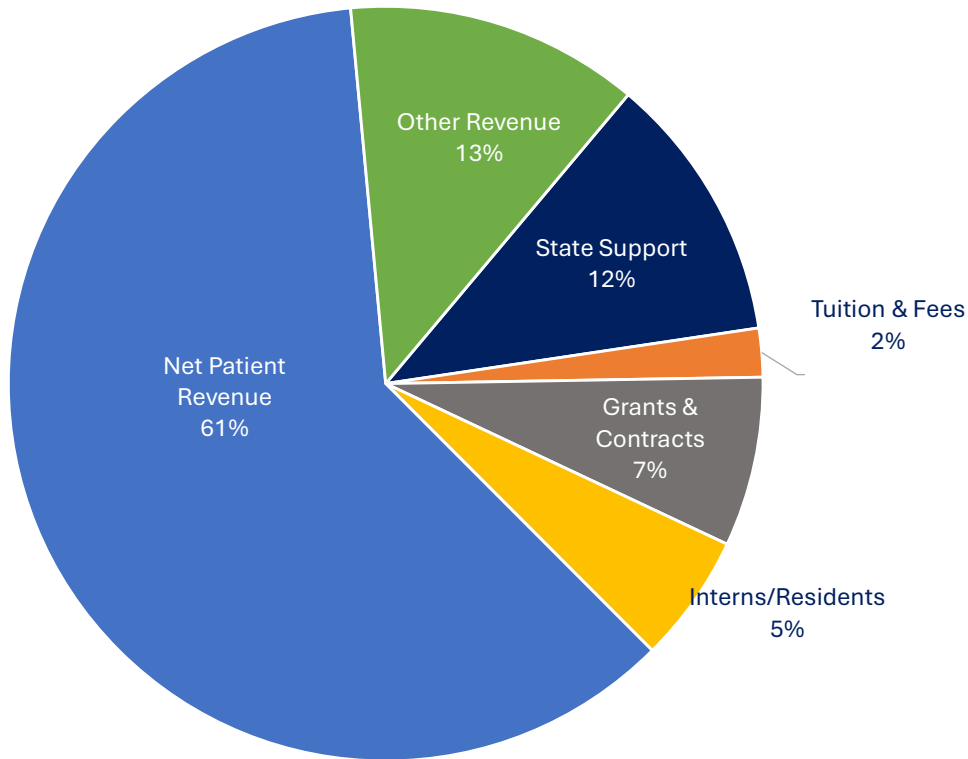
Of total expense is allocated to personnel costs.

Student financial aid commitment is strong with a **10%** increase in tuition funded aid.



Financial Overview

# UConn Health - FY25 Revenues



UConn Health		
Total State Support	198.8	12%
Tuition and Fees	34.2	2%
Interns/Residents	90.2	5%
Grants & Contracts	119.2	7%
Net Patient Revenue	1003.4	61%
Other Revenue	206.4	12%
<b>Total Current Fund Revenues</b>	<b>1652.2</b>	

**12%** Of total budget is funded by State support

**61%** Of total revenue is funded by patients.

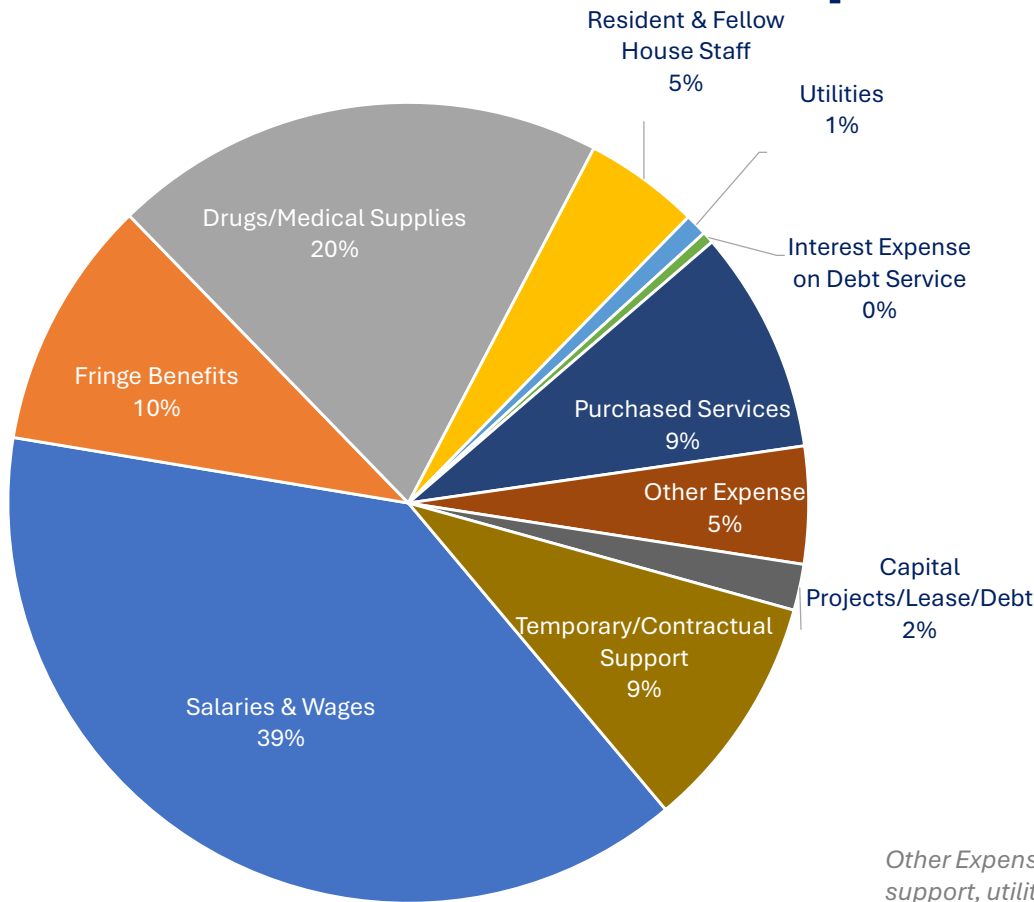
**19%** Of total employee salaries are funded by state support

“Other Revenue” includes auxiliary services, gifts/endowments and internal Income (offset by internal expenses)



Financial Overview

# UConn Health - FY25 Expenses



UConn Health		
Salaries & Wages	640.0	39%
Fringe Benefits	166.9	10%
Temporary/Contractual Support	159.2	9%
Resident and Fellow house staff	77.5	5%
Drugs/Medical Supplies	332.0	20%
Utilities	14.8	1%
Interest Expense on Debt Service	8.0	0%
Purchased Services	145.4	9%
Other Expenses	79.0	5%
Capital Projects/Debt Payments	30.9	2%
<b>Total Current Fund Expenses</b>	<b>1653.8</b>	

**63%** Of total expense is allocated to personnel costs

*Other Expenses includes items such as, medical contractual support, utilities, insurance and repairs/maintenance.*

# How does UConn & UCH spend State funds?

**\$526.9 Million** State support = **16%** of total revenue

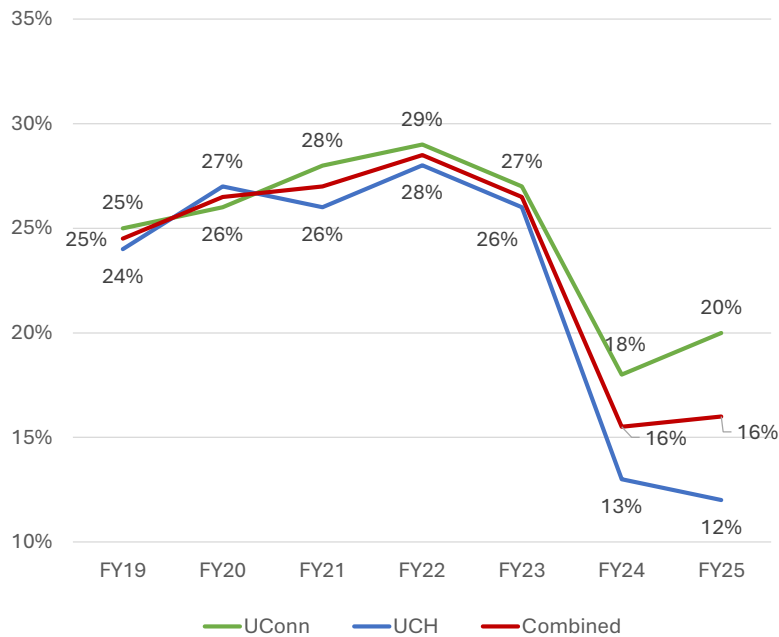
In FY25, the State is supporting

- 20% of UConn's total budget
- 12% of UCH's total budget

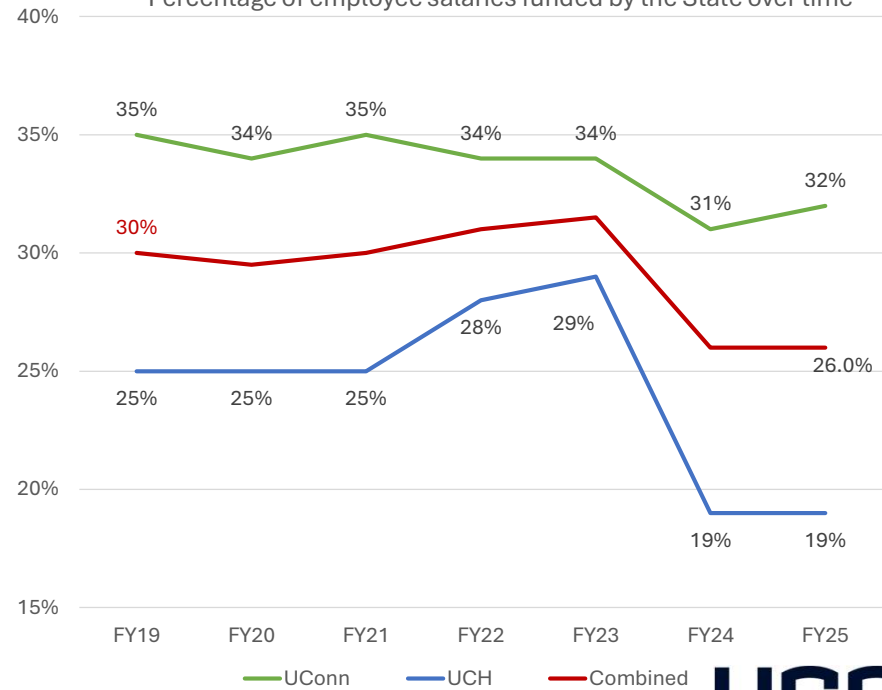
State support is only used for salaries and covers:

- 32% of salaries at UConn
- 19% of salaries at UCH

Percent of budget funded by the State



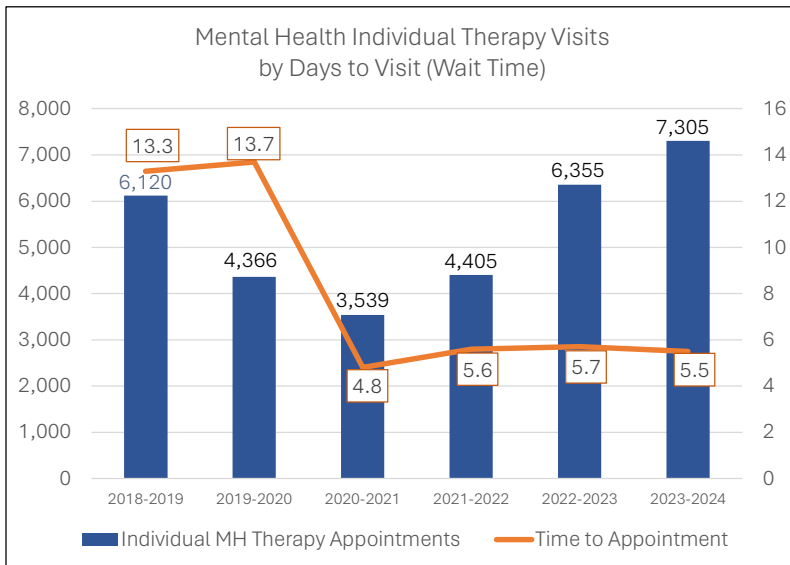
Percentage of employee salaries funded by the State over time



## Financial Overview

# Increased Need for Student Support (Wrap-Around) Services

The university has increased staffing for critical mental health services in recent years to meet student need.



**Over \$75M**

spent in FY24 on services fostering student well-being

**Over 200 staff**

provide direct services to students in advising, physical and mental health, and students with disabilities.

Total SHaW spend has increased from \$16M in FY19 to \$25M in FY25 (56% increase). 80% of SHaW services are funded by student fees.

Student support services include:

- Student physical and mental health
- Academic engagement & support
- Student-athlete success programs
- W-Center (writing tutoring)
- Q- Center (quantitative/ math tutoring)
- Advising
- Veterans' affairs and military programs
- Cultural centers & programs
- Center for Students w/Disabilities

# Athletics Impact on CT's Economy

Operations and visitor spending by UConn Athletics and its fans generated:

- \$242.7 million in overall economic impact for the state in FY24
- \$36.1 million in State and Local Taxes
- 1,821 jobs in the State of Connecticut
- Out-of-state visitors increased from 73,684 in FY19 to 161,062 in FY24 or 119%



UConn

## Strategies for Growth

# UConn Supports Economic Development through Industry Collaboration and Innovation

### INSTITUTE OF MATERIALS SCIENCE INDUSTRIAL AFFILIATES PROGRAM

*Organizations served, past 3 years*

**75** companies

**10** universities and scientific/ technical organizations, such as Yale and CCAT

### INDUSTRIAL PARTNERSHIP BUILDING TECH PARK

*Companies served, past 3 years*

**200** companies, including:

**120** small and medium enterprises (SMEs)

### COLLEGE OF ENGINEERING SENIOR DESIGN

*Organizations supported, past 3 years*

**250+** companies

**40+** government, municipal, and nonprofit organizations

### TECHNOLOGY INCUBATION PROGRAM

*Companies served*

**28** Current (41 in FY24)

**86** past three years



**UConn**

# Continue to Expand Economic Activity in CT



- QuantumCT is a groundbreaking collaboration between UConn, Yale, industry, and the State of Connecticut to generate innovation-driven economic development around quantum technologies.
- UConn is the lead organization on the QuantumCT Regional Innovation Engines proposal to the National Science Foundation.
- The QuantumCT team is competing nationally for up to \$160M in NSF funding over 10 years.

## Our Strategy for Building a Quantum Ecosystem in CT



**RESEARCH**



**TECHNOLOGY  
TRANSLATION**



**PARTNERSHIPS**



**EDUCATION &  
WORKFORCE  
DEVELOPMENT**

### CORE PARTNERS

UConn  
Yale  
Governor, State of Connecticut  
CT DECD  
Office of Workforce Strategy  
CT State Community College  
SCSU  
Connecticut Innovations  
Yale Ventures  
Technology Commercialization  
Services, UConn  
Boehringer Ingelheim  
RTX  
Quantinuum  
NVIDIA  
Travelers  
CBIA  
Brookhaven National Lab.  
ConnCORP, ConnCAT  
City of New Haven

## Strategies for Growth

### Examples of impact on the economy



## Connecticut Transportation Institute (CTI)

### The CT Transportation Institute:

- Serves as a focal point for transportation research at UConn and training for CT.
- Advances safety, maintenance, and enhancement of transportation systems, focusing on CT's current and future needs.
- Promotes innovative research and training to provide timely information on current trends and practices.

CTI saves taxpayers each year in reduced road maintenance costs



**Annual budget:**  
**\$7.5M** from state and federal grants



# UConn



## Strategies for Growth



### Department of Education Mental Health Service Professionals Demonstration Grant

## School of Social Work Scholars

**Award:** **\$3M** Projected, 5-year total  
**\$587,633** Awarded for year 1

**Project Purpose:** Recruit, train, place and provide scholarships graduate social work students to serve as interns in behavioral/ mental health service delivery in four low resource school districts in Connecticut, serving nearly 46,000.

**Principal Investigator:** Prof. Laura Curran, Dean  
School of Social Work



# Increase Efficiency in the Delivery of Education

- Centralize scheduling to create maximum efficiency
- Increase online courses to expand course access, completion rates, and increase revenue
- Revitalize Bachelor of General Studies program to enable non-traditional students to complete degrees and to increase revenues
- Create industry-specific certificates and courses for workforce training and professional development to increase revenues
- Review of low enrollment programs to create programmatic efficiencies and savings over time



# Increase Revenue

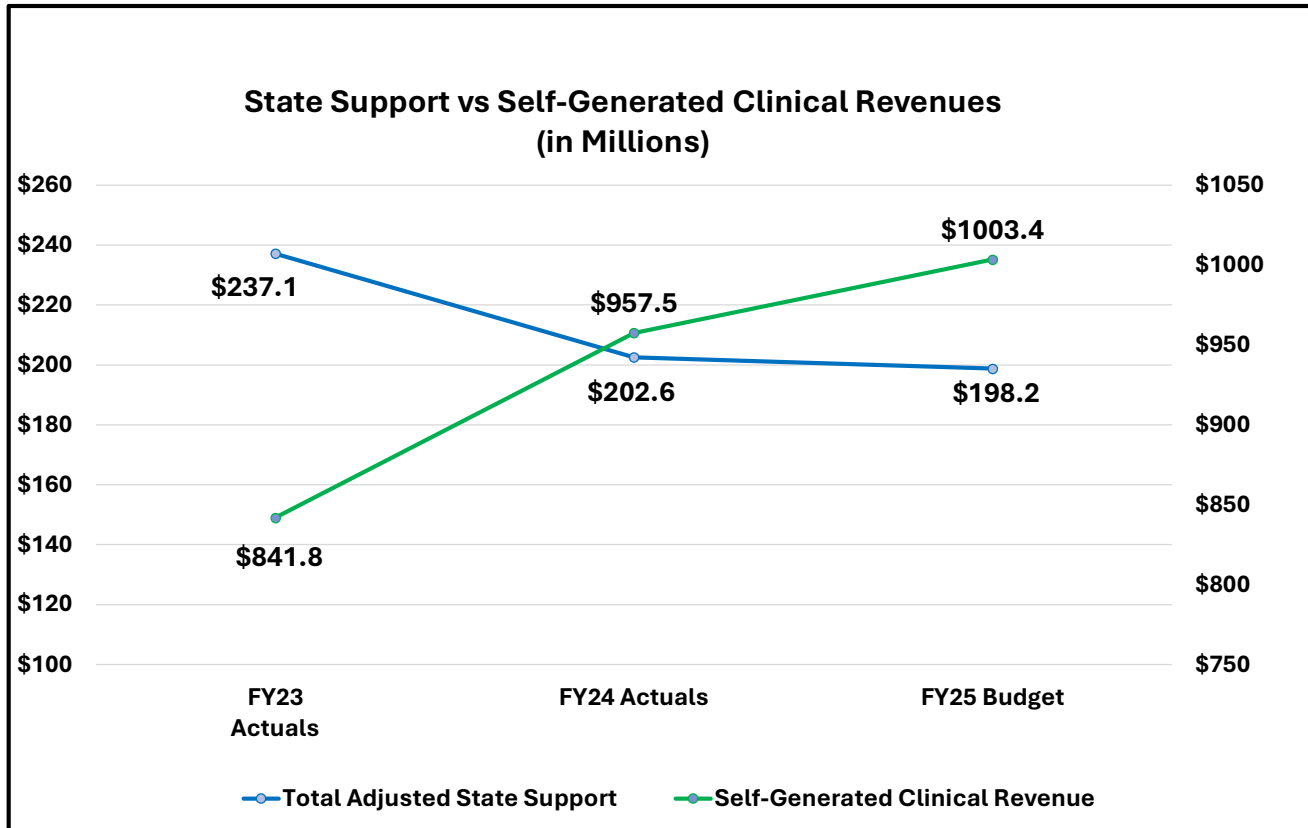
Generate new revenue, for example through:

- Strategic enrollment management
- Use of housing in the summer
- Summer programs
- Online courses
- Auxiliary services to corporations



Strategies for Growth

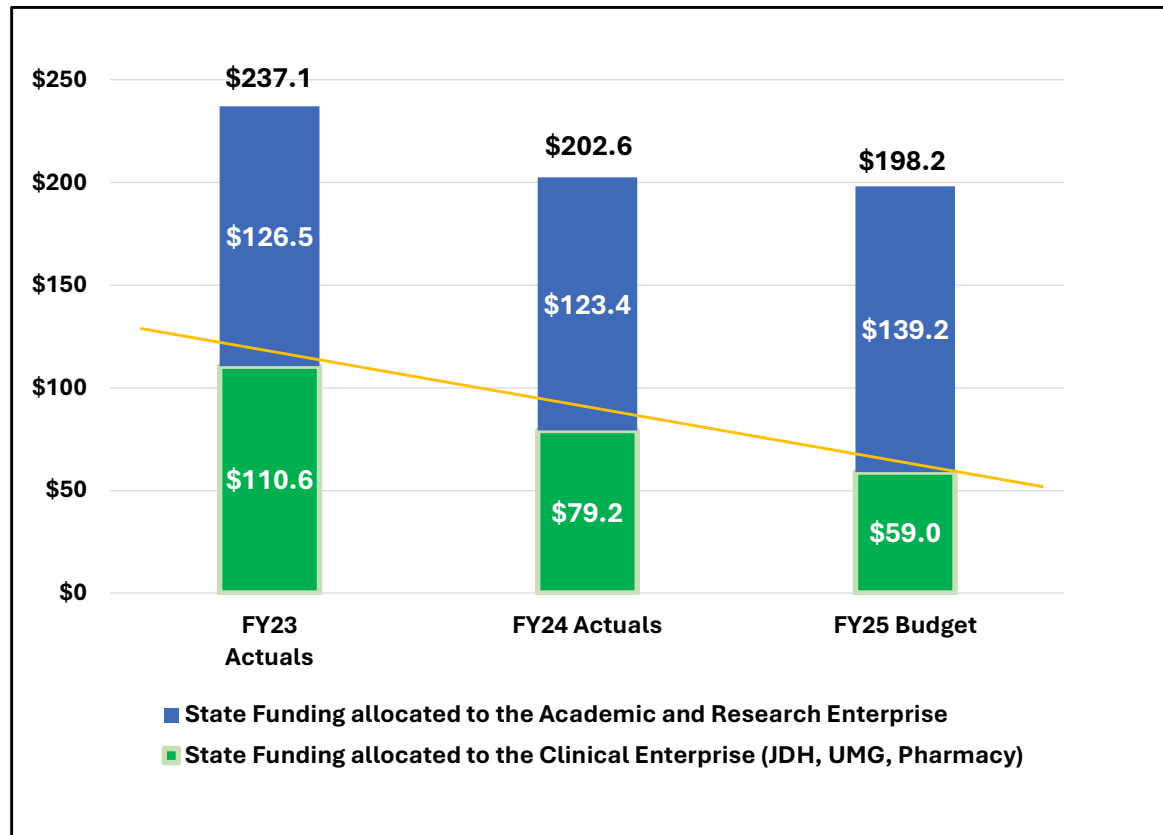
# UConn Health – Self-Generated Clinical Revenue Growth



State Support to UConn Health continues to decrease as patient revenues from the hospital, pharmacy services and the medical group practice grow

Note - FY23 adjusted to remove fringe benefit and adjusted for the new fringe methodology (reduced by \$40M)

# UConn Health – State Support Allocation



Note - FY23 adjusted to remove fringe benefit and adjusted for the new fringe methodology (reduced by \$40M)

UConn Health internally allocates the state support it receives to its Clinical, Academic and Research enterprises.

In FY25, state support allocated to the Clinical Enterprise is \$59M.

Due to cost savings and growth of UConn Health’s clinical volumes – including strategic partnerships – **UConn Health has been reducing state support to the Clinical enterprise**, and there is an opportunity **to eliminate** this funding (i.e. \$59M) for the Clinical enterprise in the coming years.

# Implement Financial Improvement Plans

**UConn has implemented Financial Improvement Plans to help mitigate annual operating budget deficits**

**One-time internal cost-cutting efforts have included:**

- attrition/vacancy elimination
- contract improvements
- operating efficiencies

<b>One-Time Savings (\$M)</b>	<b>UConn</b>	<b>UConn Health</b>
<b>FY22</b>	<b>\$13.4</b>	<b>\$23.0</b>
<b>FY23</b>	<b>14.5</b>	<b>5.0</b>
<b>FY24</b>	<b>16.1</b>	<b>22.1</b>
<b>FY25 est.</b>	<b>17.7</b>	<b>15.2</b>

## Role of State Investment

- UConn is Connecticut's flagship university focused on student social and economic mobility.
- The partnership with the State is critical to our success and helps us maintain affordability, provide financial aid, graduate more students, create more jobs, and grow the Connecticut economy.
- The State's investment creates jobs, fuels the economy, produces tax revenue, enhances its reputation as an educationally oriented destination, and associates the state with success and excellence.

