

MINUTES OF THE UNIVERSITY SENATE MEETING
October 10, 2011

1. The regular meeting of the University Senate for October 10, 2011 was called to order by Moderator Spiggle at 4:01 PM.
2. Approval of Minutes

Senator Spiggle presented the minutes of the regular meeting of September 12, 2011 for review.

The minutes were approved as written.

3. Report of the President.

President Herbst reported that Jackson Laboratory, a Bar Harbor, Maine-based genetics institute, plans to build a laboratory at the UConn Health Center campus in Farmington. Jackson will bring scientists with them; many of those scientists will collaborate with our faculty both at the Medical School and in Storrs. The University will take some of the new employee lines being provided for the BioScience Connecticut initiative and split them with Jackson Labs.

President Herbst went on to describe the new BioScience Connecticut initiative and investment in the project by the State of Connecticut and the new Jackson Laboratory facility. President Herbst stated that the new lab will help us “brand” our entire campus as a center of cutting edge biological research. Jackson Laboratory had previously considered expanding in Florida, but its efforts there fell through. The University still has much to do to fill incubator space that has been provided by Bio-Science Connecticut, but having Jackson Labs as an anchor will be a huge benefit in attracting other businesses in the biomedical sciences.

Second, President Herbst described that the Board of Trustees when reviewing and discussing the economic and budgetary needs of the University has concluded that ‘We need more faculty.’ President Herbst stated that the University’s faculty-to-student ratio is presently 18:1 and that the ratio should be closer to 15:1. Not having enough faculty and classes breaks a fundamental contract with parents and students – that if you come here and do well, you will graduate in a timely way. There is an expectation that we should increase research productivity numbers, but to do that we must have faculty with ideas to fuel it. President Herbst stated that “More faculty” is her new mantra.

Third, President Herbst described several new committees and initiatives including the Campus Beautification Committee and the Branding Committee. Each of these initiatives is important in attracting more and better faculty, and top-tier students. In branding we always want to be true to who we are, and the University has more than enough to brag about without exaggeration. President Herbst also reported on the Campus Book Committee headed by Sally Reis that is at work reading the books suggested so far by students and faculty—at least the top ten or so. There should be an announcement of the “campus book” within a few weeks followed perhaps by a visit by the book’s author in the spring.

President Herbst turned the focus of her report to recent reports in the media concerning the Big East Athletic Conference. She explained some of its history and pointed out the necessity of rebuilding the Big East, looking for schools that match us academically that can also “bring some football.” President Herbst stated that the University has some terrific colleagues in the Big East.

Senator Tuchman asked for a comment about the story in yesterday’s Boston Globe where the Boston College Athletic Director, Gene DeFilippo, was reported as bragging that he played a role in keeping UConn out of the Atlantic Coast Conference. It was also reported by the Boston Globe that not all members of the ACC agree with him. The Boston Globe article also cited the Boston College AD as saying that the ACC was “told to put in Syracuse and Pitt by ESPN.” Dr. Herbst stated her opinion that what Mr. DeFilippo has said is hard to believe and that it does not matter anymore. UConn did not receive an invitation to join the ACC, and at the end of the day it remains in the Big East conference. It is therefore in our best interest to rebuild that conference.

Senator Mannheim asked if it was possible to put Jackson Laboratory into the existing Medical School buildings. President Herbst responded that Chief Operating Officer Feldman would provide information on where Jackson Laboratory would be located later in the meeting during his report. Senator Mannheim also asked about the possibility of raising fees and tuition when the pay freeze ends in a couple of years. President Herbst responded that was too far out to consider now and that the University is taking the matter of student fees year-by-year.

4. Report of the Provost.

Provost Nicholls expanded on the email he sent out earlier in the afternoon concerning the reorganization of the Office of the Provost. He spoke of the increased workload for those in the office, including academic oversight of the medical and dental school and new information technology responsibilities. To help with this situation, there will be a real and concerted effort to try to delegate as much as possible to the Deans and Department Heads. Travel requests, foundation disbursements, and special payroll authorization requests are now being dealt with at the school and college level. Additional items for delegation will be forthcoming.

Interim Vice Provost Sally Reis and others have been involved in conversations concerning the reorganization of the Provost’s Office as described in the email. There will be two Vice Provosts, the Vice Provost for Academic Affairs (whose responsibilities include all aspects of both the graduate and undergraduate programs), and a new Vice Provost for Engagement and International Affairs. The position occupied by Douglas Cooper has been eliminated and he has returned to the faculty of the School of Engineering. Provost Nicholls stated new position will be added--a Chief of Staff--which will be a faculty position. Full details about the position are available on the Provost’s website. The search for the Vice Provost for Engagement and International Affairs will be internal, and a search committee will soon be appointed. Provost Nicholls stated that the reorganization will make the Office of the Provost much more in alignment with our peer institutions.

Senator Majumdar asked if the new Vice Provost for Engagement will be in charge of the regional campuses and if the tenure and promotion processes would remain as they are. Provost Nicholls confirmed both of these points.

5. Senator Holsinger presented the Report of the Senate Executive Committee. (Attachment #4)

6. Moderator Spiggle presented the Consent Agenda.

The Senate voted to approve the Consent Agenda as posted.

- a. Report of the Nominating Committee (Attachment #5)

- b. Report of the Curricula and Courses Committee (Attachment #6)

7. The Annual Report of the Capital Projects Planning Advisory Committee and the Building and Grounds Committee was presented by Barry Feldman and Alexandria Roe. (Attachment #7)

Senator Richard Hiskes asked about the environmental goals for the new construction. A. Roe responded that the University's general goal is the "Silver" level that the goal for the new technology innovation building is "Platinum."

Senator Schultz asked for an update on the progress on the Torrey Life Sciences Building. A. Roe responded that funds have just become available to continue work.

Senator D'Angela inquired about the proposed basketball practice facility and asked if it would be dedicated to intercollegiate athletics. A. Roe confirmed that this is its intended purpose. President Herbst added that funds for the facility must be privately raised (they are not coming from UConn 2000) and that some organized student groups might get access to the floors. The big improvement for students will be in freeing up Gampel for use other than basketball practice.

Senator Armstrong asked if anything could be done to ameliorate the dangerous nature of the crosswalks at Hillside and Stadium Road. B. Feldman answered that it was a difficult problem and that there have been numerous solutions proposed but none presents itself as perfect yet. A possible solution may be a traffic light.

Senator Hamilton inquired about the constant delay in renovating the Gant Science Complex. B. Feldman and A. Roe replied that there is funding earmarked for the Gant complex and that it is largely a timing issue because the UConn 2000 building plan lays out the funding for Gant and Torrey between fiscal years 2014 through 2017.

Senator Tracy asked about the McMahon dining hall expansion, inquiring if it would be done over the summer and open for fall 2012. A. Roe responded that construction will begin in spring 2012 and is slated to be open fall 2012. McMahon's dining hall will remain open for the spring

2012 semester but not during the summer. Senator Tracy also asked how many classrooms would be in the new East Building. B. Feldman and A. Roe replied there would be 25 classrooms.

Senator Cantino asked about the need for additional water by the new buildings and if they will be included in the water reclamation project. B. Feldman and A. Roe responded that the water reclamation plant should provide approximately 400,000 gallons that will be used to replace functions that are now being accomplished with potable water. Eventually, the water reclamation plant will produce one million gallons.

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

(Attachment #8)

Senator Schultz inquired about the imbalance in last year's expenditures between post-season sports activities and income from post season. He wondered if it is good to hope for a post-season. L. Teal responded that although it is difficult to find it in the reports, post-season play actually does make money.

Senator Goodheart asked about the Athletic Department's budget and how it relates to the academic budget. L. Teal stated that the Division of Athletics is designed as a self-funding enterprise. Senator Goodheart then asked what happens if they are short on funds. L. Teal responded that such a thing has never yet happened and that the Division of Athletics has again submitted a balanced budget for this year.

Senator Fox asked if fiscal 2012 was the end of our problems, or are there more "shoes to drop." L. Teal responded that she believes this is going to be the worst of it. FY 13 will be a better year owing largely to the concession agreements and the accident of the calendar that called for a 27th payroll charge in FY12.

Senator Mannheim inquired about the fringe benefit lines and the apparent increase in them in spite of the concessions. L. Teal responded that fringe benefit charges increased because employee health care costs increased.

9. New business – none.
10. There was a motion to adjourn.

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

The meeting was adjourned at 5:08 PM.

Respectfully submitted,

Robert F. Miller
Professor of Music
Secretary of the University Senate

The following members and alternates were absent from the October 10, 2011 meeting:

Accorsi, Michael	Eby, Clare	Ogbar, Jeffrey
Aindow, Mark	English, Gary	Recchio, Thomas
Anderson, Amy	Faustman, L. Cameron	Reis, Sally
Austin, Philip	Forbes, Robert	Roe, Shirley
Barreca, Regina	Franklin, Brinley	Salamone, John
Bushmich, Sandra	Gray, Richard	Segerson, Kathleen
Choi, Mun	Hunter, Nina	Singha, Suman
Clark, Christopher	Jain, Faquir	Skoog, Annelie
Clausen, John	Kaminsky, Peter	Sorrentino, Katherina
Colon, Richard	Letendre, Joan	Teschke, Carolyn
Cooper, Douglas	LoTurco, Joseph	Visscher, Pieter
Croteau, Maureen	Lowe, Charles	von Hammerstein, Katharina
DeFranco, Thomas	Martin, Jeanne	von Munkwitz-Smith, Jeffrey
Dominguez, Teresa	McGavran, Dennis	
Dunne, Gerald	O'Neill, Rachel	

Report of the Senate Executive Committee
to the University Senate
October 10, 2011

The Senate Executive Committee has met twice since the September 12th meeting of the University Senate.

On September 30th the SEC met in closed session with Provost Nicholls. Afterwards the SEC met with the Chairs of the Standing Committees to plan the agenda for this meeting and to coordinate the activities among the committees. Topics included whether the Senate should require student evaluations of teaching, a planned meeting of curriculum committees across the university to discuss shared issues, standards for online courses, sales of course notes, policies associated with tenure clock adjustments, requiring that every course have a syllabus, and the possibility of establishing a legal services office for students.

On October 1st the Senate Executive Committee met in closed session with President Herbst. Afterwards we convened a (T)AFS meeting to determine if a *Metanoia on Community* should be held. The committee voted to recommend the Metanoia, and the SEC is working with the President's Office and USG to form a committee to plan it. Following the (T)AFS meeting, the SEC met with Provost Nicholls, and Vice Presidents Singha, Gray, Feldman, Munroe, and Saddlemire. Topics included ongoing plans to establish student legal services that will be available to both undergraduate and graduate students and efforts to enhance services for students who are also veterans. We also learned that the Board of Trustees feels strongly that the University needs to increase its number of faculty.

At its meeting on the 28th of September, the Board of Trustees approved changes to the University by-laws concerning operation of the Senate that the Senate reviewed and approved last April. There was a small change to clarify that the jurisdiction of the Senate does not include the Health Center. The changes provide for student representation on the SEC over the summer, and they provide for both undergraduate and graduate student representatives on the SEC. I am pleased to announce that undergraduate student, Samuel Tracy, and graduate student, Chantelle Messier, are the new student members on the Senate Executive Committee for a one-year term.

Respectfully submitted,
Kent E. Holsinger
Chair, Senate Executive Committee
October 10, 2011

**Nominating Committee Report
to the University Senate**

October 10, 2011

1. We move the following faculty and staff deletions from the named standing committees:

James Boster from the University Budget Committee

2. We move to appoint the following faculty and staff members to the named committee effective immediately with the term ending June 30, 2012.

Angela Brightly to the Diversity Committee as representative of the
University Budget Committee

Gay Douglas to the Diversity Committee as representative of the Scholastic
Standards Committee

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

Maria Ana O'Donoghue to the Curricula & Courses Committee

Lysa Teal to the University Budget Committee as an ex-officio, non-voting
representative of the Chief Financial Officer's Office

3. We move the following graduate student additions to the named committees effective immediately with a term ending June 30, 2012:

Stephanie Kimball to the Faculty Standards Committee

4. For the information of the University Senate: Samuel Tracey, undergraduate student, has been elected to the Senate Executive Committee; and Chantelle Messier, graduate student, has been selected to serve on the Senate Executive Committee.

Respectfully submitted,

Marie Cantino, Chair
Thomas Bontly
Cameron Faustman

Andrea Hubbard
Andrew Moiseff
Susan Spiggle

**University Senate Curricula and Courses Committee
Report to the Senate
October 10, 2011**

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

- A. ENGL 2011 Honors I: Literary Study through Reading and Research (250) Four credits. Open only with consent of instructor. Not open for credit for students who have passed ENGL 3800. May be used to satisfy the English 1010 or 1011 requirement. May not be used to satisfy the English major requirement. Approaches to reading and researching literature through questions related to the assumptions, contexts, and uses of literary texts in culture. Extensive practice in academic writing.
- B. FINA 1001 Earthtones: Vocal Ensemble
One credit. One laboratory period. May be repeated for credit with a change in topic. No prerequisites.
A world music vocal ensemble that brings to life the songs of specific cultures as a means to gain knowledge and understanding of communities, culture, spirituality and social justice.
- C. PUBH 1001 Introduction to Public Health
Three credits. Two 1hr and 15 mins lecture classes per week plus individual and group field assignments. Wolfe
A basic foundation in public health principles and practices.

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

- A. HORT 2560W Written Communications in Horticulture (change enrollment restriction)
- Current Catalog Copy*
First semester. One credit. Prerequisites: ENGL 1010 or 1011 or 3800. Lubell.
Writing as a component of communicating facts and opinions in the theory and practice of Horticulture. Assignments will reflect forms of writing commonly encountered by professional horticulturists, including descriptive brochures, articles for mass media, extension bulletins, and technical manuals.
- Revised Catalog Copy*
One credit. Open only to Horticulture or Turfgrass Science majors, others by consent. Prerequisites: ENGL 1010 or 1011 or 3800. Lubell.
Writing as a component of communicating facts and opinions in the theory and practice of Horticulture. Assignments will reflect forms of writing commonly encountered by professional horticulturists, including descriptive brochures, articles for mass media, extension bulletins, and technical manuals.

B. CSE/BME/MCB/PNB 1401 Honors Core Computational Molecular Biology (new cross listing)

Current Catalog Copy

MCB 1401. Honors Core: Computational Molecular Biology (120) (Also offered as BME 1401 and CSE 1401.) Either semester. Three credits.

Introduction to research in computational biology through lectures, computer lab exercises, and mentored research projects. Topics include gene and genome structure, gene regulation, mechanisms of inheritance, biological databases, sequence alignment, motif finding, human genetics, forensic genetics, stem cell development, comparative genomics, early evolution, and modeling complex systems. CA 3.

BME 1401. Honors Core: Computational Molecular Biology (120) (Also offered as CSE 1401 and MCB 1401. Either semester. Three credits.

Introduction to research in computational biology through lectures, computer lab exercises, and mentored research projects. Topics include gene and genome structure, gene regulation, mechanisms of inheritance, biological databases, sequence alignment, motif finding, human genetics, forensic genetics, stem cell development, comparative genomics, early evolution, and modeling complex systems. CA 3.

CSE 1401. Honors Core: Computational Molecular Biology (120) (Also offered as BME 1401 and MCB 1401.) Either semester. Three credits.

Introduction to research in computational biology through lectures, computer lab exercises, and mentored research projects. Topics include gene and genome structure, gene regulation, mechanisms of inheritance, biological databases, sequence alignment, motif finding, human genetics, forensic genetics, stem cell development, comparative genomics, early evolution, and modeling complex systems. CA 3.

Revised Catalog Copy

MCB 1401. Honors Core: Computational Molecular Biology (120) (Also offered as BME 1401 and CSE 1401 and PNB 1401). Three credits.

Introduction to research in computational biology through lectures, computer lab exercises, and mentored research projects. Topics include gene and genome structure, gene regulation, mechanisms of inheritance, biological databases, sequence alignment, motif finding, human genetics, forensic genetics, stem cell development, comparative genomics, early evolution, and modeling complex systems. CA 3.

BME 1401. Honors Core: Computational Molecular Biology (120) (Also offered as CSE 1401 and MCB 1401 and PNB 1401). Three credits.

Introduction to research in computational biology through lectures, computer lab exercises, and mentored research projects. Topics include gene and genome structure, gene regulation, mechanisms of inheritance, biological databases, sequence alignment, motif finding, human genetics, forensic genetics, stem cell development, comparative genomics, early evolution, and modeling complex systems. CA 3.

CSE 1401. Honors Core: Computational Molecular Biology (120) (Also offered as BME 1401 and MCB 1401 and PNB 1401). Three credits.

Introduction to research in computational biology through lectures, computer lab exercises, and mentored research projects. Topics include gene and genome structure, gene regulation, mechanisms of inheritance, biological databases, sequence alignment, motif finding, human genetics, forensic genetics, stem cell development, comparative genomics, early evolution, and modeling complex systems. CA 3.

PNB 1401. Honors Core: Computational Molecular Biology (120) (Also offered as BME 1401 and CSE 1401 and MCB 1401). Three credits.

Introduction to research in computational biology through lectures, computer lab exercises, and mentored research projects. Topics include gene and genome structure, gene regulation, mechanisms of inheritance, biological databases, sequence alignment, motif finding, human genetics, forensic genetics, stem cell development, comparative genomics, early evolution, and modeling complex systems. CA 3.

C. WS 1105 Gender in Everyday Life (revise title and course description)

Current Catalog Copy

Gender in Everyday Life

(105) Either semester. Three credits.

Explores how the biological fact of sex is transformed into a system of gender stratification in our everyday lives. Examines the social position of women in the family, work, and politics while maintaining sensitivity to the diversity of women's experiences across class, racial-ethnic groups, cultures, and regions. Experience in introductory research methods to analyze the social construction and structural organization of gender. CA 2. CA 4.

Revised Catalog Copy

Gender and Sexuality in Everyday Life

(105) Three credits.

How gender, sex, and sexuality are woven into systems of difference and stratification that shape everyday life. Examines these processes in the family, education, work, and politics with sensitivity to the diversity of individual experiences across class, racial-ethnic groups, cultures, and regions. Provides experience in introductory research methods to analyze the social construction and structural organization of gender and sexuality. CA 2. CA 4.

III. The Curricula and Courses Committee recommends approval to ADD the following to General Education Content Area 1, Arts and Humanities

A. FINA 1001 Earthtones: Vocal Ensemble

IV. The Curricula and Courses Committee recommends approval to ADD the following to General Education Content Area 2, Social Sciences

A. PUBH 1001 Introduction to Public Health

V. The Curricula and Courses Committee recommends approval to REVISE the following skill code courses:

- A. GS 4278W Integrating General Studies (permit repeating for credit)

Current Catalog Copy

(295W) Prerequisite: ENGL 1010 or 1011 or 3800.

Revised Catalog Copy

(295W) Prerequisite: ENGL 1010 or 1011 or 3800. With a change in topic, may be repeated for credit.

VI. The Curricula and Courses Committee recommends approval to DELETE the following skill code courses:

- A. AH 4244W Management for the Health Professional

- B. MCB 4994W Honors Undergraduate Seminar

Respectfully Submitted by the 11-12 Senate Curricula and Courses Committee.

Eric Schultz, Chair, Keith Barker, Pamela Bedore, Marianne Buck, Andrew DePalma, Hedley Freake, Gerald Gianutsos, Dean Hanink, Peter Kaminsky, Kathleen Labadorf, Susan Lyons, Joseph Madaus, Maria Ana O'Donoghue, Jeffrey Ogbar, Pieter Visscher

9-28-11



Project Updates

October 10th, 2011

West Classroom Building



The West Classroom Building is a 69,000 gross square feet classroom building seating with more than 1,342 seats including a 200-seat and 400-seat auditoria.

One of the replacement buildings for Arjona and Monteith that provides new high tech classrooms and departmental offices for Economics, Modern and Classical Languages, Linguistics, Journalism and Political Science .

Construction Completed Summer 2011



West Classroom Building



East Building

One of the replacement buildings for Arjona and Monteith. The 133,000 gross square feet for East building will house new high tech classrooms and the 5 department offices.

**One of the replacement buildings for Arjona and Monteith that will provide new high tech classrooms and departmental offices for Economics, Modern and Classical Languages, Linguistics, Journalism and Political Science . Construction is currently Underway.
Estimated Completion Date – August 2012**

**Project Budget - \$95 Million –UConn 2000
Named Project**



Floriculture

The project consists of renovations and expansion of an existing headhouse building, new electrical and HVAC systems; reconfiguration of classrooms and work spaces; a fire suppression system; architectural modifications to meet accessibility requirement. A 2,400 square feet addition along Route 195 will provide an additional classroom, rest rooms, and entry area, as well as mechanical space. Construction is in process. Estimated Completion Date – Summer 2012
 Project Budget: \$6.07M – UConn 2000 Named Project



September 2011



Rendering



Student Union Terrace



The new terrace on the east side of the Student Union provides a wonderful location for the campus community to meet friends, eat lunch and otherwise enjoy the campus. North & South pedestrian movement through campus is now expanded and enhanced by reconfiguration of the adjacent walkway that meets ADA standards. In addition, the terrace, removed during the expansion of the Student Union, has been designed to accommodate special events and can serve as a stage or hold a large tent.

Project Budget - \$1M – UConn 2000 DM Funds

Construction Completed – Summer 2011

Avery Point Student Center

The overall goals of this project are to:

- Create a dramatic gateway to the Campus
- Provide a center of activity that fosters interaction within our community of students, faculty, campus neighbors, and visitors.

Specifically, this project will provide:

- A campus food service operation and dining space
- A large meeting space for campus and community events
- A student lounge and game room for socializing
- A venue space for performances
- Exterior patio spaces
- Spaces that have flexibility of use

**Project Budget - \$ 6.8M – UConn 2000 Named Project
Planned Construction start Summer 2012**

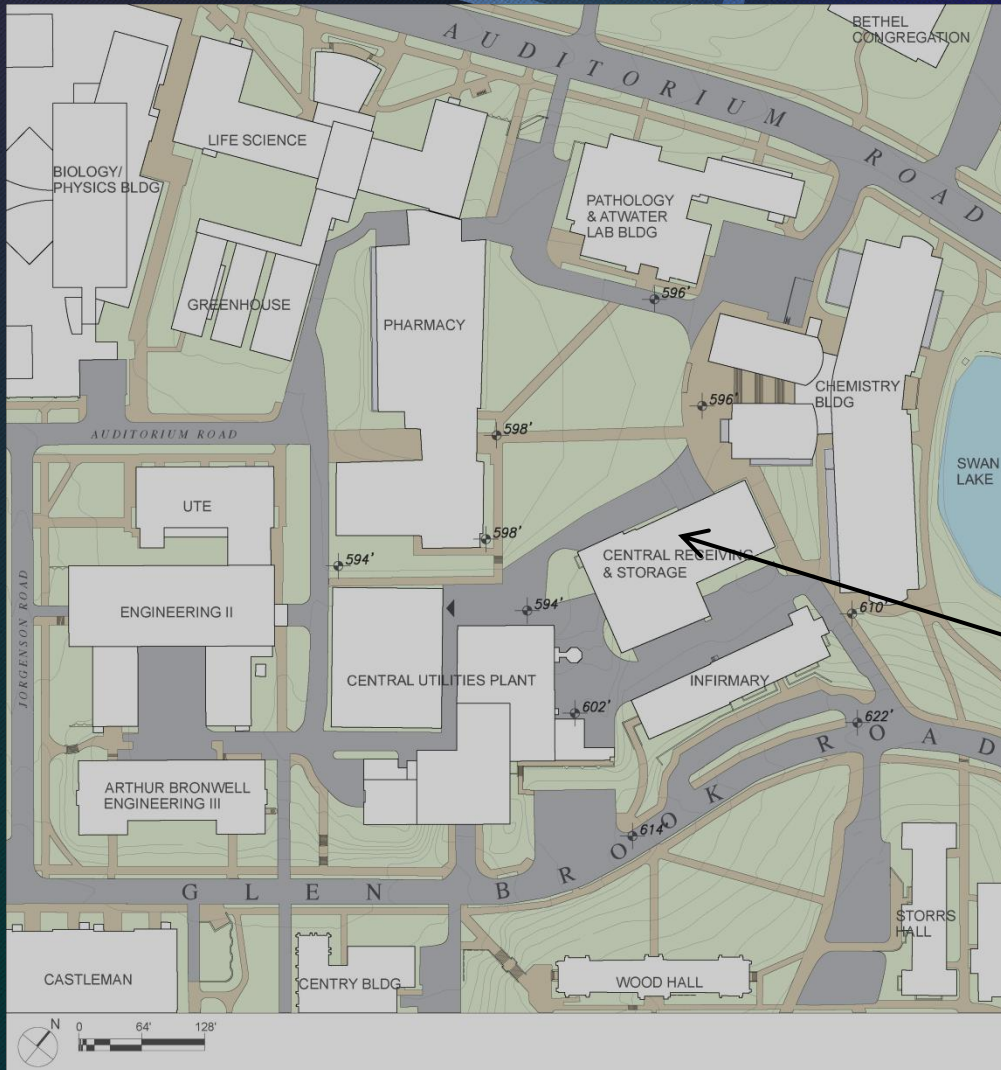


Basketball Development Facility

The proposed two-story Basketball Development Facility will be constructed on the site of the former football field behind Gampel Pavilion across from the Burton/Schenkman Football building. The new 72,000 GSF building will accommodate the Men's and Women's Basketball programs with space for courts, strength and training, video, academic study, locker rooms, equipment, laundry and office areas. Estimated Project Budget - \$25-30M to be funded by charitable gifts; etc..



Engineering and Technology Center



The proposed Engineering Building will be a state-of-the-art laboratory for trans-disciplinary research in Bio-Nano Engineering, Cyber-Physical Systems Engineering and High-Performance Computing

SITE OF PROPOSED BUILDING

**Project Budget - \$60,500,000 UCONN 2000
Named Project
Planned Construction - 2013-2016**

Bousfield Psychology Building

Addition and Renovation

11/12 - A -20

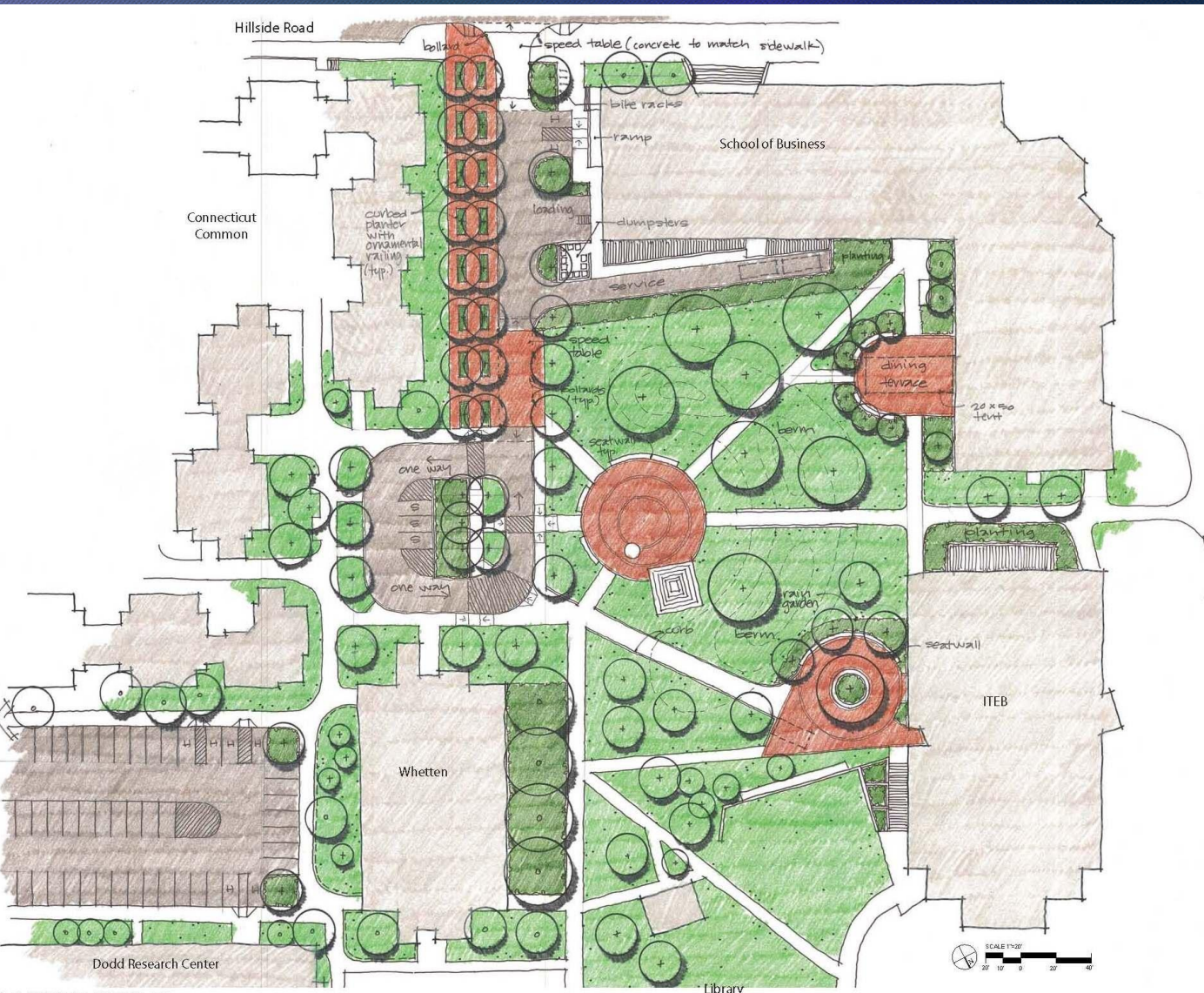
A new addition of about 30,000 GSF will be constructed on the north side of the existing building, just south of the new Social Sciences and Humanities Building East, which is currently under construction. The addition will be connected to the existing building through a two-story atrium which will serve as a new entrance to the facility. The Basement will house physiopsych labs plus computer server and mechanical/support spaces. The first floor will provide variously sized lecture and seminar rooms, with the atrium offering additional break-out space. The second floor will house the Psychological Services Clinic which serves the public and conducts research. The third floor will house EEG labs, a wet lab, and a suite of small office-type rooms for conducting psychological research.

Renovations to the existing building target areas of particular concern, and include roofing, a rain screen to solve cast-in-place concrete leaks, glazing, mechanical/electrical/fire protection improvements, and ADA-compliant toilets. Renovations are expected to comprise about 20% of the total construction cost of the project.

Project Budget - \$22,500,000



Access One: Whetten, School of Business, ITEB



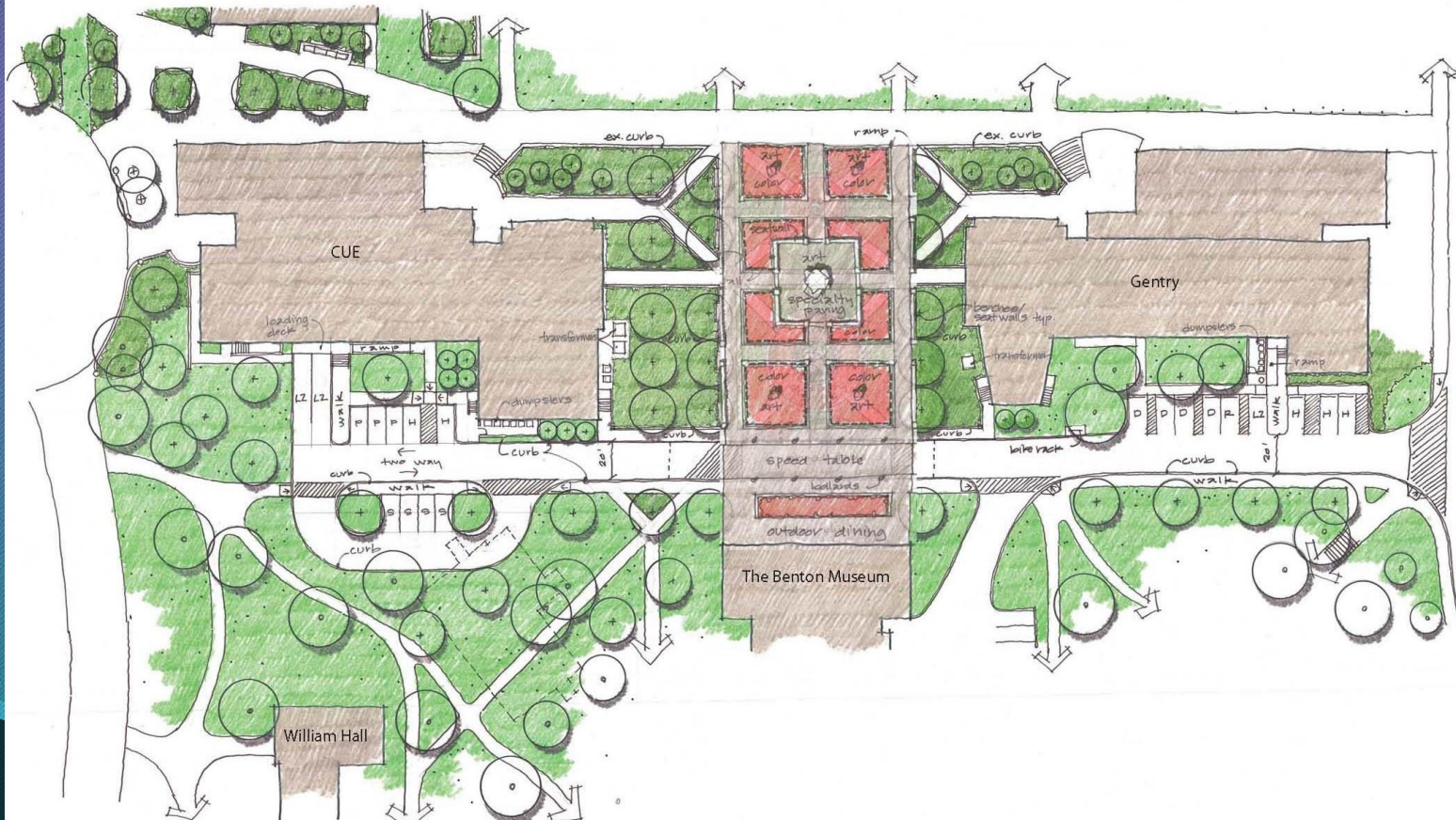
A redesign of the Library Quad will resolve a range of pedestrian safety and vehicle access issues and greatly enhance the campus experience in this part of campus. Service, delivery and handicap access needs will be accommodated while restricting general access and parking from the area. The project also upgrades the quality of the quadrangle, creating a place to throw a Frisbee, read a book or simply lay on the grass. Phase II of the project encompasses reconfiguration of the Dodd parking area and is not yet funded.

Project Budget - \$3.2M

[Return to Map](#)

Access Two: Gentry, CUE, and the Benton Quad

West Classroom Building



[Return to Map](#)

This project includes improving pedestrian safety, resolving vehicle access issues and enhancing the adjacent plaza and landscape areas. The corridor between Gentry, Cue and the Benton Art Museum will have a sidewalk for pedestrians and an adjacent roadway for service and delivery vehicles. The Benton Café (the Beanery) outdoor space and the plaza space between CUE and Gentry (Sundial Plaza) will be reconfigured to create a vibrant plaza space in the second phase of the project.

Total Project Budget: \$2.2 M

McMahon Dining Hall Renovations

These renovations will provide an extensive upgrade to a market place theme bringing display cooking and finishing of food items to the seating area. The seating area will be increased to 500 from the current 300 seats.

Project Budget : \$8,143,704.

Construction Completed: Fall, 2012



Master Plan



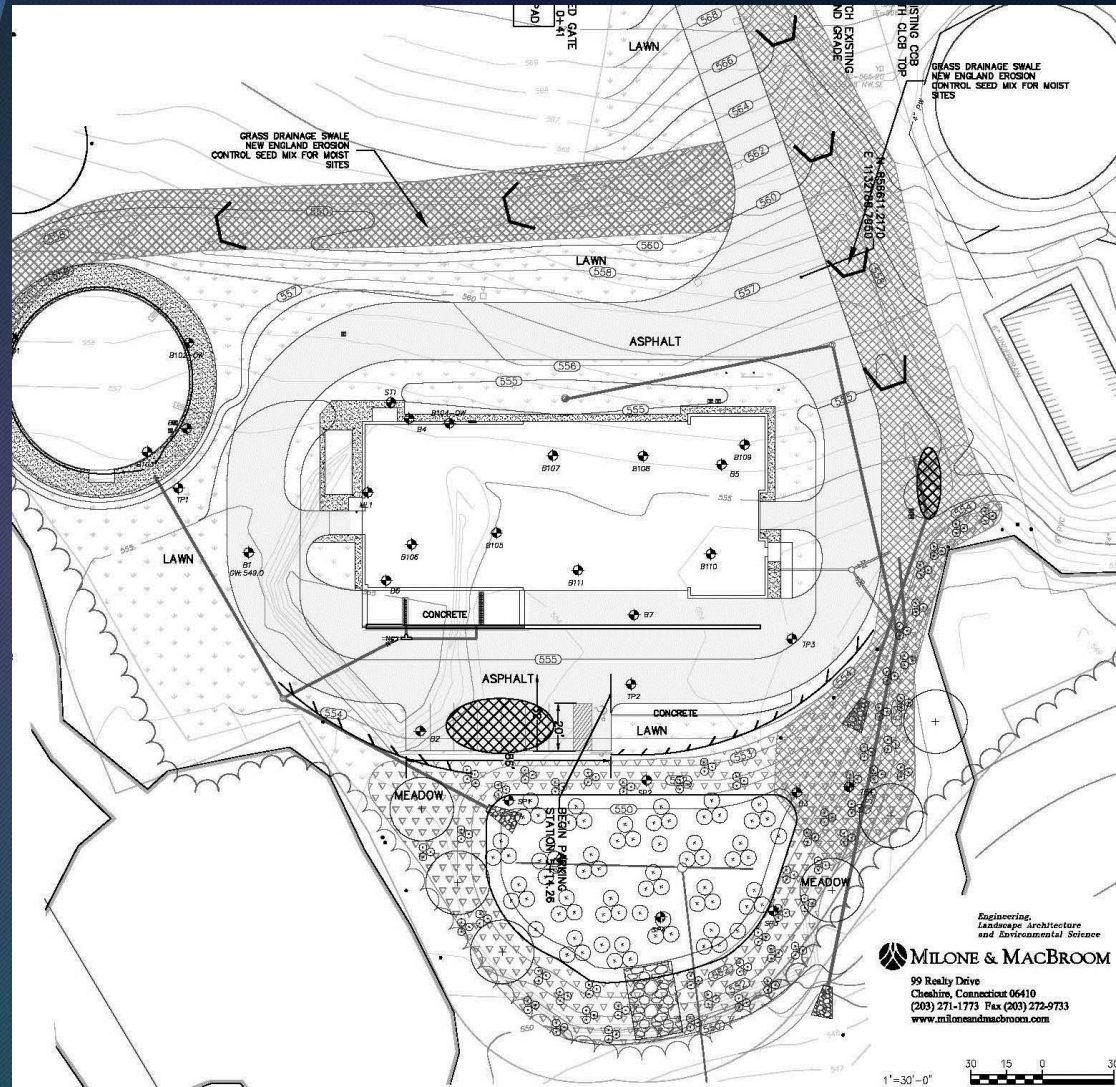
Dining Pavilion Rendering

Reclaimed Water Facility

Summer construction of the Reclaimed Water included installation of buried pipeline beneath North Eagleville Road and Lot 9.

Site work for the facility has included establishing the site's storm drainage and erosion controls, excavating and grading for the treatment building and storage tank, and pouring the building foundation.

The Fall schedule includes completing the pipe installations beneath LeDoyt Road, Auditorium Road, and Alumni Drive. Fall site work is also expected to include erecting the 1 million gallon storage tank and the structural portions of the building.



Torrey Life Sciences Renovations



Renovations are complete on the Torrey Life Sciences Building 1st floor project.



Hillside Road Sidewalk Improvements

At areas of narrow sidewalk section, such as in front of the Graduate Residences, or at areas of heavy crossing, such as in front of the Natatorium and the Gampel Pavilion, street trees shall be planted in brick paved areas between the curb and sidewalk to create a maintainable, continuous surface that will accommodate pedestrian crowds. Construction in front of Gampel Pavilion Completed Summer 2011.



Storrs Hall



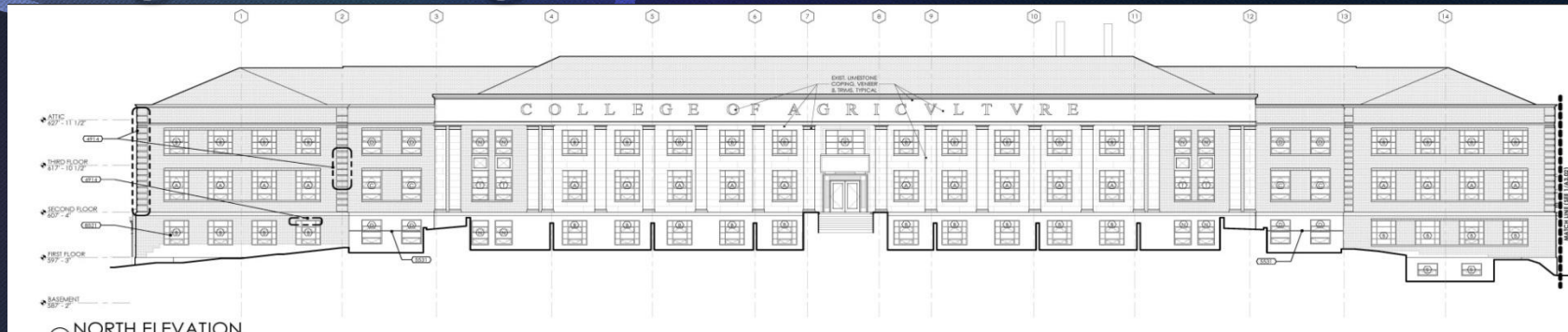
September 2011

The School of Nursing is housed in the 35,000 square foot Storrs Hall (circa 1908) and in a 4,000 square foot modular building. This project replaces the modular building and fulfills the need for additional space, by providing student-centered space necessary to prepare students for the 21st century health care environment. The new 15,800 square foot addition will allow for the development of student functions such as individual exam rooms, clinical simulation rooms and a case study room. New technology will allow teachers to instruct entire levels of students in one section as they witness and benefit from the practice of others. Broadcast ability among the simulation rooms and case study rooms allow creative use of technology and can expand collaborations with scholars and scientists located on other campuses.

**Project Budget - \$14.8 M - UConn 2000 Named Project
Construction Complete – Summer 2012**



Young Building Renovation



The William B. Young Building, constructed in 1953, contains classrooms, studios, offices and research laboratories for the College of Agriculture and Natural Resources. It serves as the headquarters for the Departments of Natural Resources and the Environment, Agricultural and Resource Economics, Plant Science and Landscape Architecture, as well as for the College administration and the state Agricultural Extension Service.



The 72,000 square foot building has not been significantly upgraded since its construction. This project will replace worn-out building infrastructure, including glazing, HVAC, electrical and plumbing systems. Floor tile will be removed and replaced, and the bathrooms will be updated and made accessible. Very limited reconfiguration of floor layouts will improve adjacencies within the departments. The renovation is scheduled to begin in summer 2012 and to be complete before the fall 2013 semester.

Project Budget - \$15M – UConn 2000 Named Project

Bio-Science

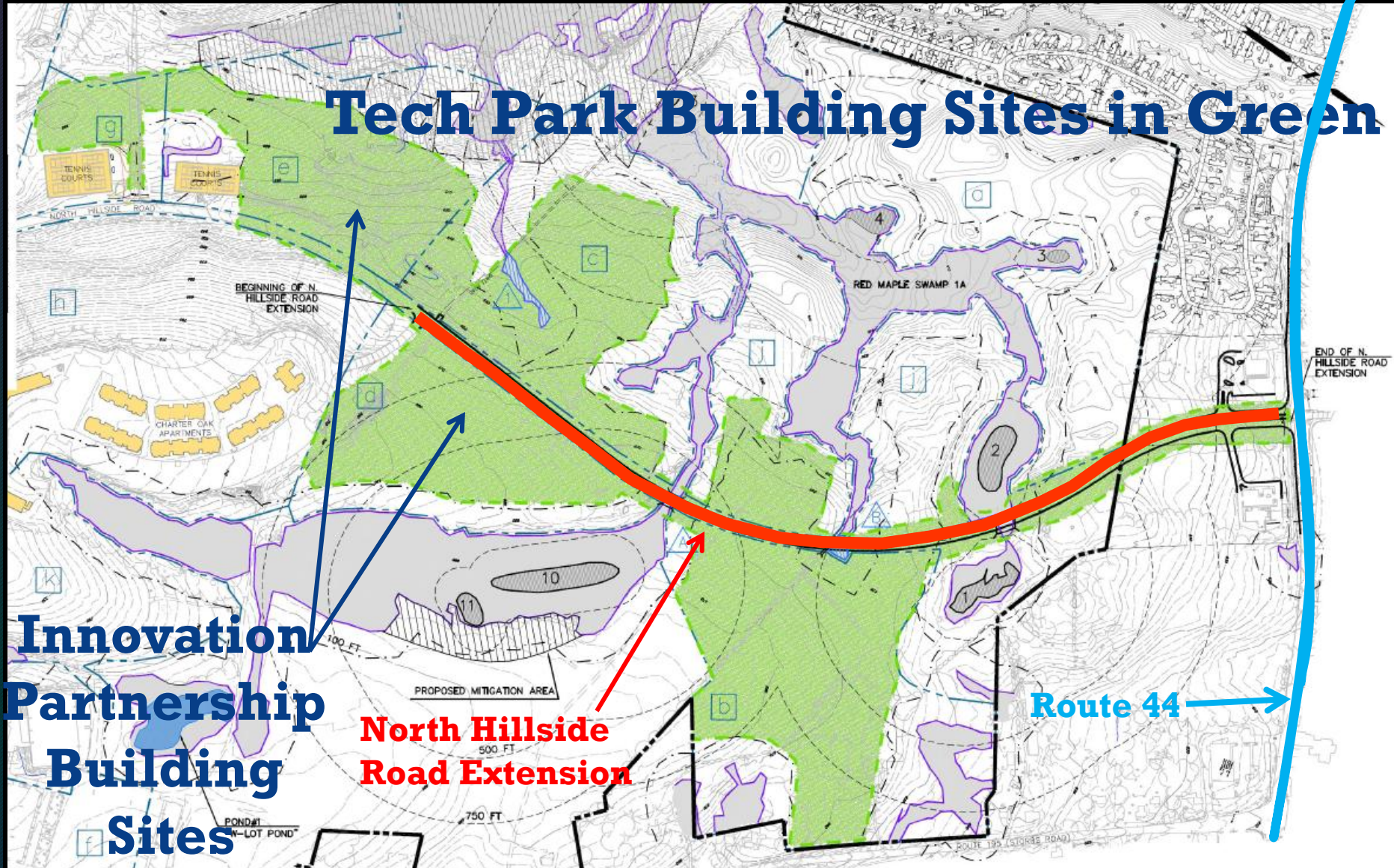
- Renovates 238,000 square feet of existing UCHC research facilities to increase bioscience research capacity and productivity.
- Renovates 28,000 square feet of existing UCHC research facilities to create new incubator space to foster new business start-ups.
- Increases the number of UCHC basic and clinical/translational scientists (by 50).
- Incorporates a plan overwhelmingly approved in 2010 and supported by area hospitals, the business community and community health providers to construct a new patient tower with the same number of licensed beds (234); transfer JDH NICU to CT Childrens; and establish the initiatives of the UConn Health Network.
- Construct a new 6-story 169 single room patient tower with a 26,000 square foot clinical support floor, new emergency room suite, a 46,000 square foot medical educational unit and 2 parking garages.
- Constructs a new, privately financed ambulatory care facility (estimated value at \$203 million and 300,000 square feet) for outpatient services.



UConn Technology Park

North Hillside Road Extension

Tech Park Building Sites in Green



INNOVATION PARTNERSHIP BUILDING

- Board approves Tech Park budget on June 23rd
- Bond Commission allocates \$18 M on August 26
- Visioning Committee meets in Hartford & at UCHC to define strategy with Industry Representatives
- Legislative Tours at C2E2, main campus and with President Herbst
- Interviews for Multi-disciplinary Design Team on September 30
- 8 Proposals submitted for Construction Manager at Risk

NEW WATER SUPPLY

- Notice of Scoping posted on Environmental Monitor
- Public Hearing held at Student Union on June 28th
- Milone and MacBroom chosen to prepare CEPA document
- Kick-off meeting held on September 26th - Draft due Spring 2012
- 7 alternatives to be investigated – 5 underground sources & 2 interconnections with existing water systems

University Senate



Operating Budget Presentation

October 10, 2011

Table of Contents

	<u>Page</u>
1. FY 2011 Budget Review (unaudited)	1-2
2. FY 2012 Spending Plan	3-7
3. University Operating Budget Highlights*	8-15

*These documents were submitted to the Board of Trustees on September 28, 2011 and are available on the CFO's website at <http://www.cfo.uconn.edu/BOT/BOT.html>

University of Connecticut (Storrs & Regional Campuses)

FY 2011 Budget Review

The following narrative and schedule provide information on the main drivers of the University of Connecticut Storrs-based operating budget. The amounts presented here are subject to audit adjustments.

- ✚ **Total Revenue** – For the year ended June 30, 2011, total Operating and Research Fund revenues were \$1,058.2 million or 2.4% more than budgeted. The Operating and Research Funds positive variance from budget of \$24.7 million was primarily due to positive variances in Tuition, Fees, Grants & Contracts and Auxiliary Enterprises.
- ✚ **Tuition** – Total Tuition revenue was \$246.1 million or 2.5% greater than budget. Tuition revenue collections reflect a 5.66% rate increase coupled with a 1.6% increase in the number of undergraduate degree-seeking students who account for approximately 86.3% of tuition revenues.
- ✚ **Fees** – Fee revenue was \$92.3 million or \$1.5 million higher than budget. This was primarily due to higher enrollment than projected and better than expected summer session enrollment.
- ✚ **Grants & Contracts and Foundation** – Grants & Contracts and Foundation revenues were more than the budget of \$78.9 million by \$9.6 million. The University has received additional federal and state financial aid.
- ✚ **Auxiliary Enterprise Revenue** – This category was \$6.2 million more than budgeted primarily due to post season revenue for Athletics.
- ✚ **Total Expenditures** – Total Operating and Research Fund expenditures/transfers were \$1,056.5 million. Operating Fund expenditures were over budget by \$4.3 million and Research Fund expenditures were over by \$4.7 million. Operating Fund savings in Fringe Benefits, Energy expenditures and Transfers were off-set by additional expenditures in Other Expenses, Financial Aid and Research.
- ✚ **Personal Services** – Operating Fund Personal Services expenditures (including fringe benefits) were \$561.3 million or \$2.1 million less than budget due to less fringe benefit expenditures than budgeted.
- ✚ **Other Expenses** – Other Expenses were more than the budget by \$11.5 million. This was primarily due to the encumbrances at the end of FY10 that became expenditures in the first two quarters of FY11 and the additional cost of hiring a consulting firm to examine operations and recommend savings and revenue-enhancements. Also contributing to this overage was higher than expected expenditures in Athletics due to successful post season participation.
- ✚ **Energy** – Energy costs were \$2.5 million less than budget due to favorable gas prices.
- ✚ **Student Financial Aid** – Student Financial Aid expenditures were \$8.3 million more than budget primarily due to the additional state and federal funding. This increase in expenditure was offset by the additional state and federal revenue and University resources of \$1.6 million.
- ✚ **Transfers** – This line reflects transfers to Plant Funds for various construction projects and bond and installment loan payments, as well as payments for the capital lease for the Cogeneration plant. Transfers were under budget by \$10.5 million due to the revised funding plan for the water reclamation project that reallocated some existing plant fund balances as opposed to using current year revenues.
- ✚ **Research** – Research expenditures were \$4.7 million greater than budgeted due to additional equipment purchases and Research Fund support for the Torrey Life Sciences 1st Floor construction project.
- ✚ **Net Gain** – For the year ended June 30, 2011, the University had a net gain of \$1.7 million. 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 and is net of the \$15.0 million transfer from University operating reserves to the State General Fund required by the 2011 State budget.

University of Connecticut (Storrs & Regionals)
Statement of Current Funds Budget Operations¹ and Variance Analysis
FY11 Actual (unaudited)
(Dollars in Millions)

	Budget	Actual	Variance	% Change
Current Funds Revenues:				
Operating Fund				
State Support	\$332.1	\$329.0	(\$3.1)	
Tuition	240.1	246.1	6.0	
Fees	90.8	92.3	1.5	
Grants & Contracts	60.8	70.0	9.2	
Foundation	18.1	18.5	0.4	
Investment Income	1.2	1.0	(0.2)	
Sales & Service Education	14.9	16.1	1.2	
Auxiliary Enterprise Revenue	170.2	176.4	6.2	
Other Revenue	<u>10.5</u>	<u>11.5</u>	<u>1.0</u>	
Total Operating Fund	938.7	960.9	22.2	2.4%
Research Fund	<u>94.8</u>	<u>97.3</u>	<u>2.5</u>	2.6%
Total Current Funds Revenues	\$1,033.5	\$1,058.2	\$24.7	2.4%
Current Funds Expenditures / Transfers:				
Operating Fund				
Personal Services	\$411.9	\$413.0	\$1.1	
Fringe Benefits	151.5	148.3	(3.2)	
Other Expenses	158.9	170.4	11.5	
Energy	29.0	26.5	(2.5)	
Equipment	17.8	17.4	(0.4)	
Student Financial Aid	110.1	118.4	8.3	
Transfers*	<u>73.5</u>	<u>63.0</u>	<u>(10.5)</u>	
Total Operating Fund	952.7	957.0	4.3	0.5%
Research Fund	<u>94.8</u>	<u>99.5</u>	<u>4.7</u>	5.0%
Total Current Funds Expenditures / Transfers	\$1,047.5	\$1,056.5	\$9.0	0.9%
Net Gain (Loss)²	<u>(\$14.0)</u>	<u>\$1.7</u>	<u>\$15.7</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 or amortization and does not include the State debt service commitment for principal and interest.

2 For the fiscal year ended June 30, 2011, the University had a net gain of \$1.7 million. 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 and is net of the \$15.0 million transfer from University operating reserves to the State General Fund required by the 2011 State budget.

* Includes required transfer of \$15 million to the State General Fund.

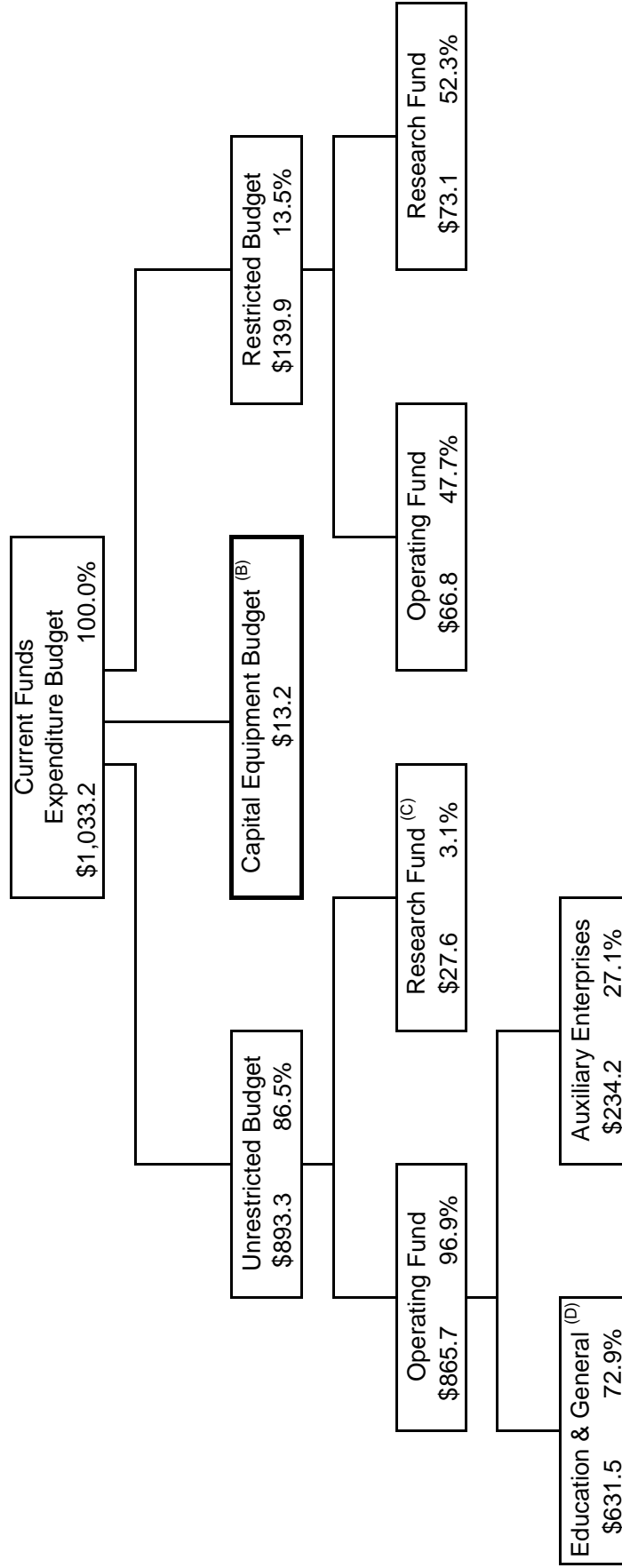
University of Connecticut (Storrs & Regional Campuses)
Current Funds Budget
FY 2012

	TOTAL	E & G	AUXILIARY	UNRESTRICTED	RESTRICTED
Revenues					
Operating Fund					
State Support					
State Approp/Allotment with Accruals	\$ 199,392,856	\$ 199,392,856	\$	\$ 199,392,856	\$
Fringe Benefits	84,779,067	84,779,067		84,779,067	
Total State Support	<u>284,171,923</u>	<u>284,171,923</u>		<u>284,171,923</u>	
Student Tuition & Fees-Gross	401,804,330	365,526,546	36,277,784	401,804,330	
Tuition Waiver Discounts	<u>(48,025,719)</u>	<u>(48,025,719)</u>		<u>(48,025,719)</u>	
Net Student Tuition & Fees	353,778,611	317,500,827	36,277,784	353,778,611	
Grants & Contracts	58,982,628	58,003,773	978,855	2,486,000	56,496,628
Private Gifts & Grants	27,439,456	14,046,754	13,392,702	17,516,706	9,922,750
Investment Income	739,700	739,700		351,300	388,400
Sales/Services of Educational Depts	16,093,282	16,093,282		16,093,282	
Sales/Services Auxiliary Enterprises	183,581,151		183,581,151	183,581,151	
Other Revenue	<u>5,757,940</u>	<u>5,757,940</u>		<u>5,757,940</u>	
Total Operating Fund	\$ 930,544,691	\$ 696,314,199	\$ 234,230,492	\$ 863,736,913	\$ 66,807,778
Research Fund					
Research Grants and Contracts	98,052,000	98,052,000		24,932,000	73,120,000
Total Revenues	\$ <u>1,028,596,691</u>	\$ <u>794,366,199</u>	\$ 234,230,492	\$ <u>888,668,913</u>	\$ <u>139,927,778</u>
Expenditures/Transfers					
Education and General (E&G):					
Instruction	\$ 299,057,583	\$ 299,057,583		\$ 295,334,444	\$ 3,723,139
Research	80,742,573	80,742,573		7,353,612	73,388,961
Public Service	41,033,794	41,033,794		22,550,925	18,482,869
Academic Support	74,515,575	74,515,575		72,006,326	2,509,249
Library	22,364,790	22,364,790		22,349,860	14,930
Student Services	29,878,106	29,878,106		29,835,304	42,802
Institutional Support	86,006,474	86,006,474		86,006,474	
Physical Plant	70,160,588	70,160,588		70,160,588	
Student Aid	<u>113,949,205</u>	<u>113,949,205</u>		<u>72,183,377</u>	41,765,828
Education and General Expenditures	817,708,688	817,708,688		677,780,910	139,927,778
Auxiliary Enterprises Expenditures	\$ 180,793,790		\$ 180,793,790	\$ 180,793,790	
Total Expenditures	<u>998,502,478</u>	<u>817,708,688</u>	<u>180,793,790</u>	<u>858,574,700</u>	<u>139,927,778</u>
Total Transfers	<u>34,738,957</u>	<u>(18,697,745)</u>	<u>53,436,702</u>	<u>34,738,957</u>	
Total Expenditures/Transfers	\$ <u>1,033,241,435</u>	\$ <u>799,010,943</u>	\$ 234,230,492	\$ <u>893,313,657</u>	\$ <u>139,927,778</u>
Net Loss	\$ <u>(4,644,744)</u>	\$ <u>(4,644,744)</u>	\$ 0	\$ <u>(4,644,744)</u>	\$ 0

University of Connecticut (Storrs & Regional Campuses)

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

FY 2012



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

University of Connecticut (Storrs & Regional Campuses)
Current Funds - Actual and Proposed (in millions)
Fiscal Years Ended June 30, 2008-2012

	Actual			Proposed			
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Change	%
Revenues:							
Operating Fund				<u>(Unaudited)</u>			
State Support	\$328.2	\$327.8	\$325.4	\$329.0	\$284.2	(\$44.8)	-13.6%
Tuition (Net of Discounts)	190.0	210.3	226.2	246.1	256.1	10.0	4.1%
Fees	78.9	82.9	88.6	92.3	97.7	5.4	5.9%
Auxiliary Enterprise Revenue	136.0	152.4	164.8	176.4	183.6	7.2	4.1%
All Other Revenues	<u>109.3</u>	<u>105.6</u>	<u>102.9</u>	<u>117.1</u>	<u>108.9</u>	<u>(8.2)</u>	<u>-7.0%</u>
Total Operating Fund	\$842.4	\$879.0	\$907.9	\$960.9	\$930.5	(\$30.4)	-3.2%
Research Fund	<u>72.9</u>	<u>80.6</u>	<u>89.7</u>	<u>97.3</u>	<u>98.1</u>	<u>0.8</u>	<u>0.8%</u>
Total Revenues	\$915.3	\$959.6	\$997.6	\$1,058.2	\$1,028.6	(\$29.6)	-2.8%
Expenditures / Transfers:							
Operating Fund							
Personal Services	\$385.7	\$403.3	\$386.9	\$413.0	\$419.6	\$6.6	1.6%
Fringe Benefits	134.2	136.7	137.5	148.3	153.1	4.8	3.2%
Other Expenses	172.7	185.1	186.1	196.9	192.7	(4.2)	-2.1%
Equipment	11.0	14.8	26.0	17.4	16.8	(0.6)	-3.4%
Student Financial Aid	81.2	90.4	104.8	118.4	122.1	3.7	3.1%
Transfers	<u>43.5</u>	<u>46.3</u>	<u>57.2</u>	<u>49.1</u>	<u>28.2</u>	<u>(20.9)</u>	<u>-42.6%</u>
Total Operating Fund	\$828.3	\$876.6	\$898.5	\$943.1	\$932.5	(\$10.6)	-1.1%
Research Fund Expenditures	<u>74.5</u>	<u>78.2</u>	<u>88.1</u>	<u>98.4</u>	<u>100.7</u>	<u>2.3</u>	<u>2.3%</u>
Total Expenditures / Transfers	\$902.8	\$954.8	\$986.6	\$1,041.5	\$1,033.2	(\$23.3)	-2.2%
Gain Prior to Transfer	<u>\$12.5</u>	<u>\$4.8</u>	<u>\$11.0</u>	<u>\$16.7</u>	<u>(\$4.6)</u>		
Transfer from Reserves to State General Fund			<u>(8.0)</u>	<u>(15.0)</u>			
Net Gain (Loss)			<u>\$3.0</u>	<u>\$1.7</u>			

University of Connecticut
Storrs & Regional Campuses
State Appropriation

	FY 2011		FY 2012		FY 2013			
	HB 5018 <u>4/14/2010</u>	Unallotted <u>Adjust 6/18/10</u>	Actual <u>Allotment</u>	UConn Requested <u>Appropriation</u>	HB 6380 <u>4/21/2011</u>	Forecasted <u>Allotment</u>	UConn Requested <u>Appropriation</u>	HB 6380 <u>4/21/2011</u>
Operating Fund	\$219,793,819	(\$355,663)	\$219,438,156	\$240,758,433	\$213,457,963	\$195,825,481	\$233,703,987	\$210,445,208
Tuition Freeze	4,741,885		4,741,885	4,741,885	4,267,696	4,267,696	4,741,885	4,267,696
Regional Campus	8,375,559		8,375,559	8,375,559	7,538,003	7,538,003	8,375,559	7,538,003
Vet Diagnostic Lab	100,000		100,000	100,000	90,000	90,000	100,000	90,000
Total	\$233,011,263	(\$355,663)	\$232,655,600	\$253,975,877	\$225,353,662	\$207,721,180	\$246,921,431	\$222,340,907

^A Total State appropriation represents the amount included in the B-1 Request for Allotment as of September 2, 2011. The State appropriation in the proposed budget includes year-end accounting accruals.

Highlights Fiscal Year 2012 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 September 28th budget presentation will focus on the spending plan for Fiscal Year 2012. The tuition and fee rates for Fiscal Year 2012 were set in March 2011 by the Board. FY13 tuition and fee rates are tentatively scheduled to be presented to the Board in November 2011.

BUDGET GOALS

Our budget goals at Storrs and the Regional campuses balance the economic reality of a decline in State operating support while maintaining robust academic, research and student service enterprises from which the University derives its excellent reputation. This reputation along with proper stewardship of its assets has created a value proposition that drives continued increases in applications and paid deposits from in-state, out-of-state and international students.

At the Health Center, our goal in FY12 is to achieve our budgeted loss of \$4.2 million. The first key to achieving this goal is 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 FY12. The positive outlook for the future of John Dempsey Hospital will enhance the Health Center’s ability to recruit clinical faculty. The FY12 budget includes funds to recruit clinical faculty. A marketing campaign will continue in FY12 to emphasize that the Health Center is providing quality health care and to emphasize that our missions will continue.

THE STATE BUDGET

Over the past several years we have been preparing for the decline in state operating support which now has become a reality. Though it was a difficult process; we believe these budgets maintain our commitment to meeting the needs of our students, patients and faculty.

Recently Governor Malloy and the General Assembly acknowledged UConn’s vital role in addressing the state’s economic crisis in both the short and long term by approving additional capital support in excess of \$800 million. This investment will completely rebuild and expand the University of Connecticut Health Center and will allow for development of a state of the art technology park on the Storrs campus. The University gratefully acknowledges these new and substantial financial commitments and looks forward to an even closer and more productive partnership with state government in its

economic development efforts. Given the current economic recession, this partnership will ensure the continued education of our high-achieving students, provide Connecticut with a highly qualified workforce, achieve the highest quality of health care, and conduct research that serves as a catalyst for innovation, product development and job creation.

On April 21, 2011, the State budget for the next two fiscal years was passed. The state appropriation levels reflected the continuing difficult fiscal environment. While this approved State budget set a framework, many decisions that affected the University's ultimate allocation of state funds were not made until the official outcome of the SEBAC agreement in August. After this result was known, the State notified us of further reductions in our allotments on September 2, 2011. These allotments are reflected in this budget.

As a general principle, protecting program quality and accessibility are foremost, yet we recognize that cuts of this magnitude will necessitate sacrifices by all. 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. The State support for the University is as follows:

For Fiscal Year 2012, the Storrs State allotment of \$207.7 million (excludes year-end accounting accruals) has brought many challenges. The amount represents a \$25.0 million decrease in State funding as compared to Fiscal Year 2011. Fringe benefit support from the State for Storrs is estimated to be \$84.8 million for FY12. The State's share of the Storrs-based operating budget, which stood at 50% in FY91 and 35.4% in FY06, is projected to be 27.6% for FY12. A summary of actions taken to mitigate this reduction is included later in this document.

For FY12, 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 allotment of \$109.7 million for FY12 is a decrease of \$9.5 million compared to the FY11 appropriation. Fringe Benefit support from the State for the Health Center is estimated at \$58.7 million for FY12. Total State support (including fringe benefits) for the Health Center is 21.2% for FY12. In order to offset the decrease in the allotment, the Health Center has implemented a Cost Reduction Plan. This plan includes elimination of vacant positions, savings related to the NICU contract with CCMC, savings related to fringe benefit rate changes and reductions to various other expenses resulting in a \$4.2 million loss for FY12.

SPENDING REDUCTIONS AND CONTROLS

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

Also, we continue to seek immediate and long-term efficiencies where possible. This past winter, the University hired McKinsey and Company, an internationally renowned management consulting firm, to work with us to identify savings in non-academic areas. Though initially proposed by the Board of Trustees before the current budget challenges came into being, the McKinsey study will be of great value. Even in a more positive fiscal climate, every dollar saved in administrative costs can be redirected to our core missions of teaching, research and student service, and that is a gain for all of us. Many faculty, administrators, staff and students met with the McKinsey team to discuss ideas and the engagement is almost complete. While some of the savings attributable to procurement and facilities are included in the FY12 budget, most of the recommendations will impact future years.

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

For the Storrs-based program, we had budgeted a net loss of \$14.0 million for FY11; however, actual unaudited results reflect a net gain of \$1.7 million. The net gain includes the transfer of \$15 million to the State General Fund. Overall, both revenues and expenditures are greater than budget; however, transfers were less than budgeted. We collected more tuition, fees and auxiliary revenue than expected and we transferred less funding to the water reclamation project than anticipated. In addition, preventative measures were implemented during FY11 to slow down year-end purchases.

The Health Center’s FY11 operating gain of \$4.0 million is due mostly to lower than expected expenses. Favorable variances in personal services were attained by not filling vacant positions, and medical supplies were under budget due to lower than budgeted surgical cases in FY11. In addition, the Dental and Medical School’s had savings related to other consulting contracts and faculty start-up expenses.

The proposed budget for UCHC for FY12 is a loss of \$4.2 million. This loss reflects the increases in health insurance and the decreases in retirement fringe benefits, the decrease in the state appropriation and it assumes two months (July and August) of bargaining unit increases for unionized employees based on the SEBAC agreement.

The Storrs-based proposed spending plan for FY12 projects a net loss of \$4.6 million. This loss has two components; \$2.0 million of the loss is due to the University’s plan to partially fund an over commitment in financial aid from prior year fund balances (see financial aid section in this document for more detail), and \$2.6 million is attributable to the Research Fund. Over the years, the Research fund balance for use by principal investigators, deans and department heads has grown. It is expected that \$2.6 million

of these funds will be spent down in FY12. The reduction in state support will be partially offset by tuition and fee revenues based on the 2.5% rate increase, reduced expenditures in almost every category, and use of fund balance for debt payments. This budget assumes no wage increases (except for two months of bargaining unit increases for unionized employees based on the SEBAC agreement for all University employees). Percentages represent increases over the prior year.

	<u>FY11 Actual</u>	<u>FY12 Budget</u>
Storrs based	\$1,056.5 million*	\$1,033.2 million (-2.2%)
Health Center	\$776.4 million	\$799.3 million (4.8%)
Total	\$1,832.9 million	\$1,832.5 million (0.0%)

*Note that this expenditure figure includes the transfer of \$15 million to the State General Fund.

(Detailed charts for the current funds budgets, and their revenue/expenditure components, are found in Sections 4 and 5 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 the 27th payroll.

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 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 the 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 five year goal for the faculty hiring plan had the addition of 145 net new faculty active in both instruction and research by FY14. Although we sought state support for the effort in

past years, until FY08 our additional hiring was funded by reallocating internal resources. In FY08, \$2 million in reallocated funds were enhanced with \$1 million of State aid specifically for hiring 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 reallocations, supported an additional 30 faculty.

52 faculty members took advantage of the Retirement Incentive Plan (RIP) in 2009, so we are behind our planned faculty hiring goals once again. During FY10, the total faculty count dropped by 38. In FY11, we hired an additional 18 faculty. So far we have hired 53 net new faculty since FY06. 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 as well as private support and research funding at Storrs and the regional campuses.

The proposed FY12 budget incorporates the implementation of rate increases approved in March 2011 for tuition, room, board and fees. Detailed breakouts are in Section 5 of these materials. For FY12, the total in-state undergraduate student cost will be \$21,486, an increase of 2.47% over FY11. For an out-of-state undergraduate, the cost will rise at approximately the same percentage, for a total student cost of \$38,382. As described below, financial aid is budgeted to offset the impact of student costs for financially needy students and families. UConn remains a tremendous value in comparison to our competitors—but it is a value only if the quality of education remains high.

Tuition revenue growth, the combined effect of enrollment and tuition rate increases, is projected at 4.1% for FY12 over FY11. (Please see Section 5 Current Funds chart.) Changes in room and board (in Auxiliary Enterprises) and fees drive an increase of 4.1% for FY12 over FY11 revenue. Please note that growth in these revenue streams is a function of rate changes and occupancy. Another major source of revenue for FY12 is state support of \$284.2 million or 13.6% less than FY11 (partially due to changes in the fringe benefit rate and year-end accounting accruals).

Expenditure Highlights

- Current Services Needs
This budget respects the constraints of the current economic environment. A portion of the planned expenditures in the budget will support unavoidable inflationary increases in ongoing activities. The one area of expansion that serves as the primary exception to this general rule is financial aid, described below.
- 27th Payroll
The 27th payroll is an anomaly to the bi-weekly pay schedule caused by calendar creep that occurs every 11 years. This means an extra payroll will occur in FY12.

On a cash basis, the University must fund this extra payroll; however, because of year end accounting adjustments, it is not obvious in budget documents.

- Financial Aid

Financial aid represents an expenditure that, while to some extent is 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, the goal is to provide an appropriate amount of financial aid to ensure that no student's UConn education is denied or hampered because of financial need. The FY12 financial aid budget is \$6.8 million more than we originally intended. A significant change in continuing student demand along with a change in the workflow of the office resulted in a greater commitment than originally budgeted. This budget now includes the \$6.8 million. The department is reviewing its policies and procedures to prevent this from occurring in the future. When we present the FY13 budget, financial aid will be more in line with the University's historical practice of allocating need based awards.

For FY12, the University will earmark \$384.1 million for all forms of financial aid, and \$125.1 million (including tuition waivers) of that amount will be funded with tuition revenue. In other words, in this FY12 budget, 41.1% of the University's tuition revenue is dedicated to financial aid; 20.2% is dedicated to need-based aid. Last year, approximately 15,000 students received financial aid packages so this funding is very critical. This budget represents an increase of \$11.7 million over FY11 total financial aid expenditures.

- Enhancements / Reductions

The Storrs-based program has strategically enhanced revenues where possible and reduced expenditures within the FY12 budget. Over the past several months, the Provost, Vice President & Chief Financial Officer and the Vice President & Chief Operating Officer have worked diligently to address an approximate \$70 million budget shortfall.

- We imposed an even more stringent approval process for all hires and rehires. In addition, we have further delayed any hire/re-hire through a higher vacancy management assessment.
- As recommended by the McKinsey consultants, we imposed budget reductions for non-personnel expenditures throughout the University. Many procurement contracts are under review for possible savings opportunities. In addition, the facilities area is aggressively pursuing operating efficiencies.
- We continue to explore alternative sources of revenue such as an expanded summer session and utilization of more private/grant funds.
- We are reviewing existing funding structures in order to move certain programs towards self-sufficiency.
- We instituted an auxiliary overhead rate to recover administrative costs.
- We cut plant renewal and equipment funding for FY12.
- We utilized fund balance held for debt payments.
- We strategically reduced other designated fund balances where available.
- We moved certain technology expenses back onto UCONN 2000 funds.
- We removed inflationary increases from certain areas such as library acquisitions.

- We have set a foundation that will enable us to get through FY12 and will protect the academic enterprise as much as possible.

Detail for the Storrs-based spending plan is in Section 5.

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. In FY10, there was a gain of \$3.9 million and a gain of \$4.0 million in FY11. The proposed budget for FY12 is a loss of \$4.2 million. The following is a summary of significant revenue and expense changes.

Revenue

The state appropriation for FY12 for the Health Center is \$109.7 million. The Health Center expects State fringe benefit support of \$58.7 million, along with \$13.5 million for the John Dempsey Hospital fringe benefit differential. Of the Health Center's \$626.8 million in revenue for FY12, sources other than the state appropriation account for an increase of \$33.2 million. Clinical revenue is projected at \$351.8 million, a 5.1% increase over FY11. Clinical revenues for JDH are forecast to increase 1.2% over FY11 and the revenue increase is due to a slight volume increase of 2.0%. For the UConn Medical Group (UMG), the overall increase to net patient revenue is 6.4% of which 2.9% is based on volume and the remainder is due to rate increases.

In FY12, we expect research revenue activity to increase. Research revenue is budgeted at \$86.6 million, a 2.1% increase over the prior year. Income related to the placement of interns and residents is \$53.0 million, an increase of 11.3% 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 \$18.7 million, which reflects the rate increases approved by the Board. \$97.0 million (on both the revenue and the expense side) reflects the contract with the Department of Correction for inmate health services.

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 Section 4.

FUND BALANCE

For the Storrs-based program, the FY11 year-end unrestricted current funds balance is \$71.0 million, unaudited. This unrestricted fund balance represents 7.9% of the FY12 unrestricted expenditure budget (\$893.3 million) or, alternatively stated, 29 days' worth of operations.

The \$71.0 million current funds balance represents the funds remaining in the following operating areas: 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).

The unrestricted current funds balance is our operating capital and support for programs and activities that generate revenue and are not supported by the State appropriation. We borrow from the fund balance to pay our bills when necessary. Additionally, in 2010 the Governor requested fund balances of \$3 million and then another \$5 million from us during the year. We were able to meet this obligation using existing fund balance. The fund balance allows us to manage these dislocations without disrupting the University's operations.

Fund balances may be held in a departmental account for start-up costs for new faculty conducting research. Additionally, 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. These balances also include inventory, prepaid expenses and encumbrances.

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. These balances are primarily for Auxiliary Enterprise projects such as Residential Life, Dining Services, Student Health Services, Student Union and Athletics. The University has a policy that a departmentally funded construction project cannot begin unless the funding has been identified and transferred to plant funds. For Residential Life and Dining Services projects, the window of opportunity to actually complete many repairs, renovations and improvements 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 \$27 million set-aside for the water reclamation project. This project started at the beginning of June 2011 with substantial completion expected by fall 2012.

For Storrs, the FY11 year-end unrestricted net assets of \$175.4 million (unaudited) consists of \$71.0 million current funds balance, \$69.4 million in unexpended plant funds and \$35.0 million in funds that are internally restricted for the retirement of indebtedness. This FY12 budget includes reducing these debt reserves to 1.25 times our annual debt payments.

Finally, at the Health Center, the FY11 year-end unrestricted operating fund balance of \$70 million (unaudited) represents 11.4% of the FY12 unrestricted expenditure budget (\$799.3 million) or, alternatively stated, 31 days' worth of operations