

Board of Trustees Financial Affairs



UConn and UConn Health Budget Presentation

June 25, 2025

FY26 Budget Overview – UConn and UConn Health

We remain grateful to the Governor, the Office of Policy and Management, and the General Assembly for continuous investment in UConn and UConn Health.

AGENDA:

Consolidated
Budget

Storrs & Regionals

UConn Health

There is no UConn without Connecticut, and there is no Connecticut without UConn.

President's Operational Priorities (3-5 years)

Continuous
improvement and
enterprise
effectiveness

Improve enrollment
outlook

Increase academic
and research profile

Support
championship culture
and competitiveness
in Athletics

Advance fundraising
efforts and
engagement at the
Foundation

FY26 Budget Overview – UConn and UConn Health

➤ **Major budget assumptions:**

- No wage increases
- No tuition rate increase
- Reduced state support
- Reduced federal grant revenue

➤ **Risks:**

- State funding cuts
- Federal changes to Medicaid/Medicare & Student Financial Aid
- Additional tariffs
- Financial market impact on fundraising

➤ **Revenue drivers**

- Tuition and fee revenue due to growing enrollment & residency mix
- Improved clinical revenues

➤ **Expense drivers**

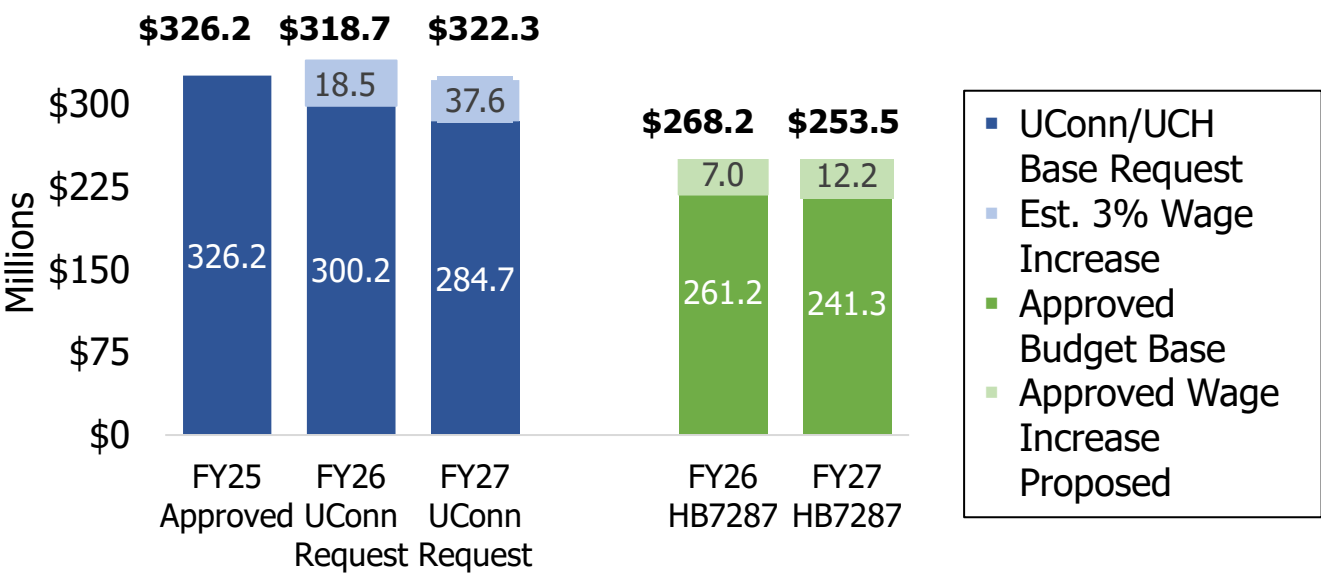
- Salaries and wages/faculty hiring
- Student financial aid support
- Service and supply inflation/tariffs

State Budget Operating Support

The approved biennium budget is lower than requested by \$109.8M in FY26 and \$144.0M in FY27.

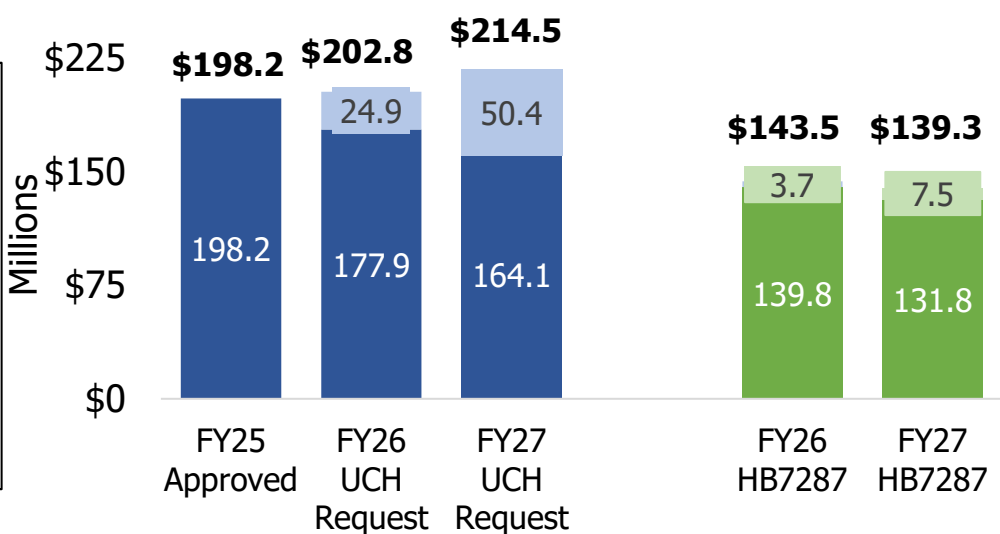
UConn:

The shortfall is \$50.5M in FY26 and \$68.8M in FY27



UConn Health:

The shortfall is \$59.3M in FY26 and \$75.2M in FY27









The State shortfall could worsen based on provisions included in adopted budget that allow OPM to reduce state agency allotments by up to \$89.2M in FY26 and \$88.7M in FY27 to achieve savings.

Mitigation

With the approved state budget, the University must implement additional mitigating actions to close the shortfall

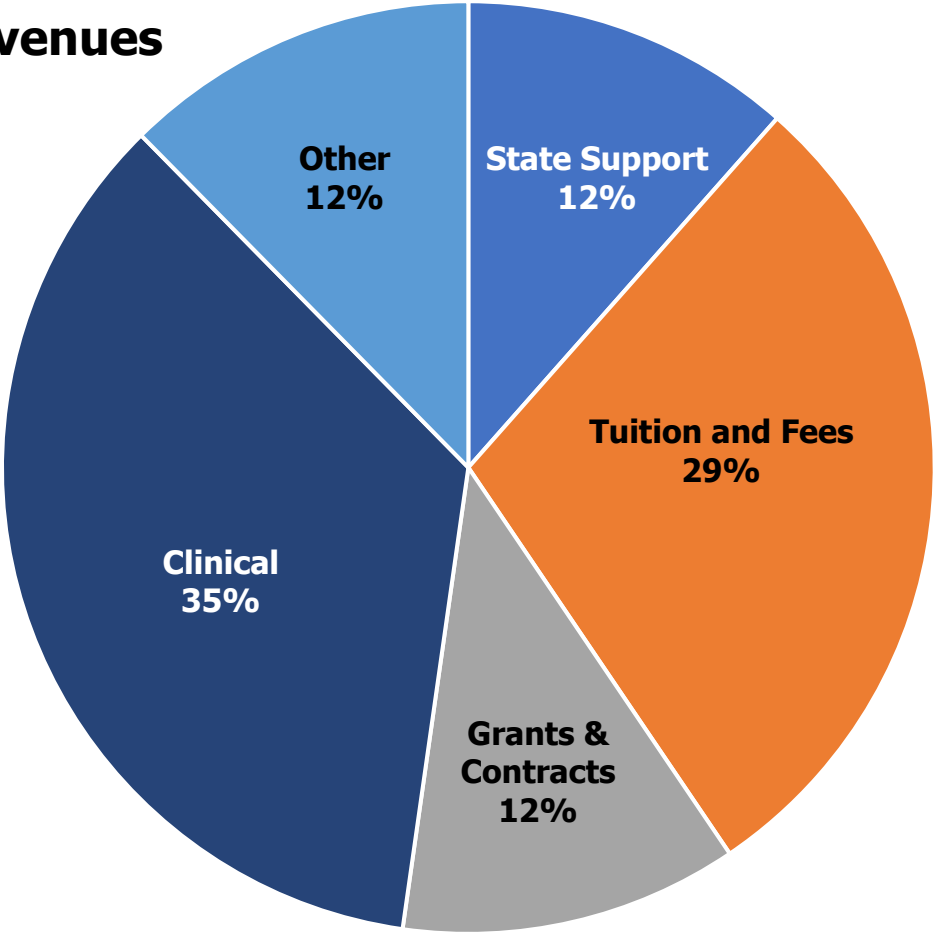
UConn		
Mitigation Items (\$M)	FY26	Notes
Initial Shortfall	(\$72.0)	
Tuition (net of aid)	16.1	Add'l enrollment/mix
Auxiliary Revenues	13.0	Housing/Dining gain
Use of State Bond Funds	5.0	Shift capital spend
Gain/(Loss)	(\$37.9)	
Rescissions/Fund Balance	10.0	Cuts to departments
Budget Stabilization/Fund Balance	11.0	FY24 & FY25 positive balances
Net Gain/(Loss)	(\$16.9)	

UConn Health		
Mitigation Items (\$M)	FY26	Notes
Initial Shortfall	(\$61.8)	
Budget Stabilization Fund	15.1	FY24 & FY25 positive balances
Net Gain/(Loss)	(\$46.7)	

Potential Options to Balance:	
	Personnel optimization/reduction plan
	Pause non-essential travel, events, and other activities
	Review of purchased service contracts
	Increase utilization of Foundation funds
	Use of fund balance
	Clinical financial improvements at UCH

FY26 Proposed Operating Budget Consolidated Total

UConn and UConn Health Revenues
\$3.6 Billion



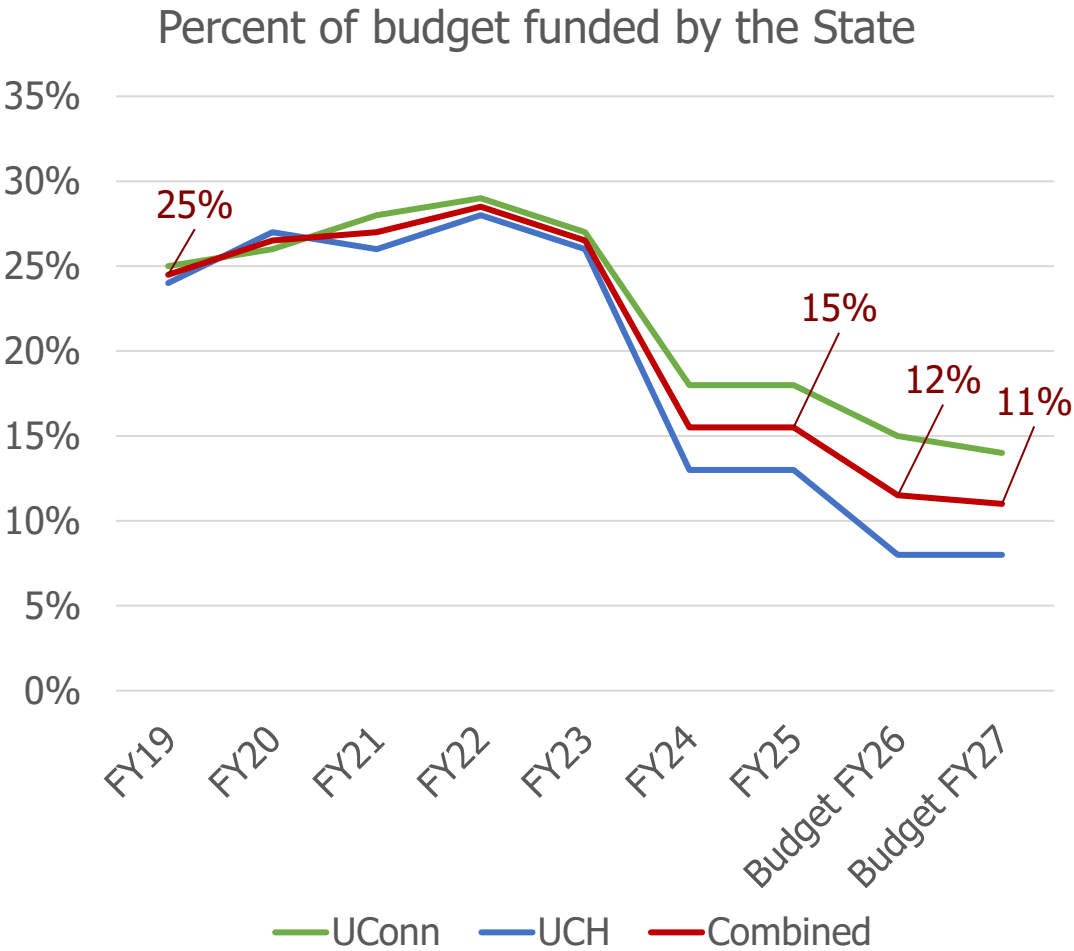
State Support accounts for 12% of total revenues at UConn and UConn Health combined.

How Much of UConn's Budget does the State Support?

12%

In FY26, the State is supporting 12% of UConn's total combined budget

15% of UConn budget
8% of UConn Health budget

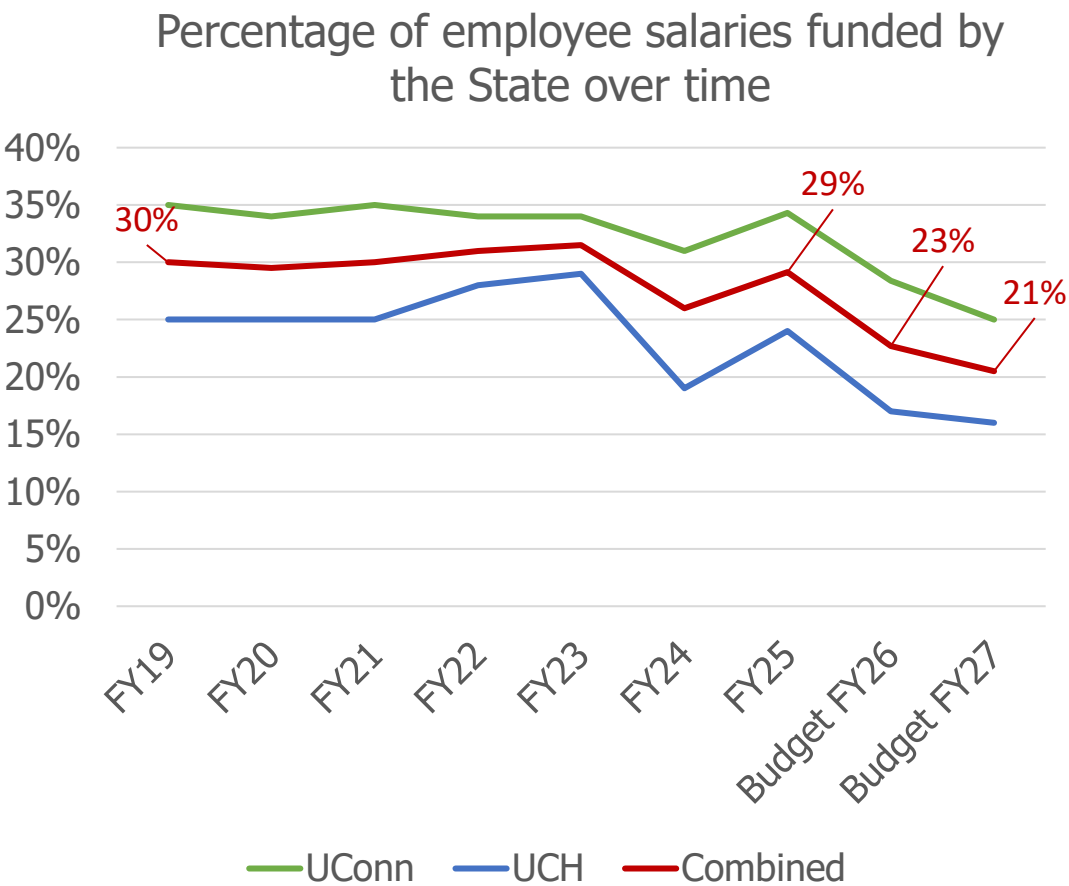


State Funds are Used to Support Salaries

State support is only used for salaries and covers:

23% of total employee salaries

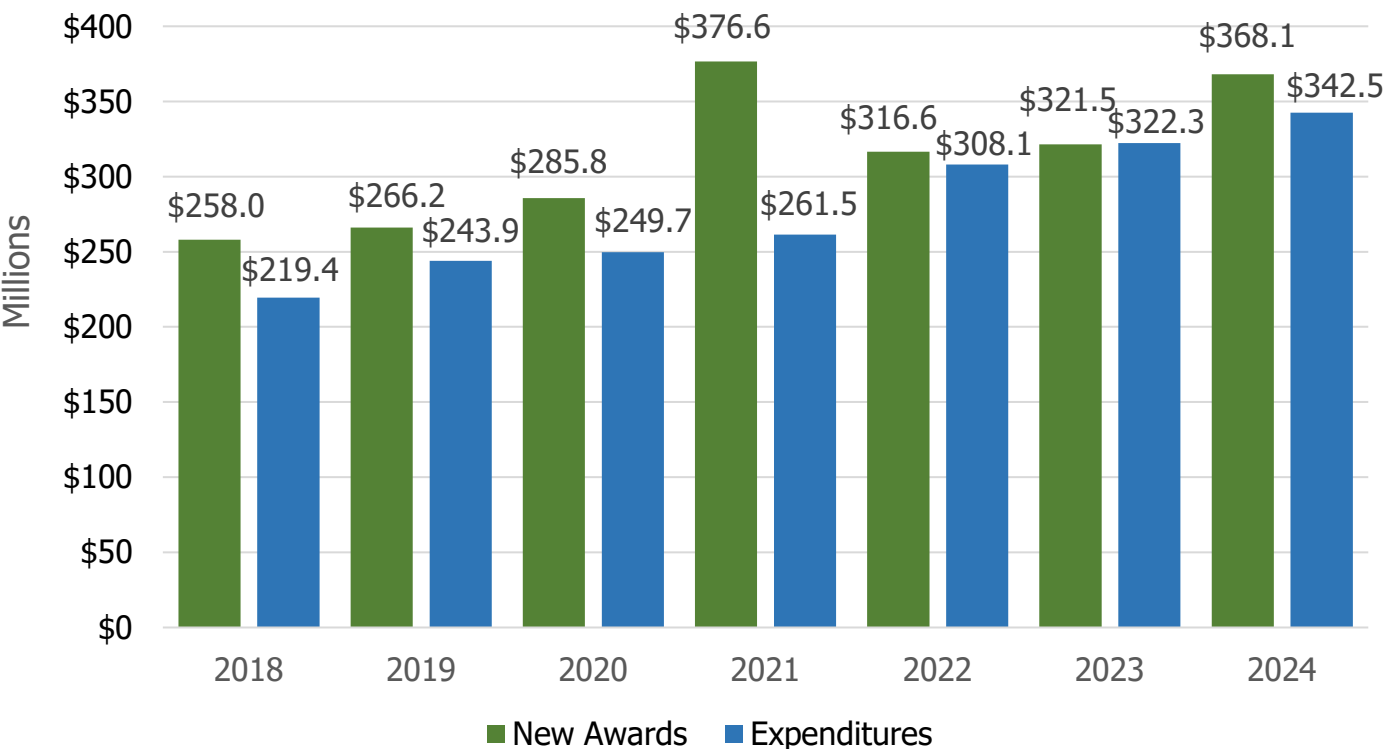
28% of salaries at UConn
17% of salaries at UCH



Research Impact

UConn and UCH

New Awards and Expenditures: FY18-24



2,650 faculty, staff and students are paid in whole or in part on grants

2025-2026 Projection

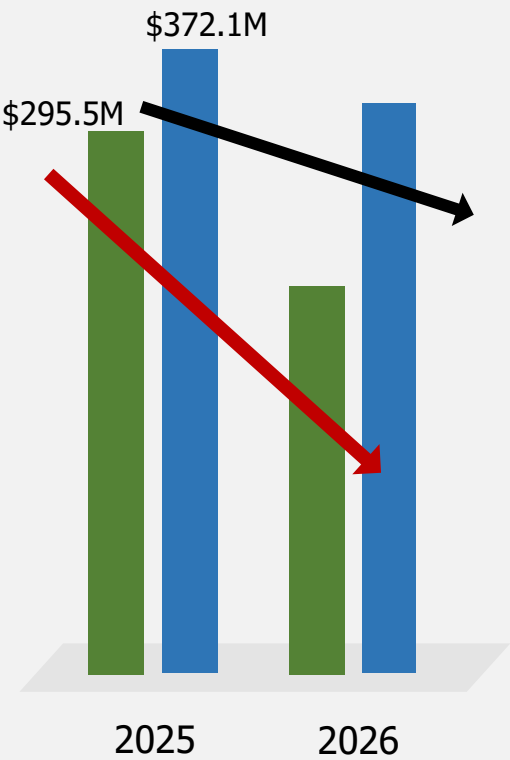
The growth in Research is at risk.



FY25 - \$73M drop over FY24
FY26 - Could drop as much as \$200M over FY24



Expenditures will also decrease but will lag decreases in new awards



*** The expected drop in FY26 new awards could take UConn back to pre-FY18 levels.**

Proposed Changes at the Federal Level

H.R. 1 - One Big Beautiful Bill (OB BB)

Passed by the House May 22nd and is with the Senate

Proposed Medicaid Impacts

- New/additional work requirements expected to reduce numbers of people in program increasing self pay, charity, and bad debts particularly in the Hospital.
- Decreases in Medicaid population will put additional strain on 340B certification thresholds.
- Requires redetermination/verification for benefits every 6 months.
- Proposes changes to FMAP and State directed payments potentially decreasing both for CT.

ACA Changes

- Potential cuts to subsidies could push people to lower tier plans thereby increasing co-pays which will increase self pay, charity care, and bad debts.

Medicare Changes

- Proposes to double Medicare Sequestration to 4%.
- Enhanced use of AI in auditing programs.
- Increases Physician Payments.

Student Financial Aid Impacts

- Terminates undergrad subsidized loans & grad PLUS Loans, limits total unsubsidized loans to \$50k undergrad, \$100k grad, \$150k professional.
- Limits federal aid at median cost of attendance.
- Changes Pell eligibility.
- Imposes accountability measures on institutions for non-payment of loans.



Storrs & Regional Campuses

STUDENTS FIRST, EXCELLENCE ALWAYS, HUSKIES FOREVER

FY26 BOT Budget Presentation

FY25 Forecast

Note: Use of decimals may result in rounding differences.

UConn Storrs & Regional Campuses	FY25 Year-End Forecast	FY25 Budget Revised Aug 2024 *	Variance	Variance %
State Block Grant	\$ 223.8	\$ 227.4	(3.6)	-1.6%
Additional State Support	95.7	88.8	6.9	7.8%
Adjustments	1.9	1.9	-	-
Total State Support	\$ 321.4	\$ 318.1	\$ 3.3	1.0%
Tuition	578.4	573.3	5.1	0.9%
Course/Mandatory Fees	173.8	171.6	2.2	1.3%
Grants & Contracts - Financial Aid	86.9	85.6	1.2	1.4%
Grants & Contracts - Other	250.0	233.7	16.3	7.0%
Auxiliary Revenue	263.6	247.7	15.9	6.4%
Other Revenues	105.2	102.7	2.5	2.4%
Total Revenues	\$ 1,779.2	\$ 1,732.7	\$ 46.4	
Salary/Benefits	\$ 936.1	\$ 911.8	\$ 24.3	2.7%
Financial Aid - Tuition Funded	198.3	198.5	(0.2)	-0.1%
Financial Aid - Other	122.1	116.9	5.2	4.4%
Energy	22.9	26.2	(3.3)	-12.5%
Equipment	35.2	37.8	(2.7)	-7.0%
Capital Projects/Debt Payments	128.5	106.5	22.0	20.6%
Other Expenses	330.3	334.3	(4.0)	-1.2%
Total Expense	\$ 1,773.3	\$ 1,732.0	\$ 41.3	
Net Income/(Loss)	\$ 5.8	\$ 0.7	\$ -	

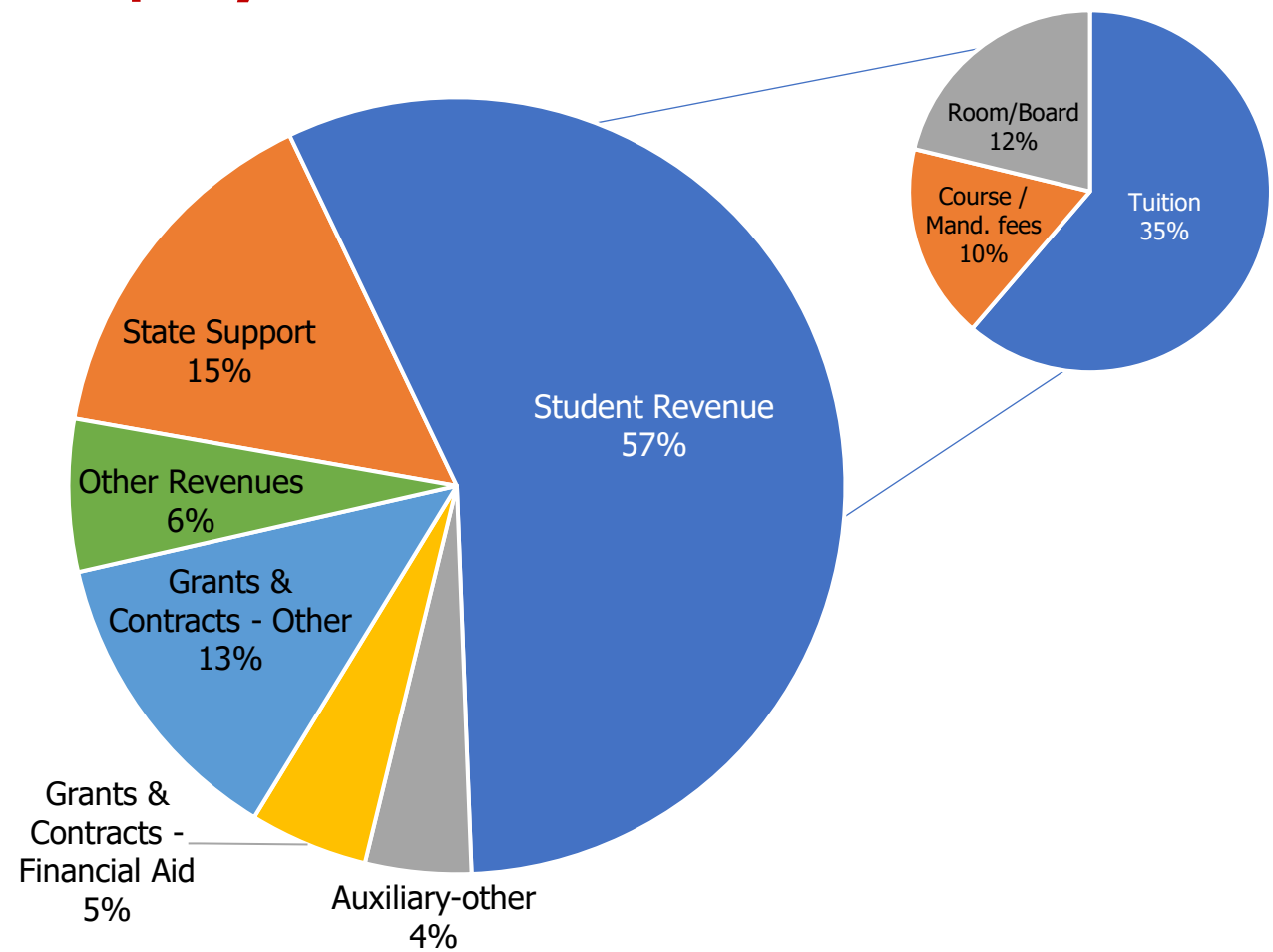
- Through one-time salary savings and state support, UConn is forecasting a small gain for FY25.
- During FY25, the University continued to recognize favorable tuition/fee revenues, grant revenues and significant energy savings.
- These gains offset additional spending in salaries/benefits and purchased services.

*FY25 Budget was revised August 2024 based on actual FY24 year end results as well as additional tuition due to housing availability in Stamford.

FY26 Revenues

Revenue Budget

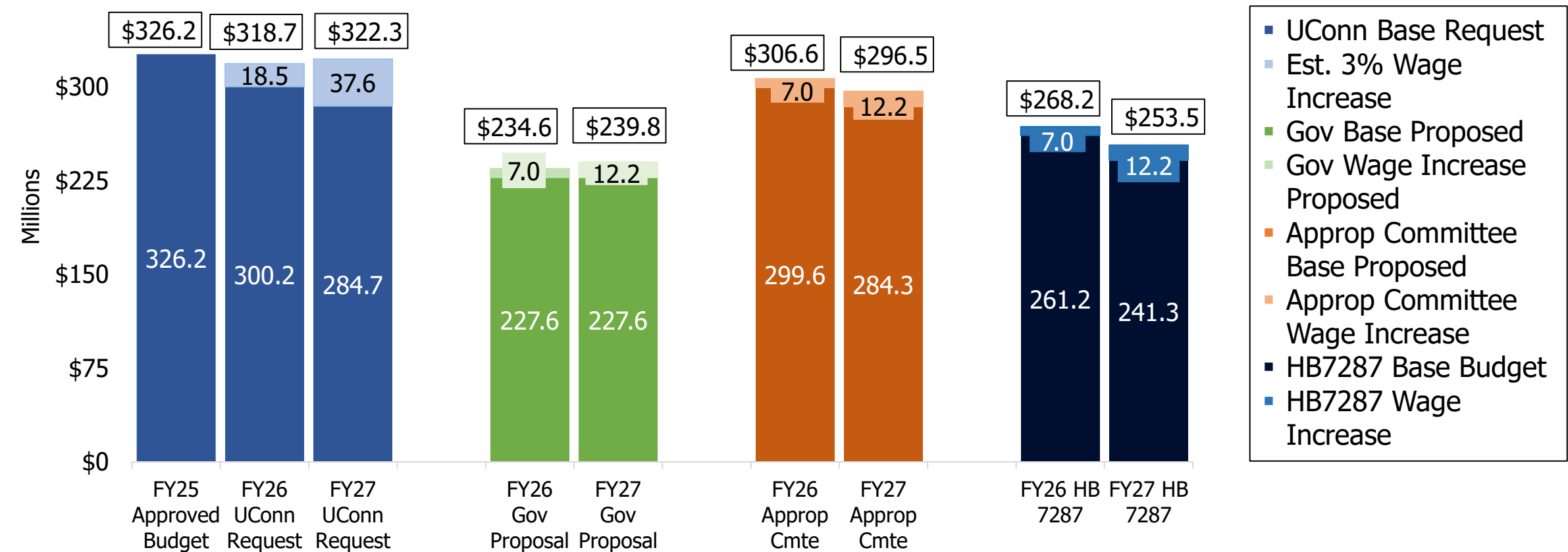
\$1,778.3M



- Revenues will decrease 0.1% over FY25, mainly driven by reduced state support and expected grant reduction offset by higher tuition revenue.
- 57% of total revenue is funded by students and their families through tuition and fees.
- Revenues fueled by SEM plan enrollment growth, partially offset by financial aid needs.

State Budget Operating Support

The shortfall from our request is \$50.5M in FY26 and \$68.8M in FY27.

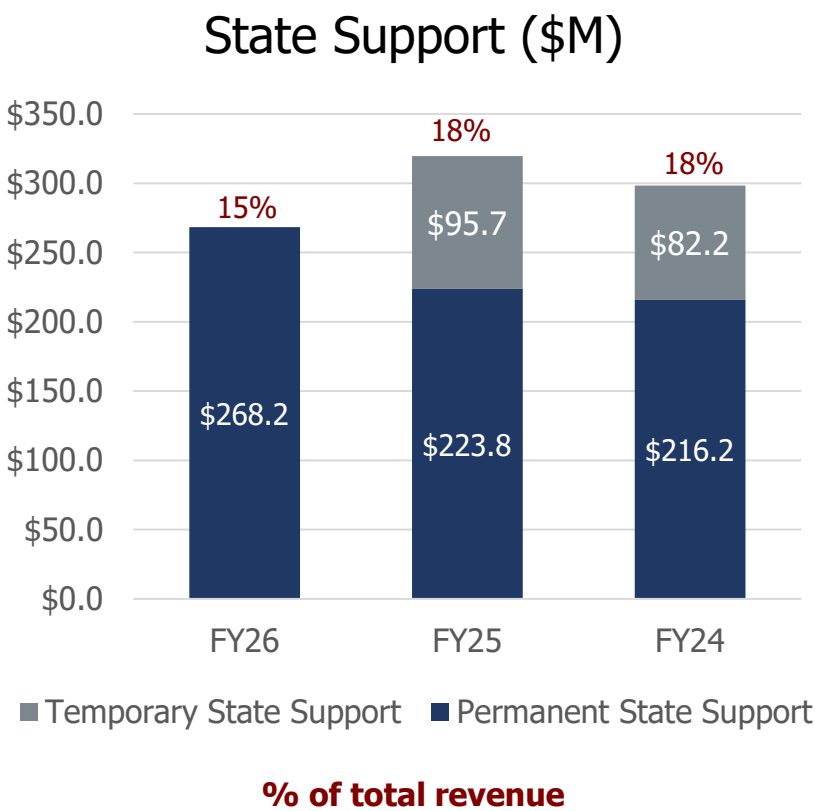


State Support

The University is grateful for the support provided by the State in FY26; however, this level of funding will require UConn to continue to implement strategic financial improvement plans over the next five years.

State Support (\$M)			
State Support	FY26 Budget	FY25 Actuals	FY24 Actuals
Operating Expenses	\$265.2	\$221.2	\$213.5
Institute for Municipal and Regional Policy	0.6	0.6	0.6
Veterinary Diagnostic Laboratory	0.3	0.3	0.3
UConn Veterans Program	0.3	0.3	0.3
Puerto Rican Studies Initiative	0.5	0.2	0.2
Health Services-Regional Campuses	1.4	1.4	1.4
Total State Support	\$268.2	\$223.8	\$216.2
Temporary Operating Support – ARPA	-	68.8	42.2
Temporary Operating Support - Carry Forward	-	20.0	40.0
Temporary Operating Support – Mid year ARPA	-	6.8	-
Total Additional State Support	\$0.0	\$95.7	\$82.2
Fringe Adjustments (WC,FB reimb.)	1.0	1.9	1.5
Total Appropriation	\$269.2	\$321.4	\$299.9

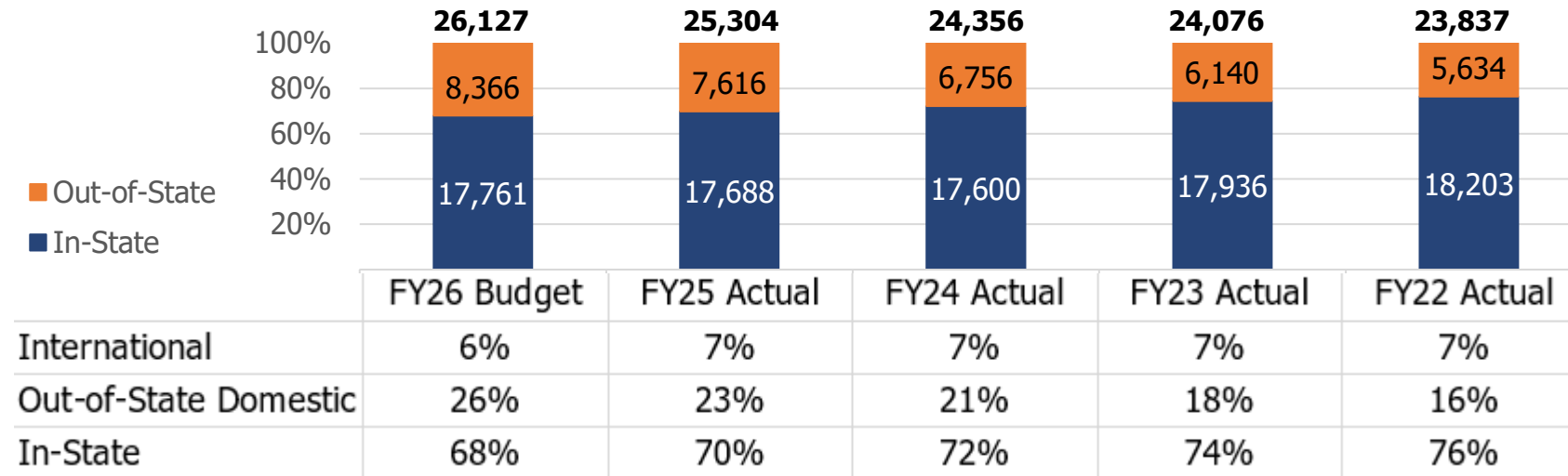
Note: The State is covering all pension/retirement fringe costs, so those costs have been removed from the budget on both the revenue and expense sides.



Tuition Revenue

Tuition revenue will grow from increases in enrollment and change in residency mix and will generate \$615.6M in FY26.

Undergraduate Residency Mix



Tuition (\$M) *	FY26 Budget	FY25 Forecast	FY24 Actual	FY23 Actual	FY22 Actual
Revenue	\$615.6	\$578.4	\$533.9	\$492.1	\$468.3
Financial Aid - Tuition	(219.4)	(198.3)	(179.8)	(162.5)	(153.9)
Net Tuition	\$396.2	\$380.1	\$354.1	\$329.6	\$314.4

*Reflects undergraduate and graduate revenue. No tuition rate increase in FY26.

- Strong application trends are propelling us towards growth.
- Enrollment targets for FY26 are inclusive of the SEM plan.
- Increasing out-of-state and international enrollment fuels new revenue growth.
- Growth is focused on maximizing net tuition revenue (which is revenue after financial aid).

Financial Aid Expense

UConn is committed to providing financial aid to ensure student quality and diversity, reflecting a 10.6% increase in University Supported funds in the FY26 budget.

Financial Aid			
\$ M	FY26 Budget	FY25 Forecast	FY24 Actual
Total Tuition Funded*	\$219.4	\$198.3	\$179.8
Department Revenue	19.3	15.4	21.7
State (Inc. Roberta Willis Scholarship)	8.2	11.4	5.0
Federal (Pell, SEOG, ARPA)	57.9	67.4	59.5
Research	5.9	7.1	6.2
Foundation/Private	29.1	20.8	15.9
Total	\$339.9	\$320.4	\$288.1

Note: Use of decimals may result in rounding differences.

*Tuition Funded includes undergraduate and graduate aid funded by tuition.

FY26 UConn funded set-aside for need-based aid as a % of tuition revenues is 16.5% (15% requirement). Merit aid is discretionary to the University.

85% of students receive some form of financial aid.

Fee Revenue

Fee revenue growth is related to SEM plan enrollment growth and modest rate increases.

Fee Revenue			
\$ M	FY26 Budget	FY25 Forecast	FY24 Actuals
Course Fees	\$45.9	\$45.4	\$44.1
Intersession	28.9	28.6	30.5
Mandatory Fees	85.3	84.5	81.9
Other Fees	15.6	15.2	13.5
Total	\$175.7	\$173.8	\$170.0

Note: Use of decimals may result in rounding differences.

Course Fees \$45.9M

Includes programs in the Schools of Business, Education, Nursing, Social Work, Engineering, and Law.

Intersession \$28.9M

Includes courses offered during the summer, winter and continuing education revenue.

Mandatory Fees \$85.3M

Includes fees for General University, Infrastructure Maintenance, Tech, and Student Health.

Other Fees \$15.6M

This includes fees such as Application, Visa compliance, late, online course, and enrollment fees.

Auxiliary Enterprise Revenue

Auxiliary revenues will increase by about \$27.9 million in FY26, driven primarily by increases in housing/dining rates, additional leased beds in Storrs/Hartford/Stamford, and increased Athletic revenues.

Auxiliary Revenue			
\$ M	FY26 Budget	FY25 Forecast	FY24 Actuals
Housing	\$138.8	\$121.2	\$107.5
Dining	90.7	90.3	79.6
Athletics	48.7	38.3	46.8
Parking/Other	13.3	13.8	10.5
Total	\$291.5	\$263.6	\$244.4

Student Housing \$138.8M

Housing rates will increase by at least 2.75% in FY26 along with increased housing stock. Anticipated occupancy rate in Storrs is 100% of ~13,886 beds.

Athletics \$48.7M

Athletics includes Conference, Ticket Sales, and Sponsorship revenues. This is a portion of their overall revenue budget and doesn't include student fees, Foundation, etc.

Meal Plans/Dining Services and Retail \$90.7M

Dining rates will increase by 2.75% in FY26 and expected increases meal plan purchases due to increased enrollment, driving revenue favorably.

Parking and Transit/Other \$13.3M

Includes health services fee for service, self-supporting auxiliary enterprises, student, employee and visitor parking.

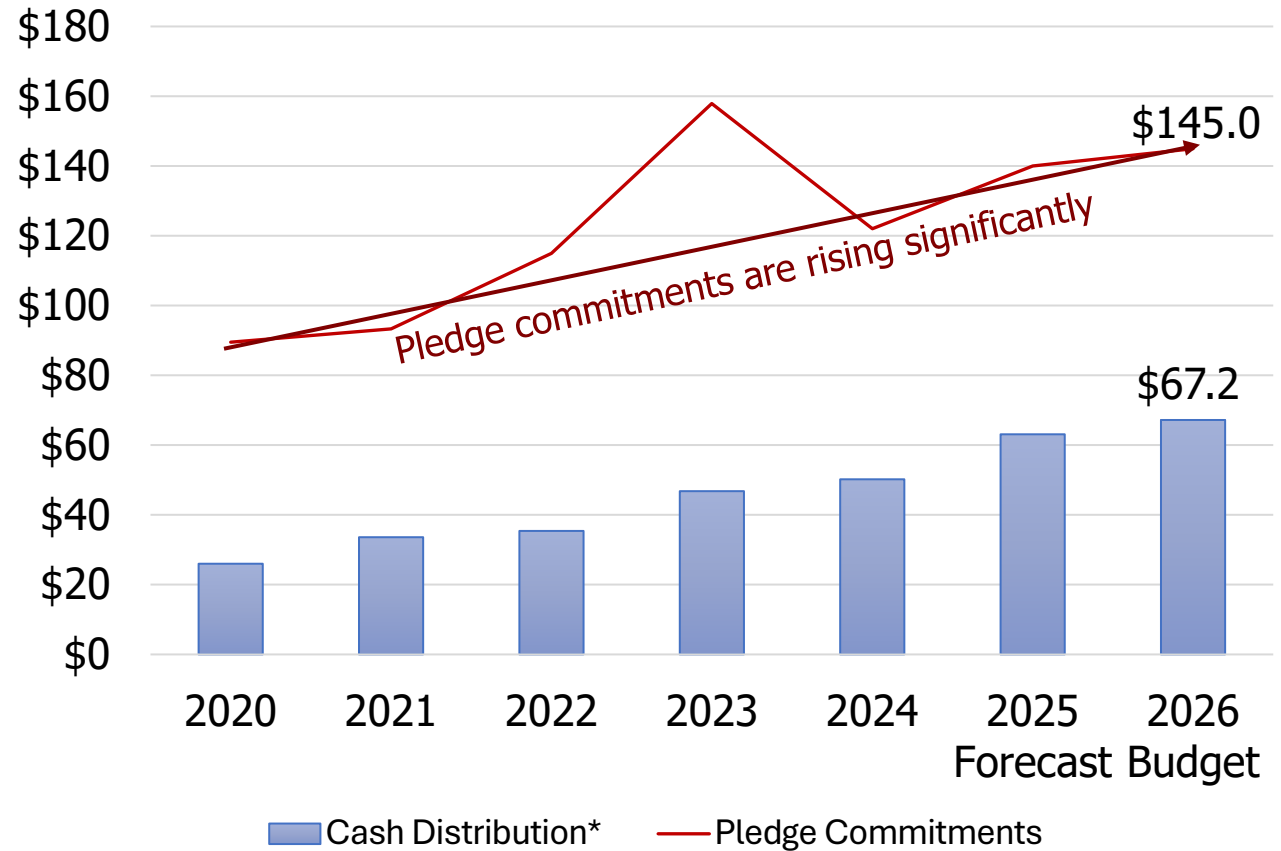
Fundraising and Investment/Interest Income

Foundation & Investment/Interest Income			
\$ M	FY26 Budget	FY25 Forecast	FY24 Actuals
Foundation (Operating)	\$46.3	\$36.7	\$34.8
STIF Interest	18.9	21.9	17.2
Investment Income*	1.6	1.6	0.5
Total	\$66.8	\$60.2	\$53.3

*Includes endowment funds held by UConn

- The University will pay \$15M to the Foundation in FY26 to cover the statement of work including the gift goal of \$145M.
- Endowment market value stood at \$634M as of June 30, 2024. A \$1.5B campaign was launched in April to grow the endowment to \$1B by 2030.

UConn Foundation
Historical Pledges and Distributions (in millions)



*Cash distribution includes capital and operating funds.



Other Revenues

Other revenues are expected to see a slight increase in FY26.

Other Revenues			
\$ M	FY26 Budget	FY25 Forecast	FY24 Actuals
One UConn Revenues	\$18.2	\$17.8	\$20.3
Sales/Services Revenue	18.0	17.6	16.9
Renewable Energy Credits	2.1	2.1	2.2
Building/Room Rental Income	1.2	1.2	1.3
Other Miscellaneous Revenue	6.5	6.3	9.3
Total	\$46.0	\$45.0	\$50.0

Note: Use of decimals may result in rounding differences.

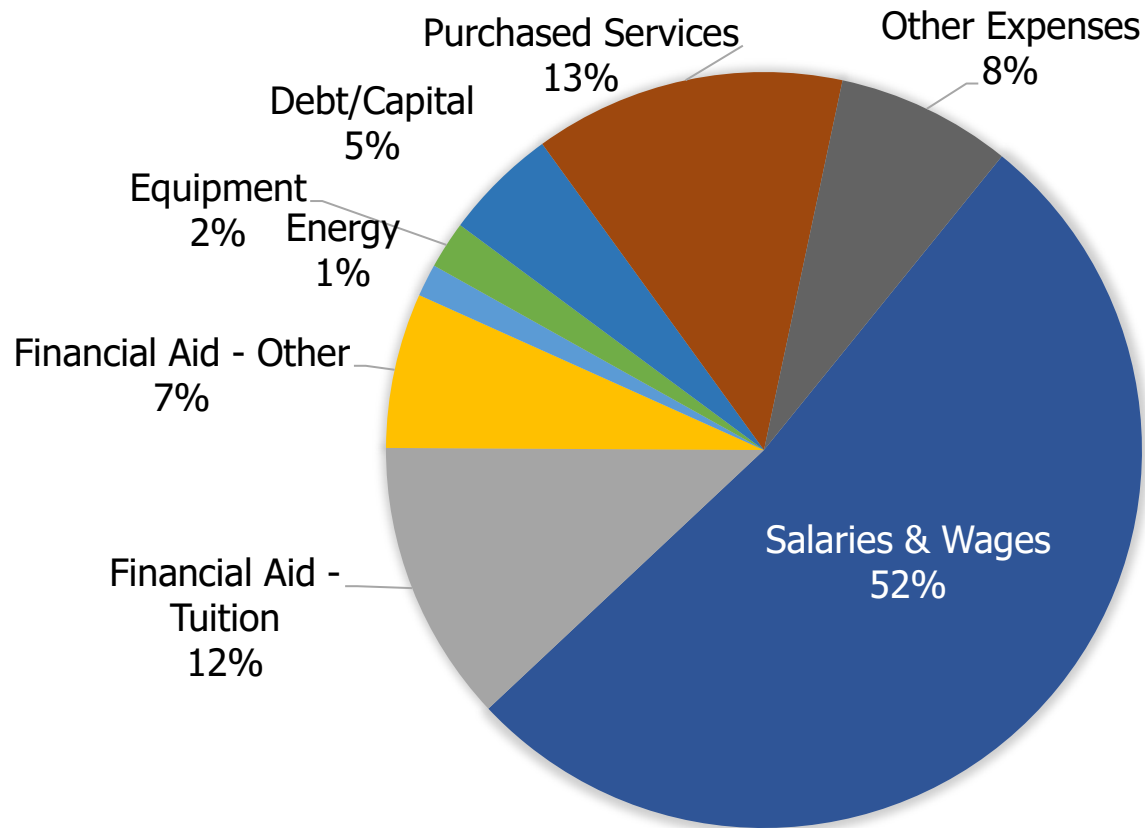
One UConn has been effective in reducing redundancies and achieving cost savings at UConn and UConn Health.

Sales and Services Revenue primarily includes revenues from UConn Speech & Hearing Clinic, Center for Genome Innovation, Child Labs, RV CT, study abroad, and internship programs.

FY26 Expenses

Expense Budget

\$1,816.1M



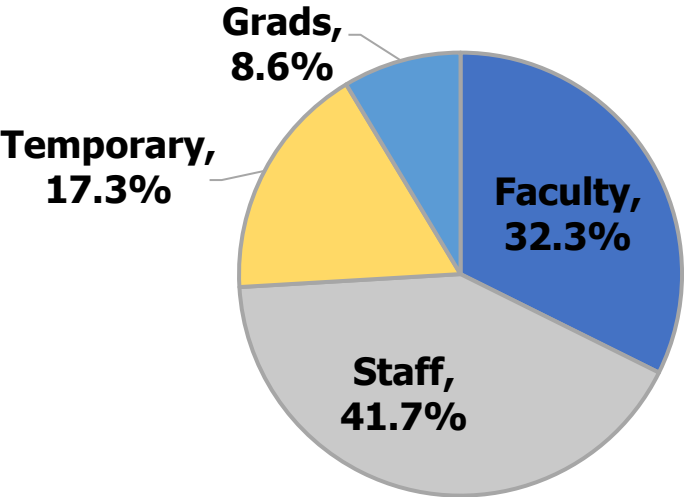
- Expenses will increase 2.4% over FY25 primarily driven by financial aid growth and increases in housing and athletics which are offset in revenues.
- 52% of total expenses are allocated to personnel costs (salaries & wages + fringe benefits).
- Student financial aid commitment is significant with a 10.6% increase in tuition funded aid.

Salaries & Wages

Growth in FY26 is driven by faculty hiring to support SEM plan enrollment growth and graduate assistant salary increases.

Salary Expense Budget

\$767.6M



Temporary: includes undergraduate students, adjuncts, overtime, and other professional temporary support

92% of faculty & staff are covered by collective bargaining agreements

Permanent FTE	FY25	FY24	FY23	FY22	4 Year Growth
Faculty	1,778	1,693	1,664	1,706	4.20%
Staff	3,416	3,410	3,192	3,222	6.00%
Total	5,194	5,103	4,856	4,928	5.40%

- Grant Funded staff positions have grown significantly over this period (41% growth) while the non-grant staff positions only grew by 3.5%.
- New positions and refills are reviewed and approved strategically.

Equipment/Energy

Equipment/Energy			
\$ M	FY26 Budget	FY25 Forecast	FY24 Actuals
Computers/equipment under \$5K	\$14.2	\$14.2	\$10.2
General equipment over \$5K	9.4	9.2	7
Research equipment	3.9	3.8	4.4
Motor vehicles over \$5k	2.5	2.4	0.2
Long term software	1.8	1.8	1.8
Other (library, artwork, design)	5.1	3.7	2.4
Total Equipment	\$36.9	\$35.2	\$26.1
Total Energy	\$25.2	\$22.9	\$22.6

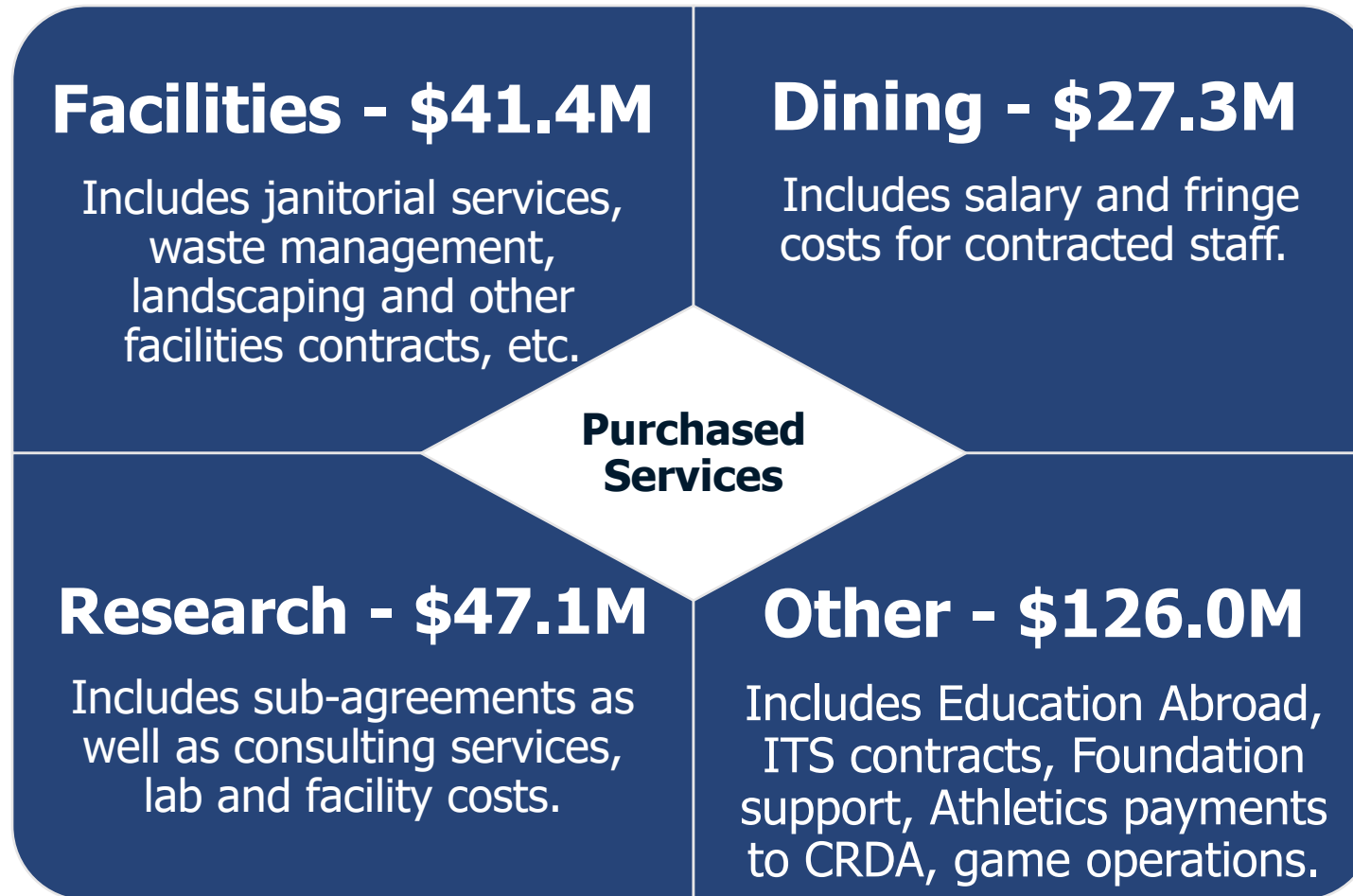
The FY26 equipment budget of \$36.9M assumes slight inflation in cost and spend of new gift funds. Projected costs of new tariffs are also included.

The FY26 energy budget of \$25.2M assumes an increase in electric price and increased consumption.



Purchased Services

The FY26 budget of \$241.8M assumes inflationary growth on contracts, plus increased expenses for revenue sharing agreements (offset in revenues).

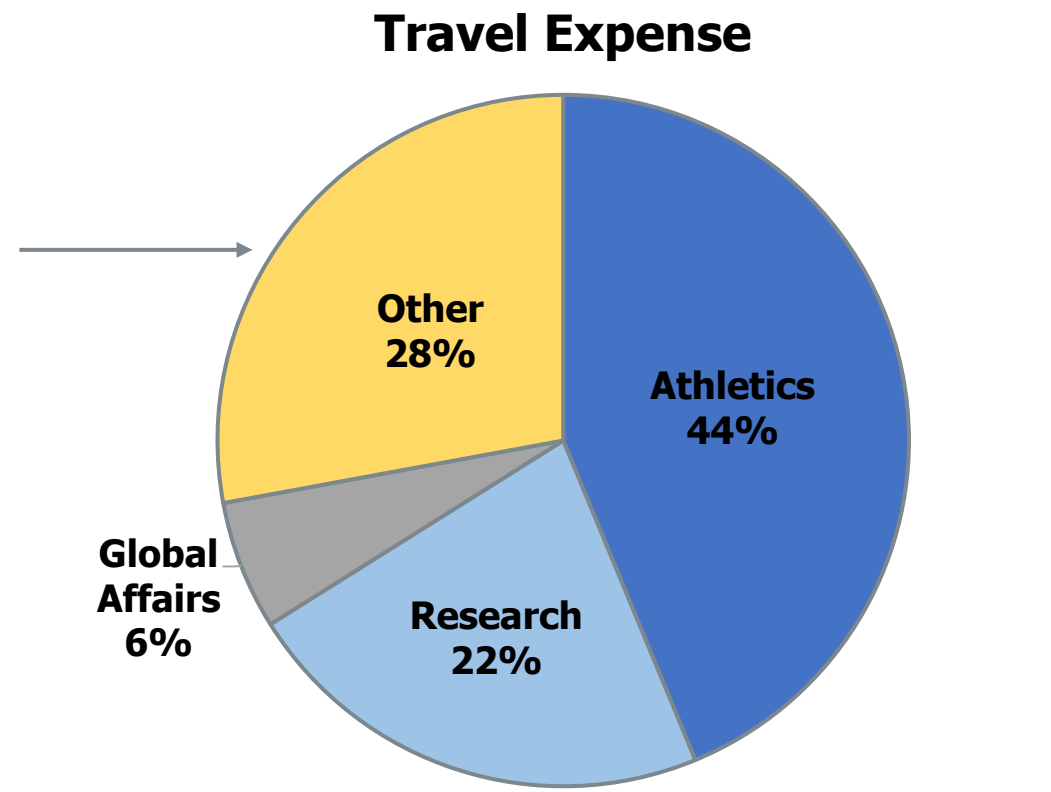


Other Expenses

The remaining operating expenses of \$136.2M include various activities among the academic and administrative units. Supplies and travel are expected to decline modestly due to a reduction of grant & contract revenue and related spend.

Other Expenses			
\$ M	FY26 Budget	FY25 Forecast	FY24 Actuals
Travel	\$31.9	\$32.7	\$30.5
Fees/Dues/Subscriptions	30.4	29.8	30.3
Dining Food Purchase	20.5	20.1	18.5
Supplies	18.0	19.8	19.8
Rentals and Leases	11.7	0.0	-0.3
Telecommunications	7.2	7.1	7.1
Transportation/Motor Vehicles	6.6	6.5	8.1
Other (Insurance, Animal Care, etc)	10.0	8.4	4.7
Total Other Expenses	\$136.2	\$124.3	\$118.7

*Short-term housing agreements



Debt / Capital

The Debt / Capital category (\$88.6M) primarily includes debt service payments for revenue bonds and funds transferred to capital accounts for projects.

\$ M	FY26 Budget	FY25 Forecast	FY24 Actuals	Purpose
Debt Payments	\$24.5	\$27.2	\$23.6	Recreation center, stadia, cogen (paid off in FY25) & housing debt payments.
Lease Entries (Accounting standard GASB 87, etc)	18.5	18.5	18.1	Entries classified as long-term finance leases.
Repair & Renovation Projects	25.7	49.8	67.4	High priority infrastructure repairs & improvements to student learning spaces.
Housing Plan Re-Investment	20.0	33.0	20.0	Reinvestment of housing/dining gain.
Total	\$88.6	\$128.5	\$129.1	

Note: Use of decimals may result in rounding differences.

FY26 Proposed Spending Plan

UConn Storrs & Regional Campuses	FY26 Budget	FY25 Forecast	Variance	% Variance
State Block Grant	\$ 268.2	\$ 223.8	\$ 44.3	19.8%
Additional State Support	-	95.7	(95.7)	-100.0%
Adjustments (WC/FB reimb)	1.0	1.9	(0.9)	-45.9%
Total State Support	\$ 269.2	\$ 321.4	\$ (52.2)	-16.2%
Tuition	615.6	578.4	37.2	6.4%
Course/Mandatory Fees	175.7	173.8	1.9	1.1%
Grants & Contracts - Financial Aid	87.7	86.9	0.9	1.0%
Grants & Contracts - Other	225.9	250.0	(24.1)	-9.6%
Auxiliary Revenue	291.5	263.6	27.9	10.6%
Other Revenues	112.7	105.2	7.5	7.1%
Total Revenues	\$ 1,778.2	\$ 1,779.2	\$ (0.9)	-0.1%
Salary/Benefits	\$ 947.5	\$ 936.1	\$ 11.4	1.2%
Financial Aid - Tuition Funded	219.4	198.3	21.1	10.6%
Financial Aid - Other	120.5	122.1	(1.6)	-1.3%
Energy	25.2	22.9	2.3	10.3%
Equipment	36.9	35.2	1.7	4.8%
Capital Projects/Debt Payments	88.6	128.5	(39.9)	-31.0%
Purchased Services	241.8	205.9	35.9	17.4%
Other Expenses	136.2	124.3	11.8	9.5%
Total Expense	\$ 1,816.1	\$ 1,773.3	\$ 42.8	2.4%
Rescission (cuts to depts)	\$ 10.0	\$ -	\$ 10.0	
Budget Stabilization Fund	11.0	-	11.0	
Mitigation Plan	16.9	-	16.9	
Net Gain/(Loss)	\$ 0.0	\$ 5.8	\$ (5.8)	

Note: Use of decimals may result in rounding differences.

UConn will be increasing enrollment, reducing expenses, and reallocating resources to deliver a balanced budget.

Mitigation Plan Options *

Pause non-essential travel, events, and other activities

Personnel optimization/reduction plan

Review of purchased service contracts

Increase utilization of Foundation funds

*Specific actions will be determined by the end of the first quarter

Vote - FY26 Spending Plan Resolution (Operating)

RECOMMENDATION:

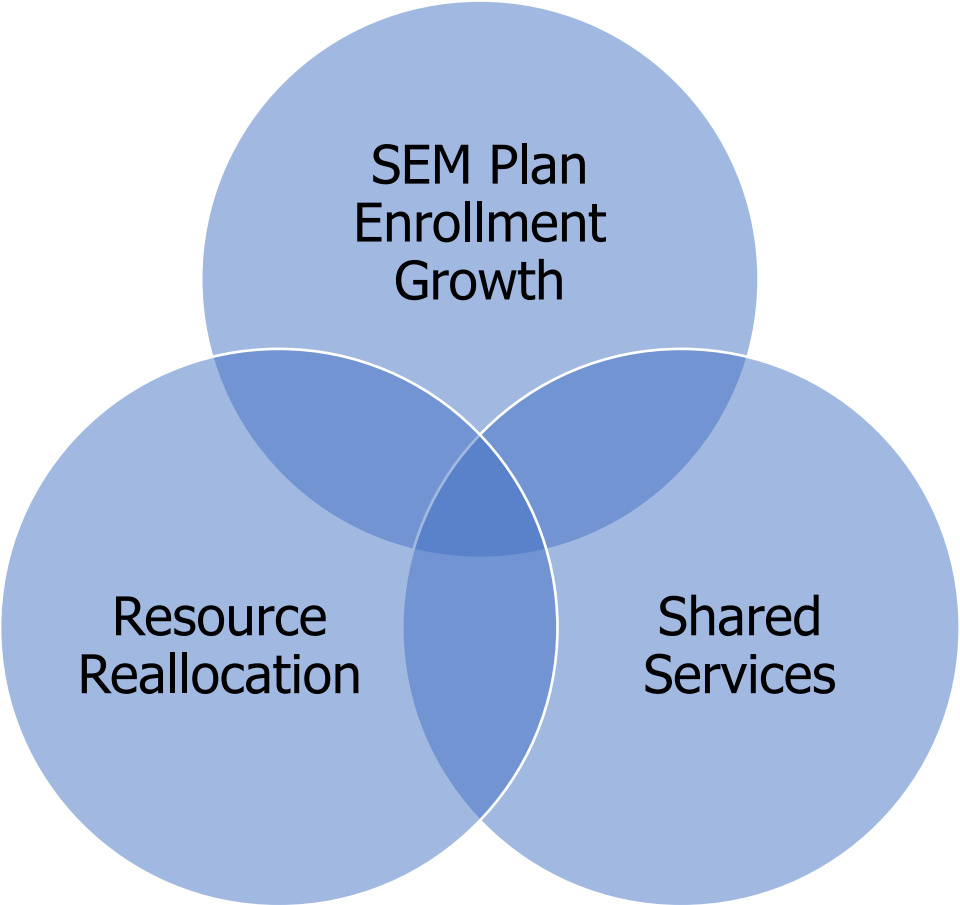
- That the Board of Trustees approve the Spending Plan for Fiscal Year 2026 of \$1,816.1 million for the University of Connecticut, Storrs and Regional Campuses.

RESOLUTION:

- "Be it resolved that the Board of Trustees approve the Fiscal Year 2026 Spending Plan of \$1,816.1 million for the University of Connecticut, Storrs and Regional Campuses."

Future Year Operating Strategy

Three key elements are driving the 5-year financial sustainability plan:



- Future SEM plan enrollment growth and net tuition revenue targets are planned to resolve the structural deficit, but strategic priorities and new investments require additional actions to mitigate deficits.

Additional undergrad enrollment included:

FY26	FY27	FY28	FY29	FY30
1,148	939	1,106	674	675

*Total ~4,500 (SEM Plan to guide growth)

- Discussions are underway to:
 - Determine areas of contraction and growth
 - Increase teaching capacity
 - Reallocate funds – planned rescissions will help with the shift of funds

15% Permanent rescissions (amount not reallocated):

FY26	FY27	FY28	FY29	FY30
\$10.0	\$18.8	\$28.8	\$38.8	\$38.8
(cumulative)				

State Bonding Support

State GO Bond Funds (\$M)		Request		Approved	
UConn		FY26		FY27	
	Academic & Research Equipment	\$10.0	\$5.0	\$10.0	
	Digital Learning Infrastructure-Regional Campuses		3.0		
UConn Total		\$10.0	\$8.0	\$10.0	\$0.0
UConn Health					
	Deferred Maintenance			30.0	30.0
	Clinical Equipment to Enhance Revenue Growth	10.0	25.0	10.0	10.0
	Information Technology Security, Infrastructure & Equipment	3.0	3.0	3.0	3.0
UConn Health Total		\$13.0	\$28.0	\$43.0	\$43.0
Grand Total		\$23.0	\$36.0	\$53.0	\$43.0

Retains \$46.1M prior bond authorization for Innovation (Research) Faculty Recruitment initiative and amends use of funds solely for the laboratory renovations, construction and equipment costs necessary to support Eminent Faculty hires

Note: State GO Bonding requires Bond Commission approval

UConn 2000 Update

- Total UConn 2000 Program increased by \$4M in FY26 for Gampel Pavilion Renovations
 - \$574M remains in the NextGenCT initiative over the next 6 years (FY26-FY31)
- The new bond authorizations approved in 2024 require a cumulative milestone fundraising target of \$100 million over 8 years
 - Cumulative fundraising through FY26 is \$36.7M

Milestone Fundraising (cumulative) Targets (\$M)	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
	\$20.0	\$31.5	\$43.0	\$54.5	\$66.0	\$77.5	\$89.0	\$100.0
Total Raised	\$20.0	\$36.7						


Complete

University of Connecticut
FY26 Capital Budget Spending Plan
Proposed Projects by Statutory Named Lines & by Program*

UCONN 2000 Bond Funded Projects by Statutory Named Lines	Total	By Program		
		Academic Priorities	Deferred Maint.	Other Improvements
Academic and Research Facilities	\$54.0			
Gant-Code Repairs & Renovations 29.0		29.0		
Nursing 25.0		25.0		
Deferred Maintenance	69.5			
Gampel Renovations 50.0				50.0
Motor Pool Tank Removal & Relocation 2.7			2.7	
NW Quad: Electrical Infrastructure Upgrades 7.0			7.0	
Contingency 9.9			9.9	
Equipment	4.5			
Information Technology 2.8				2.8
Faculty Start-up 1.8		1.8		
Total UCONN 2000 Bond Funded Projects	\$128.0	\$55.8	\$19.5	\$52.8
Other Funded Projects (University, State Bonds)				
Equipment (State GO Bonds) 5.0		2.5	2.5	
Facilities Repairs & Improvements (University) 15.0			15.0	
Digital Learning Infrastructure - Regionals (State GO Bonds) 3.0			3.0	
Residential Refresh Program (University) 20.0			10.0	10.0
Programmatic Renovations (University) 4.0		2.0	2.0	
Total Other Funded Projects	\$47.0	\$4.5	\$32.5	\$10.0
Grand Total FY26 Capital Budget	\$175.0	\$60.3	\$52.0	\$62.8

*Projects less than \$500,000 are approved by UConn administrative committee. Projects costing \$500,000 or more are submitted for Board action on a project by project basis.

FY26 UConn Capital Budget

- FY26 is year 12 of the 17-year NextGenCT initiative.
- 50% of the capital budget will provide funding for active construction projects.

Vote - FY26 Capital Spending Plan Resolution

RECOMMENDATION:

- That the Board of Trustees approve a capital budget of \$175,000,000, as detailed in Attachment A, for Fiscal Year 2026 which is comprised of \$128,000,000 of UCONN 2000 State GO bond funds, \$8,000,000 of State GO bond funds, and \$39,000,000 of University funds. The Administration recommends that the Board of Trustees adopt the Resolution below.

RESOLUTION:

- "Be it resolved that the Board of Trustees approve the Fiscal Year 2026 capital budget of \$175,000,000 for the University of Connecticut Storrs and Regional Campuses."



UConn
HEALTH

Fiscal Year 2026 Budget

FY25 Year End Forecast

UConn Health	FY25 Forecast	FY25 Budget	Variance	% Variance
State Support	\$ 193.7	\$ 198.7	\$ (5.0)	(2.6%)
Tuition and Fees	35.6	34.2	1.4	4.0%
Grants & Contracts	118.5	119.2	(0.7)	(0.5%)
Interns/Residents	91.7	92.2	(0.6)	(0.6%)
Net Patient Revenue	1070.1	1013.1	57.1	5.6%
Other Revenue	252.8	242.6	10.2	4.2%
Total Revenues	\$ 1,762.4	\$ 1,700.0	\$ 62.4	3.7%
Salaries & Wages	\$ 655.0	\$ 643.8	\$ 11.2	1.7%
Fringe Benefits	167.4	165.1	2.3	1.4%
Temporary/Contractual Support	206.4	199.4	7.0	3.5%
Drugs/Medical Supplies	348.0	331.7	16.4	4.9%
Resident and Fellow house staff	76.4	76.4	(0.0)	(0.0%)
Utilities	17.3	15.0	2.3	15.3%
Interest Expense on Debt Service	7.8	7.8	(0.0)	(0.5%)
Purchased Services	151.8	151.5	0.4	0.2%
Other Expenses	85.1	79.1	5.9	7.5%
Capital Projects/Debt Payments	32.0	31.7	0.3	1.0%
Total Expenses	\$ 1,747.3	\$ 1,701.6	\$ 45.7	2.7%
Budget Stabilization Fund	(15.1)	1.6		
Net Income/(Loss)	\$ -	\$ -		

Note: Use of decimals may result in rounding differences.

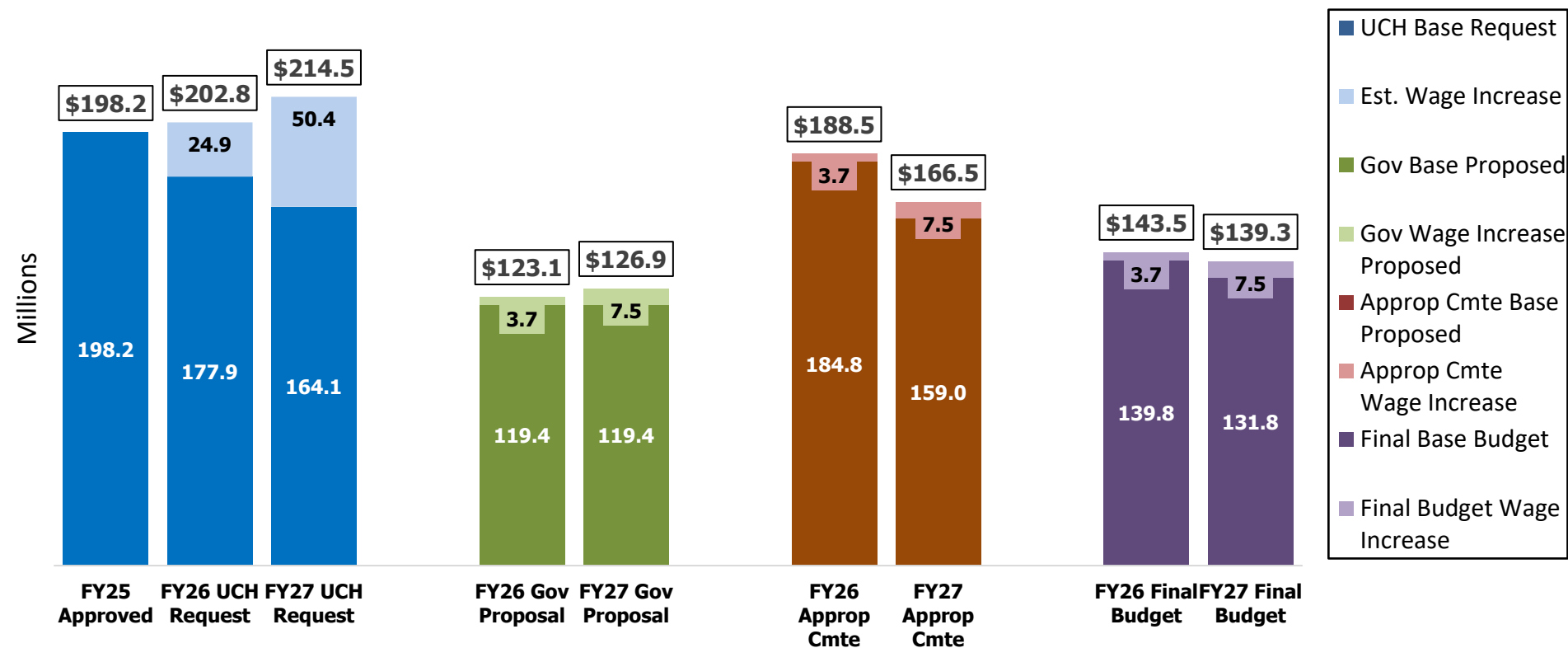
- During FY25, UConn Health recognized favorable net patient care revenue and revenue related to pharmacy services.
- These gains are partially offset by additional spending in salaries/benefits, per diem staff, drugs and medical supplies.

State Budget Operating Support

UConn Health:

The shortfall from our request is \$59.3M in FY26 and \$75.2M in FY27

- UConn Health base funding request is lower than the FY25 approved state support by \$20.3M in FY26 and \$34.1M in FY27
- The final biennium budget (including an additional inflationary increase) is lower than requested creating a shortfall of \$59.3M in FY26 and \$75.2M in FY27



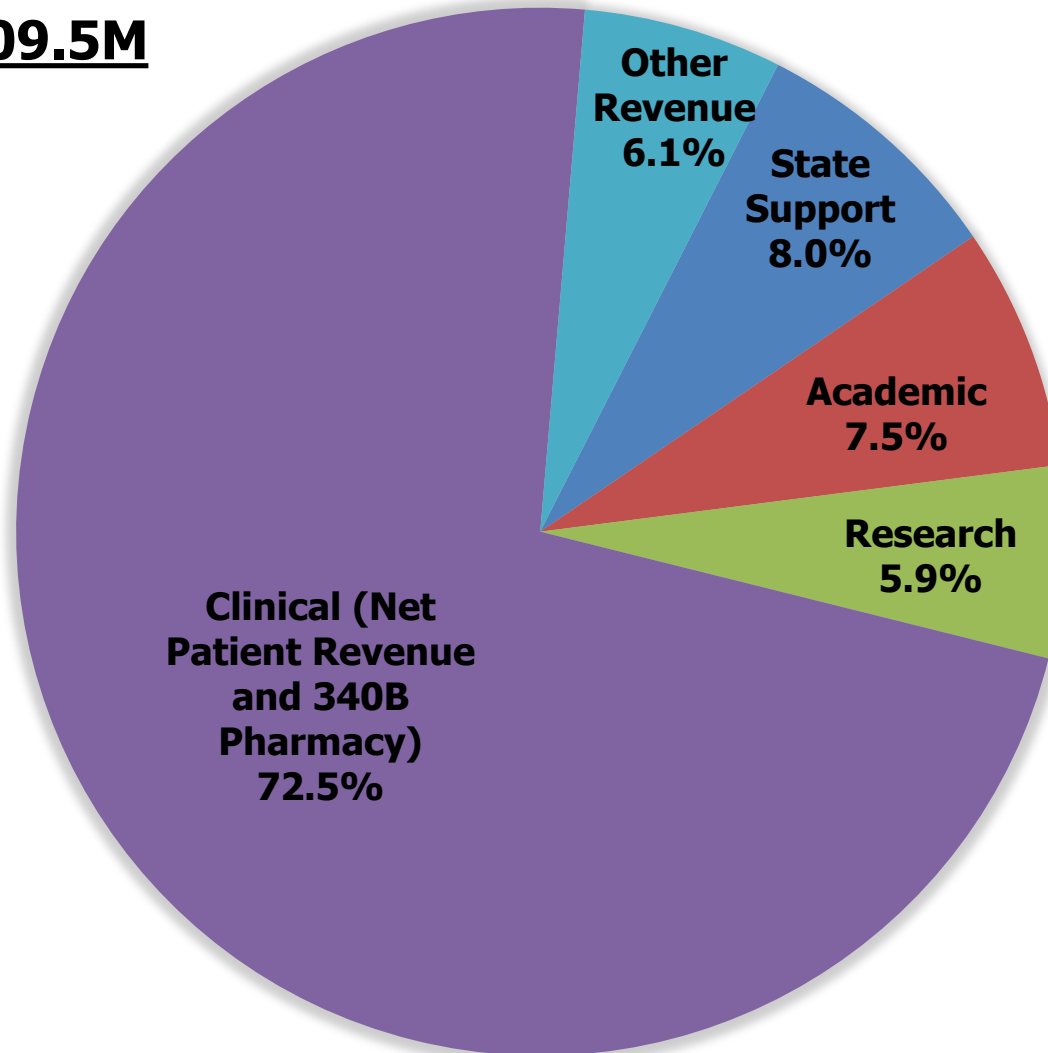
FY26 Mitigation Plan

Permanent/Ongoing Savings	
Category	Initiative
Workforce	Review and pause non-critical, non-revenue generating hires. Review of overtime and temporary staff for non-revenue generating areas.
Operating Expenses	Pause non-essential travel, functions, events and catering.
Clinical Financial Improvements	Productivity and Revenue cycle review. (Huron)
Contracts and Other Expenses	Review of purchase service contracts and pause non-essential minor equipment purchases. (Huron)
Ancillary Businesses	Review the possibility in increasing rates in the ancillary services.
One-Time Savings	
Category	Initiative
Capital/Fund Balances	Decrease in capital projects and fund balance use.

FY26 Proposed Spending Plan

REVENUE BY SOURCE OF FUNDS

\$1,809.5M



Other Revenue includes auxiliary services, gifts/endowments and internal income (offset by internal expense)

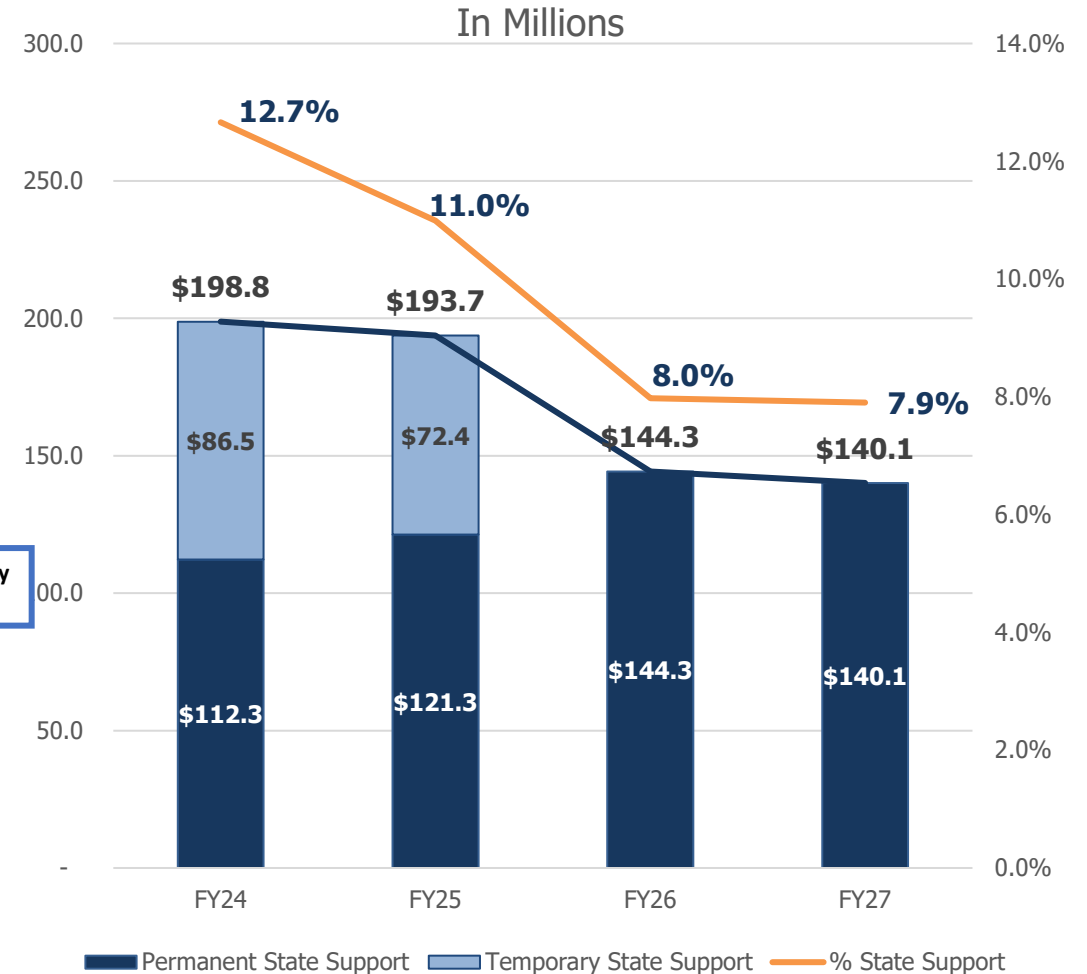
- Over 72% of total revenue is funded by patients
- 8% of total revenue is funded by the State
- Revenues will increase 2.7% over FY25, mainly driven by patient care revenue.

State Support

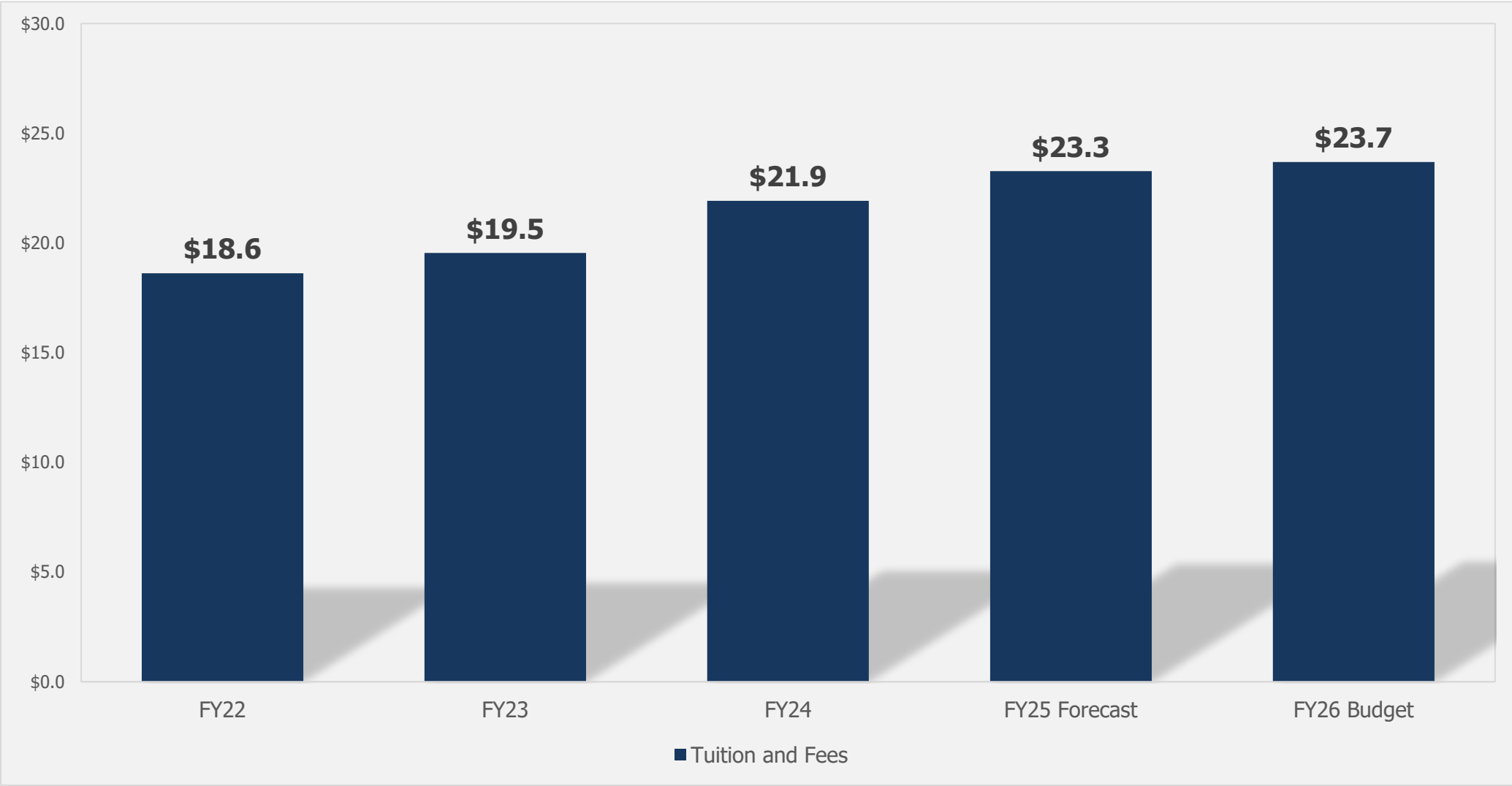
UConn Health is grateful for the generous support provided by the State in FY26.

State Support (\$M)				
State Support Salary	FY24	FY25	FY26	FY27
Operating Expenses	\$ 111.2	\$ 115.7	\$ 143.1	\$ 138.9
AHEC	0.4	\$ 0.4	\$ 0.4	\$ 0.4
Total State Support - Salary	\$ 111.6	\$ 116.1	\$ 143.5	\$ 139.3
Additional State Support				
Temporary Operating Support - ARPA	\$ 51.5	\$ 48.0	\$ -	\$ -
Temporary Operating Support - Carry Forward	35.0	17.5	-	-
Temporary Operating Support - Mid year ARPA	-	6.9	-	-
Total Additional State Support	\$ 86.5	\$ 72.4	\$ -	\$ -
Total Appropriation	\$ 198.1	\$ 188.5	\$ 143.5	\$ 139.3
Fringe Benefits	0.7	5.2	0.8	0.8
Total State Support	\$ 198.8	\$ 193.7	\$ 144.3	\$ 140.1

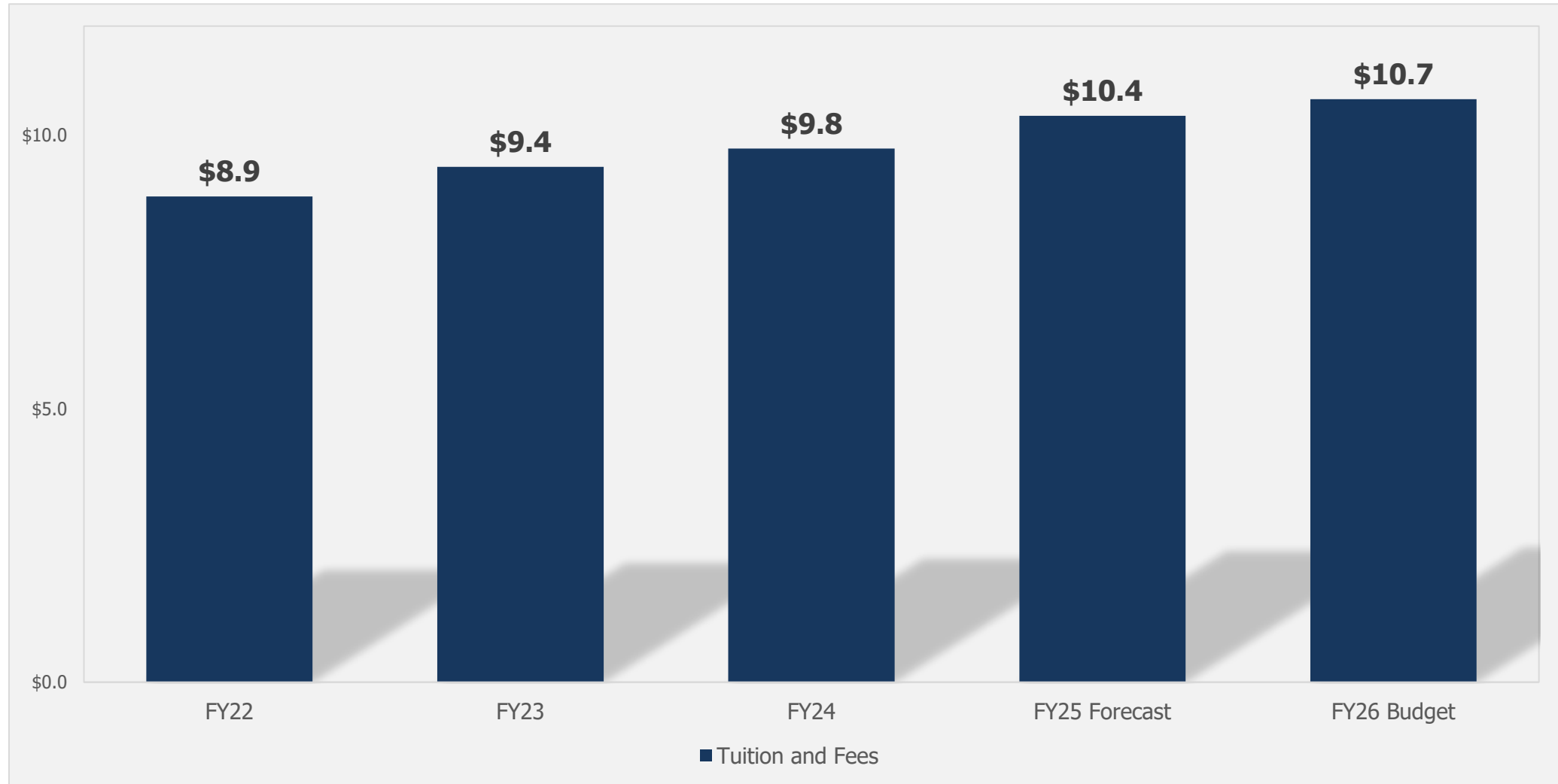
Temporary Funds



Tuition and Fees (\$M) - School of Medicine



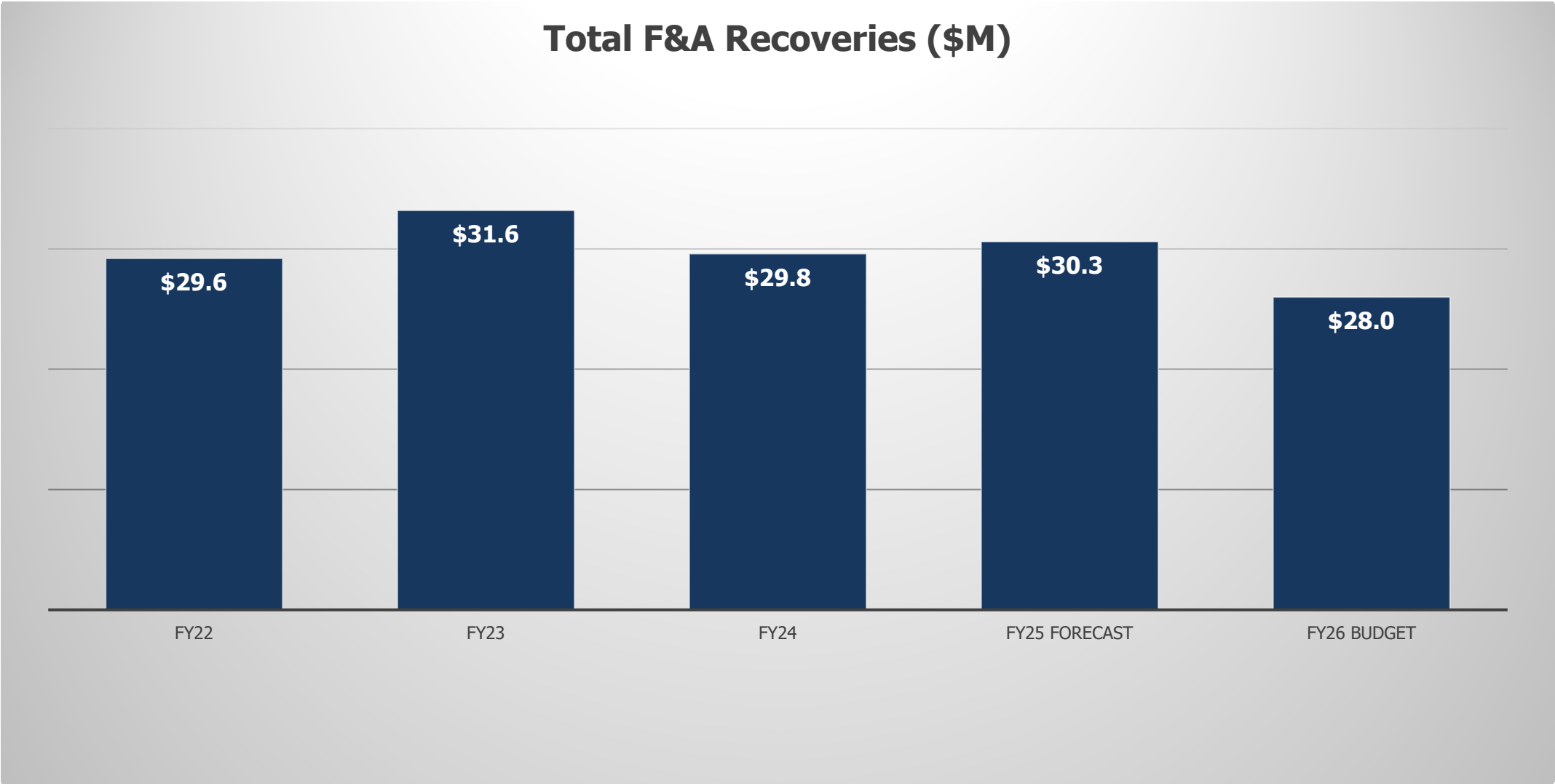
Tuition and Fees (\$M) - School of Dental Medicine



Research Revenue

Research Revenue (\$M)			
	FY26 Budget	FY25 Forecast	FY24 Actual
Federal Grants	\$ 78.3	\$ 87.6	\$ 90.1
Non Federal Grants	28.8	30.9	28.6
Total	\$ 107.1	\$ 118.5	\$ 118.6
F&A	\$ 28.0	\$ 30.3	\$ 29.8

Grants and Contracts - Research



Net Patient Revenue

Net Patient Revenue (\$M)			
	FY26 Budget	FY2025 Forecast	FY2024 Actual
John Dempsey Hospital	\$ 785.7	\$ 715.0	\$ 653.1
UConn Medical Group	171.4	159.3	144.1
Dental Clinics	11.3	11.2	10.7
Pharmacy	200.9	184.6	149.5
Total	\$ 1,169.3	\$ 1,070.1	\$ 957.5

**John Dempsey
Hospital (JDH)
\$785.7M**

Acute care, University
teaching hospital licensed
for 257 beds.
Inpatient/Outpatient
Services and Urgent Care

**UConn Medical
Group (UMG)
\$171.4M**

Among the largest multi-
specialty faculty clinical
group practices in the
region

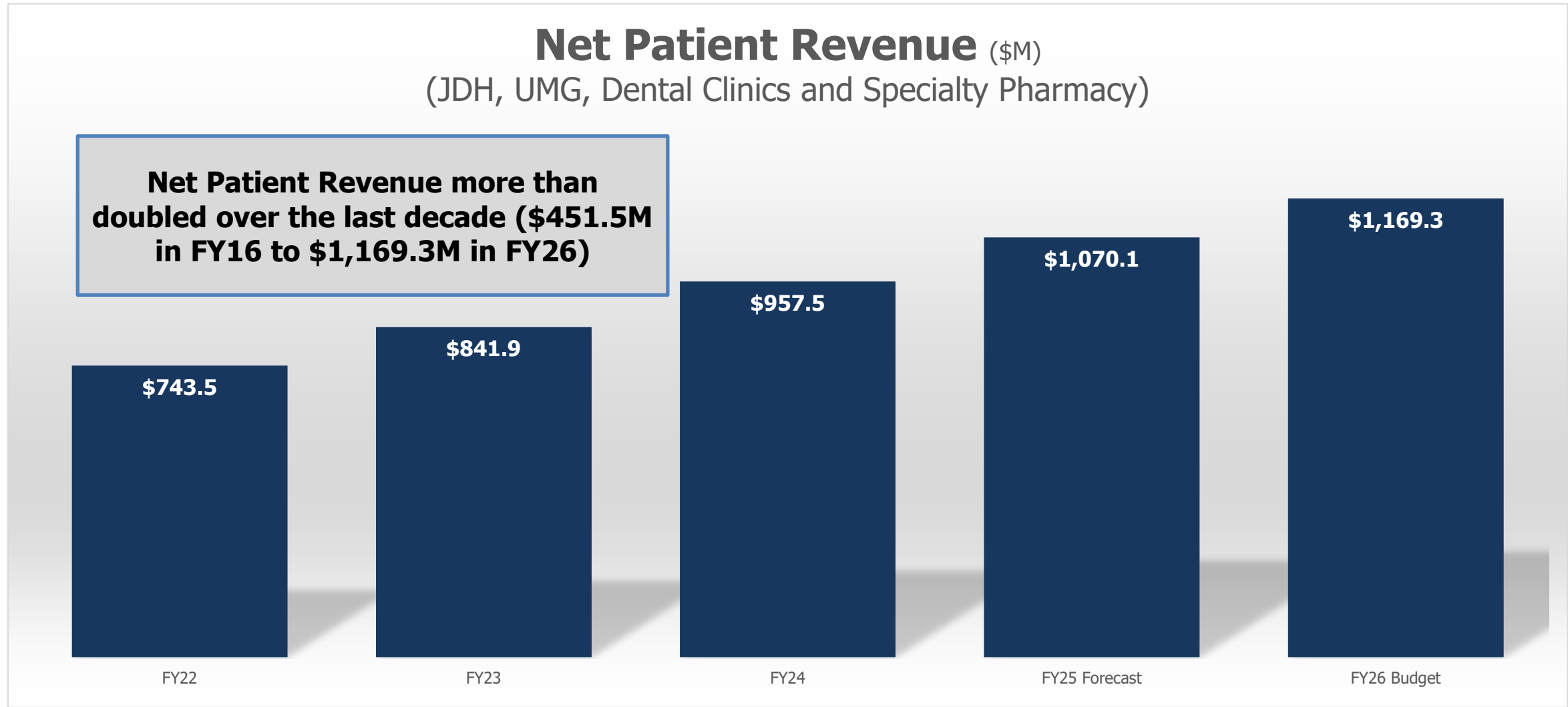
**Dental Clinics
(University
Dentist and
UConn Dental
Clinics)
\$11.3M**

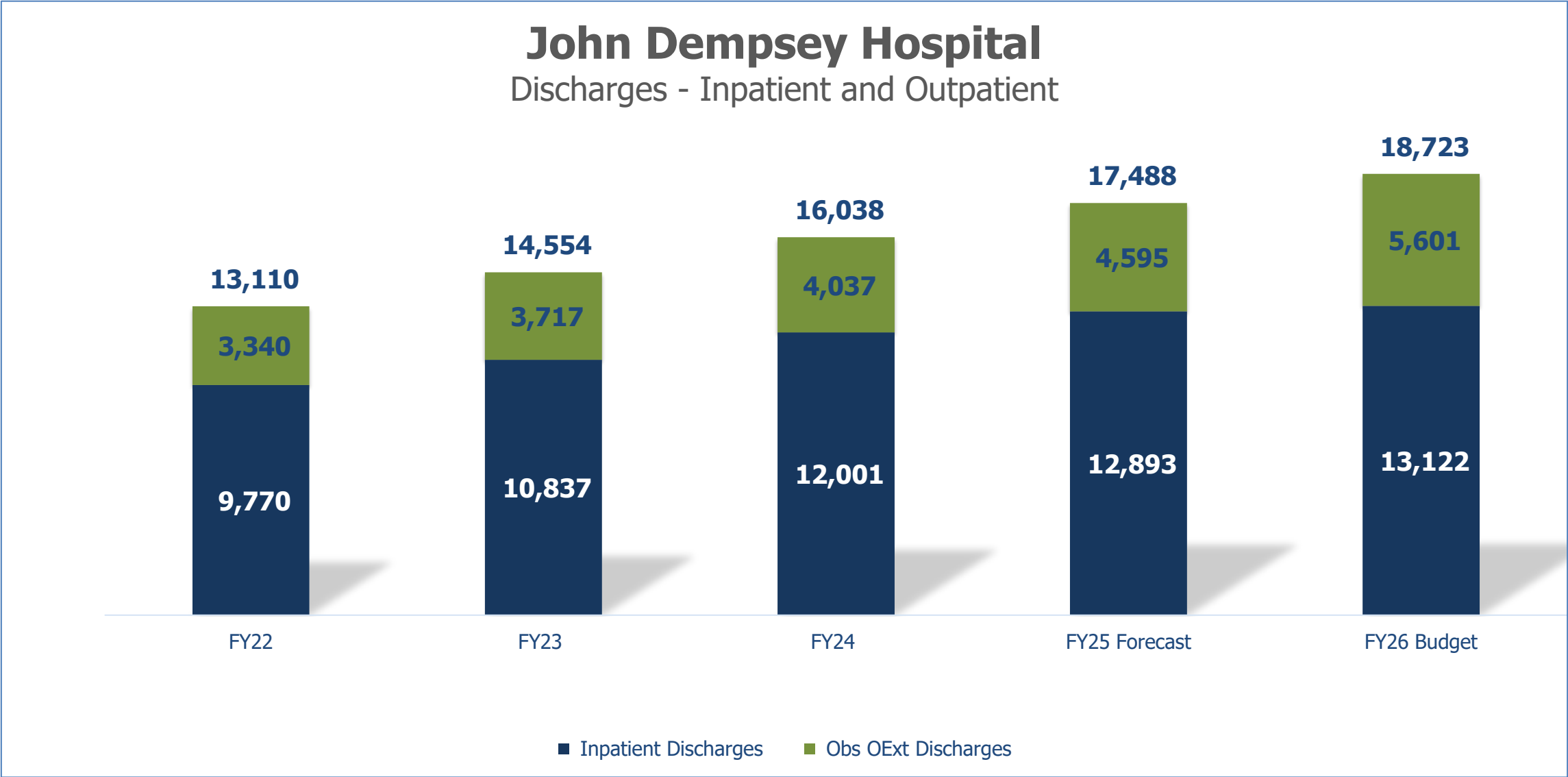
Faculty and resident dental
care practices

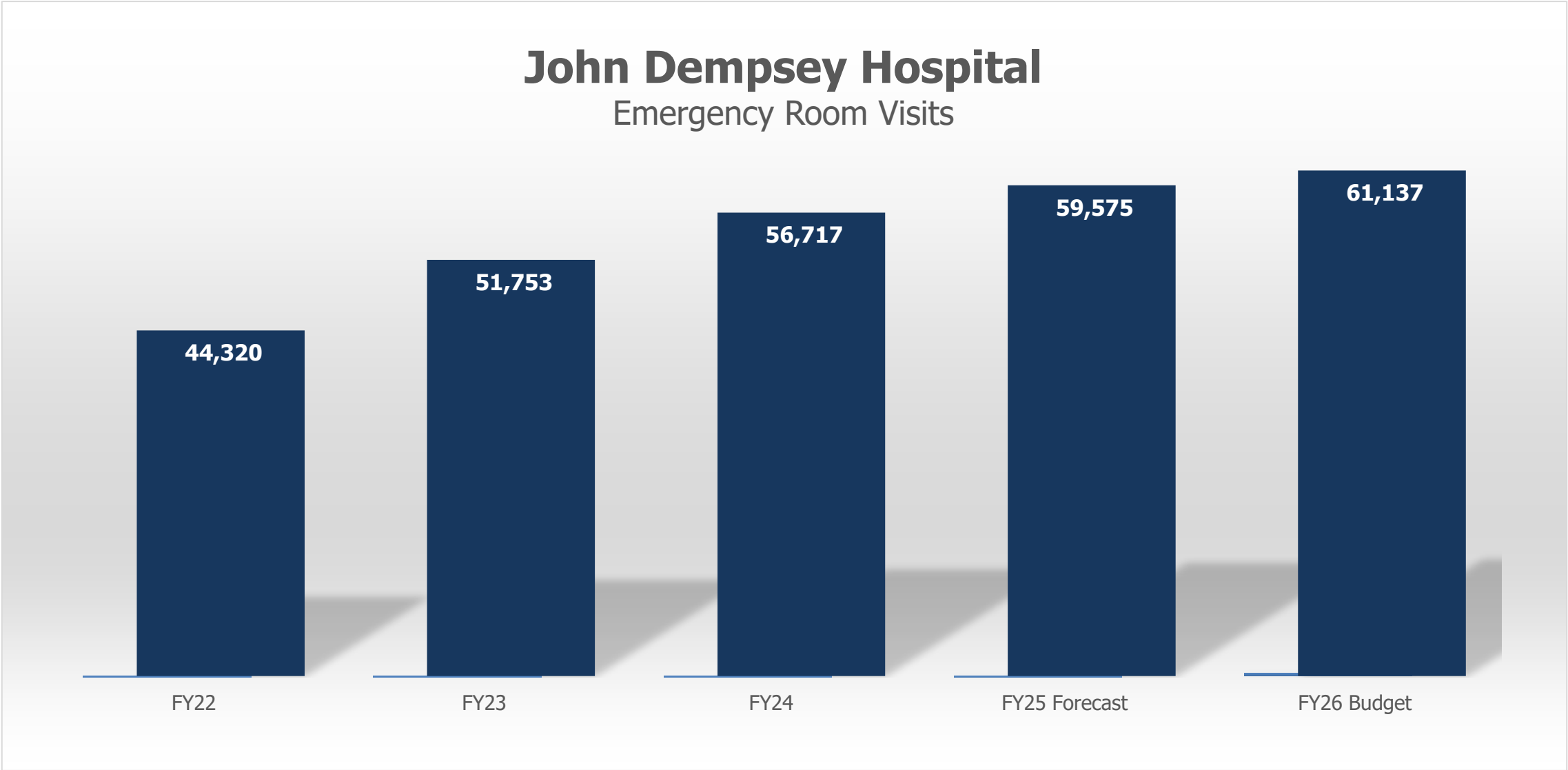
**Specialty
Pharmacy
\$200.9M**

Specialty medication
therapy and home infusion
program

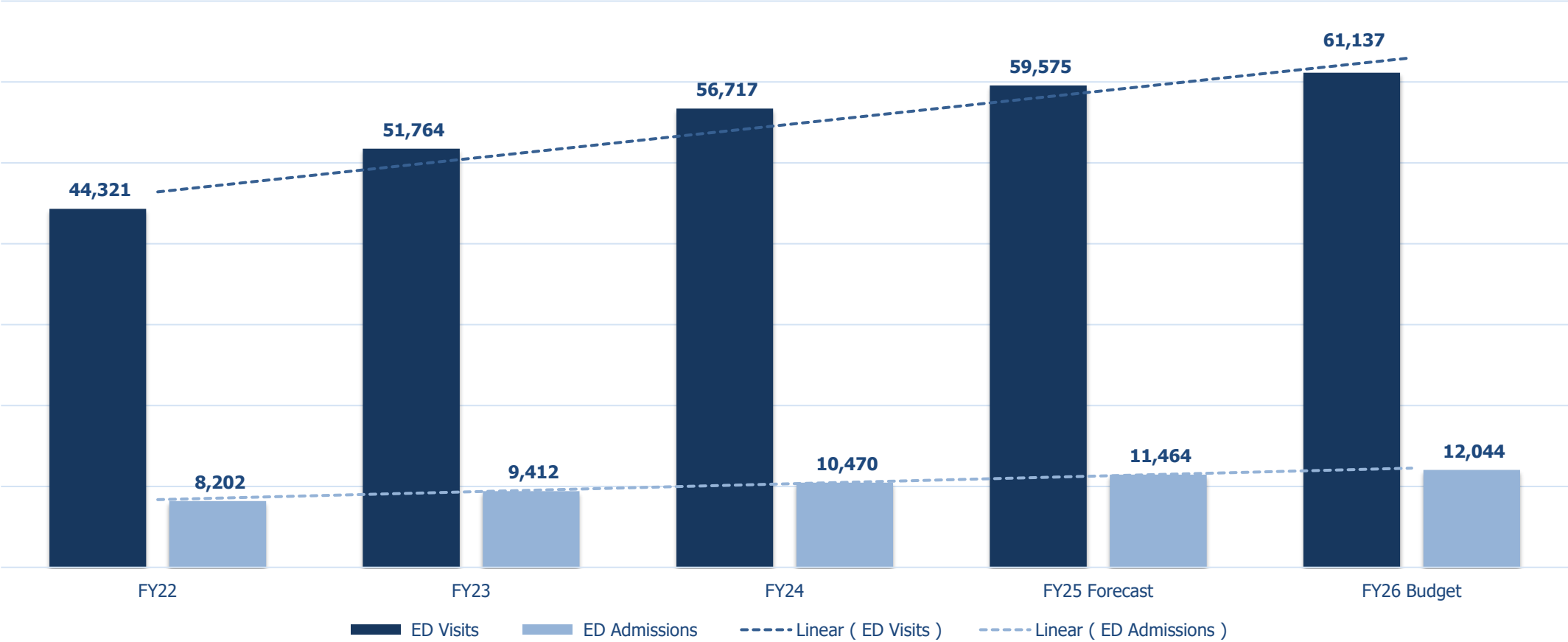
Clinical

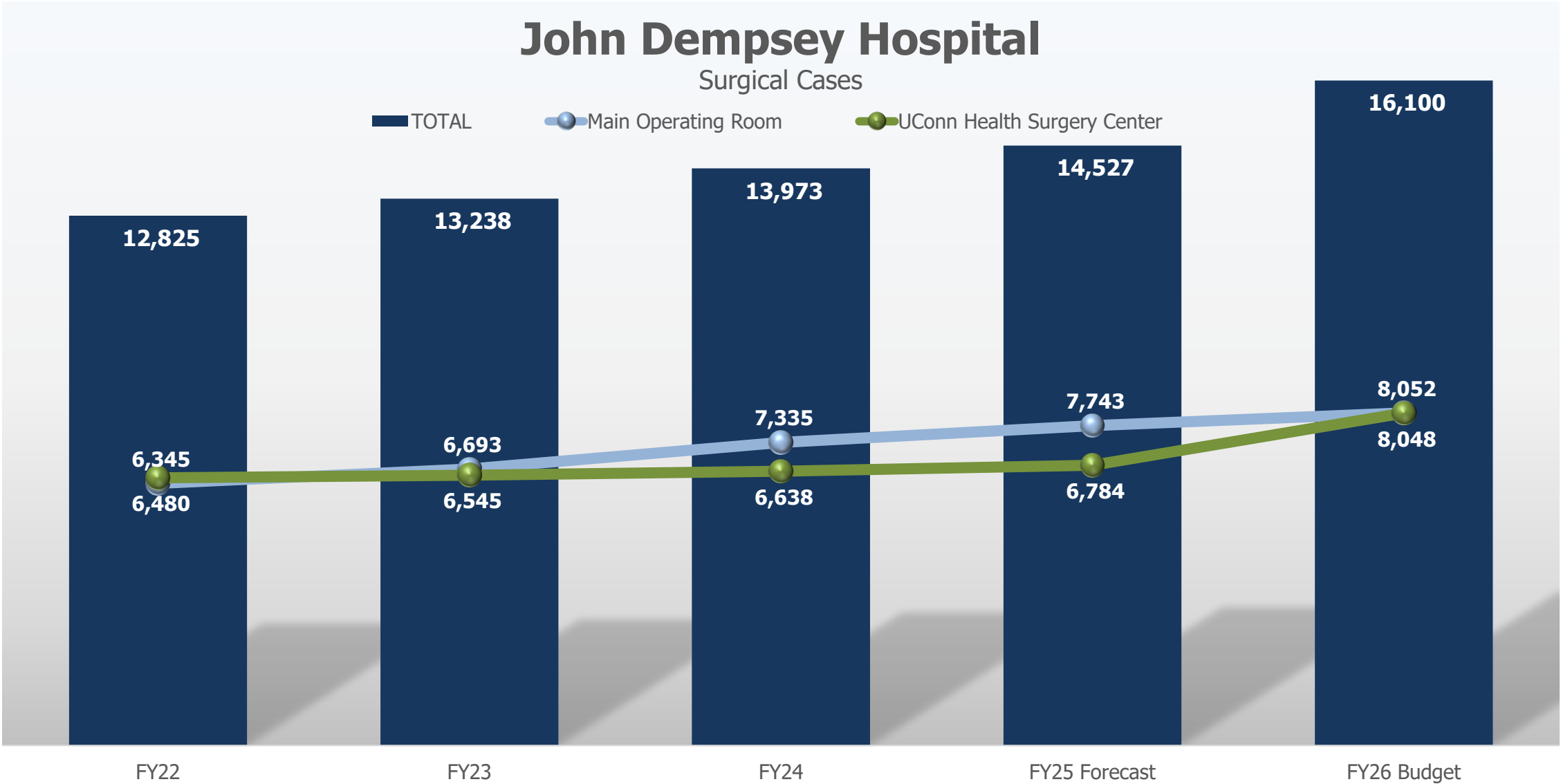


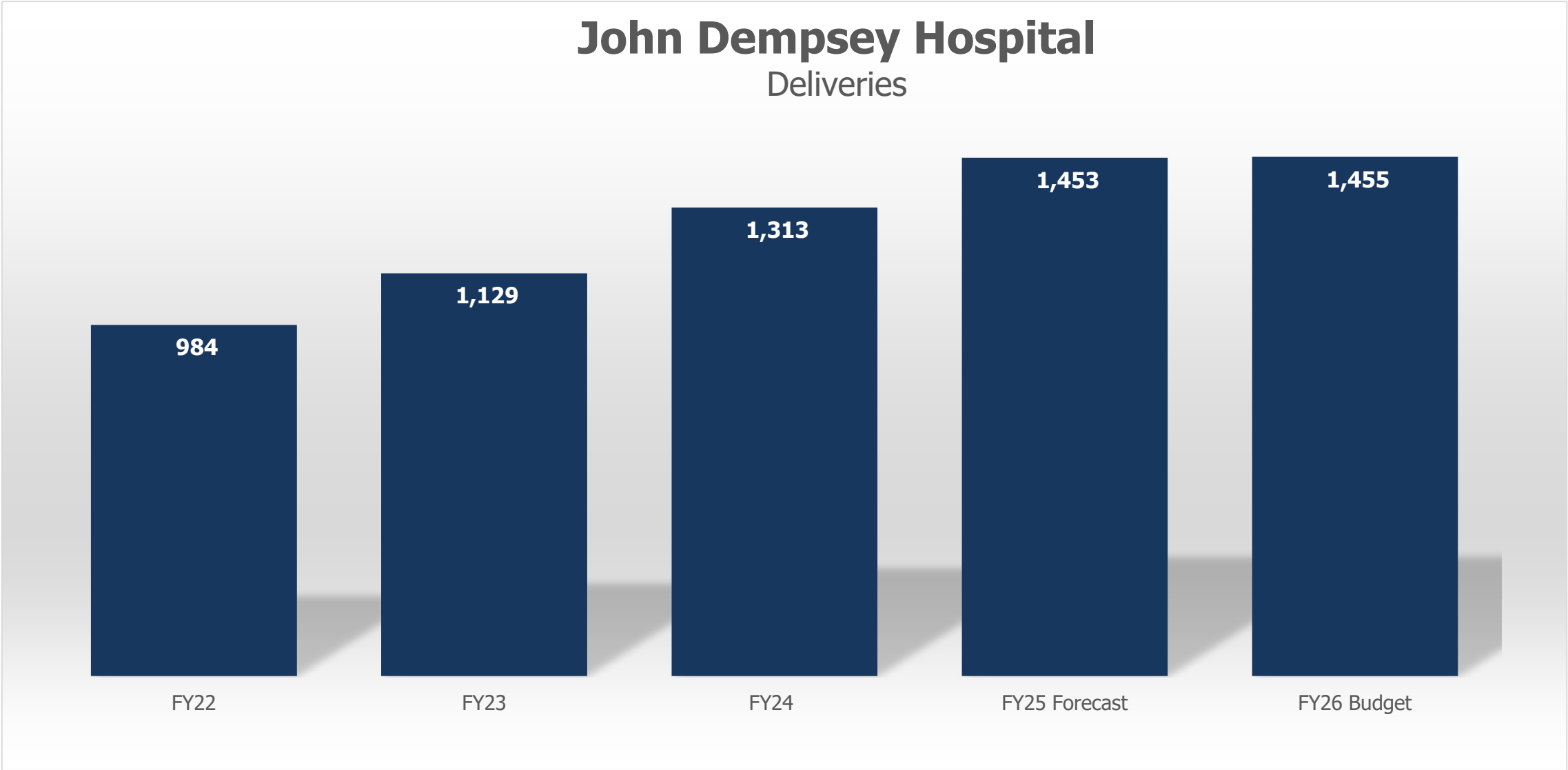




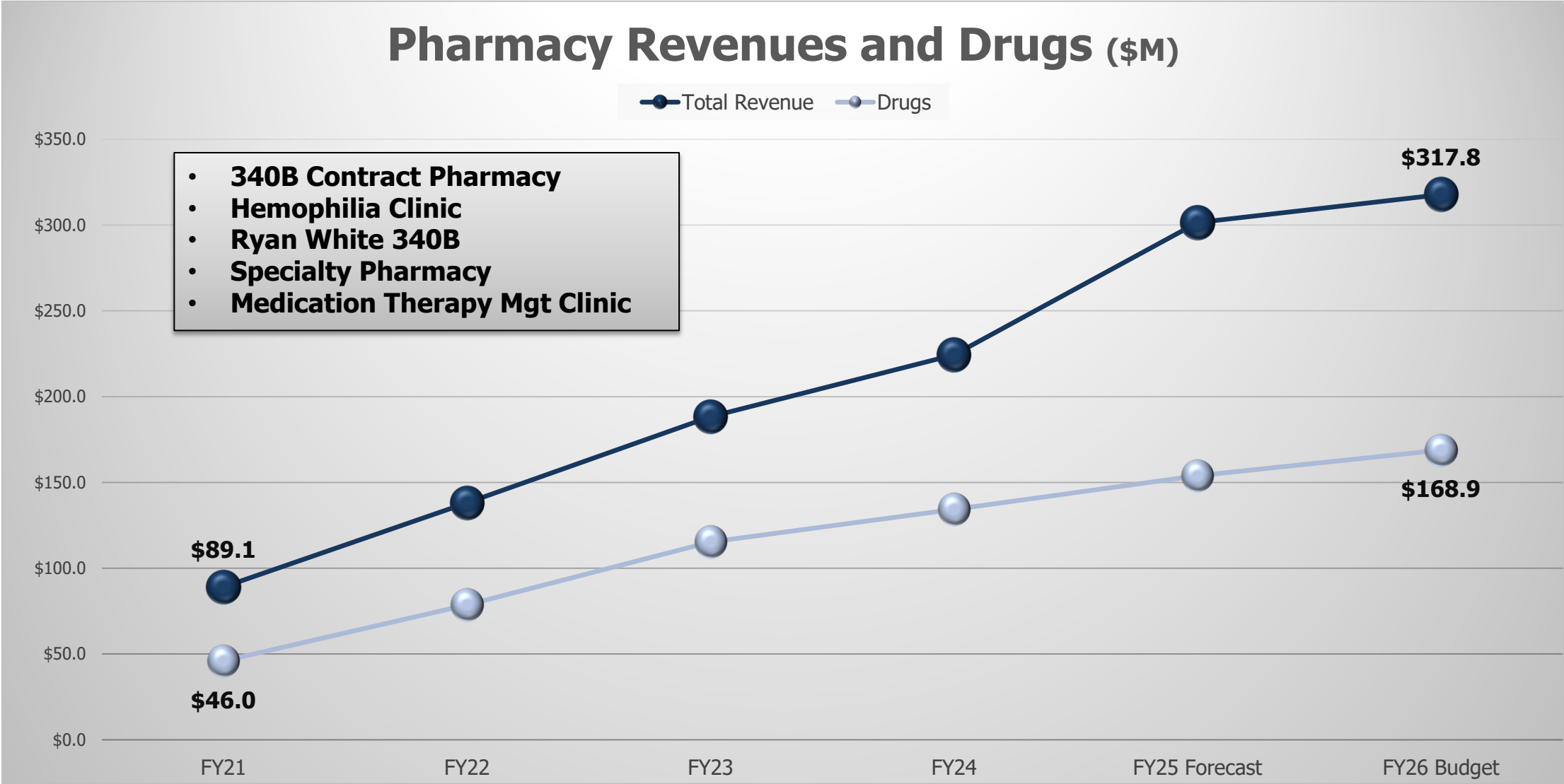
Emergency Department
Visits and Admits
(Inpatient and Observations/Outpatient Extended Stay)

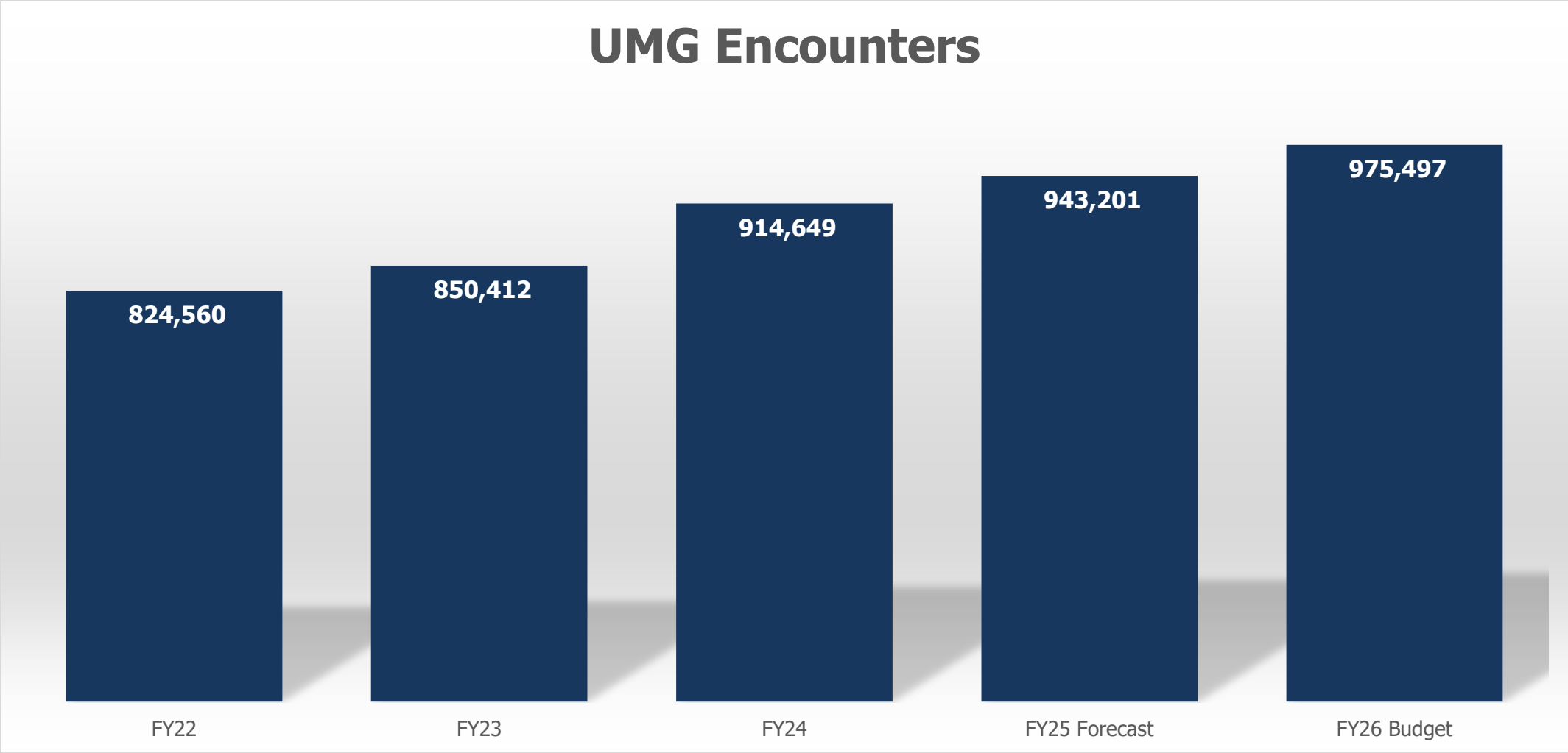






Clinical





Other Revenue

Other Revenue (\$M)			
	FY26 Budget	FY2025 Forecast	FY2024 Actual
Auxiliary Services	\$ 17.0	\$ 18.0	\$ 17.3
Gift and Endowment Revenue	5.4	5.7	6.4
Contractual and Other Income	58.3	59.3	52.9
Investment Income	7.9	11.2	13.7
Internal Income	164.5	158.6	118.2
Total	\$ 253.1	\$ 252.8	\$ 208.5

Auxiliary Services \$17.0M

Creative Child Care,
Parking, Family
Medicine contracts,
Perfusion Services
etc.

Gift and Endowment \$5.4M

Contractual and Other Income \$58.3M

JDH 340B external
contract pharmacy,
NNICU agreement and
other
contracts/agreements

Investment Income \$7.9M

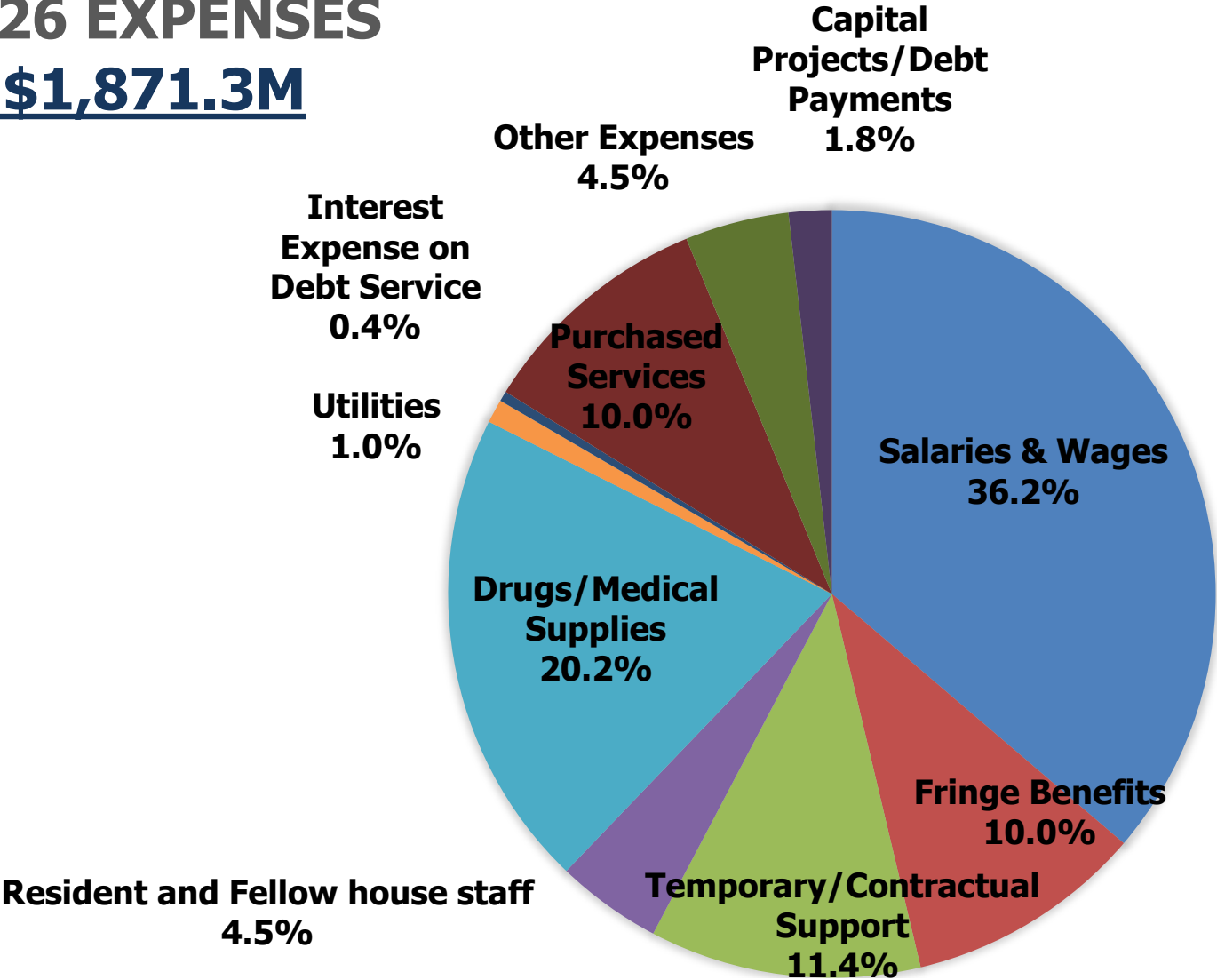
Short term
investment fund
(STIF) rates expected
to drop to ~4%

Internal Income \$164.5M

JDH 340B internal
contract pharmacy,
JDH/SOM interns and
residents, dental
house staff and rental
fees

FY26 Proposed Spending Plan

FY26 EXPENSES
\$1,871.3M



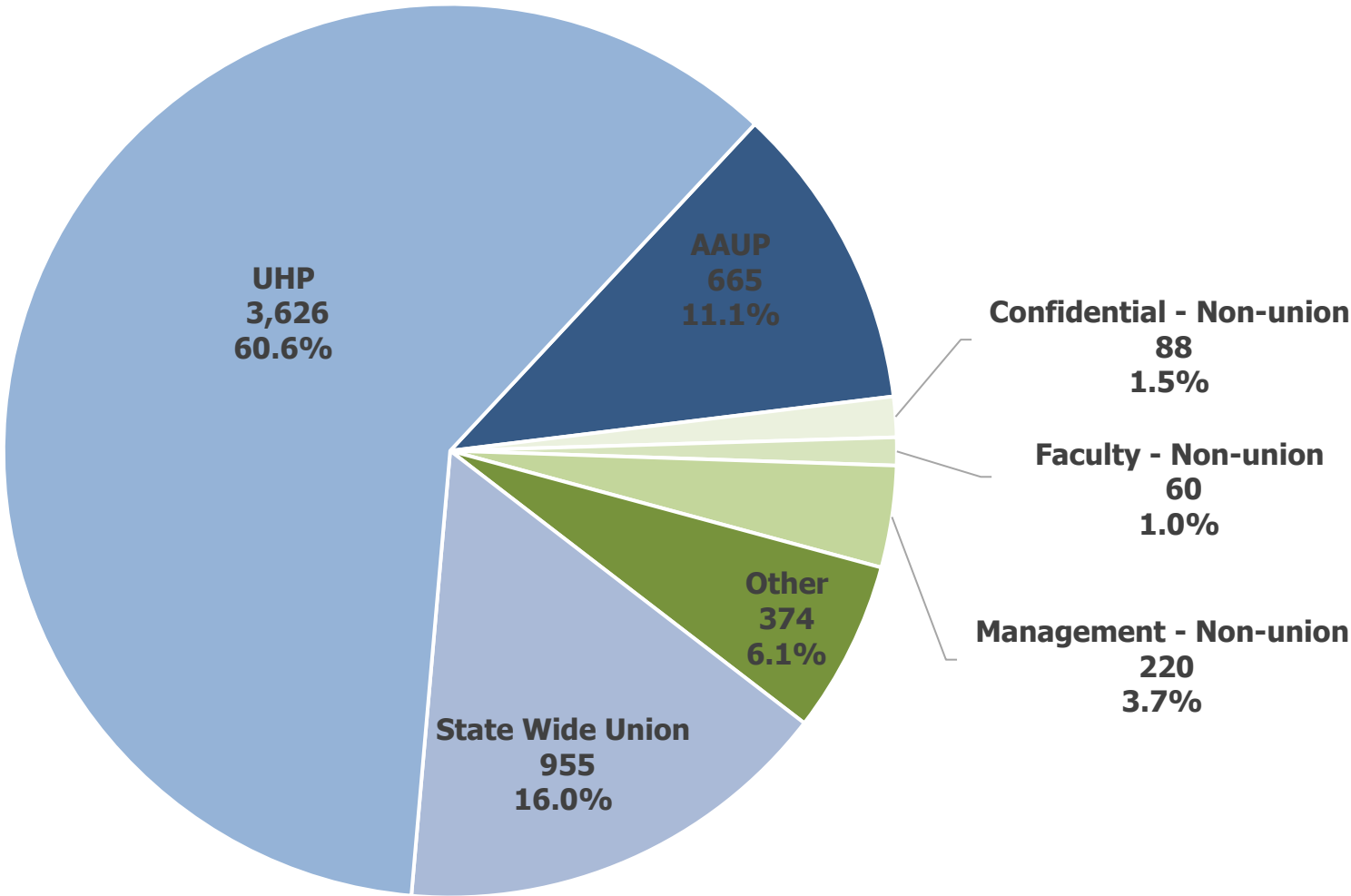
62% of total expense is allocated to personnel cost

Other Expenses includes items such as Grants Sub contracts, Library E-Resources, Insurance and Repairs/Maintenance

FY26 Salaries and Wages - \$678.3M – 5,988 FTEs

Growth in FY26 salaries is driven by faculty and staff hiring due to clinical volume growth.

87.6% of employees are covered by collective bargaining agreements



*Other includes Students, Grad Assistants, Nurse Pros, Residents and Special Payroll

FY26 Drugs and Medical Supplies

Drugs and Medical Supplies (\$M)			
	FY26 Budget	FY2025 Forecast	FY2024 Actual
Drugs	\$ 265.4	\$ 241.5	\$ 216.4
Medical Supplies	113.3	106.5	92.7
Total	\$ 378.7	\$ 348.0	\$ 309.1

Drugs

Rate increases estimated at 5.0% along with volume increase in JDH, UMG and Pharmacy

Medical Supplies

Rate increases estimated at 3.0% along with volume increase in JDH, UMG and Pharmacy

FY26 Purchased Services

Purchased Services (\$M)			
	FY26 Budget	FY2025 Forecast	FY2024 Actual
Purchased Services	\$ 186.9	\$ 151.8	\$ 136.6
Total	\$ 186.9	\$ 151.8	\$ 136.6

Facilities

Includes custodial services, laundry and linen, waste management, landscaping and other facilities contracts.

Clinical Services

Contract Pharmacy services, food and nutrition, lab and medical services, revenue cycle contracts, offsite rental agreements, medical equipment leasing

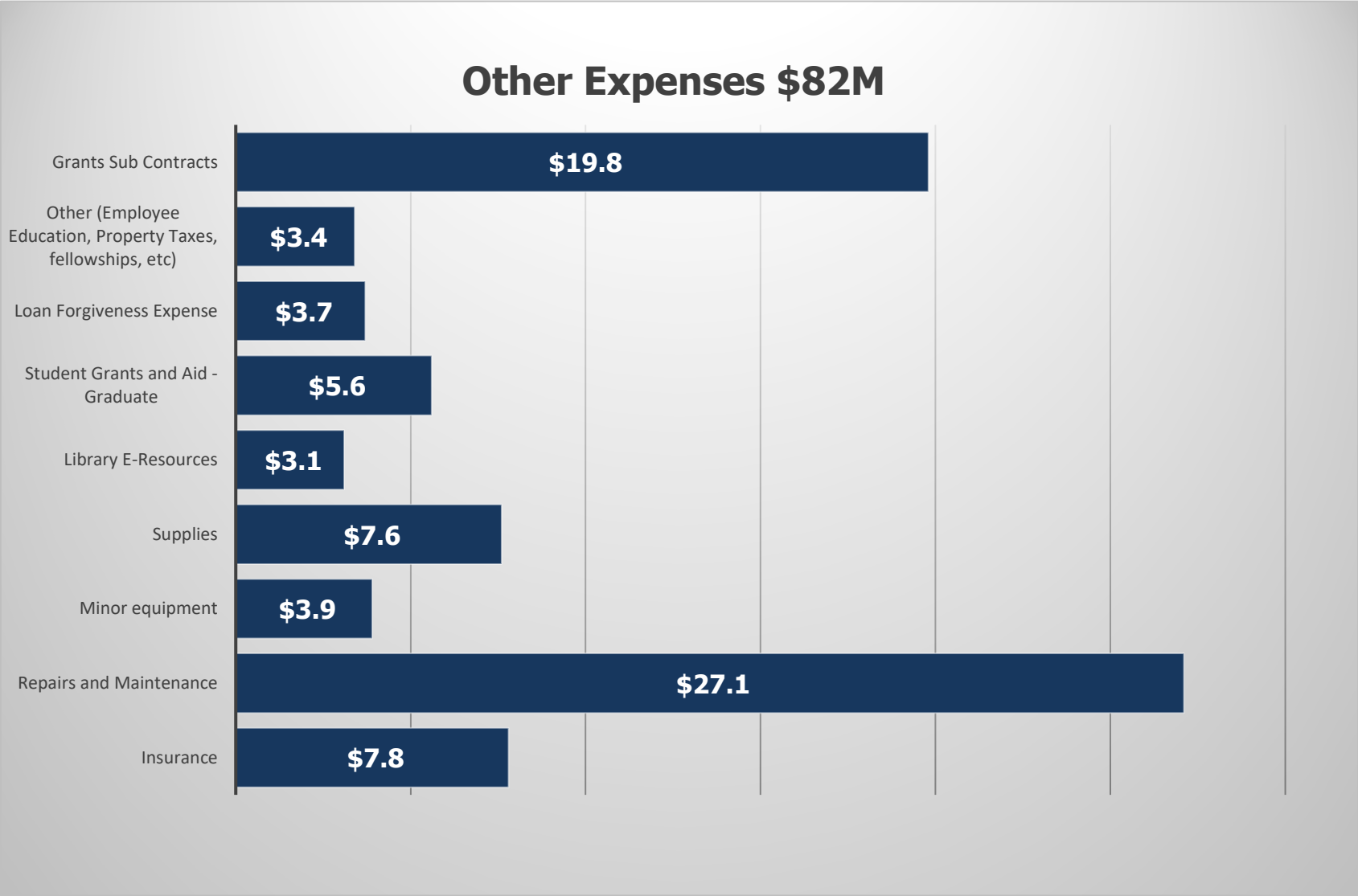
Research

Includes consulting services, lab and facility costs.

Other Services

Includes Information Technology software/hardware maintenance, IT security contracts, telecom, Public safety, communications, development, Audit services

FY26 Other Expenses



FY26 Items to Monitor

State Support

Mid-year Appropriation reductions

Patient Revenue

DSS Supplement/Enhanced payments Federal match

Medicare/Medicaid reimbursement impact due to changes at the Federal level

340B eligibility and the restriction of 340B pricing by manufacturers in the Contract Pharmacy program

Payer mix and volume fluctuations

Staffing

Employee turnover is greater than historical trends; Overtime, Travel/Temporary Staff, Stipends

Other Expenses

Increased inflationary/tariffs pressures and supply chain shortages, backorders and outages

Research Grant Impact

Federal level impact to Grant revenues

DCAA and Residual fund increase in spending due to less grant funding

FY27 Forward

Our fiscal year 2027 forecast leaves UConn Health with a shortfall and will require financial improvement plans to generate new revenues and reduce expenses.

FY26 Proposed Spending Plan

Note: Use of decimals may result in rounding differences.

UConn Health	FY26 Budget	FY2025 Forecast	Variance	% Variance
State Support	\$ 144.3	\$ 193.7	\$ (49.4)	(25.5%)
Tuition and Fees	36.1	35.6	0.5	1.3%
Grants & Contracts	107.1	118.5	(11.4)	(9.6%)
Interns/Residents	99.5	91.7	7.9	8.6%
Net Patient Revenue	1169.3	1070.1	99.2	9.3%
Other Revenue	253.1	252.8	0.3	0.1%
Total Revenues	\$ 1,809.5	\$ 1,762.4	\$ 47.0	2.7%
Salaries & Wages	\$ 678.3	\$ 655.0	\$ 23.3	3.6%
Fringe Benefits	187.8	167.4	20.3	12.1%
Temporary/Contractual Support	213.9	206.4	7.5	3.6%
Drugs/Medical Supplies	378.7	348.0	30.7	8.8%
Resident and Fellow house staff	83.3	76.4	6.9	9.0%
Utilities	18.6	17.3	1.3	7.2%
Interest Expense on Debt Service	8.0	7.8	0.2	2.6%
Purchased Services	186.9	151.8	35.0	23.1%
Other Expenses	82.0	85.1	(3.1)	(3.6%)
Capital Projects/Debt Payments	33.8	32.0	1.9	5.8%
Total Expenses	\$ 1,871.3	\$ 1,747.3	\$ 124.0	7.1%
Budget Stabilization Fund	\$ 15.1	(\$ 15.1)		
Mitigation Plan	\$ 46.7	\$ -		
Net Income/(Loss)	\$ -	\$ -		

Vote - FY26 Spending Plan Resolution (Operating)

RECOMMENDATION:

- That the Board of Trustees approve the Spending Plan for Fiscal Year 2026 of \$1,871.3 million for UConn Health.

RESOLUTION:

- “Be it resolved that the Board of Trustees approve the Fiscal Year 2026 Spending Plan of \$1,871.3 million for UConn Health.”

FY26 Capital Budget Spending Plan

State GO Bonds	
System telecommunications infrastructure upgrades, improvements and expansions	3.0
Equipment, library collections and telecommunications	25.0
Total State GO Bonds	\$28.0
UConn Health Operating Funds*	
Campus Renovations	5.0
Clinical Equipment	3.0
Deferred Maintenance	8.0
Information Technology Security and equipment	3.0
Revenue Growth Investment	2.0
Research Capital Use Allowance	8.0
Other/Contingency	1.4
Total UConn Health Operating Funds	\$30.4
Grand Total FY26 Capital Budget	\$58.4

*Categories/Projects may be redistributed based on UConn Health Capital Prioritization

Vote - FY26 Capital Spending Plan Resolution

RECOMMENDATION:

- That the Board of Trustees approve the Capital Spending Plan for Fiscal Year 2026 of \$58.4 million for UConn Health.

RESOLUTION:

- “Be it resolved that the Board of Trustees approve the Fiscal Year 2026 Capital Spending Plan of \$58.4 million for UConn Health.”