

DRAFT

Five Year Tuition Plan

FY21- FY25

December 11, 2019

Why Are We Talking About Tuition?

We are at the end of the prior 4-year plan, and need to set tuition for 2020-2021.

Prior Four-Year Plan



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



Why Do We Have To Raise Tuition?

To protect academic quality, in the face of rising costs.

Protecting Academic Quality

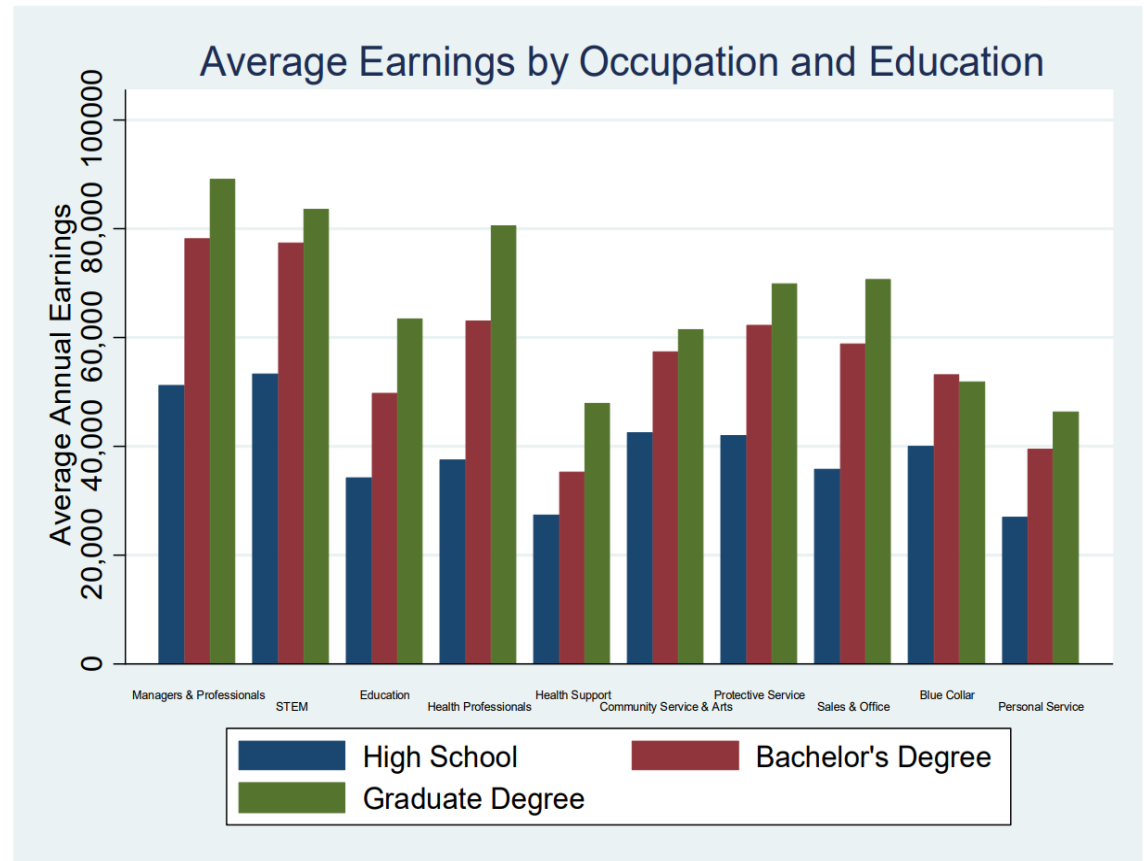
UConn has improved dramatically over the last generation, including reduced time to graduation and increased educational quality

- Top 25 Public National University (24th) in *U.S. News and World Report*
- Highest ever average mean SAT score
- 37% of undergraduate students from diverse backgrounds
- Decreased average time to degree to 4.2 years
- 32% increase in STEM Bachelor's degrees (since FY13)
- Reduced class size throughout general education and science courses
- Increased academic quality of students

Returns to College Education

Even as costs are rising, a college degree is a great investment

- A college education delivers financial returns that exceed most Wall Street investments
- The Center on Education and the Workforce at Georgetown University estimated that *those with bachelor degrees earn 75% more, on average, than those with only high school education*
- Ashenfelter and Krueger (1994) estimated that each year of schooling increases wages by 12% to 16%



Source: Oreopoulos, P. and U. Petronijevic. 2013. "Making College Worth It: A Review of Research on the Returns to Higher Education." NBER Working Paper 19053.

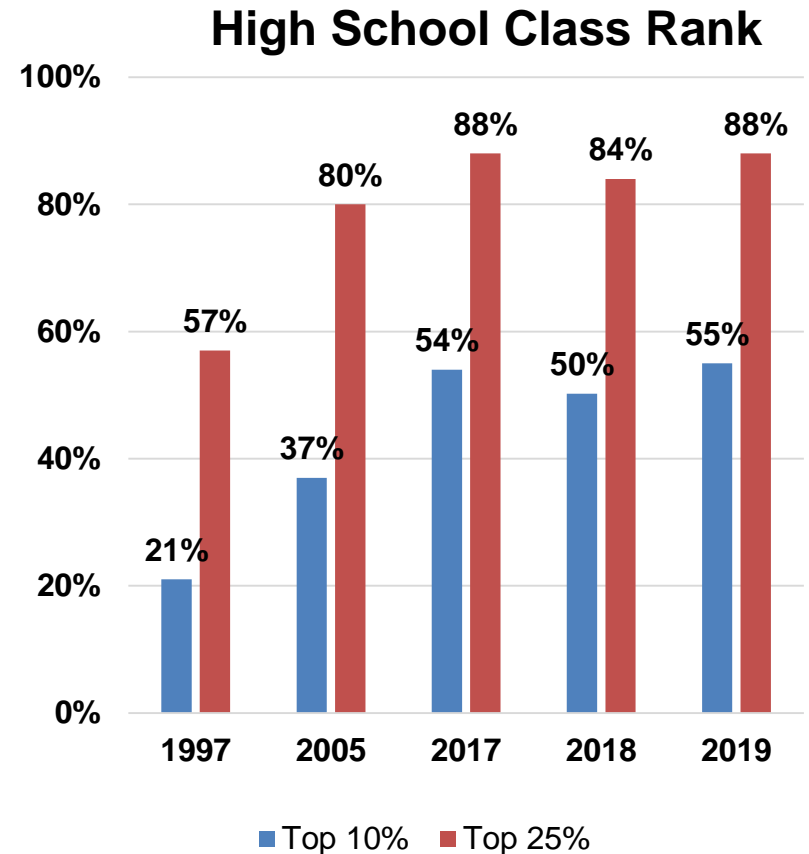
UConn Student Success

The increasing quality of our Freshman class is very strong, with average SAT scores ranking in the 90th percentile nationally.

Mean SAT scores of Storrs Campus entering freshmen for Fall 2019 is 1296

- National Mean SAT is 1059
- CT Mean SAT is 1046

The class rank of entering Freshmen continues to be competitive, with more than half being in the top 10% of graduating high school classes

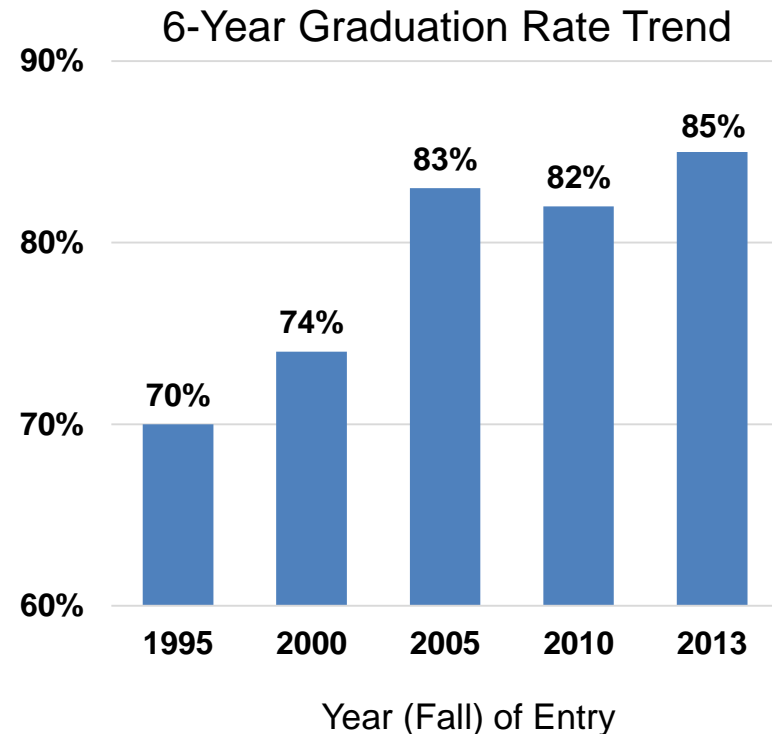
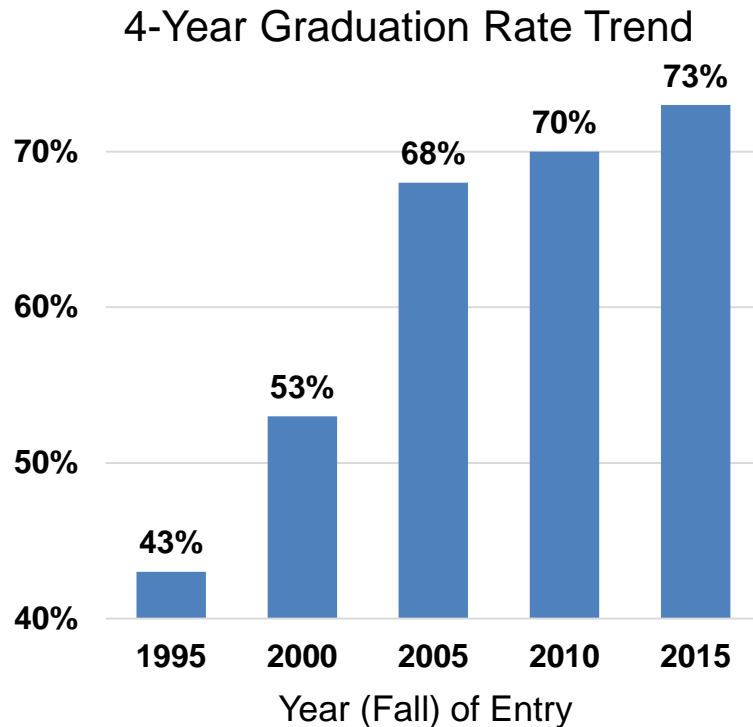


Data: Storrs Campus

UConn Student Success

UConn is one of the best in the nation at graduating students in 4 years.

- Average time to degree of 4.2 years ranks 4th among National Public Research Universities
- Fall 2013 entering cohort had a 6-year graduation rate (in 2019) of 85%



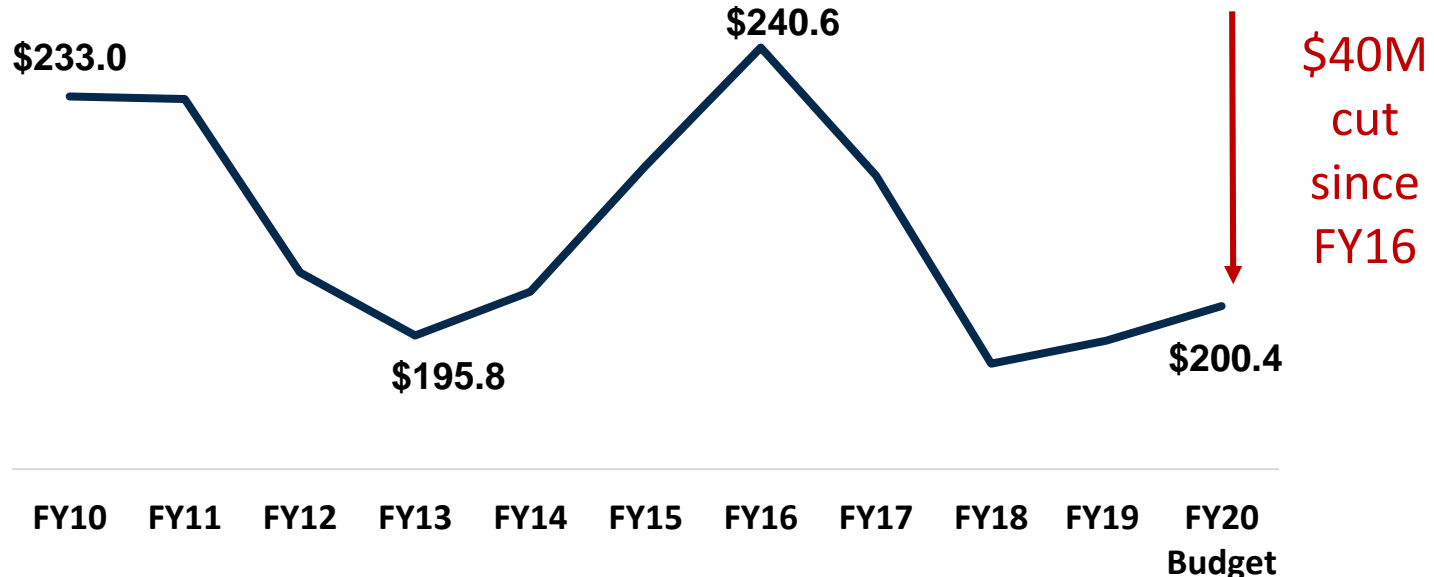
Data: Storrs Campus

Economic Uncertainty

State block grant uncertainty creates budget pressure

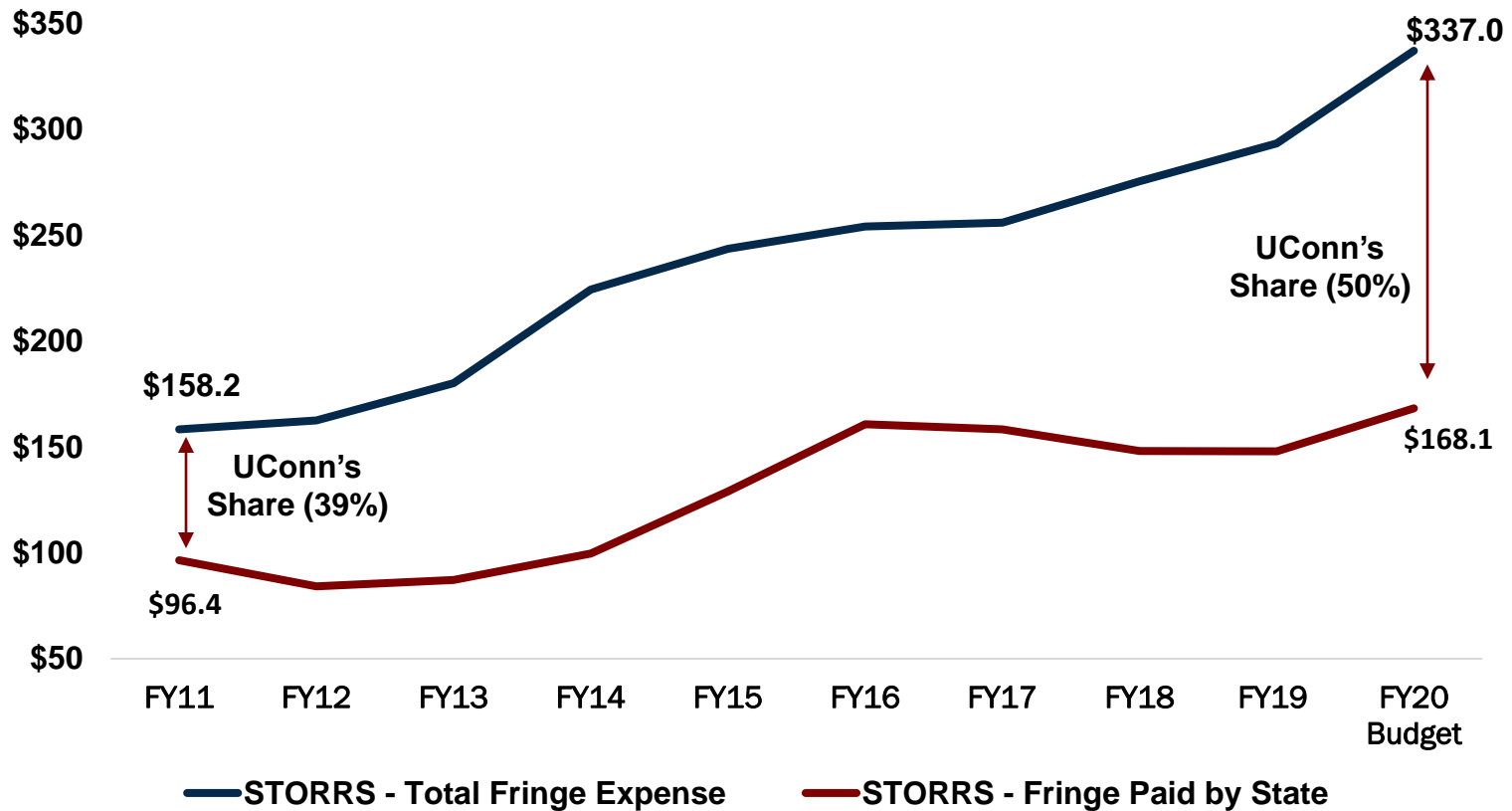
The State Block Grant, which funds 47% of employee salaries, has averaged ~\$214M per year since FY10. The FY19 budgeted Block Grant is ~\$14M less than the 10-year average

The remaining 53% of employees are funded by non-State revenue sources including tuition and fees, auxiliary enterprises, research, grants and contracts, foundation, and sales and services



Increasing Costs

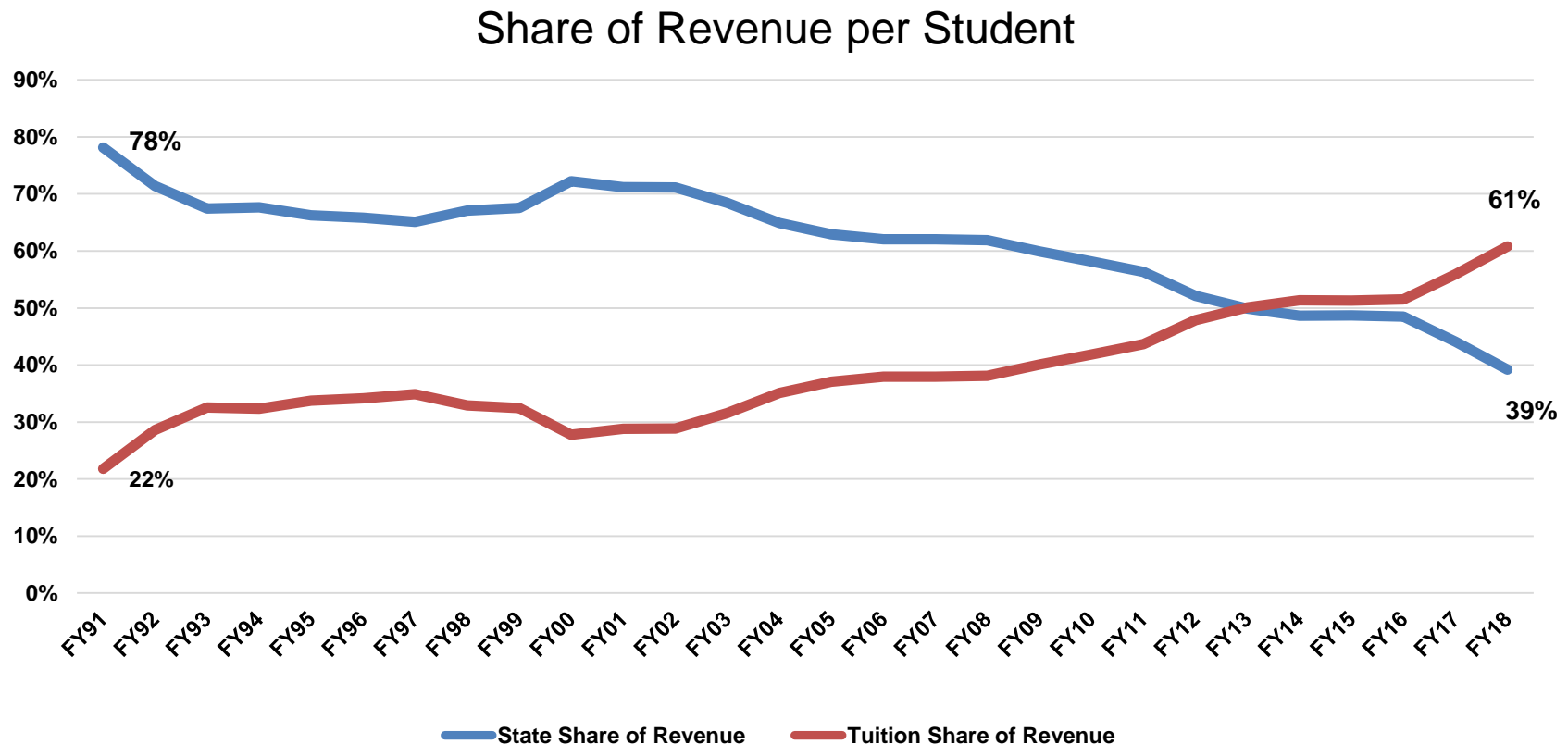
The Largest Increase in Cost for UConn is State Employee Fringe Benefits



Fringe rates are determined by the State Comptroller's Office. UConn has no input or control over these rates.

Tuition Replaces Lost State Support

As total State support declines, UConn has relied more on tuition



Addressing the Budget Gap

UConn continues to cut costs, not relying only on tuition increases

- Closed Torrington Campus
- 100 layoffs at the end of FY16
- 3%-5% annual cuts to academic departments in each of the last 4 years
- Merged UConn and UConn Health Fire and Police Departments to save \$1M in FY18 by reducing overtime, reducing FTE count, consolidating leadership, changes in service delivery, etc.
- Through a program called Spend Smart, over 200 initiatives were implemented by over 37 departments, schools/colleges and units totaling nearly \$29M in savings.
- Centralized regional campus leadership, enrollment management, financial controls, HR, procurement, software systems and student services to Storrs.
- Continually identifying expense reductions, revenue enhancements, cost avoidance and operational efficiencies
- Coordination, collaboration and consolidation between UConn and UConn Health ongoing

A New Approach to Setting Tuition

Proposed: A Simple, Transparent Formula for Setting Tuition

Tuition =

Prior Year Tuition

+ inflation

+ changes in State support:

 Fringe benefit costs on tuition

 Block Grant

 other State-mandated changes

+ flat \$100 increase

Proposed 2020-2021 In-State Tuition

2020-2021 Tuition =

2019-2020 Tuition \$13,798

+ inflation (Higher Education Price Index, 2.8%) \$387

+ changes in State support:

Fringe benefit costs on tuition \$121

Block Grant \$0

other State-mandated changes \$0

+ flat \$100 increase \$100

\$608 increase

2020-2021 Tuition = \$14,406

Proposed 5 Year Tuition Plan

**Projection based on our new formula,
resulting in the lowest increases in years**

	2020-21		2021-22		2022-23		2023-2024		2024-2025	
	Resident	Non-Resident	Resident	Non-Resident	Resident	Non-Resident	Resident	Non-Resident	Resident	Non-Resident
Tuition Amount	\$14,406	\$37,074	\$15,031	\$37,699	\$15,673	\$38,341	\$16,333	\$39,001	\$17,012	\$39,680
Dollar Increase	\$608	\$608	\$625	\$625	\$642	\$642	\$660	\$660	\$679	\$679
New Revenue	\$16.5M		\$17.6M		\$17.9M		\$18.3M		\$18.6M	
New Financial Aid	\$6.5M		\$6.6M		\$6.7M		\$6.8M		\$6.8M	
Net New Revenue	\$10.0M		\$11.0M		\$11.2M		\$11.5M		\$11.8M	

Cost of Attendance – FY21 Proposed

Proposed tuition rates plus current mandatory fees, room and board

	In-State	Out-of-State
Tuition ⁽¹⁾	\$14,406	\$37,074
Mandatory Fees ⁽²⁾	3,428	3,428
Subtotal	\$17,834	\$40,502
Room & Board ⁽²⁾	13,258	13,258
Direct Cost of Attendance	\$31,092	\$53,760

(1) With institutional financial aid, average in-state tuition paid = \$9,200

(2) Subject to change

Financial Aid

As cost of attendance rises, UConn is committed to increasing aid

Undergraduate & Graduate Aid (\$M)	FY17	FY18	FY19	FY20 Forecast	FY21 Estimate	FY17-FY21 Change
University Supported (Tuition)	\$97.4	\$104.0	\$115.0	\$123.4	\$130.0	\$32.6
State (Roberta Willis Scholarship)	9.0	8.9	9.0	9.8	9.8	0.8
Federal (Pell/SEOG)	28.2	31.2	35.3	35.9	36.8	8.6
Other*	26.2	26.2	29.1	31.0	32.6	6.4
Total Aid in Budget	\$160.8	\$170.3	\$188.4	\$200.1	\$209.2	\$48.4

*Other funding comes from external sources such as the Foundation, endowments, parking fines, sales of goods and services, etc.

Financial Aid

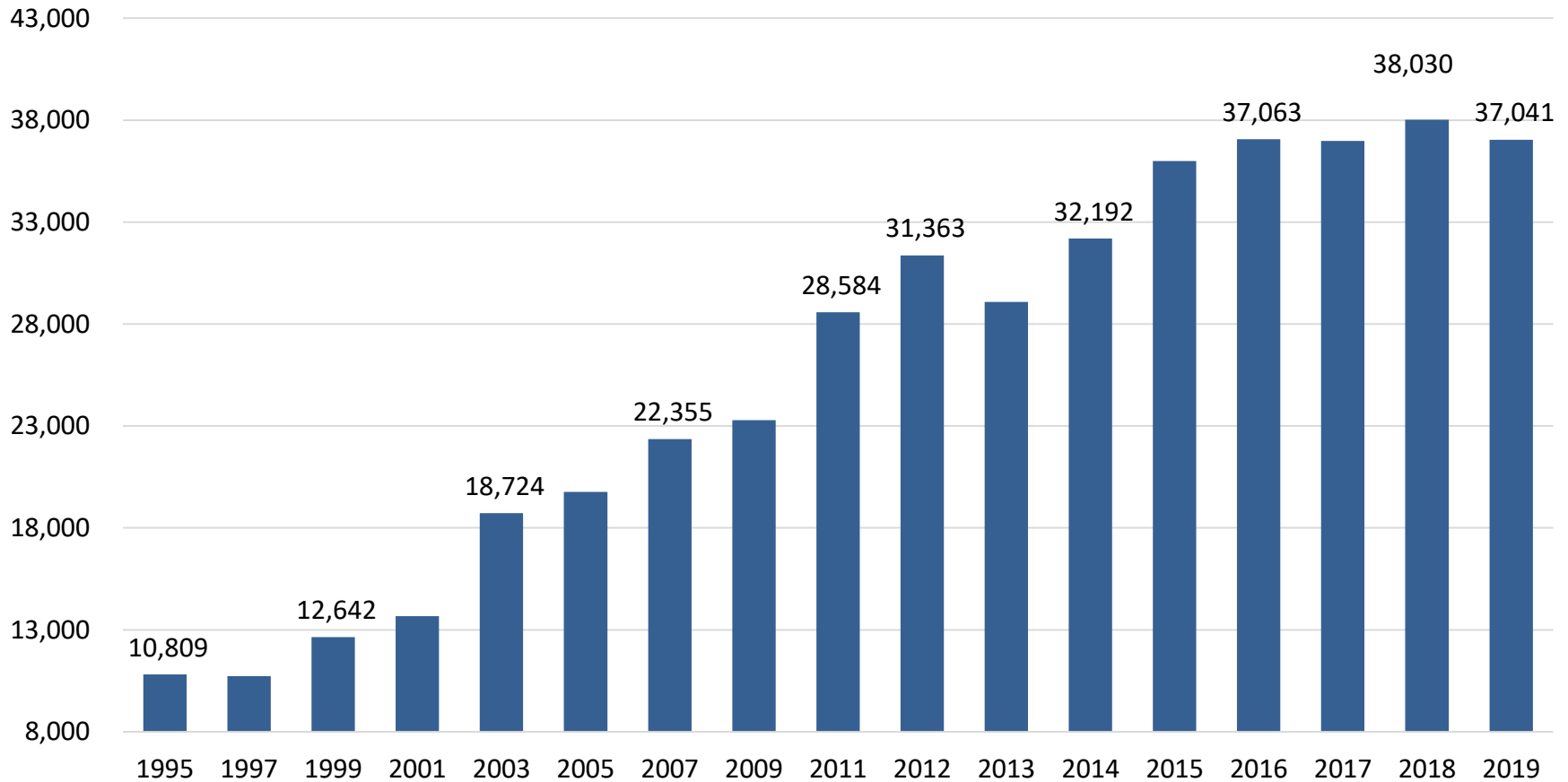
50% of UConn students received University funded financial aid

	Amount Awarded	Number of Students	Percent of Students
UConn Gift Aid	\$102.3M	12,070	50%
Roberta B. Willis Grant	\$8.9M	1,909	8%
Federal SEOG	\$1.5 M	385	2%
Federal Pell Grant	\$31.1M	6,554	27%
Federal Direct Stafford Loans	\$66.9M	10,561	44%
Financial Aid from All Sources	\$348M	17,837	74%

50% of students receive University financial aid.

Protecting UConn Demand

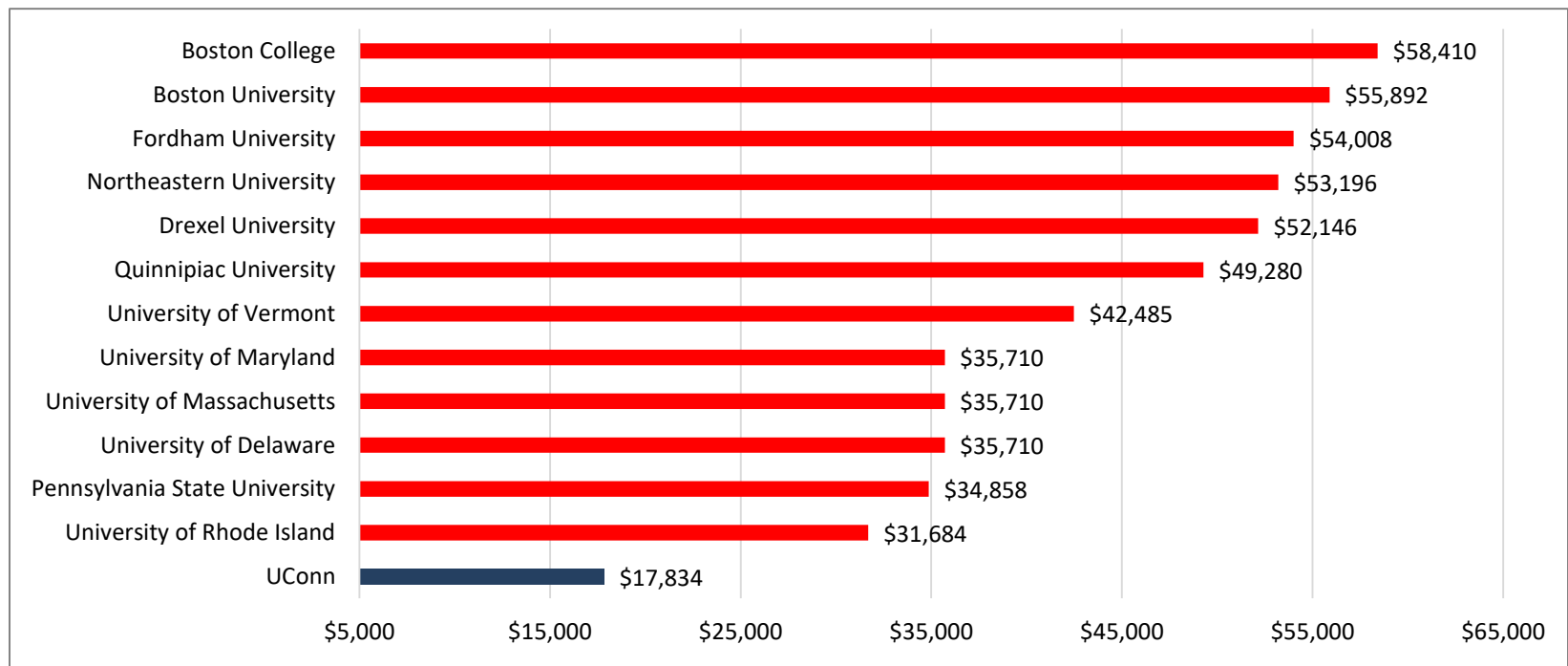
Maintaining competitive tuition and financial aid protects demand



Data: Storrs & Regional Campuses

Tuition and Fees vs. Competitors

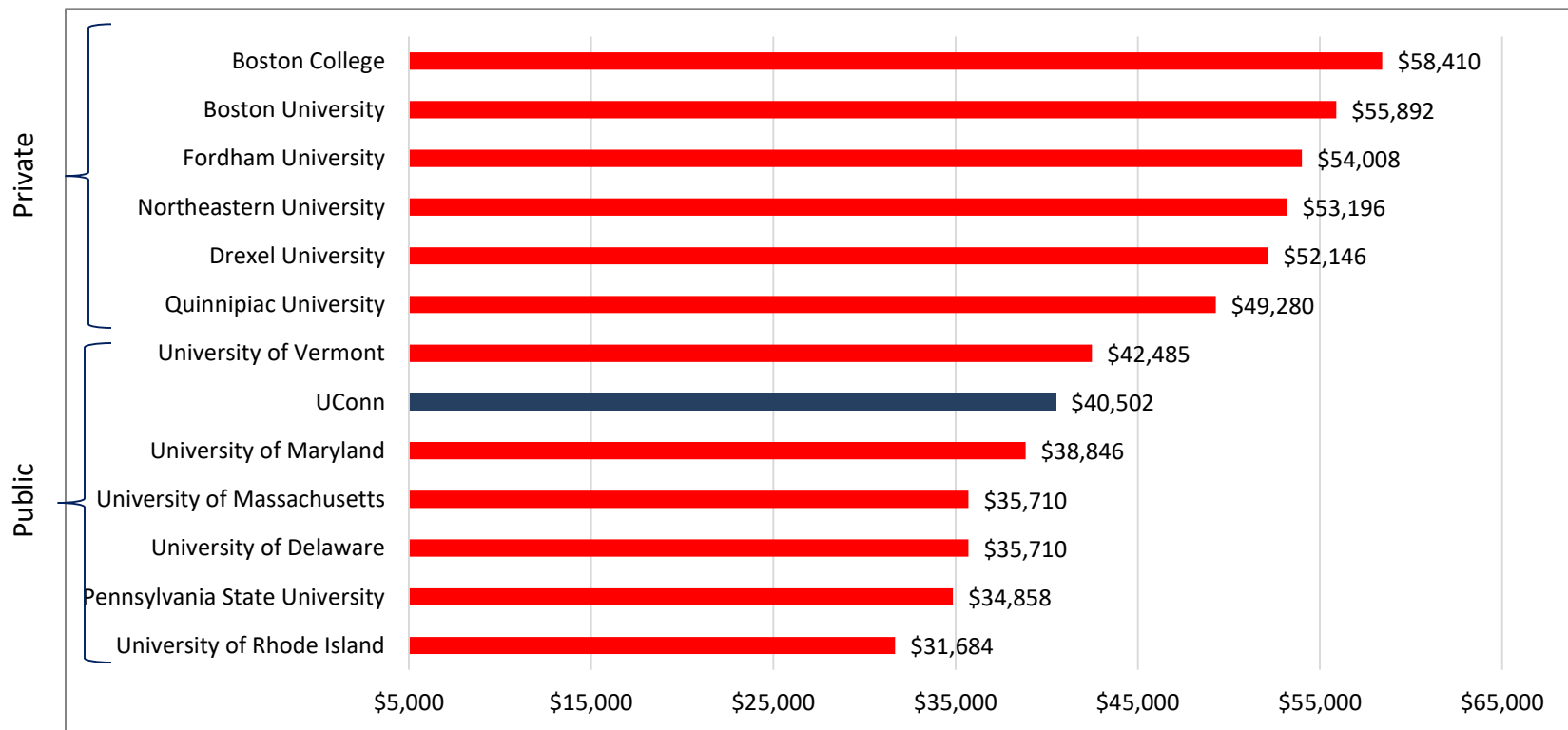
For Connecticut residents, UConn offers the best value, even when comparing UConn's proposed FY21 rate to competitors' FY20 rates



FY20 Published Rates

Tuition and Fees vs. Competitors

For non-Connecticut residents, UConn is the second highest cost among public flagship institutions when comparing its proposed FY21 rate to competitors' FY20 rates



FY20 Published Rates