

UConn

UNIVERSITY OF CONNECTICUT

FY20 Operating Budget Forecast

6-Month Update

FY20 Original Budget

The FY20 operating budget was presented to the BOT in June 2019 showing an original operating deficit of \$19.6M.

Revenue		Expense	
\$ Millions			
State Support	\$ 371.5	Personal Services	\$ 523.9
Tuition	443.3	Fringe Benefits	319.9
Course/Mandatory Fees	146.5	Salary/Benefits	\$ 843.8
Grants & Contracts (Inc. Fin Aid)	86.1	Energy/Utilities	20.7
Foundation, Investments & Gifts	21.7	Other Expense	278.0
Auxiliary Revenue	218.3	Equipment	25.5
Self-Supporting/Entrepreneurial	23.7	Financial Aid	194.7
Other Revenues	31.0	Total Other Expense	487.8
Total Revenues	\$ 1,342.1	Total Operating Expense	\$ 1,362.7
Research	118.0	Research Expense	117.1
Total Revenue	\$ 1,460.1	Total Expense	\$ 1,479.7
		Net Income	\$ (19.6)

The University committed to balancing the budget via:

- 1) Attrition
- 2) Cost containment

Note: The FY20 budget has been restated to reflect an accounting change related to how UConn Health funding is reported.

FY20 Projected Revenue

As of 2nd quarter, revenues are projected currently to be \$11.5M favorable to budget.

Favorable:

- Tuition income: up \$8.2M driven in part by graduate enrollment
- Course and Mandatory fee income: up \$1.2M reflecting increased revenues from Business School graduate programs
- Grants & Contracts income: up \$1.8M including increased Pell reimbursements
 - Foundation, Investments & Gifts: up \$12.2M primarily reflecting favorable investment income and reimbursements
- Auxiliary Revenue: up \$1.0M reflecting favorable room and board revenues

Unfavorable:

- State Support: down \$10.8M driven by lower fringe reimbursements compared to budgeted rates (offset in fringe) and lapses
- Self-Supporting/Entrepreneurial Revenue: down \$1.3M. Currently trending below budget possibly due to timing

\$ Millions

Revenue

State Support	\$ 371.5	\$ 360.7	\$ (10.8)
Tuition	443.3	451.5	8.2
Course/Mandatory Fees	146.5	147.7	1.2
Grants & Contracts (Inc. Fin Aid)	86.1	87.9	1.8
Foundation, Investments & Gifts	21.7	33.9	12.2
Auxiliary Revenue	218.3	219.3	1.0
Self-Supporting/Entrepreneurial	23.7	22.4	(1.3)
Other Revenues	31.0	30.1	(0.9)
Total Revenues	\$ 1,342.1	\$ 1,353.6	\$ 11.5
Research	118.0	118.0	-
Total Revenue	\$ 1,460.1	\$ 1,471.6	\$ 11.5

Revenue			
	Budget	Forecast	Variance to Budget
State Support	\$ 371.5	\$ 360.7	\$ (10.8)
Tuition	443.3	451.5	8.2
Course/Mandatory Fees	146.5	147.7	1.2
Grants & Contracts (Inc. Fin Aid)	86.1	87.9	1.8
Foundation, Investments & Gifts	21.7	33.9	12.2
Auxiliary Revenue	218.3	219.3	1.0
Self-Supporting/Entrepreneurial	23.7	22.4	(1.3)
Other Revenues	31.0	30.1	(0.9)
Total Revenues	\$ 1,342.1	\$ 1,353.6	\$ 11.5
Research	118.0	118.0	-
Total Revenue	\$ 1,460.1	\$ 1,471.6	\$ 11.5

FY20 Projected Expense

As of 2nd quarter, expenses are projected currently to be \$12.0 million favorable to budget.

Favorable:

- Fringe Benefits: down \$14.8M driven by lower retirement rates from State Comptroller released after budget was set
- Other Expense: down \$1.5M driven by commodity savings in Dining operations

Unfavorable:

- Energy: up \$0.6M due to higher than budgeted consumption
- Equipment: up \$1.3M due to large Residential Life furniture purchase and higher IT spend
- Financial aid expenses: are up \$5.8M reflecting increased Pell, endowment and other private giving

\$ Millions

Personal Services	\$ 523.9	\$ 524.7	\$ 0.8
Fringe Benefits	319.9	305.1	(14.8)
Salary/Benefits	\$ 843.8	\$ 829.8	\$ (14.0)
Energy/Utilities	20.7	21.3	0.6
Other Expense	246.9	245.3	(1.5)
Equipment	25.5	26.8	1.3
Financial Aid	194.7	200.5	5.8
Total Other Expense	487.8	493.9	6.1
Total Non-Transfer Expense	\$ 1,331.6	\$ 1,323.7	\$ (7.9)
Net Transfers/Debt Service	31.1	27.0	(4.2)
Total Operating Expense	\$ 1,362.7	\$ 1,350.6	\$ (12.0)
Research Expense	117.1	117.1	-
Total Expense	\$ 1,479.7	\$ 1,467.7	\$ (12.0)

Expense			
	Budget	Forecast	Variance to Budget
	\$ 523.9	\$ 524.7	\$ 0.8
	319.9	305.1	(14.8)
Salary/Benefits	\$ 843.8	\$ 829.8	\$ (14.0)
Energy/Utilities	20.7	21.3	0.6
Other Expense	246.9	245.3	(1.5)
Equipment	25.5	26.8	1.3
Financial Aid	194.7	200.5	5.8
Total Other Expense	487.8	493.9	6.1
Total Non-Transfer Expense	\$ 1,331.6	\$ 1,323.7	\$ (7.9)
Net Transfers/Debt Service	31.1	27.0	(4.2)
Total Operating Expense	\$ 1,362.7	\$ 1,350.6	\$ (12.0)
Research Expense	117.1	117.1	-
Total Expense	\$ 1,479.7	\$ 1,467.7	\$ (12.0)

FY20 Year End Projection

As of 2nd quarter, the University is forecasting to end the fiscal year with a small net surplus.

FY20 Year End Forecast			
\$ Millions			
State Support	\$ 360.7	Personal Services	\$ 524.7
Tuition	451.5	Fringe Benefits	305.1
Course/Mandatory Fees	147.7	Salary/Benefits	\$ 829.8
Grants & Contracts (Inc. Fin Aid)	87.9	Energy/Utilities	21.3
Foundation, Investments & Gifts	33.9	Other Expense	272.3
Auxiliary Revenue	219.3	Equipment	26.8
Self-Supporting/Entrepreneurial	22.4	Financial Aid	200.5
Other Revenues	30.1	Total Other Expense	493.9
Total Revenues	\$ 1,353.6	Total Operating Expense	\$ 1,350.6
Research	118.0	Research Expense	117.1
Total Revenue	<u>\$ 1,471.6</u>	Total Expense	<u>\$ 1,467.7</u>
		Net Income	<u><u>\$ 3.9</u></u>