



University of Connecticut

**Town Hall Meeting**  
on  
**Tuition & Fee Rates**

*February 8, 2010*



University of Connecticut

# **Economic Context**

# University Revenue Sources



## Storrs & Regional Campuses

### ○ Closed Economic System

- State support: 33%\*
- Tuition/fees/room/board: 46%
- Private support & grants: 17%
- Other: 4%

\* Approximately \$22.8 Million in Reductions in last 16 Months

# Operating Expense Drivers



## Storrs & Regional Campuses

- Personal services and benefits 59%
- Other expenses 22%
- Financial aid\* 10%
- All other 9%

\*Percentage of tuition revenue 39.9%

# State Support FY 2011 – FY 2012



## Storrs & Regional Campuses

- FY 2011 – Flat funding at FY 2009 levels approximately \$330 Million
  - FY 2011 protection against a reduction in State funding under ARRA
- FY 2012 – Funding protection lapses with ARRA - additional funding reductions are likely

# **Expenditure Reductions In Response to Cuts/Flat State Funding**



## **Storrs & Regional Campuses**

- ◉ Restricted hiring
- ◉ Union and management wage freezes FY 2010
- ◉ Union and management furlough days - FY 2009, FY 2010, FY 2011
- ◉ Limited purchasing
- ◉ Reduced other expenses including energy
- ◉ CORE continues to identify new revenue and expense reduction opportunities
- ◉ Total savings from all Sources to date approximately \$40 Million

# FY 2011 Proposed Increases Tuition, Fees, Room & Board



Storrs & Regional Campuses

<u>Tuition /Fees</u>	<u>Percentage Increase</u>
Tuition	6.3%
Room	7.0%
Board	6.0%
GUF	4.6%
All Other	4.4%

# FY 2011 Proposed Tuition, Fees, Room & Board



## Storrs & Regional Campuses

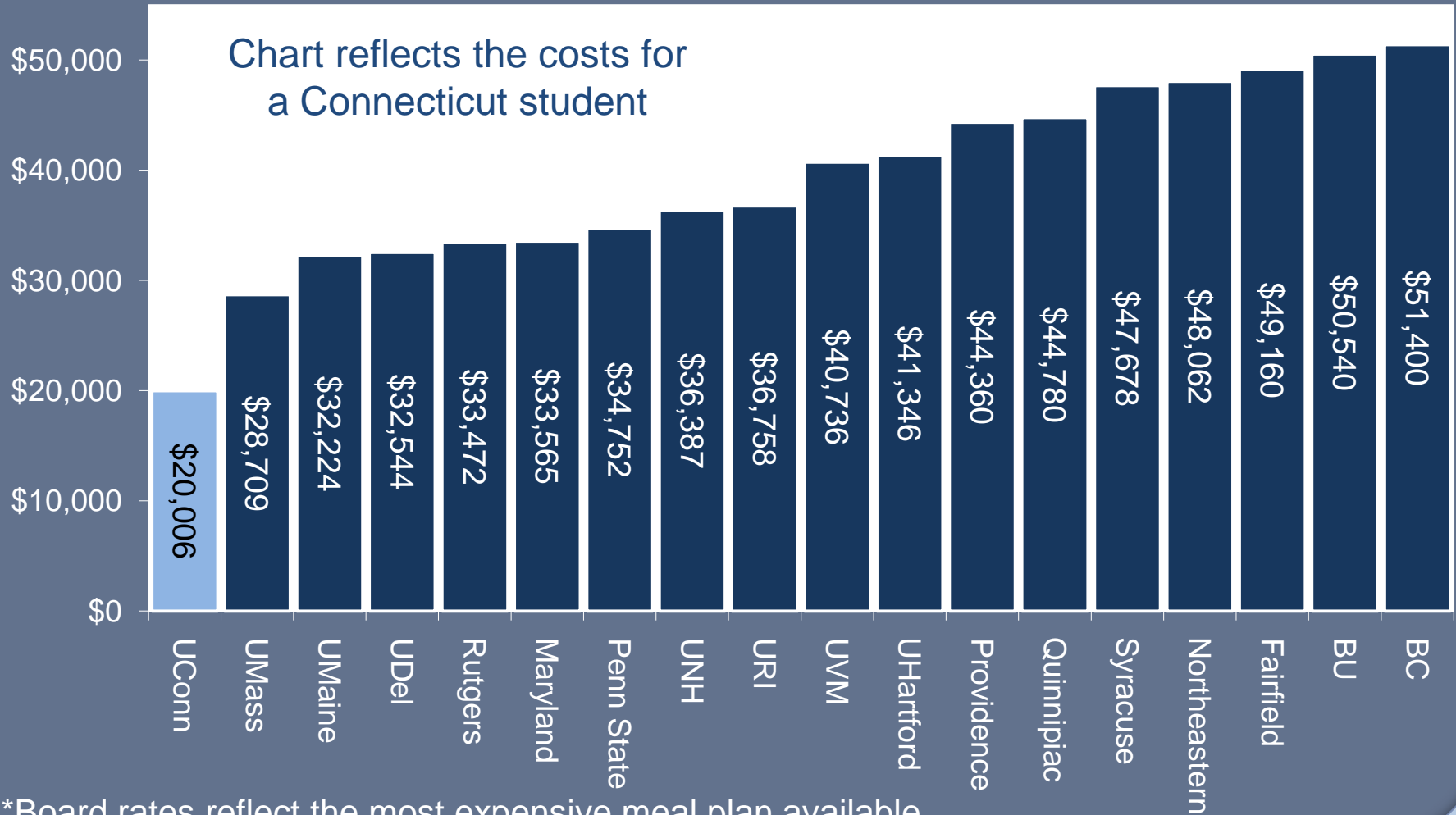
<u>In-State</u>	<u>FY10 Amount</u>	<u>FY11 Amount</u>	<u>Increase over FY10</u>	
Undergraduate				
Tuition	\$7,632	\$8,112	6.3%	\$480
Room	\$5,396	\$5,774	7.0%	\$378
Board (Value Meal Plan)	\$4,506	\$4,778	6.0%	\$272
Undergraduate Total	\$19,788	\$21,016	6.2%	\$1,228
Graduate Total	\$22,088	\$23,480	6.3%	\$1,392
<u>Out-of-State</u>				
Undergraduate Total	\$35,388	\$37,600	6.3%	\$2,212
Graduate Total	\$37,172	\$37,172	6.3%	\$2,346

\* Board rates reflect the Value meal plan which is the most popular plan available.



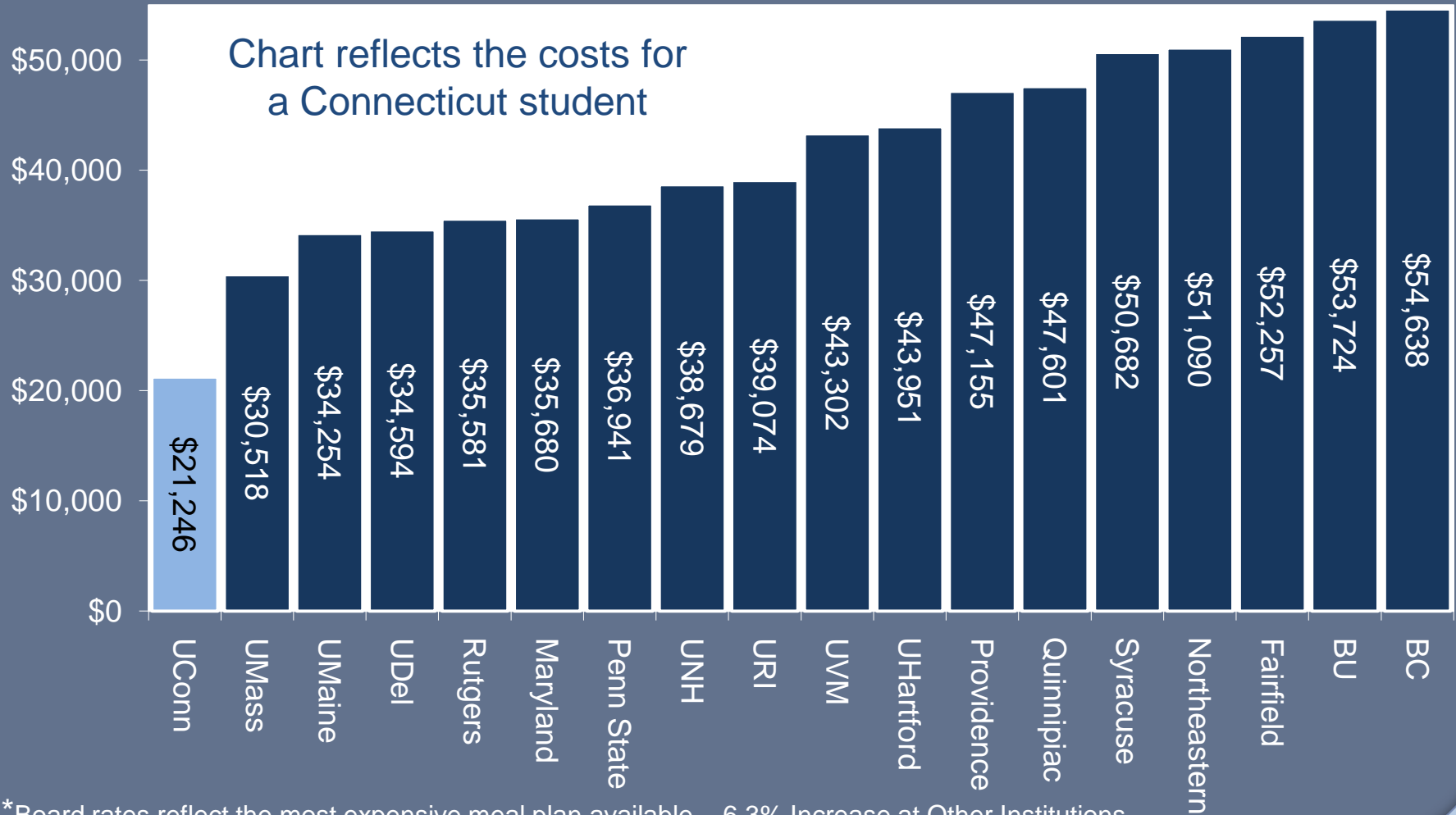
# UConn's Affordability

## FY10 Tuition, Fees, Room & Board\*



\*Board rates reflect the most expensive meal plan available.

# UConn's Projected Affordability FY11 Tuition, Fees, Room & Board\*



\*Board rates reflect the most expensive meal plan available - 6.3% Increase at Other Institutions

# UConn's Affordability

## FY10 Tuition & Mandatory Fees



<u>Private Schools</u>	<u>In &amp; Out of State</u>	<u>Public Schools</u>	<u>In State</u>	<u>Out of State</u>
Boston College	\$39,560	Penn State	\$14,416	\$25,946
Boston Univ	\$38,440	Univ Vermont	\$13,524	\$31,380
Fairfield	\$37,490	Univ New Hampshire	\$12,743	\$26,713
Northeastern	\$35,712	Rutgers	\$11,886	\$22,796
Syracuse	\$34,928	Univ Massachusetts	\$11,732	\$19,955
Providence	\$33,000	<b>Univ Connecticut</b>	<b>\$9,886</b>	<b>\$25,486</b>
Quinnipiac	\$32,400	Univ Maine	\$9,626	\$23,876
Univ Hartford	\$28,980	Univ Rhode Island	\$9,528	\$26,026
		Univ Delaware	\$9,486	\$23,186
		Univ Maryland	\$8,053	\$23,990

National in-state rates 6.5% higher in FY10 than FY09 (UConn=5.87%)

# UConn's Projected Affordability FY11 Tuition & Mandatory Fees



<u>Private Schools</u>	<u>In &amp; Out of State</u>	<u>Public Schools</u>	<u>In State</u>	<u>Out of State</u>
Boston College	\$42,052	Penn State	\$15,324	\$27,581
Boston Univ.	\$40,862	Univ. Vermont	\$14,376	\$33,357
Fairfield	\$39,852	Unit New Hampshire	\$13,546	\$28,396
Northeastern	\$37,962	Rutgers	\$12,635	\$24,232
Syracuse	\$37,128	Univ. Massachusetts	\$12,471	\$21,212
Providence	\$35,079	<b>Univ. Connecticut</b>	<b>\$10,464</b>	<b>\$27,048</b>
Quinnipiac	\$34,441	Univ. Maine	\$10,232	\$25,380
Univ. Hartford	30,806	Univ. Rhode Island	\$10,128	\$27,666
		Univ. Delaware	\$10,084	\$24,647
		Univ. Maryland	\$8,560	\$25,501

Assumes 6.3% Increase  
at Other Schools

# Financial Aid Enhancements



## Storrs & Regional Campuses

- Additional \$620 per student in Federal Pell Grant award due to the Federal Stimulus Bill and a refundable tax credit
  - These two programs combined equal \$3,120 toward higher education for our most financially challenged students
- Additional \$200k in Federal Work Study Funding due to Federal Stimulus Bill
- Direct Lending Program
  - Lower cost of borrowing
  - Streamlined process
  - Quicker disbursement to students
  - Students insulated from potential funding disruptions
  - More efficient use of staff resources
  - Transitioned prior to the proposed elimination of FFELP

# Total Financial Aid (\$M)



## Storrs & Regional Campuses

	<u>FY10 Budget</u>
Need-Based Grants	\$67.2
University Scholarships	33.6
Non-University Scholarships	5.8
Work Study/Student Labor	18.9
Tuition Waivers	<u>48.0</u>
Subtotal	\$173.5
Loans (federal & private)	<u>154.3</u>
<b>Total Financial Aid</b>	<b>\$327.8</b>

# Tuition Funded Financial Aid (\$M)



## Storrs & Regional Campuses

### FY10 Budget

Total Tuition Funded Financial Aid	\$109.1
Total Tuition Funded as a % of Gross Tuition Revenue	39.9%
Tuition Funded Need-Based as a % of Net Tuition Revenue	17.7%
DHE Need-Based Set Aside Policy	15.0%

# Financial Aid Summary



## Storrs & Regional Campuses

- All tuition, fees, room & board increases are accompanied by an off-setting increase in financial aid to ensure that any qualified student can attend the University regardless of financial means
- Meet direct educational expenses for the most financially challenged in-state students
- 77% of students (undergraduate and graduate) received aid in FY09



# FY 2012 – EXAMPLE ONLY



## Storrs & Regional Campuses

- FY 2012 – State funding protection lapses with ARRA
- Assuming equal tuition and fee percentage increases in FY 2012 as FY2011 the University may record a deficit in the \$20M to \$40M range
- In order to break even at \$20M level
  - Tuition Increase 13.0%
  - Room Increase 12.5%
  - Board Increase 11.5%

# Some Will Say

- ◉ Keep tuition increases low
- ◉ Freeze salaries
- ◉ Continue hiring freeze
- ◉ Additional furlough days

# Possible Result

- Insufficient faculty to teach required courses
- Larger class size
- Additional time to graduate
- Additional cost to students?

# Cost Analysis

## Additional Semester FY 2007



Storrs & Regional Campuses

	In-State	Out-of-State
Average Tuition/Fees FY07-FY10	\$14,477	\$32,460
\$ Cost per Additional Semester to Graduate	\$9,048	\$16,230
\$ Total Cost FY07-FY10	\$72,384	\$129,840
% Increase in Total Cost for Additional Semester	12.5%	12.5%
\$ Annual "Surcharge" for Additional Semester	\$2,262	\$4,058



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# Discussion - Questions