

Senate Special Meeting (July 14, 2025)

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Purpose

This letter is in response to recent communications from the President's office [...] This [communication] clearly outlines a plan to “sweep all unrestricted funds” (~~including faculty IDCs, startup funds, etc.~~) to address the budgetary challenges of the University. This new policy is sweeping with devastating effects on university research. The timing of the decision, coinciding with research crises across the University caused by disruptions in federal grants, would appear to further amplify the effects.

In my opinion, it calls for an emergency meeting of the Senate to discuss this issue and initiate bi-lateral talks with the President's office as well as OVPR.

FY26 Proposed Spending Plan

In a nutshell

- Budget shown to BOT meeting

	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%
Research REVENUE (\$-24M : -6.9% -9.6%)	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%
Near flat REVENUE (\$-0.9M)	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%
Increased EXPENSES (\$+42.8M)	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.

Bottom line

Category	Sub	Amount
Revenue		\$1,778.20
Expenses		\$1,816.10
Balance		(\$37.90)
Mitigations	Rescissions (cuts to depts)	\$10.00
	Budget stabilization	\$11.00
	Mitigation plan	\$16.90
Final		\$0.00

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)	

Revenue INCREASE

All tap "Fund Balance" ?

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

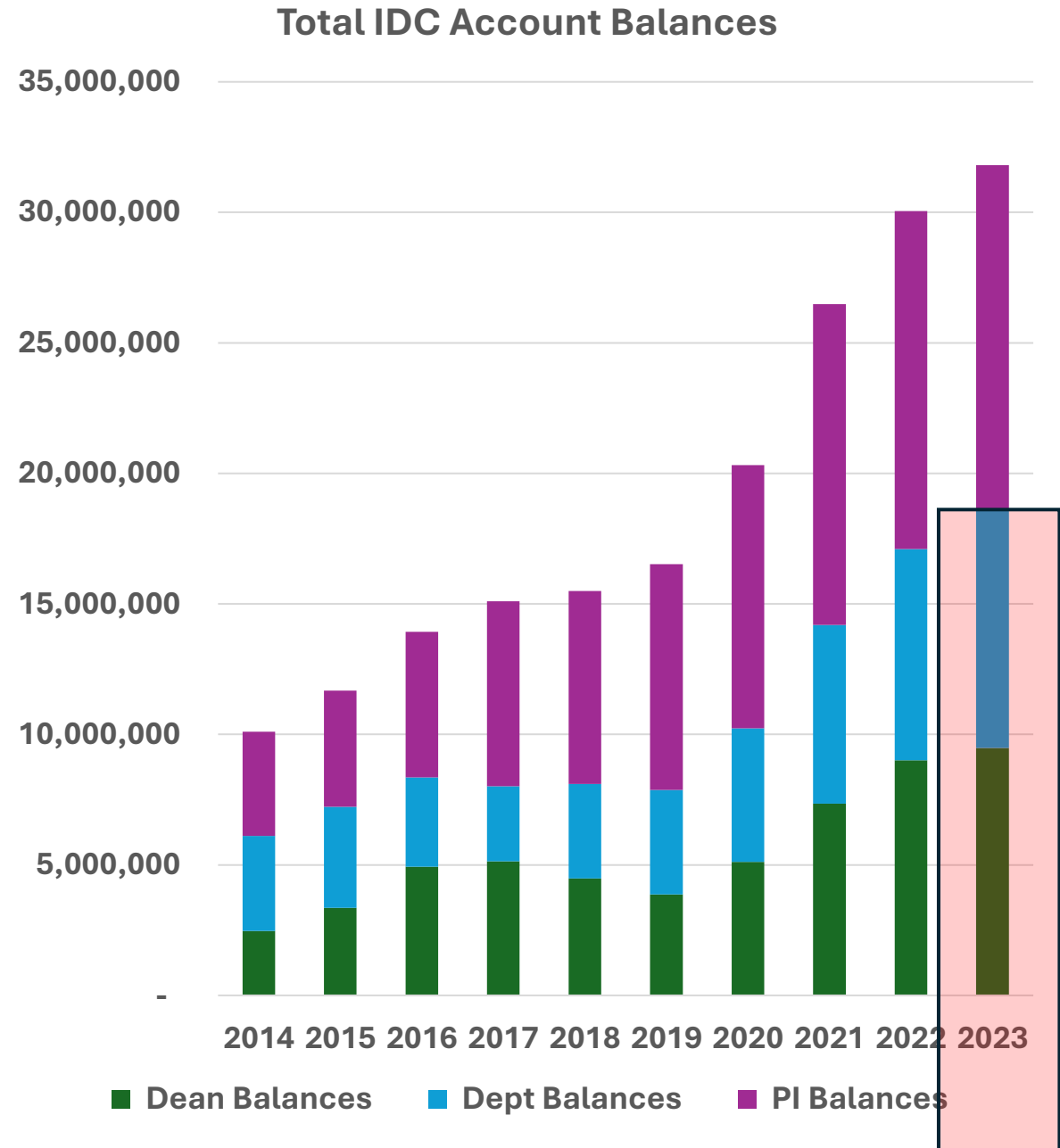
University Communication

Fund Balance

The University plans to sweep **all unrestricted fund balances that remain as of fiscal year end (FY25)**. This includes all 2L, 4L operating, and 4L research accounts. As this plan continues to evolve, the Budget Office will communicate which accounts may be excluded from the sweep (e.g., match accounts). Additionally, a more detailed process will be established for exceptions, fund balance usage requests, and related matters. More information is to be shared soon and I will distribute as soon as I receive.

IDCs : from the OVPR

- 15310 Total accounts listed in the IDC data sets
- 10811 have positive balances
- Many have negative balances totaling \$1.44M
- Largest PI account is from CAHNR at \$646k (in 2023)
- Of the accounts over \$1M in value (all Dean's/Institute accounts)
 - 7 are from CLAS
 - 3 are from IMS
 - 1 is from the COE



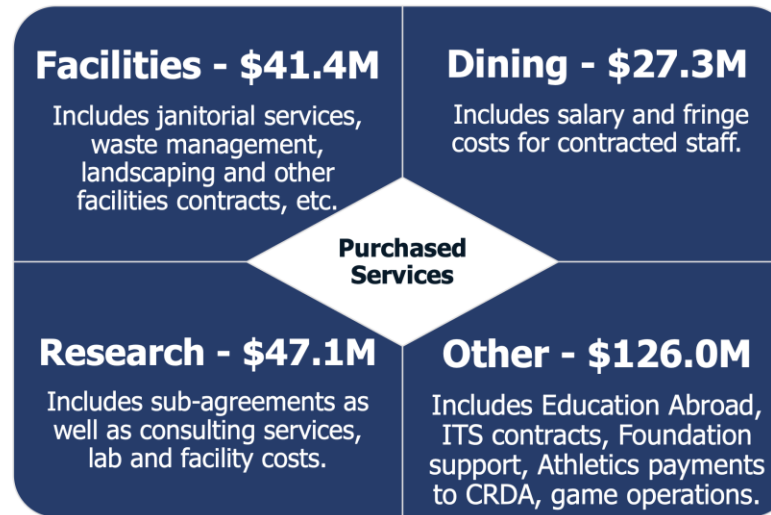
That's (roughly) \$17-18M as of 2 years ago

Overall

- Seizure of Units IDC alone appears to be:
 - A short-term move to plug the \$16.9M
 - No clarity on source of funding for “as needed” budget for units. Only promises there will be *something*.
 - No long-term measure to address structural issues
 - Without budget, the research units will have to do the layoffs.
- On the other hand
 - No discussion of the increase in spending: \$241.8M (+\$42.8M)
 - Research is only 1/5 of that and it is not clear where increases came from.
 - Travel is “only” \$31.9M
 - (1.7% of the expenses and only 1/5 is research!)

Purchased Services

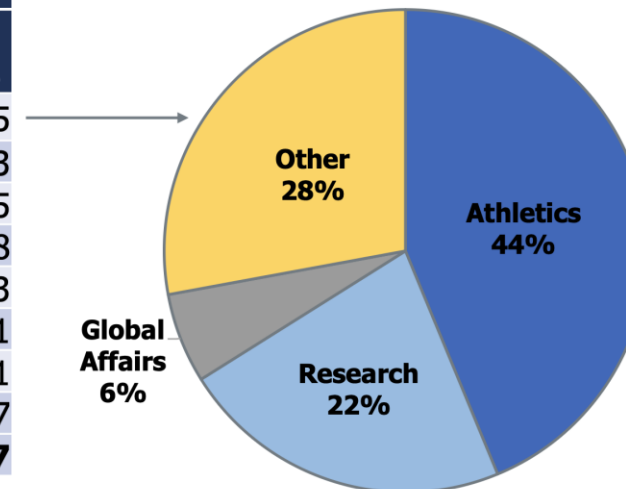
The FY26 budget of \$241.8M assumes inflationary growth on contracts, plus increased expenses for revenue sharing agreements (offset in revenues).



Other Expenses			
\$ 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

Travel Expense



Summary I

- Going after units IDCs to plug \$16.9M:
 - Is short-term only. It does not address structural issues.
 - Leaves many questions as to how the units will even operate.
- Travel reduction is “peanuts”
 - Small amounts and it will hurt research which is a source of revenue
- Plan for Rescissions are under-specified
 - Who gets cut?
 - How?
 - APIR? Temps? TT?
 - Who decides?

People do not know and are scared.

Summary II

- The plan does not address structural issues
- The plan worsens / hurts our ability to bring new revenue from research
- Revenue projections are **too optimistic** and **mitigations will harm them**
 - More cuts/cancellation to come
 - Fewer grants awarded
 - NSF and NIH budget reduction will hit non-uniformly across institutions
 - Top-tier Uni. Will be hurt less than R1 (– and R2)
 - Pivot to industry \$\$\$ is going to be slow and has historically been difficult at UConn
 - Those targeted by IDC cuts are precisely the one engaging in diverse funding portfolio
 - Undermining units that bring research revenue will only deepen the revenue loss.
 - F&A rates will be cut going forward at the next negotiation round
- Expenditures under "Other/Services" are the **largest increase**.
 - **(+\$48M year-over-year)**
 - and are ***not addressed at all***

Inferences

- Changes to how research cost are supported
 - Apply forward in time. This **is a structural change** that defunds research
 - Those are short-term. They **do not address shortfalls in subsequent years.**
- There are **no commensurate changes in administrative costs**
 - Spending on administration increases
 - Spending on external services increases
- Revenue projection **are far too rosy**
 - Only 9.6% reduction (at best)
 - While federal agencies are cutting their budget in $\frac{1}{2}$
 - While F&A rates will go down by at least $\frac{1}{2}$ (30%) if not $\frac{1}{4}$ (15%)
 - Assume that faculty will pivot wholesale to get industry \$. [very unlikely]

Questions 1

- Can we get clarity on the numbers ?
 - [including large increase in outside services]
- Please articulate the analysis behind the revenue model for FY25-26?
- There is no clarity behind the “as-needed” funding of units and numbers seem to indicate that IDCs of units will be used to plug the \$16.9M gap. What are the guarantees we will recover budget to operate?
- Why are there virtually no cuts to the administrative side of the house? What cuts are being made to the administrative machine?
- Research travel is a red-herring. Cuts will hurt our ability to publish and gain credibility to *then* secure grants.
- Why does the research arm gets asked to bear the brunt of this with no advanced notice?
 - [none of the structural issues are new]

Questions 2

- The university has made claims that reserve funds, regardless of their location on ledger 4 accounts, are needed to maintain our credit rating to bond agencies. The OPM is very business oriented and should understand this. Can you tell us OPMs response to this argument?
- Regarding IDC account sweeps, has an analysis been done on the money “age” and the ratio of account size to annual expenditures for each account holder? The messaging from the administration suggests that proposed sweeps are non-discriminating.
- Ledger 4 accounts are also used to provide compensation to some faculty for course overloads, summer teaching, special awards, startup, and compensation for administrative positions. Are these funds also at risk because they are not *directly* linked to research?
- A question was asked at the town hall that was not answered: “How will reductions in IDC distributions to Pls, Departments, Schools, Colleges, and Centers be redirected for beneficial use?” It was said that these funds would be “returned to central”, but that doesn’t answer the question. Reducing IDC distributions should be directly linked to a specific need that otherwise cannot be met. *What is that need?*

Questions 3

- IDC accounts only represent a fraction of the ledger 4 discretionary money available. What are the other discretionary monies and who specifically controls these accounts?
- During the town-hall meeting, leadership indicated that the swept funds would not be used to execute a “redistribution”. Please, explain how a centralized allocation strategy that is not a redistribution is a more efficient allocation process.
- Please, disclose exactly how much funds will be swept for Units and Centers accounts and how it will be allocated (to close the budgetary gap: how much? ; to fund the units that no longer control their fiscal budget?)
- The “as-needed” funding models for units is unclear. Please, articulate how this negotiation is to take place, on what timeline, and what will be the parties involved in the conversation?
- The town-hall alluded to “success” as a metric for units to justify their funding. Please concretely define, in the eyes of the leadership, what constitutes success considering the various field-specific expectations and the deteriorating funding scene.