

Deficit Mitigation Progress

- The \$31.0M of financial benefits resulting from new revenue opportunities and cost reduction initiatives will continue to positively impact our bottom line throughout the year.
- We remain focused on realizing an additional \$6.9M to achieve a balanced budget in FY26 and still more work to do in FY27.

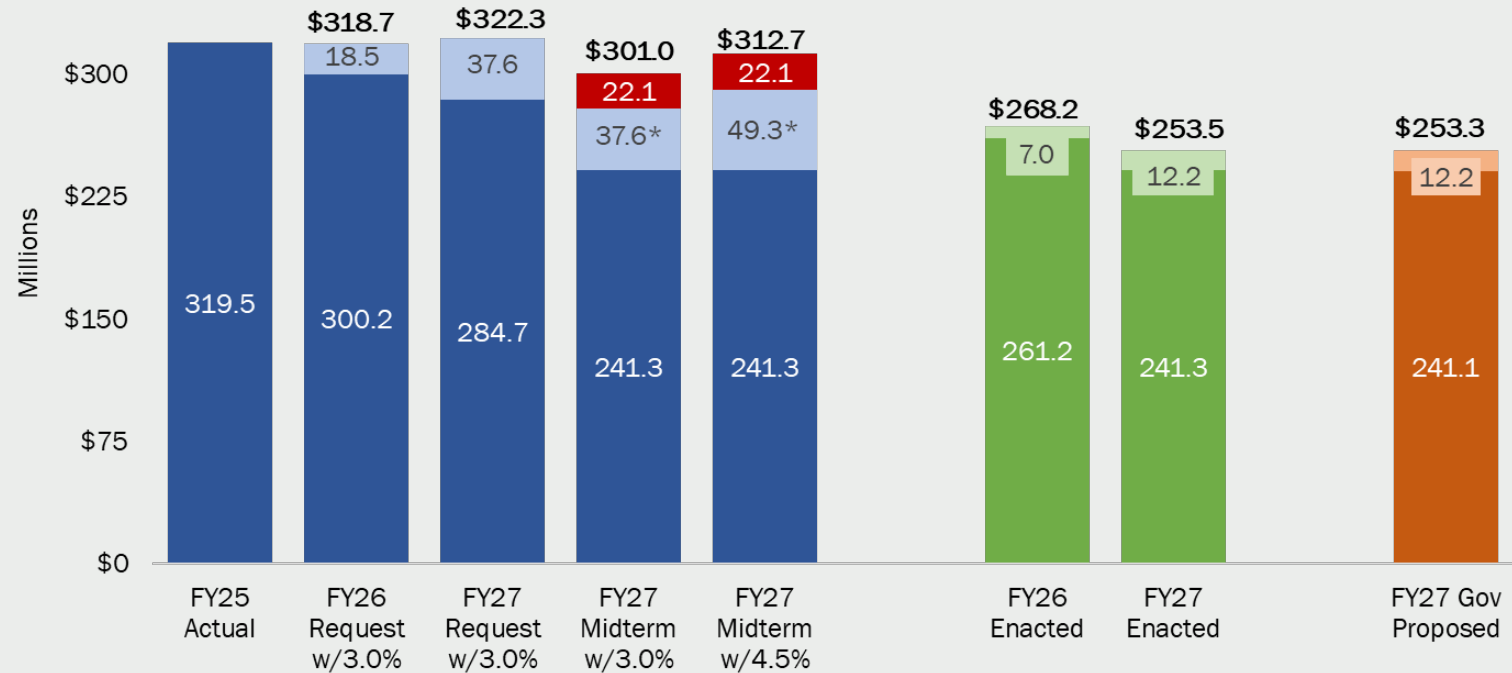


Storrs & Regional Campuses

- The University's position improved while recognizing stronger grant revenues, utilization of Foundation funds, and mandatory fees.
- Increased grant expenditures due to those increased revenues, are offset by reduced unit spending in non-grant salaries and other operating expenditures.

Storrs & Regional Campuses	Q2 Forecast	Q1 Forecast	BOT Budget	Variance Q2 - Budget	
State Appropriations	\$269.8	\$269.2	\$269.2	\$0.6	0.2%
Tuition/Fees	794.4	791.8	791.2	\$3.1	0.4%
Grants & Contracts - Financial Aid	83.4	89.0	87.7	(\$4.3)	(4.9%)
Grants & Contracts - Other	259.5	250.0	225.9	\$33.6	14.9%
Auxiliary Revenue	293.3	291.6	291.5	\$1.8	0.6%
Other Revenues	133.9	128.9	112.7	\$21.2	18.8%
Total Revenues	\$1,834.2	\$1,820.4	\$1,778.2	\$56.0	3.1%
Salary/Benefits	\$951.8	\$946.2	\$947.5	\$4.3	0.4%
Financial Aid - Tuition Funded	219.1	217.4	219.4	(\$0.3)	(0.1%)
Financial Aid - Other	120.6	129.0	120.5	\$0.1	0.1%
Capital Projects/Lease/Debt	111.5	88.6	88.6	\$22.8	25.8%
Other Expenses	438.2	451.1	440.1	(\$1.9)	(0.4%)
Total Expense	\$1,841.1	\$1,832.3	\$1,816.1	\$25.0	1.4%
Net Income/(Loss)	(\$6.9)	(\$12.0)	(\$37.9)	\$30.9	

- The enacted biennium budget was lower than requested which has required significant mitigating actions in FY26.
- UConn's midterm request for FY27 reflects the investment required to support wage increases, strategic initiatives for enrollment growth, and protecting our research enterprise.



*To be revised based on final State approved collective bargaining wage increases.

Reminders – What is a Budget Model

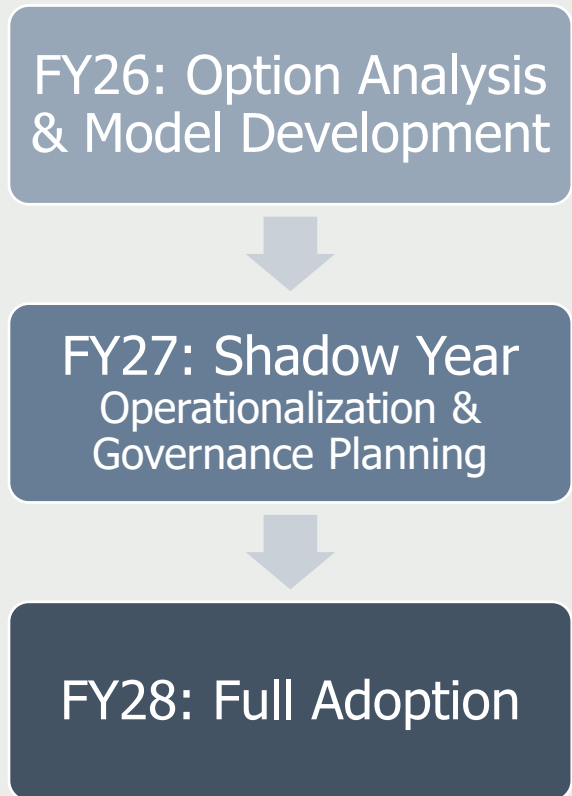
- A **transparent framework** for allocating resources across units
- A tool to **inform leadership** decisions using consistent data
- A way to **align resources with strategy, enrollment, and performance**

Changes to the budget model are designed to have **minimal day-to-day impact** on faculty and staff

Reminders – What a budget model is *not*:

- Does **not** create new resources on its own (rescission plans remain in effect for FY27-FY29)
- Does **not** automate funding or replace leadership judgment
- Does **not** dictate the enrollment or academic decisions

Budget Transformation Initiative Update



Option Analysis and Model Development:

- **Core Principles**
 - Transparency is foundational - and will become evident over the coming months
 - Subsidization is expected and already occurs today - surpluses and deficits are not value statements
 - Strategic and mission-critical activities will continue to be funded
- **How the Model is Used**
 - Informs allocation at the unit level (not departments); quality managed by unit leadership
 - Serves as a decision-support tool, not a substitute for leadership or governance
 - Rescissions continue and will be incorporated into the model
- **Next Steps**
 - Ongoing refinement during FY27 Shadow Year – questions are expected
 - Governance structure is still in development
 - Faculty and staff engagement is encouraged (direct or anonymous)

- **Town Halls: April 20 & 21**