

Meeting of the
BOARD OF GOVERNORS FOR HIGHER EDUCATION
Department of Higher Education
Hartford, CT
February 25, 2009
1:30 p.m.

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1. Call to Order
2. Approval of the Board Minutes of the January 22, 2009 Meeting
3. Public Participation
4. Report of Board Chairman
5. Report of Commissioner
 - a. Degrees Conferred by Connecticut Institutions of Higher Education

6. Academic Affairs

Action Item

- a. [Goodwin College](#) – licensure of an RN-BSN program 3

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- b. [Monthly Update](#)

7. Commissioner's Consent Calendar

- a. [Albertus Magnus College](#) – licensure and accreditation of a Bachelor of Science in Business Management and a Master of Business Administration degree through the New Dimensions program, at Asnuntuck Community College in Enfield 11
- b. [Albertus Magnus College](#) – licensure of a program in Education, leading to the Master of Science in Education 17

c. Goodwin College – approval of the College’s new facility, to meet Board of Governors Standards on Facilities and Equipment (10a-34-19) and Library and Learning Resources (10a-34-18)	23
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STAFF REPORT: ACADEMIC AFFAIRS AND PLANNING

Institution: Goodwin College

Item: Licensure of an RN-BSN program

Executive Summary

Goodwin College has applied to the Board of Governors for Higher Education for licensure of an RN-BSN program. The program builds on an existing Associate degree program in nursing at the College which was accredited by the Board of Governors in May 2005. The College indicates that the RN-BSN program has been developed in response to the need for registered nurses to be prepared at the baccalaureate degree level in order to improve patient outcomes as well as to provide enhanced nursing career mobility.

Implementation Steps

As the program moves toward accreditation, the College will incorporate the latest NLNAC standards and criteria, stipulate benchmarks for decision making (i.e., expected levels of achievement), and make sure that data collected inform decision-making in the program. In addition, the College will reconsider the administrative structure of the nursing department (i.e. two chairs: one for ADN and one for the BSN), it will consider adding faculty at implementation of the BSN program and monitor faculty workload, and it will develop more upper level general education courses commensurate with increasing levels of critical thinking, writing and research to support a Bachelor's degree program.

Advisory Committee in Accreditation

The Advisory Committee on Accreditation, at its meeting on January 15, 2009, reviewed the program and found it to be in compliance with Board of Governors approval standards. The vote to recommend approval to the Board of Governors was all in favor.

Commissioner's Recommendation

It is recommended that the Board of Governors for Higher Education license a RN-BSN program, leading to a Bachelor of Science in Nursing degree, to be offered by Goodwin College, for a period of three years, until March 31, 2012.

Summary of Evaluation Visit

An evaluation visit of the program was conducted by the Department of Higher Education on August 18 – 19, 2008. The Team included Dr. Betsey Smith, Associate Dean for Health Sciences at Quinnipiac University; Dr. Mary Lou Rusin, Department Chair of Nursing, Daemen College in Buffalo, New York; Dr. Robert McCarthy, Dean of the School of Pharmacy at the University of Connecticut and a member of the Advisory Committee on Accreditation; and Dr. Christine Thatcher and Dr. John Walters of the Department of Higher Education. A second meeting with Dr. Mary Ellen Jukoski, President of Mitchell College, took place on September 11, 2008 to review the application materials, with a special emphasis on a review of the change of institutional mission and the range of offered degree level.

Section 10a-34-10. Purposes and Objectives.

Team Finding: The stated purposes and objectives of the program are consistent with established RN-BSN programs. The design reflects the NLNAC template with regard to standards and criteria. The program would provide an opportunity for RNs to receive advanced training and career mobility in healthcare settings. The Connecticut Articulation Model for Nurse Education Mobility has called for the establishment of such programs.

The standard is met.

Section 10a-34-11. Administration.

Team Finding: A well qualified administrator with significant experience in nursing practice and administration has been identified to direct the program.

All programs at the College undergo a formal program review on a 5-year cycle by the College Committee on Assessment. Other types of assessment are course-based, project-based, and end of program capstone experience based.

The team suggested that the College should incorporate the latest (2008) NLNAC standards and criteria, stipulate benchmarks for decision making (i.e., expected levels of achievement), and make sure that data collected inform decision-making in the program.

The planned administrative structure of the nursing department (i.e. two chairs-one for ASN and one for the BSN) may need to be reconsidered as the department moves toward NLNAC accreditation.

The standard is met.

Section 10a-34-13. Faculty.

Team Finding: The faculty overwhelming expressed their contentment with their positions at Goodwin College, and all were enthusiastic with regard to the shift to offering the Bachelor's degree. The evaluation team discussed teaching load issues, service, and scholarship with the faculty. The faculty felt that they have ample opportunity and resources for professional development as well as other requested resources, and are rarely turned down when requesting materials or release time. As the institution moves to its new mission, the evaluation team recommends further consideration of these issues, especially load expectations and time for faculty to stay current in their fields.

The institution is making gains toward increasing scholarship and professional development by offering workshops for their faculty. An outside moderator will be working with the faculty on assessment periodically. Additionally, the college has instituted a "scholar hour" where faculty can share their knowledge, including their experiences from attendance at professional conferences.

The team suggested that the College not depend too heavily on the current faculty who teach in the ADN program so as to not jeopardize that program, and that the College consider additional faculty at implementation of the BSN program. Faculty workload should be monitored to allow faculty to keep current in clinical nursing skills.

The standard is met.

Section 10a-34-15. Curriculum and Instruction.

Team Finding: The curriculum is well developed and identifies the key components of professional nursing education. There is a systematic plan for evaluation using the NLNAC standards as criteria. A highlight of this proposal is the flexibility of the program for students. Goodwin College will offer this program using a hybrid on-line format and it will be available to part-time working adults. Clinical resources are adequate to meet the objectives of the program.

The Team suggested that the College be sure to link clearly the conceptual framework with objectives throughout the curriculum, showing content mapping for all key concepts.

General Education: A meeting with the General Education faculty and a review of current syllabi satisfied the evaluation team that the proper emphasis on the importance of an overall general education is being met. The team emphasized with the faculty the additional need for upper level general education courses commensurate with increasing levels of critical thinking, writing and research to support a Bachelor's degree program. Note: English and Psychology have provided upper division course syllabi.

The standard is met.

Section 10a-34-18. Library and Learning Resources.

Team Finding: The library has a collection development plan in place to support the proposed program. Currently, there are text, digital full-text data bases, journal subscriptions, and on-line journals available to students.

The College library will be housed on two floors at the new River Campus. New acquisitions are already planned through allocations of \$10,000 in the first year and \$5,000 in the second and in the third years of the program.

The Team recommended that the additional staff planned for the library include a medical reference librarian.

The standard is met.

Section 10a-34-19. Facilities and Equipment.

Team Finding: The team was given a tour of the new River Campus facility. The new 110,000 square foot building is impressive, spacious, and state-of-the-art. Faculty and adjunct offices, spacious dedicated labs, a tutoring and advisement center, theatre, lecture halls and classrooms will suffice for Goodwin's anticipated growth.

The standard is met.

Section 10a-34-12. Adequacy of Resources.

Team Finding: Based on a review of financial statements and projections, it appears that the College is in good financial health. Projected enrollment targets should be able to support the program. In discussion with the President and senior administrators, it was noted that reserves will be set aside in the event of financial contingencies.

The standard is met.

Description of Program

Purpose and Objectives

Graduates of the Bachelor of Science in Nursing Degree Program are prepared to practice professional nursing as generalists with skills that are applicable across all health care settings. They are also prepared to enter graduate study.

The College notes that, at the completion of the program, graduates will be able to:

- Practice professional nursing from a holistic, visionary, culturally competent, fiscally responsible base, as they design, manage, and coordinate care for individuals, families, groups, communities and populations;
- Synthesize and apply knowledge from nursing theory, practice, research, and the liberal arts and sciences to professional nursing practice;
- Integrate and demonstrate beginning leadership and management skills utilizing critical and creative thinking, ethical decision making, and evidenced-based practice;
- Design, manage and coordinate care to patients, families, groups and communities utilizing communication skills honed by self-awareness and self-evaluation;
- Advocate for patients, families, groups and communities based on a respect for cultural diversity and an understanding of the impact of political and regulatory process on health care; and
- Collaborate and communicate, using a variety of modalities, with patients, families and interdisciplinary team members to maximize patient's level of wellness.

Administration

Under the direction of the President of Goodwin College and the Vice President for Academic and Student Affairs, the Dean of Academic Affairs is directly responsible for the administration of all programs. The Director for the proposed Bachelor of Science in Nursing program will report to the Dean of Academic Affairs.

Curriculum

The RN to BSN Degree Completion Program will participate in the Connecticut Articulation Model for Nurse Educational Mobility. Under this program, graduates of a Diploma or Associate degree program coming into Goodwin's BSN program will be eligible to receive a maximum of thirty-five (35) nursing credits for previous nursing work as long as they have completed thirty-five credits in their Diploma or Associate degree program. These credits are held in "escrow" until such time as the prerequisite knowledge, skills and attitudes are evidenced by successful completion of the first upper division nursing course, NUR 245 Foundations of Professional Nursing. Once successfully completed, credits will be awarded according to Goodwin College's transfer of credit policy. General education credits are awarded based on a transcript review.

Articulation agreements are being developed with local colleges and universities for Goodwin College students going on for graduate work after earning the baccalaureate degree in Nursing.

Goodwin College General Education Core Requirements-- 40credits					
General Education courses required of all students: 40					
ENG 101	English Composition*	3__	MATH	Math 102 or higher* (M)	3__
ENG 102	Composition & Literature	3__	CHEM 101	Chemistry* (S)	4__
COM	Communication Elective* (C)	3__		Social/cultural Elective (SCM)	3__
ENG 220	Writing for Health Professionals (AW)	3__	HCS 210	Ethical & Legal Issues in Health Care (PE)	3__
PSY 112	Introduction to Psychology* (SS)	3__		Humanities Elective (LFA)	3__
CAP	Computer Literacy Elective* (CL)	3__		Global Perspective (US)	3__
				Global Perspective (W)	3__
Programmatic General Education courses required: 6 credits					
MATH 2XX	Statistics	3__	SOC 101	Introduction to Sociology*	3__
Non-Nursing Core Requirements – 15 credits					
BIO 211	Anatomy & Physiology I *	4__	BIO 235	Microbiology*	4__
BIO 212	Anatomy & Physiology II*	4__	PSY 212	Lifespan Development *	3__
RN Articulation: NUR100(6);NUR110(6);NUR 200(7);NUR 210(7);NUR 220(9) 35					
Students may receive up to 35 credits for previous nursing course work via the Connecticut Articulation Model. Students who do not receive 35 credits will take additional nursing elective credits to reach the required thirty-five credits.					
All courses with an asterisk* must be completed before entering the upper division Nursing courses.					
Nursing Core Requirements – 26 credits					
Junior Year			Senior Year		
NUR 245	Foundations of Professional Nursing	3__	NUR 362	Clinical Nursing Leadership	4__
NUR 310	Health Assessment	3__	NUR	Elective - 200 level or higher	3__
NUR 350	Seminar in Nursing Research	3__	NUR 460	Seminar in Professional Nursing Leadership	3__
NUR 360	Public/Community Health	4__	NUR 440	Independent Study in Nursing	3__

Clinical

There are two courses with a focused clinical laboratory requirement: Public and Community Health Nursing and Clinical Nursing Leadership. Both are four credit courses with two hours of theory and six hours of clinical experience per week.

Contractual agreements will be developed with VNA Health Care, Inc. of Greater Hartford and with other agencies that meet students' needs for Public and Community Health Nursing. Clinical arrangements for Clinical Nursing Leadership will be accomplished at the student's place of employment or other facilities. Contracts will be agreed upon and signed by the student, the agency and the College. Goodwin College currently has multiple contracts with facilities near the College.

Projected Enrollment

The College projects an enrollment of 15 part-time students in the first year and 27 in the second year of the program.

Admissions Requirements

The RN to BSN Completion Program student will follow the general admission requirements of Goodwin College students. In addition, the applicant must be a graduate of an accredited Diploma or Associate degree in Nursing program; have a valid, current Registered Nurse (RN) license issued in the state where they will do their clinical experience; interview with the program director or a faculty member; and complete an application that includes a professional resume, two letters of recommendation, and official copies of transcripts of nursing and academic work from all institutions attended.

Educational Planning Context

According to the Connecticut Department of Labor, Connecticut has an ongoing nursing shortage, despite efforts from Connecticut schools to increase enrollment of students in nursing programs. According to the Department, there are 1,081 openings for registered nurses per year, 535 annual openings for nursing aides and 294 openings a year for licensed practical nurses. The Department estimates that by 2014, the demand for registered nurses will have grown by 13 percent, the demand for aides will be up by 9 percent and the state will need 16 percent more licensed practical nurses. Health Resources and Services data suggest that Connecticut will be among those states with a 55% gap between available supply and projected demand for nurses by 2020. This program seeks to help to address that need and to provide opportunities for higher-level nursing practice to currently licensed nurses.

In addition, a survey was sent to 241 Goodwin College Associate in Nursing Science alumni. Five were returned as undeliverable and of the remaining 236, 59 were usable surveys for a 25% return rate. Forty-nine respondents (83%) indicated they plan on obtaining the BSN. When asked if they would enroll in a Goodwin College BSN program, 42% said they would attend and 19% replied that they may attend.

Resource Support

Faculty

The College has identified a full-time faculty member (holding a doctorate) to direct the program. Faculty and adjunct faculty members from the Associate degree program will also teach some of the specialized nursing courses. The College plans to add an additional full-time faculty member in the third year of the program.

Library and Learning Resources

The library provides access to digital, audio-visual, and print resources to help the students become competent and confident nursing professionals. The library at the new River Campus will have significantly more room for resources and study areas. As noted earlier in this report, the library's collection currently consists of printed books, periodicals, and audio-visual materials. In addition to online databases of periodicals, the library is subscribing to an electronic library of up to 15,000 books and participates as a member of iCONN.

Facilities and Equipment

The College has moved into its new facilities. Phase One of the riverfront development consists of two, 2-story structures attached to a 6-story classroom and office tower that includes 41 classrooms, 10 science labs, 2 computer laboratories, a learning center, and faculty and student lounges. The tower also houses a 900-seat auditorium, which can be divided into five separate 150-seat classrooms as needed. The smaller structure houses the business and financial aid offices, community rooms, library and academic offices.

STAFF REPORT: COMMISSIONER'S CONSENT CALENDAR

Institution: Albertus Magnus College

Item: Licensure and Accreditation of a Bachelor of Science (B.S.) in Business Management and a Master of Business Administration degree (M.B.A.) through the New Dimensions program, at Asnuntuck Community College in Enfield, CT.

Executive Summary

Albertus Magnus College has applied for licensure and accreditation of a Bachelor of Science (B.S.) in Business Management and a Master of Business Administration degree (M.B.A.) through the New Dimensions program, at Asnuntuck Community College in Enfield, CT. The programs have been offered by the College through the New Dimensions program at various locations in the state since 1994. An articulation agreement between the two institutions has been signed allowing students to seamlessly transfer from a number of degree programs offered at Asnuntuck into the Bachelor's degree program. There are 870 students currently enrolled in the New Dimensions program throughout Connecticut and at one point had reached 1300 students. The New Dimensions program is ideal for working adults providing a cohort model and a manageable schedule.

Implementation Steps

Upon approval by the Board of Governors for Higher Education, Albertus Magnus and Asnuntuck representatives will coordinate scheduling for the first cohort of students. Office space and classroom space will be made available to New Dimensions instructors, and books will be ordered to be delivered to students during their first class. Any Asnuntuck staff interested in teaching in the program will have to attend a rigorous orientation program, as do any new instructors in the program.

Advisory Committee on Accreditation

The Advisory Committee on Accreditation, at its meeting on January 15, 2009 reviewed the program and found it to be in compliance with Board of Governors' approval standards. The vote to recommend approval to the Board of Governors for Higher Education was all in favor with one abstention.

Commissioner's Recommendation

It is recommended that the Board of Governors for Higher Education license and accredit a Bachelor of Science (B.S.) in Business Management and a Master of Business Administration degree (M.B.A.) through the New Dimensions program, at Asnuntuck Community College in Enfield, CT., to be offered by Albertus Magnus College, for a period of time concurrent with institutional accreditation.

Description

Purpose and Objectives

The programs proposed to be offered at Asnuntuck are identical to the College's accredited B.S. program in Management and to the M.B.A. on the College's campus, in New Haven, in East Hartford, and at other corporate sites in Connecticut. The programs are all geared to working adults.

The College indicates that students at Asnuntuck Community College have expressed an interest in these programs. The College has also indicated that this location will be convenient to students who have already been engaged in coursework at this campus.

The programs in Management focus on teamwork, critical thinking, and problem-solving as well as ethical leadership skills essential in today's expanding business environments.

The M.B.A. degree has been designed to ensure that the graduate will gain a broad understanding of the total business enterprise and the inter-relationships of individual units within the whole by studying multiple organizational units across business. Particular focus is placed on utilizing E-Commerce strategies and techniques. Additionally, the effective use of computer technology to manage and enhance the business enterprise is a key element of the program.

Administration

The College's New Dimensions program is administered from New Haven. The Long Wharf Campus houses classrooms as well as the Executive Director of New Dimensions; Directors of Academic Services, Student Services, Curriculum Development, and Resource Materials; and Educational Assistants. They, together with Educational Assistants at the College's East Hartford campus location, will provide academic advising, additional oversight, and other support services to students at the Asnuntuck Community College location.

Curriculum and Instruction

New Dimensions programs are organized on a computer-enhanced, lock-step curriculum focusing upon analytical thinking and team-based problem solving as well as the ethical issues required for successful management decisions in a competitive global business environment. Participants complete one intensive seminar at a time. Detailed modules clearly outline student outcomes, research assignments, and assessment requirements, to ensure the quality and consistency of New Dimensions courses at every site.

The B.S. degree requires 120 credits, including a capstone course sequence (Business Case Studies I and II). The B.S. degree consists of a minimum of 42 credits of General

Education in addition to interdisciplinary credits, and 54 credits of Core Business Management courses that culminate in the capstone experience.

The M.B.A. program requires 48 credit hours. According to the College, this program was designed to provide a strong conceptual foundation for successful management of business and includes a fully integrated sequence of courses that focus on developing individual and team-based skills in identifying, analyzing and communicating effectively about unique value creation opportunities for business competitiveness. The M.B.A. provides the opportunity to learn from practical work-related experiences through a unique and intensive method of collaborative learning and student interaction. A comprehensive team capstone project is developed throughout the final eight courses.

Listings of courses for the programs are attached.

Admission and Enrollment

Standards for admission into the programs are identical to those expected of students in New Dimensions offerings on the College's main campus. A cohort is launched once 14-15 students have been accepted into the program. Albertus Magnus College has indicated an expectation of three B.S cohorts and two M.B.A. cohorts in the first year of implementation at the Asnuntuck Community College location. Thereafter, the College is anticipating four B.S. cohorts and two M.B.A. cohort launches per year.

Educational Planning Context

New Dimensions is designed for working adult professionals employed in a functional unit of business – marketing, accounting, finance, information systems, human resources, production and operations, or other business areas. Representatives from both institutions are enthusiastic regarding this partnership, because it will allow students who have begun their education at Asnuntuck to complete their baccalaureate degree at a location convenient to them, and it will bring these degree programs to this region of the State.

Comments From Other Institutions

There were no comments or questions about the program from other institutions.

Other Programs in Connecticut

There are several business programs in the state, at all levels, awarding substantial numbers of business degrees each year.

Resource Support

Faculty

The College indicates there are sufficient numbers of full-time and part-time faculty members who could teach in the program at the Asnuntuck Community College site. All hold appropriate degrees.

Prospective candidates are interviewed to assess performance, utilization of collaborative learning concepts and their ability to lead and facilitate small group learning. Once chosen to teach in the program, these instructors attend a training workshop, as well as additional professional development opportunities to ensure excellence of instruction in every course.

Resource Centers and Libraries

During the past several years, Albertus Magnus College has continued to enhance the Business and Economics collection housed in the College library. These include both on-ground and on-line circulating and reference collections. A component of the first course module includes training in the use of the Library's resources.

The Library at Albertus Magnus College has approximately 2,260 unique business titles and 83,199 volumes available for student use. In addition there are 423 e-books that the college owns as well as an additional 3447 e-books that are publicly owned. Currently there are 1,713 journals available in both print and electronic mediums. There is access to 13 databases dealing specifically with business related topics and journals.

Facilities and Equipment

Asnuntuck Community College has agreed to dedicate space for the New Dimensions program. Students will have access to its library and computer stations, meeting space, and technologically equipped classrooms. Scheduling will accommodate the cohort model required for the New Dimensions programs.

ATTACHMENT A

COURSES OF STUDY

Bachelor of Science

Core Curriculum

BE 301M – Principles of Self Management	(2)
BE 303M – Management & Leadership in Business	(3)
EN 305M – Written Communication in Business	(3)
PH 307M – Business Ethics	(3)
BE 311M – Economics for Managers I: Microeconomics	(3)
BE 308M – Information Systems	(3)
BE 312M – Economics for Managers II: Macroeconomics	(3)
BE 315M – Marketing for Managers	(3)
BE 317M – Business Statistics	(3)
BE 323M – Human Resource Management	(3)
BE 309M – Financial Accounting I	(3)
BE 310M – Financial Accounting II	(3)
BE 327M – Business Law	(3)
BE 325M – Corporate Financial Management	(3)
BE 329M – International Business Management	(3)
BE 331M – Public Finance	(2)
BE 332M – Strategic Management & Policy	(4)
BE 396M – Business Case Project I	(3)
BE 397M – Business Case Project II	(1)

TOTAL Core Business Management Credits: 54

Graduation Requirements for the Bachelor of Science Degree:

120 Semester Credits are required for graduation

54 Credits of Core Business Management courses

33 Credits of Liberal Arts core courses:

3 – College Writing

3 – Literary Genres

- 6 – Humanities I, II
- 3 – History
- 3 – Fine Arts
- 3 – Philosophy
- 3 – Religious Studies
- 3 – Social Sciences
- 3 – Mathematics
- 3 – Science
- 9 Elective Credits in Interdisciplinary Liberal Arts Studies
- 18 Elective Credits
- 6 Non-business Elective Credits

M.B.A. Curriculum

Course	Credits
MGT 502 Contemporary Ethical Issues for Managers	3
MGT 503 Executive Management: Strategies and Leadership	3
MGT 508 Marketing Management	3
MGT 505 Managerial Economics	3
MGT 601 Human Resource Management in a Changing Environment	3
MGT 602 Managerial Finance	3
MGT 506 MGT. Process & Org. Behavior in Innovative Corp.	3
MGT 605 Management Within a Global Environment	3
MGT 604 Information Systems in Management	3
MGT 620 Organizational Renewal and Development	3
MGT 622 Legal Issues in Management	3
MGT 625 Operations Management	3
MGT 627 Investment Analysis and Planning	3
MGT 630 Entrepreneurship	3
MGT 633 E-Commerce	3
MGT 637 Business Policy: Strategy and Organization	3
TOTAL	48 Credits

STAFF REPORT: COMMISSIONER'S CONSENT CALENDAR

Institution: Albertus Magnus College

Item: Licensure of a program in Education, leading to the Master of Science (M.S.) in Education degree

Executive Summary

Albertus Magnus College has applied for licensure of a program in Education leading to the Master of Science degree, to be offered at the College's campuses in New Haven and East Hartford. The program responds to the need for teachers who are already certified to pursue Master's-level education with an emphasis on literacy and effective teaching of diverse students in urban areas. It is the first Master's degree program in Education at Albertus College and is an element of the College's commitment to provide for the education of teachers sensitive to the needs of urban students within a liberal arts tradition.

Implementation Steps

As part of its application for accreditation of the program, the College will report to the Department of Higher Education on its success in hiring a full-time doctorally-qualified faculty member to teach in the program and on its allocation of additional resources to further enhance the College's library collection in Education.

Advisory Committee on Accreditation

The Advisory Committee on Accreditation, at its meeting on December 18, 2008, reviewed the program and found it to be in compliance with Board of Governors' approval standards. The vote to recommend approval to the Board of Governors for Higher Education was all in favor, with John Donohue of Albertus Magnus College abstaining.

Commissioner's Recommendation

It is recommended that the Board of Governors for Higher Education license a program in Education, leading to the Master of Science in Education degree, to be offered by Albertus Magnus College, for a period of three years, until March 31, 2012.

Description

Purpose and Objectives

The College indicates that the major objectives of the program are to:

- Strengthen the ability of provisionally certified teachers to work effectively in promoting literacy and academic achievement in the culturally and ethnically diverse environment of 21st century America;
- Improve the ability of individuals enrolled in the program to seek out, understand, and apply insights from current educational research, especially as it pertains to literacy instruction and establishment of differentiated classroom instruction;
- Incorporate into all components of the Program the fundamental goal of improving literacy levels of all students in our schools;
- Prepare individuals enrolled in the Program for leadership among their colleagues and within their school districts, particularly leadership in differentiating instruction and in improving student literacy levels;
- Provide for all qualified applicants the opportunity to pursue a graduate program that is intellectually invigorating in the liberal arts tradition.
-

Administration

The Director of Education Programs, a full time administrator and faculty member of Albertus Magnus College, will administer and direct the operation of the Master of Science in Education program. The Director reports directly to the Vice President for Academic Affairs.

Direction of the academic programs at the East Hartford campus is supplemented by additional Academic Affairs staff. There, the Director of Academic Services is responsible for the general recruiting, training, scheduling and monitoring of all faculty teaching in the program. These teaching staff members are selected from the College's full-time faculty as well as from a carefully screened adjunct faculty pool. The assessment and orientation of all new instructors is conducted by the Director and Assistant Director of Academic Services. Currently, there are five full-time faculty/staff who, along with appropriately credentialed adjuncts, are able to teach in the program.

Curriculum

The curriculum consists of a minimum of 30 graduate credits; 9 in foundation work, 18 in student needs, and a 3 credit capstone sequence involving a research sequence practicum and a portfolio development project. The program will be offered in accelerated and flexible evening format. A sample curriculum is attached.

Enrollment

The College projects an enrollment of 25 full-time and 5 part-time students in the first year and 45 full-time and 10 part-time students by year three of the program.

Educational Planning Context

The College reports that it has received numerous inquiries from graduates of undergraduate programs at other institutions about graduate studies in education. Also, recent graduates and current candidates in the College's program leading to initial teacher certification have expressed their desire to continue at Albertus Magnus College to fulfill the graduate education requirements leading to professional teacher certification. Moreover, the College intends to offer its proposed Master of Science in Education Program in an evening, non-traditional format. For these reasons, it is expected that this proposed program will address the career objectives of many teaching professionals.

Resource Support

Faculty

The College identifies three full-time faculty to teach in the Master's degree program; five other full-time faculty will assist in teaching and administration of the program. Three adjunct faculty members will also teach in the program. The College also plans to hire a full-time doctorally qualified faculty member to teach in the program.

Library and Learning Resources

The College notes that the Library contains a collection of over 100,000 volumes, provides access to over 10,000 electronic & print journals, and houses more than 2,000 media titles.

The education collection contains:

- education holdings (print, electronic & media): 1519 volumes
- print journals (serials): 762 volumes
- online journals (e-journals): 10,427 volumes

The College plans to allocate \$10,000 in each of the next three years to further enhance the collection.

Facilities and Equipment

The College states that the East Hartford campus, which is devoted exclusively to evening students, is located at 111 Founders Plaza. The school occupies the entire seventh floor, and also one quarter of the sixth floor, with a total of eleven classrooms.

All classrooms at the College's East Hartford location are equipped with an instructor's station containing a computer, LCD projector, an ELMO document camera, and a DVD/VCR combination unit. The classroom equipment has networked high speed internet access, and wireless service is also available.

Currently, six staff members work out of the East Hartford location to provide academic services and advisement.

Advisory Committee on Accreditation

The Advisory Committee on Accreditation, at its December meeting, found the program to be in compliance with the Board of Governors' approval standards.

**MASTER OF SCIENCE IN EDUCATION PROGRAM
CURRICULUM DESCRIPTION**

Foundation Courses

- ED 512 Maps of Education: Tracing the Roots of Contemporary
Public Education *3 credits*
- ED 542 Educational Psychology: Theories, Learning, Development,
and Teaching Practices *3 credits*
- ED 585 Educational Research *3 credits*

Student Needs Sequence

- ED 584 Literacy Across the Curriculum: Language Acquisition as a Tool for
Learning *3 credits*
- ED 520 Reading and Writing as Tools for Learning *3 credits*
- ED 515 Differentiating Instruction in the Classroom *3 credits*
- ED 516 Culture and Inter-group Relations *3 credits*
- ED 522 Technological Applications in the Classroom *3 credits*
- ED 580 Assessment and Student Learning *3 credits*

Capstone Sequence

- ED 595 Capstone Research Practicum *2 credits*
- ED 596 Comprehensive Activity *1 credit*

STAFF REPORT: COMMISSIONER'S CONSENT CALENDAR

Institution: Goodwin College

Item: Approval of the College's Move to a New Campus located at 1 Riverside Drive, East Hartford, Connecticut

Goodwin College has asked the Board of Governors to approve its move to a new campus located at 1 Riverside Drive, East Hartford, Connecticut, as part of the College's expansion and as part of its application process to the U.S. Department of Education and the New England Association of Schools and Colleges for authorization to continue its educational activities at the new River Campus location.

Goodwin College was founded in East Hartford, Connecticut, in 1999 when it was licensed by the Department of Higher Education to offer programs leading to an Associate in Science Degree. Goodwin College was accredited by the Board of Governors for Higher Education in January 2001. The first Associate in Science degrees were conferred on January 22, 2001. The College was granted accreditation by the New England Association of Schools and Colleges in October 2004. The College initially offered three associate degrees when it was founded in 1999. Since then, the College has added associate degrees in Early Childhood Education, Health Science, Homeland Security, Nursing, Respiratory Care, and General Studies. It also has been awarded licensure by the Board of Governors to offer baccalaureate programs in Child Studies and in Health Science, and is in the process of applying for licensure of an RN-BSN program. Additionally, the College offers seventeen certificate programs and one non-credit program in ESL.

Present Campus

Goodwin College presently occupies a four-acre main campus at 745 Burnside Avenue in East Hartford. The campus consists of two historic buildings and one educational building. Four two-classroom modules were added in 2005. Currently, 13 classrooms, 3 science labs, 1 clinical lab, and 2 computer labs are available for instruction at the Burnside location. Five additional classrooms and a histology laboratory are available at the College's 403 Main Street building along with four classrooms at the Goodwin College Professional Development Center on 437 Main Street. The College notes that because of limited parking, no more than 220 students can be scheduled for classes at one time on the Burnside campus. The College indicates that since its enrollment has increased by 53% over the last four years (to 1440 in 2007) its available classrooms are in use from 8:00 am to 10:00 pm Monday thru Saturday and from 8:00 to 3:00 on Sunday.

New Campus

The College's Strategic Plan, approved by the Board of Trustees in 2004, reported that the College would be outgrowing its Burnside Avenue campus location by 2009. As the College notes, beginning in 2004 it started purchasing land along the Connecticut River in East Hartford and began planning, in stages, for the development of a new campus. Goodwin College now owns approximately 700 acres along a three-mile stretch of the Connecticut River. There are 30 acres available for buildings with the remainder being located within the floodplain of the Connecticut River. Future uses of this land include sport fields and open areas for recreational use and use as an outdoor laboratory for environmental studies. The College owns three deep-water docks, where it indicates are the only ones on that part of the river, and plans to purchase a research vessel that will be used for river studies. The College has also entered into partnerships with the new Science Center that is being built in Hartford to find ways to open up the river, not just to the College's students but to all students in the Greater Hartford area.

With the support of its Board of Trustees, Town of East Hartford, the State of Connecticut, and a banking partner, New Alliance Bank, the College began Phase I of its plan in June 2007. That building is now complete and has been awarded a Certificate of Occupancy. That first building, 110,000 sq. ft. in size, consists of two, two-story structures attached to a six-story classroom and office tower that includes 41 classrooms, 10 science labs, 2 computer laboratories, a learning center, and faculty and student lounges. The tower also houses a 900-seat auditorium, which can be divided into five separate 150-seat classrooms, as needed. The smaller structures house the College's business and financial aid offices, community rooms, part of the library and academic offices. Approximately 490 parking spaces are available.

The College reports that it anticipates holding classes at the new campus beginning January 2009. The present four-acre campus at 745 Burnside Avenue, along with the classrooms at 1137 Main Street and 403 Main Street, will still be available. The College states that it anticipates closing the Burnside campus in May 2009. The College does not own the Burnside property but has a month-to-month lease with Olmstead Realty which can be cancelled with a 30-day notice.

Board of Governors Standards on Facilities and Equipment (10a-34-19) and Library and Learning Resources (10a-34-18)

To ensure that the College's new campus – which is known as River Campus – meets the standards of the Board of Governors for educational facilities, Jonas Zdanys and Christine Thatcher of the Department of Higher Education conducted a visit to review the new campus' facilities and equipment and its library. It was clear from that review visit that the new campus will provide the necessary physical and technical resources needed to fulfill the educational activities of the College and will allow for the College's projected educational growth.

10a-34-19 Facilities and Equipment

As noted above, the facilities already constructed consist of two, two-story structures attached to a six-story classroom and office tower that includes 41 classrooms, 10 science labs (some of which are in the process of being completely outfitted), 2 computer laboratories, a learning center, and faculty and student lounges. The tower also houses a 900-seat auditorium, which can be divided into five separate 150-seat classrooms, as needed. The smaller structures house the College's business and financial aid offices, community rooms, library, and academic offices. The College reports that a 12-month preventive maintenance schedule as well as a custodial plan has been developed.

In addition, to ensure state-of-the art technology use, all floors will have wireless access. The College notes that the technology starts out on a backbone of fiber optics brought out to every floor's data/Telco room. All rooms will have a connection speed of 10GBE. Every floor will be outfitted with a Chatsworth ladder rack as well as Leviton patch panels. The College will have HP Procurve 8200ZL Switch 10/100/1000 POE wiredundant power supply. All cable will be CAT 6. All fiber will be 8 strand. There are approximately 431 hardwired drops throughout the building.

10a-34-18 Library and Learning Resources

The College reports that its library currently has 3,500 in-house volumes, over 270 full-text online reference books, 130 periodicals, and 702 audiovisual materials. In addition, a subscription to *ebrary* provides an electronic academic collection of up to 15,000 full-text books with unlimited access in areas such as business and economics, technology, humanities, life and physical sciences, social and behavioral science, and nursing and allied health. The library also provides access to many Web resources, including 48 digital databases in a full range of academic disciplines, news, and general reference. Most of these are accessible on campus and off-campus using the Virtual Private Network connection.

The College affirms that instruction in the use of academic databases and all library resources is offered to classes as part of the Information Literacy Initiative. The library has an online catalog through iCONN that provides organization and access to the Goodwin College library. The library also maintains a Web page (<http://www.goodwincollege.org/library/index.htm>) that describes library services and provides links to the electronic resources, including the catalog.

The new 8,039 square foot, two-story library space at the River Campus features a variety of individual and group study spaces overlooking the Connecticut River. The College notes that more than 1,200 square feet of library expansion space is built into the floor plan to accommodate expected increased student enrollment. The stacks have space for nearly 10,000 volumes. The College reports that an additional full time librarian will be added to the staff by May 2009. In addition, the College indicates that there will be over 40 networked public computer workstations, printers, copiers, and an instruction classroom in the library. The space, the College states, will allow it to incorporate a required information literacy tutorial that must be completed by all students in their first

semester. Finally, a section of the library has been devoted to collect, share and display scholarly research by faculty and to provide resources for professional development for faculty and staff, including books, journals, and conference reports. Goodwin College will also open the library up to its local community.

The College states that it is committed to providing for the continuous development of the library collection as needed to move the institution forward to a four-year status and to provide sufficient library resources to meet student and faculty needs. The FY 08 library budget was \$250,000. For FY 09, the budget is \$300,000, which the College states does not include capital-type expenditures related to additional on-line databases and computer networking capabilities of approximately \$150,000. The College notes that the new facility and its room for growth will adequately support current and future academic programs and the intellectual and cultural development of students, faculty and staff.

Commissioner's Recommendation

It is recommended that the Board of Governors for Higher Education approve the move of Goodwin College and its educational programs to the newly-built Goodwin College River Campus, located at 1 Riverside Drive, East Hartford, Connecticut.

STAFF REPORT: COMMISSIONER'S CONSENT CALENDAR

Institution: University of Connecticut

Item: Accreditation of a program in Public Health with a concentration in Social and Behavioral Health Sciences, leading to the Doctor of Philosophy (Ph.D.) degree

Executive Summary

The University of Connecticut has applied to the Board of Governors for Higher Education for accreditation of a program in Public Health, with a concentration in Social and Behavioral Health Sciences, leading to the Ph. D. degree. The University states that the program responds to a need in the state for senior-level health practitioners with advanced training in policy development, planning, evaluation, and leadership.

The University developed the program with the involvement of key constituencies in the health community. The program is interdisciplinary and involves the faculty at the University's campus in Storrs and at the Health Center in Farmington. Public Health, according to the University, is one of four signature programs at the Health Center, and is very supportive of the program and commended the faculty for developing a program that responds to the needs of the state's health and social service community.

During the licensure application process, the Department of Higher Education conducted a focused evaluation visit that resulted in a finding of compliance with the Boards' approval standards. There were no Board of Governors' stipulations at the time of licensure.

The Advisory Committee on Accreditation, at its meeting on January 19, 2009, reviewed the program and found it to be in compliance with the Board of Governors' approval standards. The vote to recommend approval to the Board of Governors was all in favor, with Dean Robert McCarthy of the University of Connecticut abstaining.

Commissioner's Recommendation

It is recommended that the Board of Governors for Higher Education accredit a program in Public Health with a concentration in Social and Behavioral Health Sciences, leading to the Doctor of Philosophy (Ph.D.) degree, to be offered by the University of Connecticut, for a period of time concurrent with institutional accreditation.

Description

Purpose and Objectives

The specific objectives of the doctoral program are as follows: to provide a program emphasizing interdisciplinary research and study linking public health methods and concepts with the social and behavioral health sciences; to provide an advanced knowledge-based curriculum relevant to the needs of doctoral students in the social and behavioral health sciences; to educate practitioners as scholars, researchers, educators, leaders, and administrators in the field of public health; to contribute to policies that advance the health of the public; to serve as a focal point for multi-school trans-disciplinary research; to serve as a model for collaboration among university campuses; to collaborate with other professions, community agencies and governmental departments to improve the health of Connecticut's population; and to serve as a resource for the public health community by providing knowledge, research and service expertise.

Administration

One full-time faculty member has been designated to provide administrative and programmatic leadership for the program and one full-time faculty member has been designated to serve as the chair of the Social and Behavioral Health Sciences concentration. Additionally, the program receives oversight and administrative support from the Graduate School. All graduate programs formally report to the Dean of the Graduate School. The academic policies and procedures that govern the Graduate School apply to the doctoral program in Public Health, including admission requirements, general academic requirements, graduation requirements, approval of doctoral student Plans of Study and Dissertation Proposals and program review policies.

Curriculum

The curriculum consists of 45-48 credits, distributed as follows:

- Public Health Core Seminar (4 credits taken over four semesters)
- Research Methods (9 credits)
- Concentration Core (8 credits): There will be 8 credits of common courses taken by all students:

Social and Behavioral Foundations of Public Health (3 credits)
 Advanced Topics in Social & Behavioral Foundations of Public Health (1)
 Critical Issues in Health Promotion, Disease & Disability Prevention (3)
 Advanced Topics in Health Promotion, Disease & Disability Prevention (1)

- Courses to Complete Plan of Study (9 - 12 credits): The student and committee will develop a plan of study that includes 9 - 12 credits of graduate level course work that supports the research program. No more than 6 credits of recent graduate course work that has not been transferred towards the completion of a degree may be used on the plan of study.
- Dissertation Research Credits (15 credits): Each student will complete 15 credits of dissertation research.

Students are evaluated according to the following benchmarks as they progress through the program:

1. Satisfactory completion of course work
2. Filing a plan of study
3. Formation of a doctoral committee
4. Completion of qualifying examinations in a timely manner
5. Defense of dissertation prospectus and external review of prospectus
6. Publication in peer-reviewed journals

Clinical Affiliations

The doctoral program builds on the existing MPH program through a partnership between the Health Center faculty and community-based practitioners and the strong competency in social and behavioral sciences on both the Storrs and Health Center campuses. The MPH program was built on cooperation between the School of Medicine, which sponsors the program, the Graduate School, which facilitates academic administration, and the practice community, which provides support for some of the curriculum and research. The Ph.D. program follows this model, adjusted for the full-time nature of doctoral study and the need for intensive research apprenticeships. Cooperative agreements between the Graduate School and community-based entities such as state and local agencies, community health clinics and other health care providers are being developed explicitly for Ph.D. related teaching and research.

The program builds specifically on the long-standing collaborations between the University of Connecticut and the Connecticut Departments of Public Health and Mental Health and Addiction Services, which have yielded a cadre of scientists and public health practitioners who share data, technology, project resources, and funding across a range of substantive topics. The scientific knowledge of faculty members in conjunction with practical expertise and data resources at the two state departments is an ideal foundation for doctoral training.

Enrollment

When the program was licensed, the University projected an enrollment of 5 full-time students a year; there are currently 8 students in the program.

Resource Support

Faculty

The University has identified twenty-five faculty members from the Storrs campus and the Health Center who are involved with the program. All have the appropriate doctoral degree as well as teaching and research experience.

Library and Learning Resources

The University of Connecticut Library System holds the largest public collection of research materials in the State of Connecticut. The collection contains over 2.5 million volumes, 9,000 currently received periodicals, 25,000 full-text electronic journals, 2.8 million units of microfilm, 35,000 reference sources, 180,000 maps and an array of electronic information sources. The Lyman Maynard Stow Library on the Health Center campus currently supports the academic and research needs of the MPH program. The Homer Babbidge Library and the Pharmacy Library on the Storrs campus and the Lyman Maynard Stow Library contain the print and electronic resources to support the doctoral program.

Facilities and Equipment

In addition to the classrooms, lecture halls, and related equipment at the Health Center and Storrs campus, the program has dedicated office space, student space, and seminar rooms at a facility in East Hartford owned by the University of Connecticut.

Advisory Committee on Accreditation

The Advisory Committee on Accreditation, at its January meeting, found the program to be in compliance with the Board of Governors' approval standards.

STAFF REPORT: COMMISSIONER'S CONSENT CALENDAR

Institution: University of Hartford

Item: Licensure of a program in Prosthetics and Orthotics, leading to the Master of Science degree (MSPO)

Executive Summary

The University of Hartford in collaboration with Hanger Prosthetics and Orthotics, Inc. of Newington, has applied to the Board of Governors for Higher Education for licensure of a Master of Science in Prosthetics and Orthotics (MSPO). The University's plan, as it has developed this program, is to articulate the current B.S. in Health Sciences with the new entry level MSPO (BS/MSOP).

The University indicates that the proposed program responds to a change by The National Commission on Orthotic/Prosthetic Education (NCOPE) which has mandated that all current and developing Prosthetics and Orthotics educational programs be elevated to the Master's degree level by 2012. NCOPE previously allowed candidates to complete an individual certificate in either orthotics or prosthetics; however the new Master's degree requirement is for candidates to complete studies in both disciplines. That is the motivation for the creation of this program.

Implementation Steps

As part of its application for accreditation, the University should detail the success of its plans to augment the library, the development of a clinical skills lab, and a fabrication laboratory.

Advisory Committee on Accreditation

The Advisory Committee on Accreditation, at its meeting on January 15, 2009, reviewed the program and found it to be in compliance with Board of Governors' approval standards. The vote to recommend approval to the Board of Governors was all in favor.

Commissioner's Recommendation

It is recommended that the Board of Governors for Higher Education license a program in Prosthetics and Orthotics, leading to the Master of Science degree (MSPO), to be offered by the University of Hartford, for a period of three years, until March 31, 2012.

Description

Purpose and Objectives

The MSPO program will provide students with foundational science coursework in biomechanics, neuroscience, and kinesiology. Evidence-based practice will be encouraged through a scientific inquiry series.

The University states that the MSPO program will prepare graduates who provide entry-level clinical services in a safe, legal, ethical, and professional manner; employ effective communication strategies with colleagues, clients, and the public; engage in the process of evidence-based practice through scientific inquiry and development of new knowledge; appreciate the role of interdisciplinary collaboration; value cultural diversity within the profession and the community; assume a proactive role in partners with communities in health care decisions; participate in outcome assessments, peer reviews, and self assessments; assume a commitment to life-long learning and professional development and become critical thinkers.

Administration

The MSPO program will be housed within the Department of Physical Therapy and overseen by the Department's Chairperson.

Curriculum

The proposed MSPO program consists of 59 credits of didactic and laboratory instruction in three main areas: foundational sciences, prosthetics and orthotics practice, and research. In addition to the didactic and laboratory instruction, students will be completing several internship experiences during both the first and second years of the program. Students will also have the ability to take elective courses in Advanced Pediatrics, Clinical Practice in Gerontology or Educational Strategies, depending on their chosen program emphasis.

A sample program of study is attached.

Enrollment

The University projects an enrollment of 18-24 students a year.

Similar Programs

There are no similar programs available in Connecticut.

Educational Planning Context

The University notes that applicants are expected to come from all over the continental U.S., Canada and overseas (i.e., Korea, Taiwan). With strategic advertising and

promotion, externally and intra-institutionally, the University anticipates a draw from current undergraduates (8-10) who will follow a designated program of study leading to the Master's in Prosthetics and Orthotics, (BS/MSPO). The other point of entry would be those individuals who possess a Bachelor's degree or higher degree before entry into the program (8-10). These students would enter the program at the professional level and would have completed all the pre-requisite courses. The total enrollment from both points of entry should be 18-24 incoming students each year.

Resource Support

Faculty

The University lists five full-time and one part-time faculty member who will teach in the program. Also there are six adjuncts certified in prosthetics and orthotics.

Library and Learning Resources

The University of Hartford Library electronic periodical collection contains approximately 3,022 titles specific to medicine and health sciences; approximately 2,306 are specific to the medical sciences. This is a primary literature base for the field of prosthetics and orthotics.

Additionally, there are approximately 12 volumes directly related to orthotic and prosthetic clinical practice and another 100 – 200 volumes indirectly related to the subject area.

The University plans to augment the collection in the first year with \$5,000 and \$2,000 in each of the next two years.

Facilities and Equipment

The University notes that the program will take place in two different settings: on the main University of Hartford Campus and at the Newington Prosthetic and Orthotics at Hanger, Inc. in Newington. It includes full fabrication facilities, treatment/lab rooms and a multimedia lab video production facility for distance learning.

Space that will be specifically developed for the program at the University of Hartford includes:

General Classroom: The 18 courses taught by the Physical Therapy Department will be taught on campus during day hours, while the P&O courses will be taught late afternoon at Newington. An additional Classroom/laboratory space with state of art technology will be provided to be used primarily for the MSOP program.

Laboratory Spaces: One large clinical skills lab, approximately 800 square feet in size, will be developed for clinical skills labs and research for the MSPO program taught on campus.

Fabrication Lab: A fabrication lab on the University of Hartford campus will need to be available to make modifications and adjustments that will be part of the clinical lab experience on campus.

Advisory Committee on Accreditation

The Advisory Committee on Accreditation, at its January meeting, found the program to be in compliance with the Board of Governors' approval standards.

Introduction to Psychology	3 credits
Human Growth and Development	3 credits
Abnormal Psychology	3 credits
Chemistry I with Lab	4 credits
General Physics I & II with Lab	8 credits
Human Anatomy and Physiology I & II with Lab	8 credits
Statistics	3 credits
Trigonometry	3 credits

STAFF REPORT: COMMISSIONER'S CONSENT CALENDAR

Constituent Units: University of Connecticut
University of Connecticut Health Center
Connecticut State University
Community-Technical Colleges
Board for State Academic Awards

Item: Constituent Unit Operating Fund Reports for the Six-Month
Period Ending December 31, 2008

Executive Summary

Public Act 91-256 requires the constituent units of higher education to submit quarterly reports on operating fund expenditures. The Board is to complete its quarterly review and report its findings to the Office of Policy and Management and the Higher Education and Appropriations Committees of the General Assembly within 60 days of the close of each quarter.

The University of Connecticut recorded 51.2 percent of budgeted revenue through the second quarter of the fiscal year and expended 49.1 percent of budgeted expenditures. The University reports an operating fund balance of \$60.7 million and a research fund balance of \$18.6 million as of June 30, 2008, not including accrued compensated absences totaling \$25.0 million. The University projects that the operating fund balance will increase by \$1.0 million resulting in an estimated June 30, 2008 operating fund balance of \$61.7 million. (See Attachments A1 through A3.)

The University of Connecticut Health Center recorded 49.0 percent of budgeted revenue through the second quarter and expended 49.6 percent of budgeted expenditures. Through six months, the deficit is \$1.5 million higher than planned. The variance is largely the result of lower than planned revenue for the provision of interns and residents to area hospitals and losses at the UConn Medical Group due to lower than planned total visits along with lower than planned reimbursements. As of June 30, 2008, the Health Center reports an operating fund balance of \$29.2 million, not including the accrued compensated absences total of \$19.6 million and projects a planned loss in excess of \$13.0 million for an estimated fund balance of 16.0 million. (See Attachments B1 through B3.)

The Connecticut State University System recorded 72.1 percent of budgeted revenue in the second quarter of the fiscal year and expended 50.5 percent of budgeted expenditures. The State University reports an operating fund balance of \$36.2 million as of June 30, 2008, not including the accrued compensated absences total of \$33.3 million, and a projected the fund balance for 2009 of \$35.7 million as of June 30. (See Attachments C1 through C3.)

The Community-Technical College System recorded 58.9 percent of budgeted revenue in the second quarter of the fiscal year and expended 51.1 percent of budgeted expenditures. The community colleges report a preliminary audited operating fund balance of \$37.6 million as of June 30, 2008, not including the accrued compensated absences total of \$35.3 million, and project the fund balance will decrease by \$8.9 million to \$27.9 million as of June 30, 2009. (See Attachments D1 through D3.)

Charter Oak State College and the Connecticut Distance Learning Consortium are the two entities that make up the Board for State Academic Awards (BSAA). The BSAA recorded 56.3 percent of budgeted revenue in the second quarter of the fiscal year and expended 42.5 percent of budgeted expenditures. The BSAA anticipates ending the fiscal year with a consolidated fund balance of \$2.16 million, a reduction of just under \$642,000 from the June 30, 2008 fund balance. (See Attachments E1 through E3.)

Commissioner's Recommendation

It is recommended that the Board of Governors approve the operating fund quarterly reports for the six-month period ending December 31, 2008, for the University of Connecticut, University of Connecticut Health Center, Connecticut State University, Community-Technical College System and Board for State Academic Awards for submission to the Office of Policy and Management and the Appropriations and Education Committees.

2/25/09

Background

Public Act 91-256 requires the constituent units of higher education to submit quarterly reports on operating fund expenditures. These reports must be submitted to the Office of Policy and Management and the Appropriations Committee through the Board of Governors in a format determined by the Board.

Please note that the financial information contained in the comparisons of budgeted versus actual revenues and expenditures is reported on a cash basis unless otherwise noted (all receipts and disbursements in the current year regardless of which fiscal year earned or obligated). Included on these statements is a beginning and ending cash balance (cash on hand at a point-in-time, not to be confused with fund balance). The cash basis was adopted because it could be readily provided by all units, and it would allow the Office of Policy and Management to reconcile with records maintained by the State Comptroller. A separate statement on operating fund balances (the excess of assets over liabilities, or equity) is provided by the units, when available.

University of Connecticut

Operating Budget -- (Attachment A1)

The University of Connecticut's budget for FY 2009 includes \$939.4 million in revenues and \$938.3 million in expenditures and transfers for a projected gain of \$1.0 million. This net gain represents the \$1.0 million to repay the reserve for the November 2001 drawdown of \$11.5 million for the Towers Dining Center and Student Union. The operating budget is comprised of \$239.2 million in state appropriations, \$700.2 million in other operating revenues, of which approximately \$89.7 million is budgeted as the University's allotment of fringe benefit expenditures for employees funded by the general fund, and \$73.7 million of research fund revenues. The budget reflects the Governor's rescission of \$6.7 million in state support, the associated \$2.7 million reduction in state supported fringe benefits and an additional \$2.7 million reduction in collective bargaining support from the State's Reserve for Salary Adjustment account.

Budgeted operating fund expenditures and transfers total \$864.7 million and research expenditures total \$73.7 million. The budget includes mandatory transfers of \$24.2 million for debt service and non-mandatory transfers of \$18.6 million from auxiliary enterprises to the University's plant fund to support various capital improvement programs.

Through the second quarter, the University recorded \$443.1 million or 51.2 percent of budgeted operating revenue. The appropriation accounted for 52.0 percent of the budgeted State funding, and other operating fund revenue represented 50.7 percent of the remaining revenue. Tuition revenue collections, at 52.6 percent of budget, are higher than in recent years and reflect a 5.6 percent rate increase coupled with a 2.7 percent

increase in undergraduate degree-seeking students. Tuition revenue is forecast to be greater than budgeted due to higher than expected enrollment. Research revenue of \$38.7 million represented 52.5 percent of budget.

Operating fund expenditures and transfers of \$424.7 million represented 50.3 percent of the total budgeted expenditures of \$864.7 million, and research expenditures of \$42.6 million represented 57.9 percent of budget. At the end of the quarter, the percentage of the budget expended by major area was as follows:

Personal Services	50.3%
Fringe Benefits	48.3%
Other Expenses	55.7%
Equipment	60.8%
Student Aid	46.4%

All spending is generally consistent with historical experience. Energy expenses, included in other expenses, are projected to be below budget due to lower than expected non-cogeneration gas and electric consumption. However, other expenses in total are over budget due to prepaid library acquisitions and the cost of creating additional living space to accommodate higher than planned enrollment. Student aid funding is typically spent more heavily in the first half of the year, but is lower than last year's result and expected to be under budget due to slow implementation of the federally funded Teach Grant.

Collective bargaining settlements are reflected in budgeted and actual revenues and expenditures.

Overall, there is a net increase to the operating cash balance of \$4.6 million, for an estimated total cash balance of \$117.7 million at the end of the second quarter.

Projected Fund Balance – (Attachment A2)

The University reported an unaudited operating fund balance of \$60.7 million as of June 30, 2008. In FY 2009, the operating fund balance is projected to increase by \$1.0 million to \$61.7 million.

Unit Comments – (Attachment A3)

As part of the expanded quarterly report process, each unit agreed to include a brief narrative that highlights major programmatic and financial issues. This can be found on attachment A3.

University of Connecticut Health Center

Operating Budget -- (Attachment B1)

The University of Connecticut Health Center's operating budget for FY 2009 includes \$742.3 million in revenue and \$753.8 million in expenditures for a loss of \$11.5 million. The budget includes a \$105.0 million general fund appropriation, \$315.3 million in net patient care, \$89.2 million in research, \$42.0 million in income from interns and residents and \$104.2 million for the Correctional Managed Health Care Program.

Budgeted expenditures are comprised of \$130.8 million in academic expenditures, \$104.0 million in research expenditures, \$443.4 million in clinical expenditures and \$69.7 million in operating support. Academic expenditures include the medical and dental schools. Clinical expenditures include the John Dempsey Hospital, the UConn Medical Group and the Correctional Managed Care Health Program.

At the end of the second quarter, the Health Center recorded \$363.7 million, or 49.0 percent of budgeted revenue. General fund revenue, including the fringe benefit allotment, accounted for \$74.1 million or 50.8 percent of total budgeted general fund revenue and other revenue was \$289.5 million or 48.5 percent of the total budgeted. While the hospital continues to record volume increases, the total deficit is increasing due to lower than planned revenues for interns and residents and lower UConn Medical Group visits. In addition, UConn Medical Group's visits have shifted to Medicaid and Medicare from higher reimbursing private payers.

Operating expenditures of \$373.8 million represented 49.6 percent of the total budgeted. Through the second quarter, the percentage of the budget expended by major expenditure area was as follows:

Personal Services	49.0%
Fringe Benefits	50.0%
Other Expenses	50.7%
Medical/Dental House Staff	51.5%

All categories are generally in line with historical spending patterns. Expenses are below the budgeted plan, but the lower expenses cannot cover the revenue loss. Management continues implementation of a turnaround plan developed in conjunction with Price Waterhouse Coopers.

Overall, there is a net increase to the operating cash balance of \$4.7 million, for an estimated total cash balance of \$54.6 million as of the end of the second quarter.

Projected Fund Balances – (Attachment B2)

As of the June 30, 2008 there was an unaudited operating fund balance of \$29.2 million, an all funds balance of \$90.1 million, not including the accrued compensated absences total of \$35.9 million, and investments in plant of \$189.3 million. The Health Center is projecting a FY 2009 operating fund balance of \$16.0 million, an all funds balance of \$73.8 million, excluding the accrued compensated absences total of \$37.0 million, and investments in plant of \$195.1 million.

Unit Comments -- (Attachment B3)

As part of the expanded quarterly report process, each unit agreed to include a brief narrative that highlights major programmatic and financial issues. This can be found with attachment B3.

Connecticut State University

Operating Budget -- (Attachment C1)

The Connecticut State University's operating budget for FY 2009 includes \$600.6 million in revenues and \$601.1 million in expenditures generating an expected loss of \$430,967. The operating budget is comprised of \$242.2 million in state appropriations, including the fringe benefit allotment of \$78.3 million for employees paid by the general fund and \$358.4 million in operating revenues.

At the close of the second quarter, Connecticut State University recorded \$433.2 million in operating budget revenue, or 72.1 percent of budgeted revenue. The state appropriation, including fringe benefits, accounted for 48.6 percent of budget. Other operating revenue represented 88.0 percent of the total budgeted. Tuition and fee revenue was 88.5 percent of budget and auxiliary revenue collections were 104.0 percent of budget. Revenue collections were higher than plan, as well as last year, and reflect and enrollment increase of 2.3 percent.

Operating expenditures at the end of the quarter were \$303.5 million or 50.5 percent of the total budgeted expenditures of \$601.1 million. The percentage of the budgeted amount expended by major category was as follows:

Personal Services	49.4%
Fringe Benefits	46.2%
Other Expenses	42.8%
Equipment	66.2%
Student Aid	62.5%

Equipment is slightly higher than last year due to large purchases of library materials at the two largest campuses. All other spending is generally in line with past year levels.

The operating fund cash balance as of June 30, 2008 was \$124.0 million. Through the end of the second quarter, there was a net increase to the cash balance of \$22.6 million bringing the total to \$146.6 million.

Projected Fund Balance -- (Attachment C2)

The State University recorded an operating fund balance of \$36.2 million as of June 30, 2008. For FY 2009, the operating fund balance is projected to decrease to \$35.7 million, not including accrued compensated absences totaling \$35.0 million or specially designated funds.

Unit Comments -- (Attachment C3)

As part of the expanded quarterly report process, each unit agreed to include a brief narrative which highlights major programmatic and financial issues. This can be found on Attachment C3.

Community-Technical College System

Operating Budget -- (Attachment D1)

The Community-Technical College System's operating budget for FY 2009 includes \$433.5 million in revenues and \$438.3 million in expenditures for a planned loss of \$4.8 million. The planned loss represents a drawdown of reserves for energy costs, as well as an operating fund drawdown to offset the first quarter 2009 budget rescission. The revenue budget is comprised of \$167.7 million in estimated state appropriations, a fringe benefit allotment of \$75.9 million for employees paid by the general fund and \$189.9 million in operating revenues.

At the close of the second quarter, the system recorded \$254.7 million in operating budget revenue, or 58.8 percent of total budgeted revenue. The state appropriation accounted for \$81.0 million or 48.3 percent of the budgeted state appropriation. Other operating revenue was \$173.6 million or 65.3 percent of the total budget. Tuition and fee revenue collections represent 75.8 percent of budget and reflect a fall FTE enrollment increase of 6.5 percent over fall 2007 and a spring FTE enrollment increases of 8.7 percent over spring 2008. Private gifts and grants of \$1.7 million were well above the original budget as a result of gifts provided for various academic initiatives.

Operating expenditures at the end of the quarter were \$224.2 million or 51.1 percent of the total budgeted expenditures of \$438.3 million. The percentage of the budgeted amount expended by major category was as follows:

Personal Services	49.1%
Fringe Benefits	50.0%
Other Expenses	51.4%
Equipment	48.0%
Student Aid	61.3%

All expenditure categories are generally in line with historical spending patterns except Student Aid which reflects increases in the Federal Pell program as a result of increased enrollment of eligible students, as well as in the CAPCS funding provided by the State.

The operating fund cash balance as of June 30, 2008 was \$90.9 million. Through the end of the second quarter, there was a net increase to the cash balance of \$1.5 million bringing the total to \$92.4 million.

Projected Fund Balance -- (Attachment D2)

The Community-Technical College System’s preliminary audited fund balance for FY 2008 was \$37.6 million, excluding accrued compensated absences of \$35.3 million. For FY 2009, the system is projecting an operating loss (including the First Quarter FY 2009 rescission) of \$8.9 million which will lower the estimated fund balance to \$27.9 million excluding the accrued compensated absence liability.

Unit Comments -- (Attachment D3)

As part of the expanded quarterly report process, each unit agreed to include a brief narrative which highlights major programmatic and financial issues. This can be found on Attachment D3.

Board for State Academic Awards

Operating Budget -- (Attachment E1)

General fund appropriations, as well as operating fund resources, are included within BSAA’s operating fund. The operating budget for FY 2009 includes \$11.6 million in revenues and \$12.3 million in expenditures, indicating a planned deficit of just under \$642,000. The planned loss represents a drawdown of reserves to fund renovations, furnishings and other facility improvements. The revenue budget is comprised of \$3.7 million in general fund appropriations; \$2.8 million for Charter Oak State College and \$931,968 for the Connecticut Distance Learning Consortium, including the fringe benefit allotment of \$963,884 for employees paid by the general fund. Other operating revenues are budgeted at \$7.9 million.

At the close of the second quarter, the BSAA recorded \$6.6 million in operating budget revenue, or 56.3 percent of total budgeted revenue. General fund revenue through the end of the second quarter was \$1.9 million or 50.0 percent of the total budget. Other second quarter operating revenue totaled \$4.7 million or 59.4 percent of total budget led by fee revenue collections at 61.3 percent of budget. This is consistent with enrollment increases for degree candidates and distance learning courses.

Operating expenditures at the end of the quarter were \$5.2 million or 42.5 percent of total budgeted expenditures of \$12.3 million. The percentage of the budgeted amount expended by major category was as follows:

Personal Services	48.9%
Fringe Benefits	48.5%
Other Expenses	37.2%
Equipment	N/A
Student Aid	52.7%

Expenditures are in line with historical spending with the exception of other expenses. These will increase during the third quarter to reflect renovations, furnishings, and equipment related to the Alumni Road leased space expansion. Equipment, which has no budget, is usually funded from the Capital Equipment Purchase Bond Funds. However, due to the absence of capital equipment fund allotments this year, any expenses in this area will be funded through operating dollars.

Overall, the net increase to the operating cash balance for the second quarter was \$1.3 million, bringing the cash balance to \$4.1 million.

Projected Fund Balance -- (Attachment E2)

Charter Oak and CTDLC anticipate using about \$642,000 from reserves to cover the planned operating budget shortfall. This scenario will result in an estimated consolidated fund balance of \$2.2 million at year-end, excluding accrued compensated absences of approximately \$1.7 million.

Unit Comments -- (Attachment E3)

As part of the expanded quarterly report process, each unit agreed to include a brief narrative which highlights major programmatic and financial issues. This can be found on Attachment E3.

Commissioner's Recommendation

It is recommended that the Board of Governors approve the operating fund quarterly reports for the six-month period ending December 31, 2008, for the University of Connecticut, University of Connecticut Health Center, Connecticut State University, Community-Technical College System and Board for State Academic Awards for submission to the Office of Policy and Management and the Appropriations and Education Committees.

2/25/09

University of Connecticut
Statement of Operating Budget Revenues and Expenses
for the Six Months Ending December 31, 2008

	Operating Budget					Actual				
	Total	Research	Operating Fund			Total	Research	Operating Fund		
			Subtotal	E&G	Auxiliary Enterprise			Subtotal	E&G	Auxiliary Enterprise
Revenues										
State Appropriations (1)	\$ 239,155,605	\$ -	\$ 239,155,605	\$ 239,155,605	\$ -	\$ 124,755,997	\$ -	\$ 124,755,997	\$ 124,755,997	\$ -
Fringe Benefit Allotment	89,742,687	-	89,742,687	89,742,687	-	46,285,237	-	46,285,237	46,285,237	-
Tuition	204,168,077	-	204,168,077	197,990,494	6,177,583	107,404,312	-	107,404,312	101,549,157	5,855,155
Fees	82,601,020	-	82,601,020	57,121,016	25,480,004	40,579,880	-	40,579,880	15,099,876	25,480,004
Grants & Contracts	127,012,703	73,484,347	53,528,356	52,968,477	559,879	65,935,145	38,689,528	27,245,617	26,823,221	422,396
Endowment/Foundation	22,614,800	50,000	22,564,800	10,350,800	12,214,000	5,078,686	(21,995)	5,100,681	3,656,932	1,443,749
Investment Income	5,382,645	-	5,382,645	5,382,645	-	2,763,422	-	2,763,422	2,722,696	40,726
Sales & Services of Educ.	16,933,666	50,000	16,883,666	16,883,666	-	7,935,895	28,166	7,907,729	7,907,729	-
Auxiliary Enterprises	140,391,547	-	140,391,547	-	140,391,547	75,209,760	-	75,209,760	-	75,209,760
All Other Revenues	11,348,345	102,250	11,246,095	11,246,095	-	5,915,296	25,363	5,889,933	5,865,654	24,279
Total Revenue	\$ 939,351,095	\$ 73,686,597	\$ 865,664,498	\$ 680,841,485	\$ 184,823,013	\$ 481,863,630	\$ 38,721,062	\$ 443,142,568	\$ 334,666,499	\$ 108,476,069
Expenses										
Personal Services	\$ 440,255,361	\$ 36,736,235	\$ 403,519,126	\$ 351,657,934	\$ 51,861,192	\$ 222,932,474	\$ 19,981,561	\$ 202,950,913	\$ 175,478,719	\$ 27,472,194
Fringe Benefits	149,090,416	8,816,696	140,273,719	120,368,362	19,905,357	72,741,990	4,967,353	67,774,637	58,535,784	9,238,853
Other Expenses	198,962,721	20,856,900	178,105,821	103,765,356	74,340,465	112,888,583	13,672,468	99,216,115	54,572,329	44,643,786
Equipment	15,626,765	3,626,765	12,000,000	9,955,235	2,044,765	8,982,676	1,692,647	7,290,029	6,085,197	1,204,832
Student Aid (2)	91,632,796	1,150,000	90,482,796	80,872,417	9,610,379	42,076,548	104,344	41,972,204	37,011,986	4,960,218
Debt Service	24,182,054	-	24,182,054	11,212,181	12,969,873	12,265,065	-	12,265,065	5,487,839	6,777,226
Non-Mandatory Transfers	18,590,982	2,500,000	16,090,982	2,000,000	14,090,982	(4,546,011)	2,221,994	(6,768,005)	(13,440,645)	6,672,640
Total Expenses/Transfers	\$ 938,341,095	\$ 73,686,597	\$ 864,654,498	\$ 679,831,485	\$ 184,823,013	\$ 467,341,325	\$ 42,640,367	\$ 424,700,958	\$ 323,731,209	\$ 100,969,749
Adjustments	-	-	-	-	-	-	-	-	-	-
Net Gain(Loss)	\$ 1,010,000	\$ -	\$ 1,010,000	\$ 1,010,000	\$ -	\$ 14,522,305	\$ (3,919,305)	\$ 18,441,609	\$ 10,935,290	\$ 7,506,320
Net Inc (Dec) to Cash										4,647,619
Cash Balance 6/30/08										113,058,991
Balance 9/30/08										117,706,610

(1) State Appropriation	229,416,160
Collective bargaining	16,476,674
Rescission	(6,737,229)
Total Support	239,155,605

UNIVERSITY OF CONNECTICUT
Statement of Changes in Fund Balance
FY 2009

	<u>Operating</u>	<u>Research</u>	<u>Other</u>	<u>Total</u>
<u>Revenues and Expenditures</u>				
Revenues	\$ 865,664,498	\$ 73,686,597	\$ 265,786,706	\$ 1,205,137,801
Expenditures and Transfers	<u>864,654,498</u>	<u>73,686,597</u>	<u>177,826,715</u>	<u>1,116,167,810</u>
Net Increase (Decrease)	\$ 1,010,000	\$ -	\$ 87,959,991	\$ 88,969,992
<u>Fund Balance and Reserves</u>				
Fund Balance, 6/30/08 (unaudited)				
Restricted/Capital Assets	\$ 14,249,046	\$ 380,047	\$ 1,227,683,531	\$ 1,242,312,625
Unrestricted	<u>46,466,166</u>	<u>18,196,251</u>	<u>71,121,809</u>	<u>135,784,226</u>
Total	\$ 60,715,212	\$ 18,576,298	\$ 1,298,805,340	\$ 1,378,096,851
Compensated Absences	\$ 25,018,064			
Operating Change Restricted	\$ -	\$ -	\$ 101,527,500	\$ 101,527,500
Unrestricted	<u>1,010,000</u>	<u>-</u>	<u>(13,567,509)</u>	<u>(12,557,509)</u>
Net Increase (Decrease)	\$ 1,010,000	\$ -	\$ 87,959,991	\$ 88,969,992
Fund Balance, 6/30/09				
Restricted/Capital Assets	\$ 14,249,046	\$ 380,047	\$ 1,329,211,031	\$ 1,343,840,125
Unrestricted	<u>47,476,166</u>	<u>18,196,251</u>	<u>57,554,300</u>	<u>123,226,717</u>
Total	\$ 61,725,212	\$ 18,576,298	\$ 1,386,765,332	\$ 1,467,066,843
Compensated Absences	\$ 25,518,426			

University of Connecticut (Storrs & Regional Campuses)

Quarterly Overview of the Operating and Research Funds For the Six Months Ended December 31, 2008

Summary

On September 23, 2008, the Board of Trustees approved a Revised Spending Plan for Fiscal Year 2009 of \$938.3 million. This budget included \$939.3 million of revenue to cover \$938.3 million in expenses, yielding a \$1.0 million net gain. The net gain is the \$1.0 million reserve repayment for the November 2001 drawdown of \$11.5 million for the Towers Dining Center and Student Union.

Financial results for the first six months of Fiscal Year 2009 reflected a number of different factors when compared to budget. Actual revenue totaled \$481.8 million or 51.3% of the budget. At the close of December, the University expenditures and transfers totaled \$467.3 million or 49.8% of the budget.

The net gain for the Operating Fund shown in this six month report is not indicative of expected annual results, as most Operating Fund revenue is typically received in the first and second quarters of the fiscal year while expenditures are more evenly distributed throughout the year.

A more detailed review of the first six months of Fiscal Year 2009 operations is presented below.

Revenues - Operating Fund

Total **Operating Fund** revenue collections for the first six months of Fiscal Year 2009 were \$443.1 million which represented 51.2% of the annual budget. At this point last fiscal year, Operating Fund revenue collections represented 50.6% of the annual budget. A major source of revenue, **State Support**, consisted of a \$124.7 million appropriation and a fringe benefit allotment of \$46.3 million. State Support represented 38.6% of total Operating Fund receipts for the first six months. On June 24, 2008, the Governor issued a directive which reduced the Fiscal Year 2009 State appropriation allotment by \$6.7 million or 3%; associated fringe benefit support was also reduced by \$2.7 million for a total of \$9.4 million. This rescission and the anticipated reduction in collective bargaining support from the State's Reserve for Salary Adjustment account of approximately \$2.7 million (includes estimated fringe benefits) were reflected in the Revised Spending Plan for Fiscal Year 2009. Since the spending plan was revised in September, the Governor reduced the Regional Campus allotment by \$0.2 million on December 17, 2009.

Tuition collections were the second largest source of revenue, totaling \$107.4 million, which represented 24.2% of total Operating Fund receipts. Tuition receipts were 52.6% of the annual amount budgeted (\$204.2 million) which is more than recent experience. Tuition revenue collections reflect a 5.6% rate increase coupled with a 2.7% increase in the number of undergraduate degree-seeking students who account for approximately 86.6% of budgeted tuition revenues. The revised Board of Trustee budget was only based on a 1.6% increase in undergraduate degree-seeking students. Therefore, tuition revenue is forecasted to be greater than budgeted due to higher enrollment than expected.

University of Connecticut (Storrs & Regional Campuses)

Fee revenue is comprised of course fees from summer school, part-time, and non-degree students as well as self-supporting programs (off campus MBA, EMBA, etc.). Also included in this category is the General University Fee, which primarily supports four Auxiliary Enterprise programs and various other fees such as the Infrastructure Maintenance Fee, Application Fees and Late Payment Fees. The first six months Fee collections were \$40.6 million or 49.1% of the amount budgeted. This category is forecasted to be less than budgeted primarily due to fewer than projected students in fee based self-supporting academic programs.

Auxiliary Enterprise Revenue for the first six months of Fiscal Year 2009 was \$75.2 million which represented 53.6% of the annual budgeted amount and is forecasted to be ahead of budget at year end due to a greater amount of students housed and a more meal plans than anticipated. Auxiliary revenue consisted primarily of Room and Board Fees which reflect rate increases of 8.3% and 6.3% respectively (\$57.7 million) and Athletic Department receipts (\$15.4 million).

Gifts, Grants and Contracts revenue consists of restricted revenues from a granting agency or private donor and gifts transferred from the UConn Foundation. For the first six months of Fiscal Year 2009, Gifts, Grants and Contracts revenue of \$32.3 million, which included \$5.1 million from the UConn Foundation, was 42.5% of the annual budget and is forecasted to be less than the budget at year end due to slower implementation of the federally funded Teach Grant and less funds transferred from the Foundation for Athletics than expected.

Investment Income for the first two quarters of Fiscal Year 2009 was \$2.8 million. Interest rates continue to fall with the rate for December 2008 at 1.69% compared to 4.64% in December 2007. Investment income for the year is projected to be below budget by \$0.8 million. Actual results will depend on interest rates and the University's cash balance through the second half of the fiscal year.

Sales and Services of Educational Activities and Other Sources (primarily parking, transit fee, and rental income) revenue totaled \$13.8 million and are on budget for the year.

Revenues - Research Fund

With respect to the **Research Fund**, the granting agency or donor restricts most of the revenues. For the first six months, Research Fund revenues were \$38.7 million and represented 52.5% of the amount budgeted. In Fiscal Year 2008, Research Fund revenues reported in the first six months totaled \$38.3 million and represented 55.3% of the amount budgeted. This category is forecasted to be slightly ahead of budget at year end due to increased revenues from NIH and NSF grants.

Expenditures - Operating Fund

Total Operating Fund expenditures (excluding transfers) for the first six months of Fiscal Year 2009 were \$419.2 million or 50.9% of the annual budgeted amount. The spending pattern of the first two quarters of Fiscal Year 2008 reflected expenditures of 49.0% of the annual budget. Individual categories of expenditures as a percentage of the annual budget were as follows:

University of Connecticut (Storrs & Regional Campuses)

Personal Services	50.3%
Fringe Benefits	48.3%
Other Expenses	55.7%
Equipment	60.8%
Student Aid	46.4%

Personal Services/Fringe Benefits represents 49.8% of the annual budgeted amount of \$543.8 million and the year-end projection is forecasted to be ahead of budget partially due to a slower attrition rate than expected. The University was able to identify resources to fund a net increase of 30 full-time faculty defined by the IPEDS federal reporting standard. The hiring of the additional full-time faculty is part of the on-going effort to meet the course coverage demands of increased undergraduate enrollment. The personal service and fringe benefit expenditures will continue to be monitored closely throughout the year as they represent 62.9% of the Operating Fund expenditure budget.

Other Expenses (including energy costs) were \$99.2 million for the first six months and represented 55.7% of the amount budgeted. Energy expenditures are projected to be slightly under budget due to lower than expected non-cogeneration gas and electric consumption. Other Expenses (excluding energy costs) were ahead of budget due to two contributing factors. Library acquisitions which were classified as prepaids at June 30, 2008 are now included in actual expenditures. Also, Residential Life spent additional funds to convert existing space into dorm rooms and to purchase furniture to accommodate the higher than anticipated enrollment.

Equipment expenditures of \$7.3 million were 60.8% of the amount budgeted and are forecasted to be on budget at year-end.

Student Aid funds are predominantly spent in the first and third quarter of the fiscal year. For the first two quarters, Student Aid expenditures were \$42.0 million and represented 46.4% of the amount budgeted. This category is expected to be slightly under budget for the year due to slower implementation of the federally funded Teach Grant than expected.

Expenditures - Operating Fund Transfers

Transfers for the first two quarters reflect bond and installment loan payments as well as payments for the capital lease for the cogeneration plant. Transfers do not always follow a predictable pattern, especially in the first six months, so quarterly results or comparisons are not necessarily indicative of annual results.

Expenditures - Research Fund

Finally, **Research Fund** expenditures and transfers totaled \$42.6 million and represented 57.9% of the budgeted amount. Research Fund transfers include \$2.5 million for faculty start-up equipment. Because of the variability of research expenditures, quarterly comparisons are not necessarily indicative of annual results. In Fiscal Year 2008, Research Fund expenditures and transfers reported in the first six months totaled \$37.8 million and represented 54.5% of the budgeted amount.

University of Connecticut (Storrs & Regional Campuses)

Enrollment

Total University enrollment for fall 2008 (excluding the Health Center) was up 2.4% from fall 2007. First semester freshmen enrollment was up 12.3% from fall 2007 and total undergraduate enrollment (degree and non-degree) was up 2.5%. The current year budget was based on a projected 1.2% increase in total University enrollment and a projected 1.6% increase in undergraduate enrollment.

Cash Balance

The December 31, 2008 current funds cash balance was \$117.7 million, \$17.7 million less than December 2007 which was \$135.4 million. The current funds cash balance reflected the collection of 51.3% of budgeted revenue while total expenditures and transfers were 49.8% of budget. The cash balance is expected to decrease as expenditure outlays exceed future revenue collections as the year progresses. Also, the December 31, 2008 cash balance represented 13.6% of the annual expenditure budget as compared to 15.0% one-year ago.

Fund Balance

The University's revised budget is forecasted to have a net gain of \$1.2 million for the fiscal year ended June 30, 2009, which results in a Current Funds Unrestricted Fund Balance of \$65.9 million (Operating Fund-\$47.7 million; Research Fund-\$18.2 million). The fund balance represents 8.0% of the current year's unrestricted expenditure budget. Also, in accordance with standard University procedures, centrally funded unrestricted fund balances are carried forward in departmental accounts and are available for expenditure in the current and future fiscal years. The Fiscal Year 2009 revised budget assumes a consistent level of departmental fund balances at June 30, 2009. Any variance from this assumption will affect the projected fund balance level at year-end.

University of Connecticut Health Center
Statement of Operating Budget Revenues and Expenses
for the Six Months Ending December 31, 2008

	Operating Budget						Actual					
	Total	Academic	Research	Clinical	Hospital	Operating Support	Total	Academic	Research	Clinical	Hospital	Operating Support
Revenues												
State Appropriations (1)	\$ 104,963,000	\$ 41,207,664	\$ 3,183,772	\$ 20,917,920	\$ -	\$ 39,653,644	\$ 53,561,232	\$ 20,538,246	\$ 1,487,822	\$ 11,609,034	\$ -	\$ 19,926,130
Fringe Benefit Allotment	40,937,871	14,658,560	1,132,545	7,441,009	3,600,000	14,105,758	20,570,646	7,250,810	525,260	4,098,446	1,661,421	7,034,709
Tuition	10,229,501	10,229,501	-	-	-	-	5,025,822	5,025,822	-	-	-	-
Fees	5,560,560	5,477,910	180	-	22,630	59,840	2,876,596	2,798,259	-	-	18,337	60,000
Grants and Contracts	89,156,047	-	89,156,047	-	-	-	43,465,262	20,135	43,445,127	-	-	-
Auxiliary Enterprises	13,417,229	8,132,952	1,701,418	479,981	371,245	2,731,633	7,163,660	4,005,742	1,233,595	308,288	311,804	1,304,231
Interns and Residents	41,994,983	41,994,863	-	-	-	120	17,156,512	17,156,512	-	-	-	-
Net Patient Care	315,268,544	4,932,190	-	83,293,557	226,193,103	849,694	157,843,445	1,409,661	-	42,599,951	113,496,309	337,524
Correctional Managed Care	104,194,273	-	-	104,194,273	-	-	50,825,334	-	-	50,825,334	-	-
Endowment/Foundation	4,655,911	1,853,015	2,077,896	-	725,000	-	1,942,626	900,782	1,041,844	-	-	-
All Other Revenues	11,936,712	878,892	1,761,017	6,073,724	2,647,667	575,412	3,224,272	504,284	946,555	-	1,588,967	184,466
Total Revenue	742,314,632	129,365,547	99,012,875	222,400,464	233,559,645	57,976,101	363,655,407	59,610,253	48,680,203	109,441,053	117,076,838	28,847,059
Expenses												
Personal Services	\$ 379,430,081	\$ 66,052,524	\$ 48,306,043	\$ 128,450,185	\$ 99,931,822	\$ 36,689,507	\$ 186,021,964	\$ 32,357,339	\$ 24,509,298	\$ 62,360,327	\$ 49,952,055	\$ 16,842,945
Fringe Benefits	105,409,822	18,529,256	13,793,376	17,385,339	40,259,465	15,442,386	52,694,875	9,049,807	7,536,560	8,224,091	20,424,156	7,460,261
Other Expenses	186,225,450	9,618,624	34,551,316	42,447,158	89,260,819	10,347,533	93,433,759	4,103,530	15,981,143	23,312,477	46,109,921	3,926,688
Medical Contract Support	15,585,085	2,989,588	209,422	7,837,056	4,549,019	-	7,845,659	1,326,366	-	4,104,292	2,412,961	2,040
Medical/Dental House Staff	36,983,086	36,973,086	10,000	-	-	-	19,030,125	18,805,486	100,126	-	124,513	-
Outside Agency Per Diems	1,686,229	140,550	171,711	457,088	916,880	-	948,928	15,020	53	320,040	613,815	-
Depreciation	28,458,189	1,708,336	6,948,000	1,010,000	11,577,000	7,214,853	13,854,226	585,773	3,474,000	428,639	5,388,582	3,977,232
Non-Mandatory Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses/Transfers	\$ 753,777,942	\$ 136,011,964	\$ 103,989,868	\$ 197,586,826	\$ 246,495,005	\$ 69,694,279	\$ 373,829,536	\$ 66,243,321	\$ 51,601,180	\$ 98,749,866	\$ 125,026,003	\$ 32,209,166
Adjustments												
Net Gain(Loss)	\$ (11,463,310)	\$ (6,646,417)	\$ (4,976,993)	\$ 24,813,638	\$ (12,935,360)	\$ (11,718,178)	\$ (10,174,129)	\$ (6,633,068)	\$ (2,920,977)	\$ 10,691,187	\$ (7,949,165)	\$ (3,362,107)
Net Inc (Dec) to Cash												4,656,871
Cash Balance 6/30/08												49,929,191
Balance 9/30/08												54,586,062

(1) State Appropriation	101,963,598
CT Health Info Network	500,000
Collective bargaining	4,173,080
Total Support	106,636,678

UNIVERSITY OF CONNECTICUT HEALTH CENTER

Statement of Changes in Fund Balance

All Funds

	<u>Operating</u>	<u>UConn Medical Group</u>	<u>JDH</u>	<u>Plant</u>	<u>Total</u>
<u>Revenues and Expenditures</u>					
Revenues	\$ 406,646,046	\$ 90,910,454	\$ 244,758,132		\$ 742,314,632
Expenditures and Transfers	<u>398,697,147</u>	<u>94,444,753</u>	<u>260,636,042</u>		<u>753,777,942</u>
Net Increase (Decrease)	\$ 7,948,899	\$ (3,534,299)	\$ (15,877,910)	\$ -	\$ (11,463,310)
<u>Fund Balance and Reserves</u>					
Fund Balance, 6/30/08					
Restricted	\$ 4,685,874	\$ -	\$ 146,345	\$ 28,069,480	\$ 32,901,699
Unrestricted	<u>24,479,625</u>	<u>30,888,949</u>	<u>1,808,030</u>	<u>-</u>	<u>57,176,604</u>
Total	\$ 29,165,499	\$ 30,888,949	\$ 1,954,375	\$ 28,069,480	\$ 90,078,303
Compensated Absences	\$ 19,625,265	\$ 3,879,293	\$ 12,394,185	\$ -	\$ 35,898,743
Investment in Plant	\$ -	\$ 7,907,336	\$ 50,734,982	\$ 130,677,597	\$ 189,319,915
Change Restricted	\$ 46,859	\$ -	\$ 1,463	\$ -	\$ 48,322
Change Unrestricted	<u>(13,236,845)</u>	<u>259,829</u>	<u>(3,314,380)</u>	<u>-</u>	<u>(16,291,396)</u>
Net Increase (Decrease)	\$ (13,189,986)	\$ 259,829	\$ (3,312,917)	\$ -	\$ (16,243,074)
Fund Balance, 6/30/09					
Restricted	\$ 4,732,733	\$ -	\$ 147,808	\$ 28,069,480	\$ 32,950,021
Unrestricted	<u>11,242,780</u>	<u>31,148,778</u>	<u>(1,506,350)</u>	<u>-</u>	<u>40,885,208</u>
Total	\$ 15,975,513	\$ 31,148,778	\$ (1,358,542)	\$ 28,069,480	\$ 73,835,229
Compensated Absences	\$ 20,569,381	\$ 3,794,128	\$ 12,563,530	\$ -	\$ 36,927,039
Investment in Plant	\$ -	\$ 18,397,336	\$ 51,036,953	\$ 125,693,686	\$ 195,127,975



Fiscal Year 2009
Results of Operations
As of December 31, 2008



Consolidated Financial Reports Financial Update & Highlights

TO: Members, Finance Sub-Committee
FROM: John M. Biancamano, Chief Financial Officer
DATE: December 31, 2008
SUBJECT: Unaudited FY 2009 Financial Results for the 6 month period ending December 31, 2008.

Introduction:

The following provides highlights for the results of operations for the six month period ending December 31, 2008:

The actual deficiency for the Fiscal Year to Date is \$10.2 million as compared to a budgeted deficiency of \$8.7 million, for an unfavorable variance of \$1.5 million. For the month of December, the actual deficiency is \$3.1 million as compared to a budgeted deficiency of \$1.8 million, for an unfavorable variance of \$1.3 million. Key drivers of budget variances are outlined in this package. The Health Center's outside and other purchased services, while favorable to budget, include consulting costs related to the ongoing hospital affiliation discussions and PricewaterhouseCoopers organizational improvement efforts. The unbudgeted portion of these costs was \$1.7 million.

Education, Research & Institutional Support

The result of operations before State Appropriations is unfavorable to the budget by \$1.3 million year to date and \$286,000 for the month of December. The primary reason for the unfavorable budget variance year to date is that the School of Medicine revenue from billings to participating hospitals for providing residents and interns are below the budget. The impact to the results of operations is a net decrease in revenue of \$3.4 million.

Significant year to date highlights include:

- The School of Medicine total expenses were favorable to budget by \$1.0 million (1.7%)
- The School of Dental Medicine total expenses were favorable to budget by \$930,000 (7.3%)
- Research results of operations were unfavorable to budget by \$275,000 (5.9%)
- Institutional results of operations were favorable to budget by \$2.7 million (8.2%)

Clinical

	<u>Results of Operations</u>					<u>Results of Operations</u>			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percent</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percent</u>
John Dempsey Hospital					UConn Medical Group				
Month of December	(\$1,385)	(\$666)	(\$719)	-108.0%	Month of December	(\$1,667)	(\$1,144)	(\$523)	-45.7%
Year-to-Date	(\$7,787)	(\$8,195)	\$408	5.0%	Year-to-Date	(\$5,384)	(\$3,644)	(\$1,740)	-47.7%

- See detail analysis of revenues and expenses on the following pages

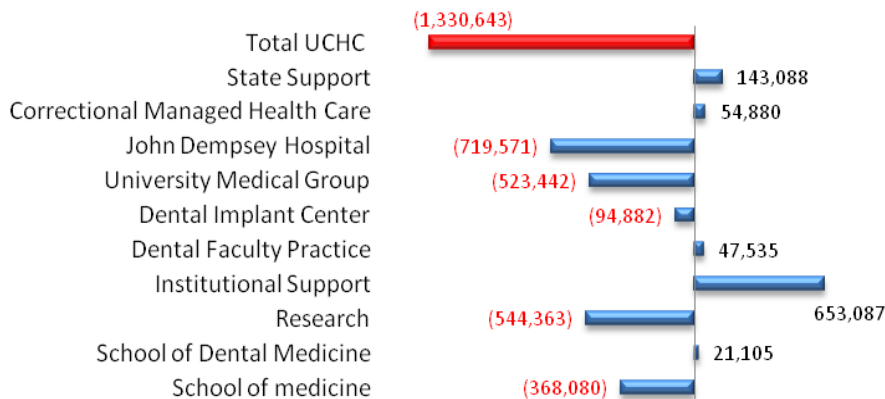


Key Financial and Statistical Indicators

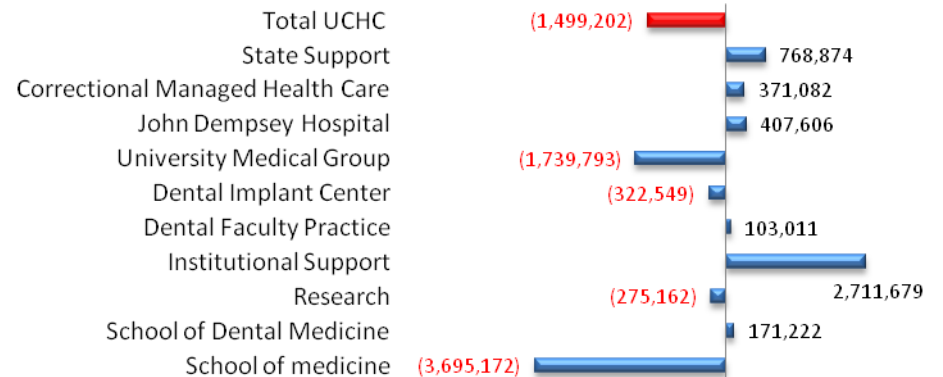
For the period ending December 31, 2008 (in thousands)

Line #	Category	Current Month					Year - to - Date						
		Actual	Budget	Variance	Percent	Prior Year	Actual	Budget	Variance	Percent	Prior Year	Variance	Percent
1	Total UCHC Excess/ Deficiency	(\$3,143)	(\$1,813)	(\$1,330)	-73.4%	(\$4,084)	(\$10,174)	(\$8,675)	(\$1,499)	-17.3%	(\$10,343)	\$169	1.6%
2	Education, Research & Institutional Support-Excess/(Deficiency)	(\$12,179)	(\$11,894)	(\$285)	-2.4%	(\$11,008)	(\$69,841)	(\$68,534)	(\$1,307)	-1.9%	(\$60,919)	(\$8,922)	-14.6%
3	John Dempsey Hospital - Excess/(Deficiency)	(\$1,385)	(\$666)	(\$719)	-108.0%	(\$3,405)	(\$7,787)	(\$8,195)	\$408	5.0%	(\$12,438)	\$4,651	37.4%
4	UMG - Excess/(Deficiency)	(\$1,667)	(\$1,144)	(\$523)	-45.7%	(\$1,043)	(\$5,384)	(\$3,644)	(\$1,740)	-47.7%	(\$2,850)	(\$2,534)	-88.9%
5	CMHC - Excess/(Deficiency)	\$55	\$0	\$55		\$61	\$368	(\$4)	\$372	9300.0%	(\$274)	\$642	234.3%
6	State Appropriation-Block Grant	\$8,919	\$8,822	\$97	1.1%	\$8,344	\$53,561	\$52,981	\$580	1.1%	\$48,566	\$4,995	10.3%
7	Fringe Benefits & Other Adjustments	\$3,115	\$3,069	\$46	1.5%	\$2,968	\$18,909	\$18,720	\$189	1.0%	\$17,571	\$1,338	7.6%
8	Total State Support	\$12,034	\$11,891	\$143	1.2%	\$11,312	\$72,470	\$71,701	\$769	1.1%	\$66,137	\$6,333	9.6%
9	Total Revenues (000's)	\$48,058	\$49,118	(\$1,060)	-2.2%	\$44,772	\$289,524	\$296,471	(\$6,947)	-2.3%	\$273,168	\$16,356	6.0%
10	Total Expenses (000's)	\$63,484	\$63,087	\$397	0.6%	\$60,167	\$373,830	\$378,576	(\$4,747)	-1.3%	\$349,648	\$24,182	6.9%
11	Research Awards	\$3,594	\$2,843	\$751	26.4%	\$3,103	\$43,228	\$45,480	(\$2,252)	-5.0%	\$45,088	(\$1,860)	-4.1%
12	Research Revenue Recognition in Financial Statements	\$6,518	\$7,340	(\$822)	-11.2%	\$6,897	\$43,445	\$44,310	(\$865)	-2.0%	\$41,358	\$2,087	5.0%

Budget Variance by Program - Month



Budget Variance by Program - Year to Date





John Dempsey Hospital

Results of Operations:

Year-to-date the deficit is \$7.8 million compared to a budgeted deficit of \$8.2 million, for a favorable variance of \$408,000. The deficit for the same period last year was \$12.4 million. The month of December shows a deficit of \$1.4 million compared to a budgeted deficit of \$666,000, for an unfavorable variance of \$720,000. The deficit for the same period last year was \$3.4 million. Other significant highlights include:

Volume: Year to Date

Inpatient discharges are unfavorable to the budget plan by 4 cases (.1%) and are above last year by 54 cases (1.1%).

Outpatient visits are unfavorable to the budget plan by 3,468 cases (1.8%) and are above last year by 7,796 cases (4.3%).

The key drivers for inpatient volume year-to-date are:

- Cardiology is 48 cases above budget and 66 cases above last year
- Oncology is below budget 85 cases and below last year 81 cases
- Psychiatry is below budget 83 cases and below last year 78 cases
- Overall Inpatient Surgery cases which are included in multiple service lines are above budget 125 cases and above last year by 195 cases

The key drivers for outpatient volume year-to-date are:

- Compared to Budget
 - Areas that are below budget are Outpatient surgery (9%), Emergency Department (6%); MRI (3%)
 - Areas that are above budget are Cardiology related tests (EKG's – 21%; EP Lab – 25%); Physical Therapy 14%

Volume: Month

December inpatient discharges were favorable to the budget plan by 25 cases (3.3%) and above last December by 26 cases (3.4%).

December outpatient visits were favorable to the budget plan by 3,416 visits (12.3%) and above last December by 4,752 visits (17.9%).



Net Revenue: Year to Date

Year-to-date total net patient revenue is favorable to the budget plan by \$1.6 million (1.3%) and is above last year by \$12.7 million (11.8%).

The key drivers for net revenue are:

- Compared to Budget
 - Net Revenue per adjusted discharge is below the budgeted plan by \$182 (1.5%) but adjusted discharges are above budget by 294 discharges (2.9%)
 - Case mix index is 1.4925 compared to a budget of 1.4421
 - Net Revenue per adjusted discharge is above last year by \$841 (7.8%)

Significant variances for inpatient payer mix:

- Compared to Budget
 - Medicare discharges are above the budgeted plan by 46 cases (2.4%)
 - Medicaid discharges are above the budgeted plan by 25 cases (5.3%)
 - Managed Care discharges are below the budgeted plan by 46 cases (2.8%)
 - Correctional Managed Health Care is below the budgeted plan by 6 cases (3.2%)



Net Revenue: Month

December's net revenue is favorable to the budget plan by \$1.1 million (5.5%) and is above last year by \$4.0 million (23.6%).

The key drivers for net revenue are:

- Compared to Budget
 - Net Revenue per adjusted discharge is above the budgeted plan by \$693 (5.5%)
 - Net Revenue per adjusted discharge is above last year by \$2,449 (22.5%)
 - These increases are the result of significant efforts in revenue cycle improvement

Significant monthly variances for inpatient payer mix:

- Compared to Budget
 - Medicare discharges are ahead of the budgeted plan by 34 cases (11.8%)
 - Medicaid discharges are below the budgeted plan by 4 cases (3.4%)
 - Managed Care discharges are below budget 7 cases (2.8%)
 - Correctional Managed Health Care is below the budgeted plan by 29 cases (>100%)

Expenses

- Expenses tracked with second quarter revenue increases and are now unfavorable to the budget by \$1.1 million (0.9%) on a year to date basis and \$8.1 million (6.6%) unfavorable to prior year.
- Drugs are over budget year to date by \$964,000 of which \$331,000 relates to the current month. JDH has seen an increase in patients requiring special anticoagulant medication which has driven drug costs beyond their budgeted levels. In December the hospital treated two such patients who received pharmaceuticals costing \$206,000.

UConn Medical Group

Results of Operations

Year-to-date the deficit is \$5.38 million compared to a budgeted deficit of \$3.64 million, for an unfavorable variance of \$1.74 million. The deficit for the same period last year was \$2.85 million an unfavorable change of \$2.53 million. The Month of December shows a deficit of \$1.67 million compared to a budgeted deficit of \$1.14 million for an unfavorable variance of \$523,000. The drivers for the year-to-date deficit are:

- Anesthesiology is unfavorable to the budget plan by \$683,000
- The results with Anesthesiology removed show an unfavorable variance of \$1,056,000
- Total revenue is unfavorable to the budget by \$1,070,000
- Total expenses are unfavorable to the budget by \$670,000

Net Revenue: Year to Date

Net patient revenue is unfavorable to the budget plan by \$906,000 (2.1%) and is above last year by \$1.67 million (4.1%).

The key drivers for net revenue are:

- Visits being under budget 4,594 visits (1.6%) – Volume variance of \$713,000
- Compared to Budget – Price Variance is unfavorable to the budget by \$351,000. The net revenue per unit was \$1.27 lower than what was budgeted.
- Compared to Last Year – Price Variance is unfavorable by \$16,000 and the Volume Variance is favorable \$ 1,545,000
- The price variance for both the month and year to date is driven by the increase in Medicaid and Medicare visits. Compared to the prior year Medicaid has increased 2,897 and Medicare has increased 4,144. The average collection rate for Medicaid = 27% and Medicare = 36%, which are both lower than the average rate for UMG of 40%

Net Revenue: Month

The Month of December shows net revenue unfavorable to the budget plan by \$126,000 and is above the same month last year by 109,000 (1.6%).

The key drivers for net revenue are:

- Anesthesiology below the budgeted plan by \$147,000
- Visits being unfavorable to the budget by 1,823 visits (4.4%) – Valued at \$290,000
- Compared to Budget – Price Variance is unfavorable to the budget by \$482,000. The net revenue per unit was \$11.24 lower than what was budgeted
- Compared to Last Year – Price Variance is unfavorable by (\$843,000) and the Volume Variance is favorable \$937,000

Connecticut State University
Statement of Operating Budget Revenues and Expenses
for the Six Months Ending December 31, 2008

	Operating Budget			Actual		
	Total	E&G	Auxiliary Enterprise	Total	E&G	Auxiliary Enterprise
Revenues						
State Appropriations (1)	\$ 163,913,753	\$ 163,913,753	\$ -	\$ 85,736,222	\$ 85,736,222	\$ -
Fringe Benefit Allotment	78,266,579	78,266,579	-	31,983,384	31,983,384	-
Tuition	95,444,282	95,444,282	-	94,766,161	94,766,161	-
Extension Fees (PT)	62,363,442	62,363,442	-	44,955,382	44,955,382	-
Fees	66,606,706	66,606,706	-	59,544,914	59,544,914	-
Grants and Contracts	36,615,212	36,615,212	-	23,501,849	23,501,849	-
Auxiliary Enterprises	77,452,992	-	77,452,992	80,581,521	-	80,581,521
Endowment/Foundation	-	-	-	-	-	-
All Other Revenues	19,976,135	19,976,135	-	12,114,769	12,114,769	-
Total Revenue	600,639,101	523,186,109	77,452,992	433,184,202	352,602,681	80,581,521
Expenses						
Personal Services	\$ 291,633,857	\$ 283,605,702	\$ 8,028,155	\$ 144,039,840	\$ 139,988,335	\$ 4,051,505
Fringe Benefits	112,844,808	109,459,041	3,385,767	52,132,169	50,455,546	1,676,623
Other Expenses	120,342,171	88,790,085	31,552,086	51,476,068	35,427,645	16,048,423
Equipment	10,096,630	9,691,630	405,000	6,686,988	6,421,597	265,391
Student Aid	50,602,352	50,602,352	-	31,619,435	31,615,593	3,842
Debt Service	13,844,095	5,762,632	8,081,463	5,360,220	3,065,700	2,294,520
Non-Mandatory Transfers	1,706,155	469,697	1,236,458	12,160,660	20,886,637	(8,725,977)
Total Expenses/Transfers	\$ 601,070,068	\$ 548,381,139	\$ 52,688,929	\$ 303,475,380	\$ 287,861,053	\$ 15,614,327
Adjustments						
Net Gain(Loss)	\$ (430,967)	\$ (25,195,030)	\$ 24,764,063	\$ 129,708,822	\$ 64,741,628	\$ 64,967,194
Net Inc (Dec) to Cash				22,565,110		
Cash Balance 6/30/08				<u>123,993,159</u>		
Balance 9/30/08				146,558,269		

CSU Budget

(1) State Appropriation	160,444,294
Rescission	(4,616,470)
Collective Bargaining Settlements	10,389,475
Total Support	<u>166,217,299</u>

CONNECTICUT STATE UNIVERSITY
Statement of Changes in Fund Balance
FY 2009

	<u>Operating</u>	<u>Plant</u>	<u>Total</u>
<u>Revenues and Expenditures</u>			
Revenues	\$ 600,639,101	\$ 55,000,000	\$ 655,639,101
Expenditures and Transfers	<u>601,070,068</u>	<u>52,000,000</u>	<u>653,070,068</u>
Net Increase (Decrease)	\$ (430,967)	\$ 3,000,000	\$ 2,569,033
<u>Fund Balance and Reserves</u>			
Fund Balance, 6/30/08			
Restricted	\$ 4,271,358	\$ 670,206,906	\$ 674,478,264
Unrestricted	<u>31,904,128</u>	<u>44,639,397</u>	<u>76,543,525</u>
Total	\$ 36,175,486	\$ 714,846,303	\$ 751,021,789
Compensated Absences	\$ 33,306,264	\$ -	\$ 33,306,264
Operating Change	\$ (430,967)	\$ -	\$ (430,967)
Other Change	<u>-</u>	<u>3,000,000</u>	<u>3,000,000</u>
Net Increase (Decrease)	\$ (430,967)	\$ 3,000,000	\$ 2,569,033
Fund Balance, 6/30/09			
Restricted	\$ 4,271,358	\$ 673,206,906	\$ 677,478,264
Unrestricted	<u>31,473,161</u>	<u>-</u>	<u>31,473,161</u>
Total	\$ 35,744,519	\$ 673,206,906	\$ 708,951,425
Compensated Absences	\$ 35,000,000		\$35,000,000

CONNECTICUT STATE UNIVERSITY SYSTEM
General and Operating Fund Quarterly Report
As of December 31, 2008

Overview Narrative

Comments relating to the six months ending December 31, 2008, for the Connecticut State University System are presented below.

I. Spending Plan

In July 2008, the Board of Trustees reviewed and approved the FY2008-2009 Spending Plans for the Universities, System Office and System-wide Direct. This Spending Plan includes an increase in general fund appropriations and an increase in the General Fund Fringe Benefits. Budgeted PS expenses reflect classified salary increases, refills of vacant positions, and some requested new positions and increased fringe benefits. Budgeted Other Expenses reflect increases primarily in utilities, food service contracts (offset by food service revenue) and insurance.

II. Revenues and Expenditures

The CSU System's FY2009 Spending Plan projects a \$430,967 net use of funds for the fiscal year with revenues of \$600.6 million and expenditures and transfers of \$601.1 million.

State appropriations of \$85.7 million were 52.3% of budget due to the receipt in the first quarter of all tuition and extension fee freeze funds (\$6.6 million), Waterbury operating funds of \$336,728 and Operating Expenses of \$4.0 million. Fringe Benefits of \$32.0 million were 40.9% of budget due to a billing procedure utilizing CORE data, which procedure reimburses in arrears, with approximately a one month lag. The 40.9% is comparable to last year's 40.1%. Total tuition and extension fees of \$139.7 million as of the end of the second quarter were 88.5% of the budget, which is slightly better than fiscal year 2007 and 2006 trends of 88.3% and 86.5%, respectively. Actual fees of \$59.5 million and auxiliary enterprise revenue of \$80.6 million were 89.4% and 104.0% of their planned levels of \$66.6 million and \$77.5 million respectively. These percentages are in line with FY 07 at 90.4% and 102.8%, respectively. The increase in auxiliary enterprise revenue was mainly due to higher student accident insurance receipts than budgeted. All other revenues of \$12.1 million were 60.6% of budget, primarily due to favorable variances in the sale of equipment, ticket sales, conference revenues and an insurance settlement, offset by a lower than budgeted

level of program income and interest income (lower interest rates). Grants of \$23.5 million were 64.2% of budget, which is lower than the prior year (73.5%), but in line with the financial aid percent of 62.5% of budget. This decrease is due mainly to timing.

Personal Services of \$144.0 million were 49.4% of the plan, while Fringe Benefits of \$52.1 million were 46.2% of plan. This trend is consistent with the prior year. Other expenses of \$51.5 million were 42.8% of the plan which was comparable to 2008 and 2007 trends. Library and All Other Equipment expenses of \$6.7 million were 66.2% of plan, which is up compared to the fiscal year 2008 percentage of 52.4%, due to large purchases of library material at the two larger universities, as well as large equipment purchases at one university. Student Aid of \$31.6 million was 62.5% of plan (up from last year's 61.1%). The budgeted amount for student aid is expected to be fully disbursed by the fiscal year-end, as has been the case for the past three years, when we expended 128.2%, 117.5% and 114.4% of plan, respectively.

III. Fund Balance Projections

The projected FY 2008-2009 Available Unrestricted Fund Balance, after student/other commitments, is estimated to be \$(23.3) million with a total fund balance at the end of the fiscal year of \$ 669.2 million.

Community-Technical College System
Statement of Operating Budget Revenues and Expenses
for the Six Months Ending December 31, 2008

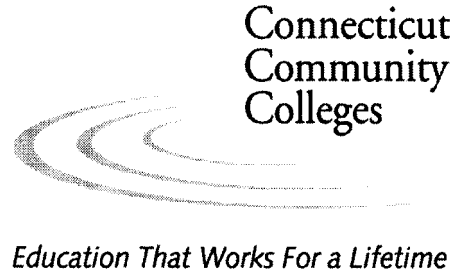
	Operating Budget	Actual
	Total	Total
Revenues		
State Appropriations (1)	\$ 167,677,025	\$ 81,016,218
Fringe Benefit Allotment	75,862,369	37,707,843
Tuition	89,427,179	67,527,480
Fees	36,114,446	27,613,604
Grants and Contracts	50,426,028	31,282,940
Private Grants	293,583	1,767,532
Sales of Educational Activities	391,152	230,418
Endowment/Foundation	-	-
All Other Revenues	13,264,264	7,510,401
Total Revenue	433,456,046	254,656,436
Expenses		
Personal Services*	\$ 228,353,899	\$ 112,011,947
Fringe Benefits*	88,128,065	44,055,058
Other Expenses	62,178,807	31,936,504
Equipment	2,679,795	1,285,848
Student Aid	56,924,669	34,874,370
Buildings/Improvements	-	-
Transfers	-	(500)
Total Expenses/Transfers	\$ 438,265,235	\$ 224,163,227
Adjustments		
Net Gain(Loss)	\$ (4,809,189)	\$ 30,493,209
<i>Accrual Adj.</i>		(28,955,374)
Net Inc (Dec) to Cash		1,537,835
Cash Balance 6/30/08		90,852,447
Balance 9/30/08		92,390,282
	<u>General Fund EOY Appropriation</u>	<u>General Fund YTD</u>
(1) State Appropriation	149,815,671	72,614,457
Manufacturing Tech SID's	545,000	258,875
Tuition Freeze	2,160,925	1,080,463
Original Appropriation	152,521,596	73,953,795
Due from OPM Wage Settlements	15,155,429	7,062,416
Total Support - Original Budget	167,677,025	81,016,211
OPM adjustment, pending wage settlement	(1,030,596)	-
Revised Base Appropriation	166,646,429	81,016,211
First Quarter FY09 rescission	(4,521,720)	-
Total GF Appropriation	171,168,149	81,016,211

COMMUNITY-TECHNICAL COLLEGE SYSTEM

Statement of Changes in Fund Balance

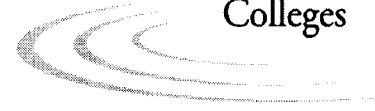
FY 2009

<u>Revenues and Expenditures</u>	<u>Operating</u>
Revenues	\$ 433,456,046
Expenditures and Transfers	438,265,235
Fund (Additions)/Deductions	<u>4,144,815</u>
Net Increase (Decrease)	\$ (8,954,004)
<u>Fund Balance and Reserves</u>	
Fund Balance, 6/30/08, preliminary unaudited	
Restricted	\$ 4,754,088
Unrestricted	<u>32,833,145</u>
Total	\$ 37,587,233
Compensated Absences (Est.)	\$ 35,334,018
Operating Change	\$ (8,954,004)
Other Change	<u>-</u>
Net Increase (Decrease)	\$ (8,954,004)
Fund Balance, 6/30/09 Estimated	
Restricted	\$ 4,754,088
Unrestricted	<u>23,185,228</u>
Total	\$ 27,939,316
Compensated Absences (Est.)	\$ 35,334,018



SECOND QUARTER FY2009 REPORT

Period ending December 31, 2008



February 13, 2009

To: Nancy Brady, Department of Higher Education

From: Vicky Greene, Chief Financial and Administrative Officer

Re: Second Quarter FY2009 Report

This report for the period ending December 31, 2008 is forwarded to your attention on behalf of the Board of Trustees for Community Technical Colleges, for submission to the Joint Standing Committee on Appropriations of the General Assembly and the Office of Policy and Management through the Board of Governors in accordance with C.G.S. Section 10a-77c as amended. This report reflects all current funds revenues and expenditures on a budgetary basis.

The community colleges began the 2009 fiscal year to a mix of both good and bad news. Enrollment continued to set new records, with Fall 2008 FTE enrollment up by 6.5% over Fall 2007, and student headcount enrollment up by 5.5% over the previous fall, reaching a total of 51,105 students taking credit courses. Full time student enrollment continued to climb, reaching 19,694 students, or 38.5% of all community college students. These trends have continued in the spring 2009 semester, with FTE enrollment up 8.7% over last spring. At the same time, we began the year with a 3% \$4.5 million General Fund budget reduction, and news of a swiftly declining economic outlook for the State.

For the second quarter of fiscal year 2009, total operating budget revenues of \$254.7 million were at about 59% of the original annual budget, while total expenditures of \$224.2 million were about 51% of the original budget for the year.

Revenues and Expenditures

Tuition revenues through the second quarter were \$67.5 million, about 76% of the annual budget, reflecting the strong enrollment growth and revenues earned for the Fall and Spring semesters. Fee revenues of \$27.6 million were also at 76% of the annual budget. Extension fees totaling \$14.5 million were about 76% of budget, reflecting the summer 2008 semester and other revenues earned through the second quarter. Government grants of \$31.3 million were at 62% of budget, reflecting federal and state grant revenues for student financial aid, as well as other non-financial aid grants revenue earned. Private gifts and grants of \$1.8 million were considerably above the original annual budget approved by the Board, reflecting the expenditure of gift funding for student scholarship aid and prior year gifts, as well as foundation and other support for various academic programs and initiatives. In addition, private grant funding for various workforce and student success initiatives including Achieving the Dream, nursing program support, and other programs, reflects the recording of grant revenues earned as current and prior year grants received are actually expended for programmatic purposes. Other revenues, including bookstore revenues, as well as daycare, commission, interest income and other miscellaneous revenues were at 57% of budget overall through the second quarter.

Salary and fringe benefit expenditures for the second quarter were 49% and 50% of budget, respectively. Other non-payroll expenditures were at 51% of budget for the year, reflecting obligations that carried forward from the previous year, as well as increased activity to support growing enrollment, offset by continuing cost reduction efforts implemented where possible to conserve resources in light of the State's worsening budget climate. Non-payroll costs also included utility expenditures of about \$5.4 million, about 59% of the funded base energy budget supported by student tuition and fees and

state funding for newly expanded facilities. Approximately \$3 million of reserves were originally programmed in FY2009 to offset the current year structural energy budget shortfall, however it now appears that declining energy costs, combined with ongoing conservation measures, may somewhat lessen the impact on reserves. We will continue to monitor this closely.

Capital outlay expenditures are at about 48% of current year budget. Financial aid grants, waivers and student work study employment totals \$36.0 million, about 60% of the original annual budget, reflecting Fall and partial Spring awards, and continued increases in the federal Pell program as a result of increased enrollment of eligible students, as well as in CAPCS funding provided by the State.

Net Asset Projection

Unrestricted net assets were \$32.8 million at June 30, 2008, based on final audit figures. CCC Board of Trustees policy provides that unrestricted net assets should be maintained at a level that covers all carry-forward obligations, and allows for a system contingency reserve of 1.2% of total operating expense, college contingency reserves of 2-3%, plus optional reserves for specific college or system needs including new facility transition expenses, new academic program startup initiatives, technology and telecommunications upgrades, and other projects that may require more funds than would be available in a single year's budget. Based on this policy, the System and colleges had about \$6.4 million reserved at year end for carry-forward obligations (existing contracts and purchase orders), approximately \$11.5 million in contingency reserves representing about 2.8% of total operating expense, and a net \$14.9 million in other designated reserves, most of which were held at colleges for one-time transitional new facility costs.

Under the Board's originally approved operating budget for FY2009, unrestricted net assets were originally programmed to decline by approximately \$4.8 million, reflecting the use of \$3.0 million reserves for energy costs and \$1.8 million for various new facility transition costs and other one-time projects and current year initiatives. A General Fund budget reduction of \$4.5 million implemented just as the year began, resulted in a modification of the original plan. Under the Board's revised plan, the cost of these obligations, along with associated fringe benefits, was to be absorbed in the Operating Fund in order to maintain critical instructional and support services to support the System's enormous enrollment growth. Offsetting savings of at least \$1.75 million were required in order to mitigate the additional cost, resulting in a new programmed reduction of just under \$9 million during FY2009.

In response to growing state-wide budget concerns, the System has subsequently implemented a modified hiring and travel freeze and directed that all spending be carefully limited to that which is essential to the continuation of instruction, academic programming or community service; to provide academic or student support services integral to student success; or to the safe and effective operation of college facilities. These further reductions in spending, along with tuition and fee revenues that are expected to exceed goal, will reduce the current year impact to unrestricted net assets, and maximize the financial flexibility that will be needed to address additional budgetary challenges anticipated in FY2010 and beyond.

Cash

At the beginning of FY2009, total cash (including the system check-writing account and excluding cash equivalents) was \$90.9 million. Cash receipts of \$89.6 million and disbursements of \$88.1 million through the second quarter resulted in a cash balance of \$92.4 million at December 31, 2008. Much of that cash is restricted in accordance with grants, gifts and collective bargaining agreements, student loans, student activity accounts, or is held against accounts payable, the cost of spring semester programs and other liabilities due during the upcoming year.

w:\FY09\DHE\Second Quarter

cc Marc S. Herzog, Chancellor

Deans of Administration

Elizabeth Squillace, Director of Accounting and Finance

Beverly Lambert, Director of Budget and Finance

Charter Oak State College
Statement of Operating Budget Revenues and Expenses
for the Six Months Ending December 31, 2008

	Operating Budget			Actual		
	Total	COSC	CTDLC	Total	COSC	CTDLC
Revenues						
State Appropriations (1)	\$ 2,773,626	\$ 2,110,658	\$ 662,968	\$ 1,385,374	\$ 1,059,191	\$ 326,183
Fringe Benefit Allotment	963,884	695,762	268,122	481,942	347,881	134,061
Partnerships	-	-	-	-	-	-
Fees	5,209,354	5,209,354	-	3,194,396	3,194,396	-
Grants and Contracts	1,087,685	762,685	325,000	837,957	562,957	275,000
Endowment/Foundation	-	-	-	-	-	-
All Other Revenues	1,607,119	297,364	1,309,755	659,277	141,978	517,299
Total Revenue	11,641,668	9,075,823	2,565,845	6,558,946	5,306,403	1,252,543
Expenses						
Personal Services	\$ 5,494,663	\$ 4,195,077	\$ 1,299,586	\$ 2,684,946	\$ 2,061,410	\$ 623,536
Fringe Benefits	1,955,158	1,459,727	495,431	948,454	723,514	224,940
Other Expenses	3,746,145	3,086,248	659,897	1,392,989	1,202,123	190,866
Equipment	-	-	-	16,021	16,021	-
Student Aid	92,393	92,393	-	48,677	48,677	-
Grants & Partnerships	995,292	670,292	325,000	126,004	-	126,004
Transfers	-	-	-	-	-	-
Total Expenses/Transfers	\$ 12,283,651	\$ 9,503,737	\$ 2,779,914	\$ 5,217,091	\$ 4,051,745	\$ 1,165,346
Adjustments						
Net Gain(Loss)	\$ (641,983)	\$ (427,914)	\$ (214,069)	\$ 1,341,855	\$ 1,254,658	\$ 87,197
Net Inc (Dec) to Cash					1,254,658	87,197
Cash Balance 6/30/08					1,707,039	1,093,922
Balance 9/30/08					2,961,697	1,181,119

CHARTER OAK STATE COLLEGE
Statement of Changes in Cash Balance
All Funds - Including CTDLC

<u>Revenues and Expenditures</u>	<u>Operating</u>
Revenues	\$ 11,641,668
Expenditures and Transfers	<u>12,283,651</u>
Net Increase (Decrease)	\$ (641,983)
 <u>Cash Balance and Reserves</u>	
Cash Balance, 6/30/08	
Restricted	\$ -
Unrestricted	<u>2,800,961</u>
Total	\$ 2,800,961
Compensated Absences	\$ 1,656,768
Operating Change	\$ (641,983)
Other Change	
Net Increase (Decrease)	\$ (641,983)
Cash Balance, 6/30/09	
Restricted	\$ -
Unrestricted	<u>2,158,978</u>
Total	\$ 2,158,978
Compensated Absences	\$ 1,656,768

BOARD FOR STATE ACADEMIC AWARDS
Charter Oak State College
Connecticut Distance Learning Consortium

Comparison of General and Operating Fund Budget to Actual
For the Six-Month Period Ending December 31, 2008

OVERVIEW NARRATIVE

Charter Oak State College

Charter Oak's FY 2009 operating budget, excluding carry-forward funds, reflects \$9.07 million in revenues and \$9.50 million in expenses. The major components of the revenue include \$2.1 million in state appropriation, \$695,762 for the value of fringe benefit costs for general fund employees, and \$5.2 million in fees. The major expenditures in the \$9.50 million include personal services and fringe benefits of \$5.65 million and \$3.0 million in other institutional expenses. The budget projects a use of \$427,914 in reserves and a fund balance of \$1,707,039 on June 30, 2008. The major uses of the reserves will support the renovation of additional rental space in Newington to ease overcrowding at the New Britain site. Furnishings for this new space, the FY09 general fund reduction, facility improvements, and other one-time expenses represent the major use of the reserves.

Due to the implementation of a new ERP, the college revenues are reported on an accrual bases as opposed to cash in previous years.

At the close of the second quarter, combined Operating Fund receipts totaled \$5.30 million and combined expenditures total \$4.05 million. Year-to-date receipts equal 58 percent of the operating revenue budget and 43 percent of the expenditure budget. Enrollment increases projected for degree candidates (10%) and distance learning courses (14%) are consistent with the revenues received to date. The percentage of the budgeted amount expended by major expenditure area is as follows:

Personal Services	49%
Fringe Benefits	50%
Other Expenses	40%
Student Aid	53%

Other expenses are expected to increase during the third quarter to reflect the renovations, furnishings, and equipment related to the Alumni Rd. leased space expansion. Additional funds are also expected to be spent for capital equipment with operating dollars in the absence of capital equipment funds.

The net increase to the Charter Oak Operating Fund cash balance at the close of the second quarter is \$1,254,658 for a cash balance of \$2,961,697 on December 31, 2008.

Connecticut Distance Learning Consortium (CTDLC)

The CTDLC FY 2009 operating budget, excluding carry forward funds, reflects \$2.56 million in revenues and \$2.77 million in expenses. The major components of revenue are: \$662,968 in state appropriation, \$325,000 in grants, and \$1.3 million in fees received for services. The expenditure budget consists of \$1.79 million in personal services and benefits, \$659,897 for institutional expenses, and \$325,000 in grant expenditures. The ESA budget projects a net loss of \$214,069 and a fund balance of \$1,093,922 on June 30, 2008. The use of reserves will fund the FY09 general fund reduction, renovations to the Alumni Rd. leased space, and to support other one-time expenses.

At the close of the second quarter, the operating fund receipts total \$1.25 million and combined expenditures total \$1.16 million. Year-to-date receipts equals 49 percent of the budgeted receipts and the expenditures equal 42 percent of the amount budgeted. The percentage of the budgeted amount expended by major expenditure area is as follows:

Personal Services	48%
Fringe Benefits	45%
Other Expenses	29%

Additional expenditures are expected in the third quarter related to the lease expansion on Alumni Rd. in Newington and the use of operating dollars for capital equipment items due the absence of CEPF resources.

The net increase to the CTDLC Operating Fund cash balance at the close of the second quarter is \$87,197 for a cash balance of \$1,181,119 on December 31, 2008.