



Board of Governors for Higher Education
Department of Higher Education
State of Connecticut

Connecticut Public Higher Education

2005 System Trends

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**Connecticut Public Higher Education
2005 System Trends**

FY 2005-07 OPERATING BUDGET SUMMARY

**Connecticut Public Higher Education
Governor's Recommended Summary
FY 2006 Operating Budget**

	FY 2005 Estimated <u>Expenditures</u>	FY 2006 Total <u>Requested</u>	FY 2006 Current Services <u>Requested</u>	FY 2006 Governor's Recommended
GENERAL FUND¹				
University of Connecticut	\$197,026,486	\$213,210,256	\$210,569,813	\$201,244,028
UConn Health Center	73,109,946	79,832,705	75,025,705	74,779,862
Connecticut State University	138,334,800	151,013,605	145,589,243	141,300,396
Community-Technical College System	126,712,517	138,228,888	134,324,476	130,364,773
Charter Oak State College	1,559,124	1,649,825	1,649,825	1,649,825
CT Distance Learning Consortium	560,272	835,118	594,018	594,018
Department of Higher Education ²	69,310,182	93,753,258	91,273,258	45,393,347
	\$606,613,327	\$678,523,655	\$659,026,338	\$595,326,249
OPERATING FUND				
University of Connecticut	\$404,604,612	\$431,097,898	\$426,431,690	\$426,431,690
UConn Health Center	165,089,498	176,086,588	174,661,588	174,661,588
Connecticut State University	275,886,906	295,670,231	295,670,231	295,670,231
Community-Technical College System	136,646,339	143,765,965	143,765,965	143,765,965
Charter Oak State College	3,807,349	4,583,079	4,583,079	4,583,079
CT Distance Learning Consortium	1,378,049	909,056	909,056	909,056
Department of Higher Education	-	-	-	-
	\$987,412,753	\$1,052,112,817	\$1,046,021,609	\$1,046,021,609
TOTAL				
University of Connecticut	\$601,631,098	\$644,308,154	\$637,001,503	\$627,675,718
UConn Health Center	238,199,444	255,919,293	249,687,293	249,441,450
Connecticut State University	414,221,706	446,683,836	441,259,474	436,970,627
Community-Technical College System	263,358,856	281,994,853	278,090,441	274,130,738
Charter Oak State College	5,366,473	6,232,904	6,232,904	6,232,904
CT Distance Learning Consortium	1,938,321	1,744,174	1,503,074	1,503,074
Department of Higher Education	69,310,182	93,753,258	91,273,258	45,393,347
	\$1,594,026,080	\$1,730,636,472	\$1,705,047,947	\$1,641,347,858

¹ Excludes General Fund Fringe Benefits

² FY 2005 estimated expenditures include \$25.3 million one-time surplus payment of 2003-05 Higher Education Matching Grant. FY 2006 Governor's Recommendation excludes \$93,390 in FY 2005 carryover funding for personnel services, other expenses, Minor Teacher Incentive Program and Financial Aid to Charter Oak.

Budget Summary

Connecticut Public Higher Education Governor's Recommended Summary FY 2007 Operating Budget

	<u>FY 2005 Estimated Expenditures</u>	<u>FY 2007 Total Requested</u>	<u>FY 2007 Current Services Requested</u>	<u>FY 2007 Governor's Recommended</u>
GENERAL FUND¹				
University of Connecticut	\$197,026,486	\$226,371,666	\$220,880,779	\$204,444,687
UConn Health Center	73,109,946	82,924,194	76,432,194	75,160,015
Connecticut State University	138,334,800	161,395,989	151,831,896	142,360,740
Community-Technical College System	126,712,517	143,795,471	136,410,867	131,047,163
Charter Oak State College	1,559,124	1,744,975	1,692,175	1,678,732
CT Distance Learning Consortium	560,272	862,223	610,723	602,928
Department of Higher Education	69,310,182	96,623,112	91,643,112	45,407,399
	\$606,613,327	\$713,717,630	\$679,501,746	\$600,701,664
OPERATING FUND				
University of Connecticut	\$404,604,612	\$458,204,503	\$450,611,675	\$450,611,675
UConn Health Center	165,089,498	188,873,752	186,273,752	186,273,752
Connecticut State University	275,886,906	310,715,126	310,715,126	310,715,126
Community-Technical College System	136,646,339	151,447,208	151,447,208	151,447,208
Charter Oak State College	3,807,349	5,492,096	5,492,096	5,492,096
CT Distance Learning Consortium	1,378,049	859,431	859,431	859,431
Department of Higher Education	-	-	-	-
	\$987,412,753	\$1,115,592,116	\$1,105,399,288	\$1,105,399,288
TOTAL				
University of Connecticut	\$601,631,098	\$684,576,169	\$671,492,454	\$655,056,362
UConn Health Center	238,199,444	271,797,946	262,705,946	261,433,767
Connecticut State University	414,221,706	472,111,115	462,547,022	453,075,866
Community-Technical College System	263,358,856	295,242,679	287,858,075	282,494,371
Charter Oak State College	5,366,473	7,237,071	7,184,271	7,170,828
CT Distance Learning Consortium	1,938,321	1,721,654	1,470,154	1,462,359
Department of Higher Education	69,310,182	96,623,112	91,643,112	45,407,399
	\$1,594,026,080	\$1,829,309,746	1,784,901,034	\$1,706,100,952

¹ Excludes General Fund Fringe Benefits

**Connecticut Public Higher Education
Governor's Recommended General Fund Operating Budget
2005 Estimated to Governor's Recommended**

FY 2006

	2005		\$ Change	% Change
	Estimated	Governor's	From	From
	<u>Expenditures</u>	<u>Recommended</u>	<u>Expenditures</u>	<u>Expenditures</u>
University of Connecticut	\$197,026,486	\$201,244,028	\$4,217,542	2.1%
UConn Health Center	73,109,946	74,779,862	1,669,916	2.3%
Connecticut State University	138,334,800	141,300,396	2,965,596	2.1%
Community-Tech College System	126,712,517	130,364,773	3,652,256	2.9%
Charter Oak State College	1,559,124	1,649,825	90,701	5.8%
CT Distance Learning Consortium	560,272	594,018	33,746	6.0%
Department of Higher Education*	44,010,182	45,393,347	1,383,165	3.1%
Total	\$581,313,327	\$595,326,249	\$14,012,922	2.4%

FY 2007

	2005		\$ Change	% Change
	Estimated	Governor's	from	from
	<u>Expenditures</u>	<u>Recommended</u>	<u>Expenditures</u>	<u>Expenditures</u>
University of Connecticut	\$197,026,486	\$204,444,687	\$7,418,201	3.8%
UConn Health Center	73,109,946	75,160,015	2,050,069	2.8%
Connecticut State University	138,334,800	142,360,740	4,025,940	2.9%
Community-Tech College System	126,712,517	131,047,163	4,334,646	3.4%
Charter Oak State College	1,559,124	1,678,732	119,608	7.7%
CT Distance Learning Consortium	560,272	602,927	42,656	7.6%
Department of Higher Education*	44,010,182	45,407,399	1,397,217	3.2%
Total	\$581,313,327	\$600,701,664	\$19,388,337	3.3%

* 2005 estimated expenditures exclude the \$25.3 million one-time surplus payment of 2002-05 Higher Education State Matching Grant. FY 2006 Governor's Recommendation excludes \$93,390 in FY 2005 carryover funding for personnel services, other expenses, Minority Teacher Incentive Program and Financial Aid to Charter Oak.

Budget Summary

Connecticut Public Higher Education Governor's Recommended General Fund Operating Budget Requested to Governor's Recommended

FY 2006

	<u>Requested</u>	<u>Governor's Recommended</u>	<u>\$ Change From Requested</u>	<u>% Change From Requested</u>
University of Connecticut	\$210,569,813	\$201,244,028	\$(9,325,785)	-4.4%
UConn Health Center	75,025,705	74,779,862	(245,843)	-0.3%
Connecticut State University	145,589,243	141,300,396	(4,288,847)	-2.9%
Community-Tech College System	134,324,476	130,364,773	(3,959,703)	-2.9%
Charter Oak State College	1,649,825	1,649,825	-	0.0%
CT Distance Learning Consortium	594,018	594,018	-	0.0%
Department of Higher Education*	91,273,258	45,393,347	(45,879,911)	-50.3%
Total	\$659,026,338	\$595,326,249	\$(63,700,089)	-9.7%

FY 2007

	<u>Requested</u>	<u>Governor's Recommended</u>	<u>\$ Change from Requested</u>	<u>% Change from Requested</u>
University of Connecticut	\$220,880,779	\$204,444,687	\$(16,436,092)	-7.4%
UConn Health Center	76,432,194	75,160,015	(1,272,179)	-1.7%
Connecticut State University	151,831,896	142,360,740	(9,471,156)	-6.2%
Community-Tech College System	136,410,867	131,047,163	(5,363,704)	-3.9%
Charter Oak State College	1,692,175	1,678,732	(13,443)	-0.8%
CT Distance Learning Consortium	610,723	602,928	(7,795)	-1.3%
Department of Higher Education	91,643,112	45,407,399	(46,235,713)	-50.5%
Total	\$679,501,746	\$600,701,664	\$(78,800,082)	-11.6%

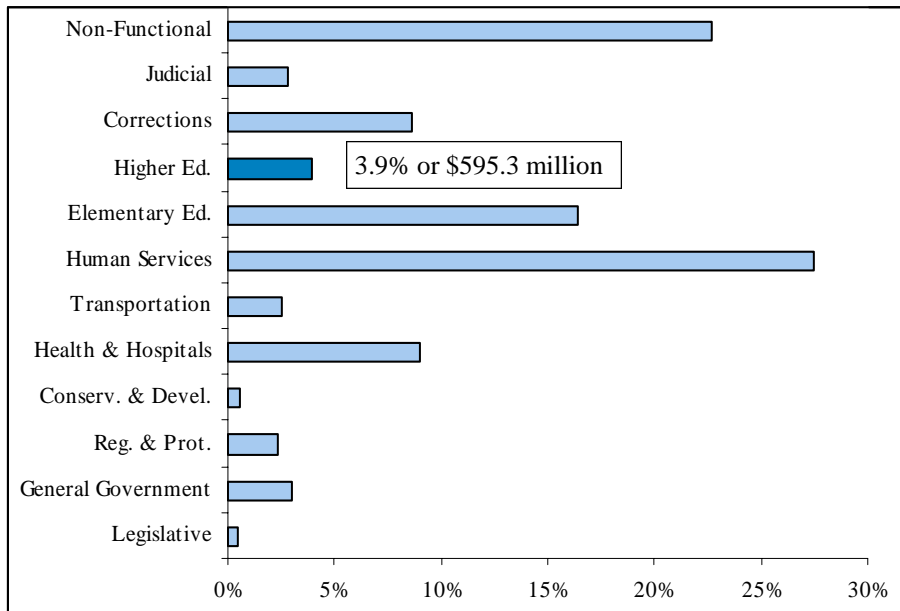
* FY 2006 Governor's Recommendation excludes \$93,390 in FY 2005 carryover funding for personnel services, other expenses, Minority Teacher Incentive Program and Financial Aid to Charter Oak.



**Connecticut Public Higher Education
2005 System Trends**

HIGHER EDUCATION IN A STATEWIDE CONTEXT

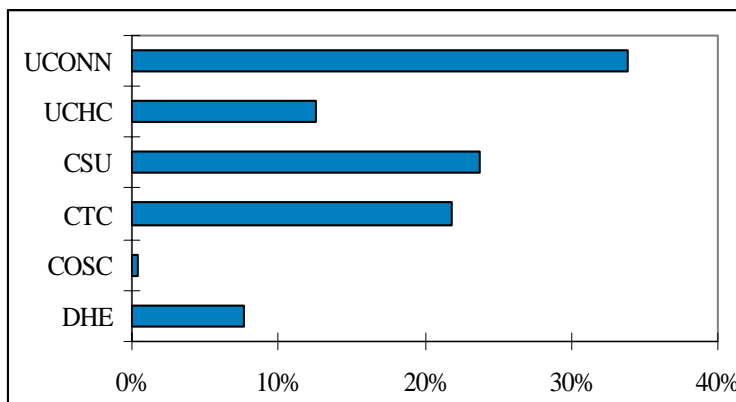
State Budget by Function



Under the Governor’s recommended 2006 budget totaling \$15,270 million, 3.9 percent of total funding is devoted to higher education, excluding General Fund fringe benefit costs that are paid by the Comptroller. This represents a 2.4 percent increase from 2005 estimated expenditures and a 4.9 percent increase from 2004 actual expenditures.

Despite the increase to the block grants, the Governor’s \$595 million 2006 operating budget for higher education provides only 50 percent of the increase calculated for current services budgets. This increase almost exclusively represents collective bargaining commitments, and any loss of funds must be made up elsewhere. In addition, the Governor has asked for a tuition freeze for the 2006 academic year. The tuition freeze would provide a much needed respite for Connecticut’s students, especially when coupled with level funding of the state’s financial aid programs. These programs include the Connecticut Aid for Public College Students and Connecticut Independent College Student Grant programs.

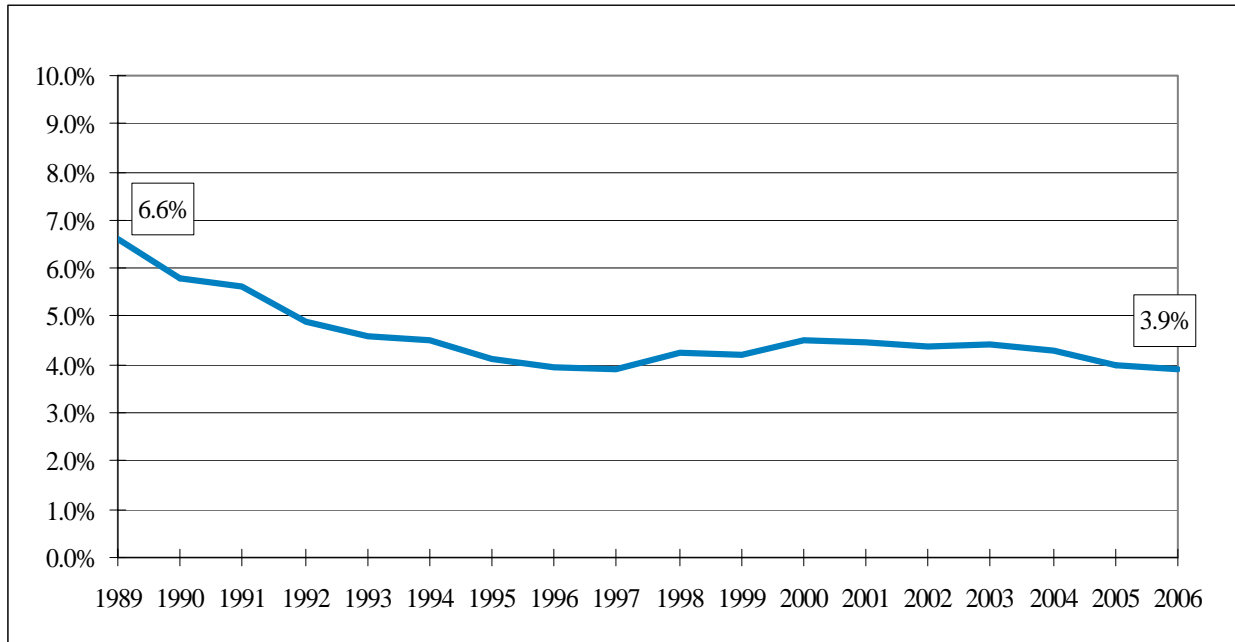
Higher Education Budget



	<u>%</u>	<u>\$</u>
UCONN	33.8%	\$201.2
UCHC	12.6%	74.8
CSU	23.7%	141.3
CTC System	21.9%	130.4
COSC/CTDLC	0.4%	2.2
DHE/BGHE	7.6%	45.4
Total:	100%	\$595.3

State budget by function compares higher education direct appropriations to other state funding priorities, or functions of government, as approved by the General Assembly. The higher education budget breaks out higher education’s share by constituent unit. To ensure data consistency over time, state appropriations are defined as all appropriated funds (General Fund, transportation fund, etc.).

Higher Education as a Percentage of Total State Appropriations



Illustrates the change in the portion of the budget devoted to higher education from 1989 to 2006 without fringe benefits, which are allocated by the Comptroller.

In 1989, higher education received 6.6 percent of the state budget. Funding declined to a low of 3.9 percent of the budget in 1997, and rose slowly to a peak of 4.5 percent by 2001. Based on the Governor’s biennial budget recommendations, higher education’s share of the state budget will drop to 3.9 percent for 2006. This budget will match the 1997 low of 3.9 percent.

The trend of decreasing proportional funding for higher education in the 1990’s was not limited to Connecticut, but occurred to varying degrees across the country. Connecticut’s experience resulted primarily from its deeper and more prolonged recession. The funding drop occurred initially as a result of increased support for other government functions, while dollars for higher education remained at status quo levels. In 1993, as the recession deepened, higher education funding was cut, which drove the decline that continued until 1998. Beginning again in 2002, budgets lowered all of education’s share slightly as shares for other functions of government increased. Once again, the fiscal crisis in Connecticut, which has lagged the nation, is a major contributor to the recent declines in higher education’s share of funding. Unfortunately, with its built-in alternative revenue source - tuition and fees - higher education is seen as a prime candidate for cuts here and across the nation. Since 2002, higher education funding has grown by 2.4 percent. Only general government and regulation and protection have received lower increases over the period, while all other functions of government have been funded in the double digit range. The state needs to carefully weigh its support for higher education as it is education that provides the workforce to drive the economic development that provides the state’s funding. The trade offs may be larger than immediate savings.

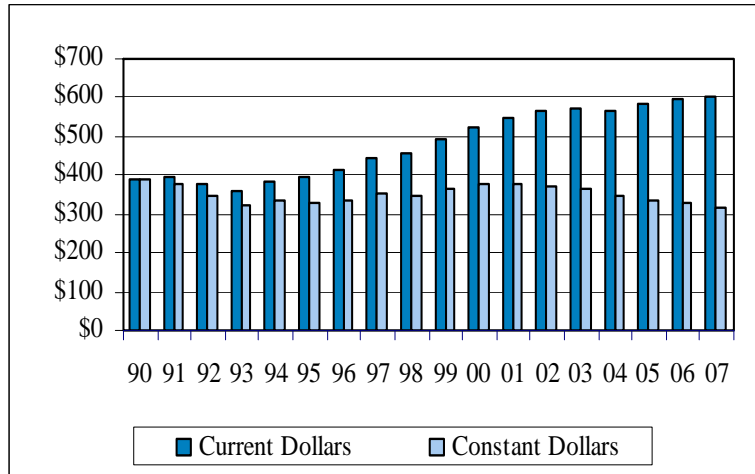


Connecticut Public Higher Education
2005 System Trends

GENERAL FUND AND OPERATING BUDGET EXPENDITURE TRENDS

Connecticut Public Higher Education General Fund Expenditure Trends

Current and Constant 1990 Dollars
(millions)



After significant reductions in state support resulting from the recession in 1992 and 1993, annual state appropriations to higher education were on the upswing through 2003. After a brief decline in 2004, however, appropriations are growing only modestly, generating additional erosion in inflation-adjusted state support.

The 2005 budget represents an increase of 2.4 percent from 2004, excluding the one-time Higher Education State Matching Grant payment of \$25.3 million. In inflation-adjusted dollars, state

system support has eroded by \$53.9 million, or 13.8 percent, from 1990 funding levels. With the slow turn in the economic climate and state budget deficit projections continuing, any hope for reversing the erosion of support in the near future has been extinguished. Although the Governor's recommendations for 2006 and 2007 include increases, the increases are 2.4 percent and 0.9 percent, respectively, and represent only half of current services requirements. The result is a continuation of the decline in inflation-adjusted dollars.

The upward trend in inflation-adjusted dollars that began in 1997 peaked in 2000 at \$375 million, 96 percent of 1990 dollars. The decline would continue under the Governor's recommended budget to an appropriation of \$318 million in inflation-adjusted dollars by 2007. State support of \$318 million dollars represents 81 percent of the state support available to higher education in 1990. As long as increases in General Fund appropriations remain lower than inflation as measured by the Higher Education Price Index (HEPI), state support in real dollars will continue to decline.

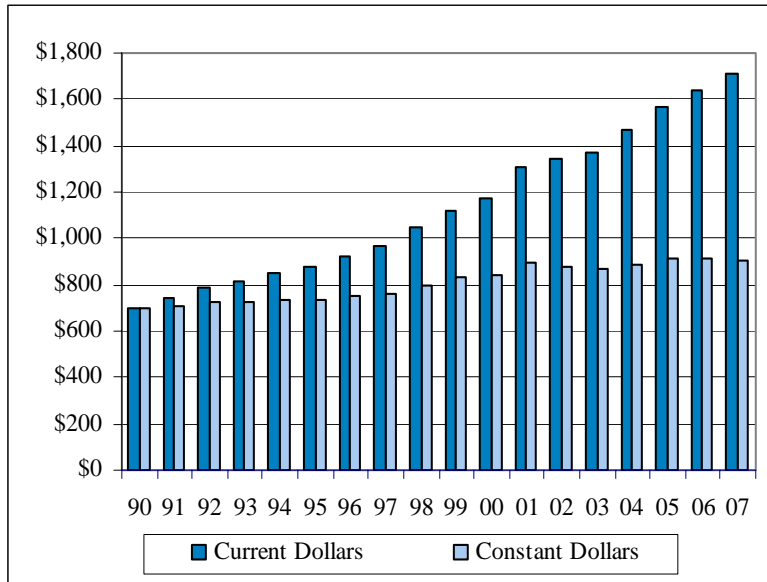
The exhibits display general fund expenditures on both a current (actual) and constant (inflation adjusted) dollar basis. Constant dollars are calculated using the Higher Education Price Index (HEPI) as the inflationary index.

<u>Fiscal Year</u>	<u>General Fund Current Dollars</u>	<u>HEPI Percent</u>	<u>HEPI Adjusted Constant Dollars</u>
1990	\$391.6		\$391.6
1991	397.8	5.3%	377.9
1992	378.7	3.6%	347.4
1993	361.4	2.9%	322.3
1994	386.0	3.4%	332.8
1995	393.2	2.9%	329.3
1996	410.9	2.9%	334.4
1997	445.0	3.1%	351.2
1998	458.4	3.5%	349.5
1999	491.5	2.4%	365.9
2000	524.4	4.1%	375.0
2001	549.2	4.9%	374.4
2002	568.3	4.1%	372.2
2003	572.4	2.9%	364.3
2004	567.6	4.7%	345.2
2005	581.3	4.7%	337.7
Gov 2006	595.3	4.7%	330.3
Gov 2007	600.7	4.7%	318.3

Source: Inflation Measures for Schools and Colleges, Research Associates of Washington.

Connecticut Public Higher Education Operating Budget Expenditure Trends

**Current and Constant 1990 Dollars
(Millions)**



The operating budget is made up of state support from the general fund and constituent unit revenue from other sources, notably tuition. As funding from the state general fund decreased in the early 1990's, revenue was increased to maintain services through student tuition and fees. The result was significant tuition increases in the mid-1990s. Thereafter, tuition increases slowed somewhat, particularly with state funding for a tuition freeze in 1999 and 2000 and increased General fund appropriations. With budget deficits beginning in 2002, however, support from the

general fund for higher education slowed and tuition and fees are again on the rise. Double-digit tuition increases were adopted for 2004, and 2005 increases are only slightly lower. Although proposed tuition increases for 2006 are below six percent and state support has not markedly increased, the Governor has proposed a tuition freeze for 2006. This constitutes a reduction to both sides of the revenue equation and is expected to be funded by reserves.

Combined operating budget expenditures have increased by \$1 billion or 144 percent from 1990 to the Governor's recommended budget for 2007. This compares to an increase of \$209 million or 53 percent for general fund expenditures over the same period. Even with increasing General funds and a tuition freeze, there has been a marked shift in support from the state to the student. In inflation-adjusted dollars, expenditures have increased by 29.3 percent or \$205 million from 1990 to the 2007 appropriation.

The exhibits display the operating budget expenditures on both a current (actual) and constant (inflation adjusted) dollar basis. Constant dollars are calculated using the Higher Education Price Index (HEPI) for inflation.

<u>Fiscal Year</u>	<u>Operating Current Dollars</u>	<u>HEPI Percent</u>	<u>HEPI Adjusted Constant Dollars</u>
1990	\$699.1		\$699.1
1991	740.7	5.3%	703.7
1992	789.8	3.6%	724.4
1993	811.5	2.9%	723.6
1994	853.3	3.4%	735.8
1995	877.1	2.9%	734.6
1996	920.6	2.9%	749.3
1997	969.9	3.1%	765.5
1998	1,048.3	3.5%	799.2
1999	1,122.6	2.4%	835.9
2000	1,175.8	4.1%	840.8
2001	1,309.2	4.9%	892.7
2002	1,346.5	4.1%	881.8
2003	1,366.4	2.9%	869.8
2004	1,464.8	4.7%	890.9
2005	1,568.7	4.7%	911.3
Gov 2006	1,641.3	4.7%	910.7
Gov 2007	1,706.1	4.7%	904.1

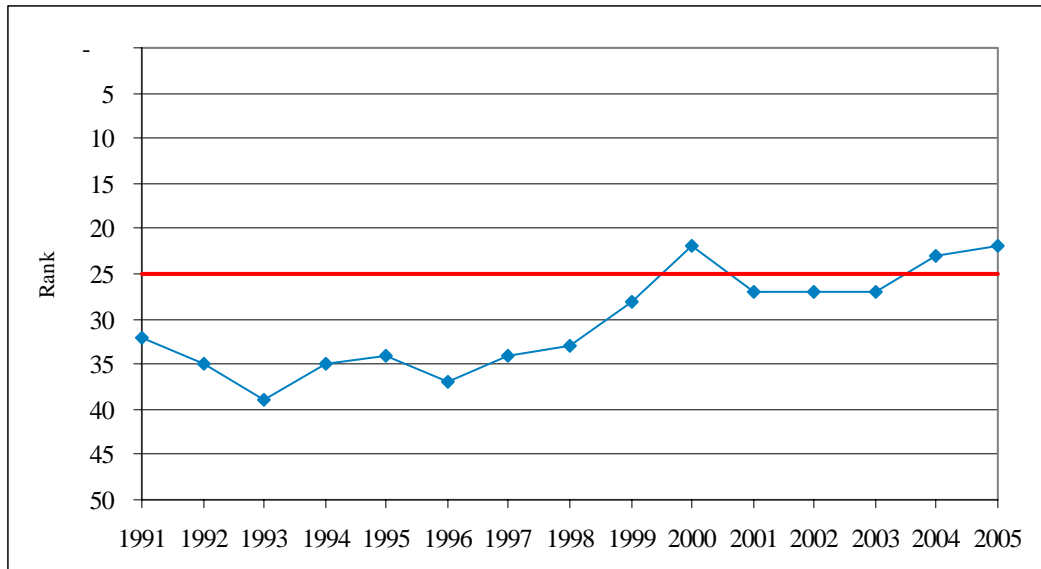
Source: Inflation Measures for Schools and Colleges, Research Associates of Washington.



**Connecticut Public Higher Education
2005 System Trends**

COMPARATIVE FUNDING INDICATORS

National Rankings Appropriations of State Tax Funds for Operating Expenses of Higher Education per Capita



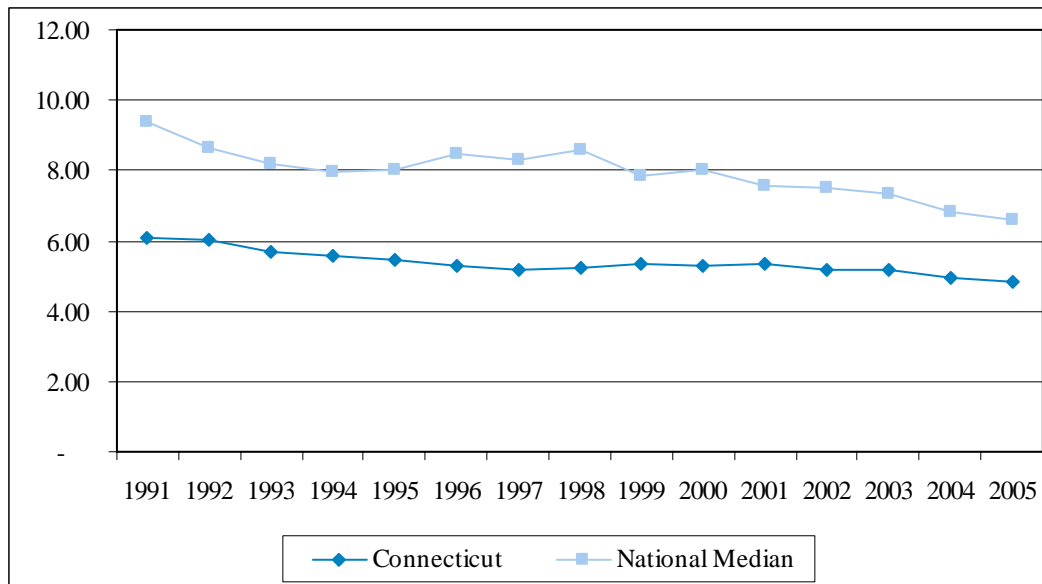
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	% Change
CT	150.0	153.2	147.8	150.8	152.7	153.3	164.5	176.4	191.5	213.0	216.0	222.5	220.4	215.6	219.5	46.3%
National Median	165.1	161.5	156.6	160.2	166.4	173.4	180.6	197.5	197.5	208.0	221.0	225.5	221.9	211.0	215.0	30.2%
Rank	32	35	39	35	34	37	34	33	28	22	27	27	27	23	22	

Source: Illinois State University, [Grapevine](#), Annual Survey.

Until 2004, Connecticut had a consistent ranking in the lower half of the 50 states by this measure, which gauges state funding levels on a per state resident basis. Beginning in 1990, Connecticut’s funding per state resident moved from 10 percent below the national median to two percent above in 2000, only to fall below again for three years before ending 2005 two percent above. In 2005, Connecticut spent about \$219 per capita on higher education, or more than 102 percent of national median funding, **placing it 22nd among 50 states**. From 2003 to 2005, Connecticut’s ranking improved five positions because budget reductions were less severe here than in other states. Spending in Connecticut has remained virtually at the national median since 1999. As the economy stabilizes and improves at different rates across the nation, rankings are likely to be unstable in the upcoming years. Since the turn of the century, the state has been holding its own in relation to the rest of the country.

Note that this measure does not take into account the size of the state’s public higher education system, the state’s college participation rate or the number of students served by the public system—all of which have a significant effect on how rank is interpreted. This measure is calculated by taking the total state appropriations for higher education, including estimated General Fund fringe benefit costs, and dividing it by state population.

National Rankings Appropriations of State Tax Funds for Operating Expenses of Higher Education per \$1,000 Personal Income



	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	% Change
CT	6.08	6.01	5.68	5.56	5.46	5.28	5.18	5.21	5.33	5.31	5.34	5.18	5.16	4.96	4.86	-20.1%
National Median	9.39	8.62	8.21	7.96	8.02	8.46	8.30	8.58	7.83	8.00	7.57	7.50	7.35	6.83	6.59	-29.8%
Rank	47	46	46	48	48	48	47	47	47	45	44	46	45	45	46	

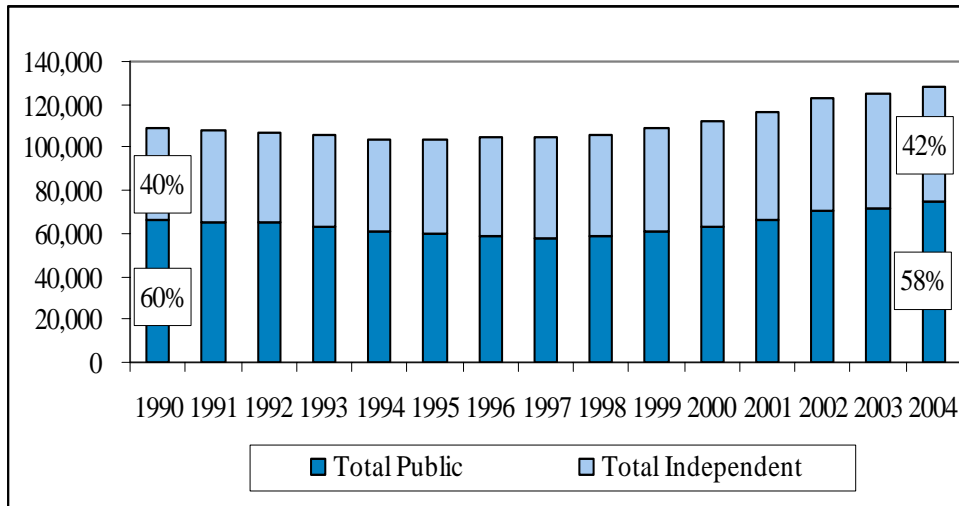
Source: Illinois State University, [Grapevine](#), Annual Survey.

Connecticut continues to be well below the national median and to be ranked in the mid 40's among the 50 states in terms of its support for higher education compared to its relative wealth. In 2005, Connecticut ranks 46th among the 50 states. This indicator gauges state funding levels compared to wealth or ability to pay as measured by personal income. It is the ratio of the total state appropriations, including estimated General Fund fringe benefit costs, per \$1,000 of personal income (total state personal income divided by \$1,000). Clearly, Connecticut's personal income level, driven by high incomes in the southern part of the state, is too high for this ever to be a reasonable measure against the rest of the nation. In addition, it does not consider the size of a state's public higher education system, the state's college participation rate or the number of students enrolled in the public system. Nevertheless, while Connecticut's rank has remained relatively consistent over the 15 years measured here, the change in state support per \$1,000 of personal income has been less than the change in the national median. Connecticut was 35 percent lower than the national median in 1991 and is 26 percent lower today.



ENROLLMENT

Connecticut Higher Education Fall FTE Enrollment 1990-2004



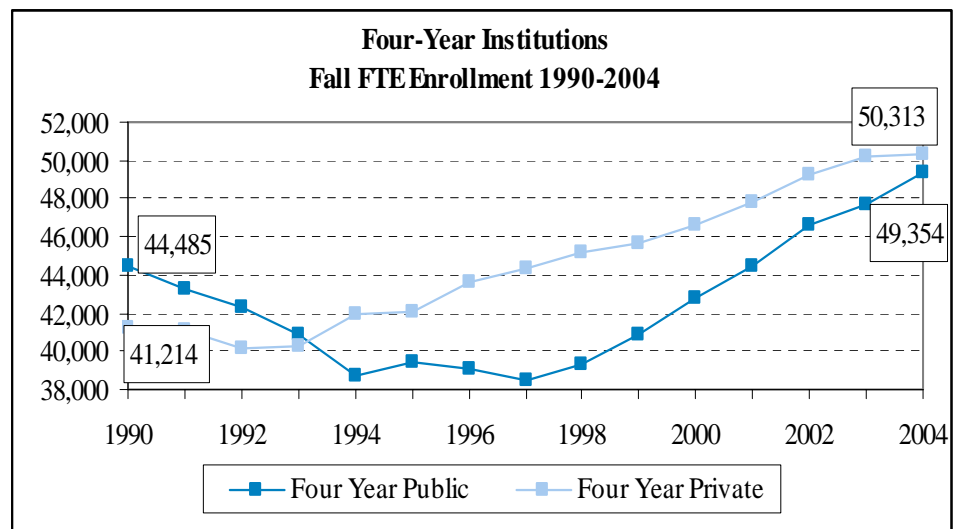
Enrollment is measured on a full-time equivalent (FTE) basis because the number of full-time students is more directly related to funding needs than the total number of students.

FTE enrollment in Connecticut public

and independent institutions surpassed its previous 1990 peak in fall 1999 and has grown steadily ever since. **In 1990, enrollment was 109,167 and in fall 2004 it stands at 128,554.** Through 1992, public institutions represented 60 percent of the state’s total higher education enrollment, but the relationship between public and private enrollment changed when enrollments began to decline in 1993. The public enrollment percentage bottomed out at 55 percent in fall 1998 and has increased gradually since. Enrollment in the state’s independent institutions has grown from 43,400 in 1990 to 53,987 in 2004, a 24 percent increase, while public enrollment has grown 13 percent from 65,767 to 74,567.

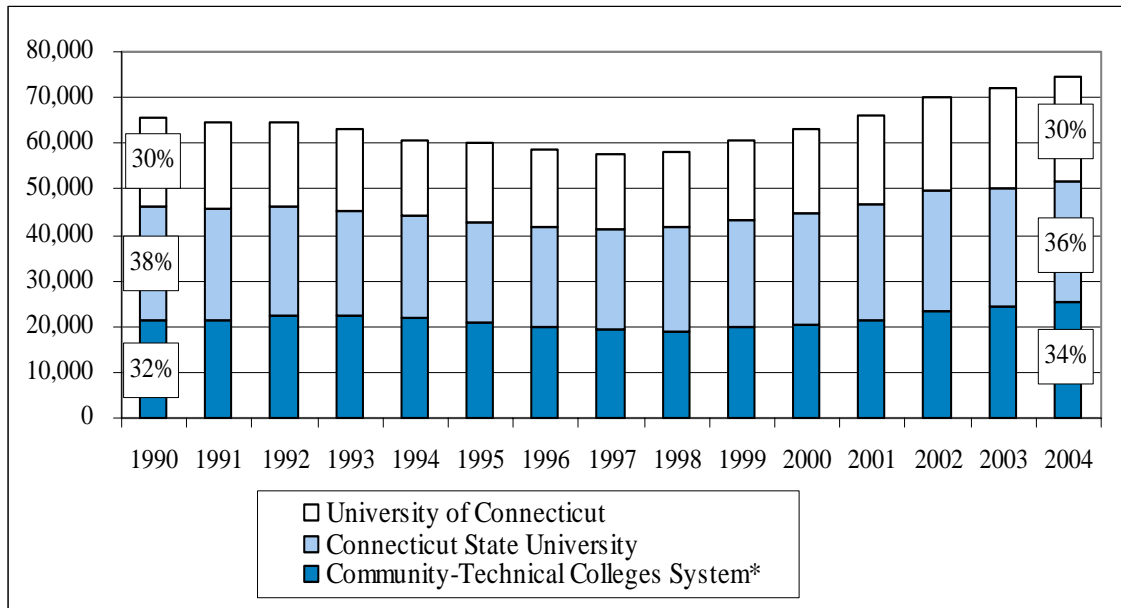
The chart below depicts FTE enrollment between public and independent four-year institutions from the previous 1990 peak through 2004. The independents never experienced the significant enrollment drop that occurred in the

public sector in the mid-1990s when the traditional college age population declined, and have enjoyed a steady enrollment climb instead. Public enrollment did turnaround in the late 1990’s, however, and although the



distribution of students between public and independent institutions continues to favor the independents, public enrollment is currently growing at a faster rate. If this trend continues, it is possible that the lines will cross again as early as next year.

Connecticut Public Higher Education Fall FTE Enrollment 1990-2004



Community and Technical Colleges merge in 1993

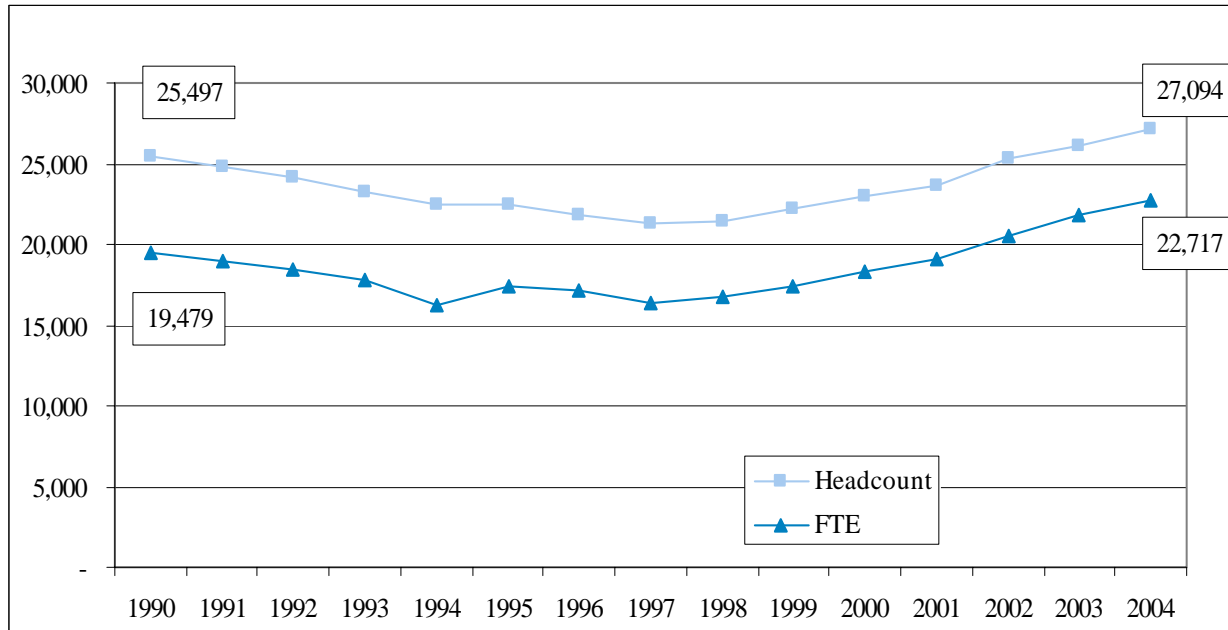
* Fall FTE enrollment excludes the University of Connecticut Health Center

From 1990 to 1997, full-time equivalent (FTE) enrollment across the public system declined steadily with the exception of the community colleges, where enrollment peaked in 1992 before beginning a downward trend. This decline was halted for the system with a one percent increase in fall 1998 and enrollment has increased steadily since to 74,567 total FTE students, representing the fourth straight year of record-breaking enrollment. Since the turnaround in fall 1998, system enrollment has grown by 16,234 students, or 28 percent, with individual growth of 36 percent at the University of Connecticut, 18 percent at Connecticut State University and 33 percent at the Community-Technical College System. Only the mix of students among the three public constituent units has changed during this growth spurt, with community college enrollment continuing to grow at a much faster rate than the Connecticut State Universities. As a result, the CTC system now enrolls 34 percent of FTE students, up two percentage points from 1990, while CSU's share dropped from 38 to 36 percent. Over the last ten years, total FTE enrollment has increased by 14,474 and 24 percent. A continuation of this upward trend is expected through at least 2008 mirroring the growth in the number of high school graduates.

Fall FTE Enrollment 1995-2004

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
UConn	17,377	17,146	16,374	16,699	17,403	18,338	19,145	20,577	21,758	22,717
CSU	22,021	21,947	22,155	22,640	23,428	24,415	25,266	25,980	25,948	26,637
CTC System	20,695	19,776	19,279	18,994	19,654	20,258	21,570	23,487	24,158	25,213
Total	60,093	58,869	57,808	58,333	60,485	63,011	65,981	70,044	71,864	74,567

University of Connecticut Fall Enrollment 1990-2004

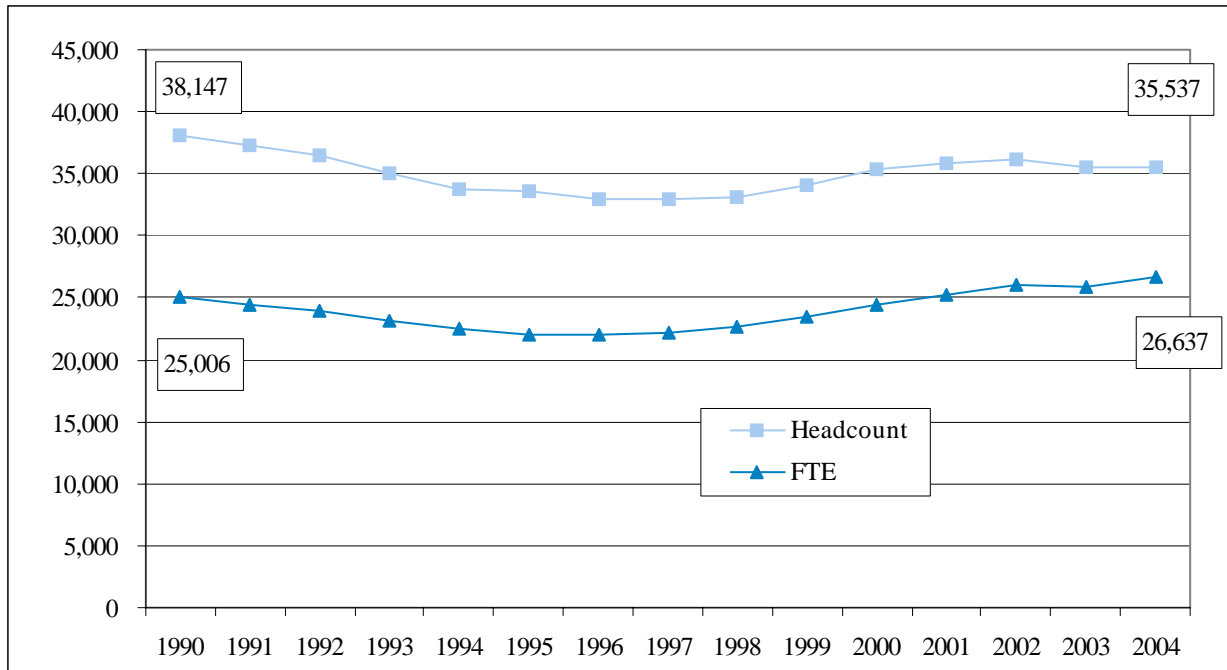


At the University of Connecticut, all campuses experienced losses from 1990 to 1997 as the number of FTE students dropped from 19,479 to 16,374, nearly 16 percent. Since that time both headcount and FTE enrollment have increased steadily. In 2004, headcount enrollment continued its upward climb to 27,094 students. Since 1997, the University’s headcount enrollment increased by 5,845 students or 28 percent. In FTE enrollments, all campuses experienced growth except Avery Point, which remained the same as 2003. The largest increase, 25 percent, occurred at the new Waterbury campus and the smallest, four percent, at the Storrs campus, which is at capacity. At this point, Torrington is the only campus not to have exceeded the 1990 peak in enrollment.

Fall FTE Enrollment 1995-2004

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Storrs	15,190	15,074	14,420	14,586	15,109	15,978	16,650	17,872	18,888	19,547
Avery Point	418	390	384	399	419	420	448	497	534	534
Hartford	680	657	597	629	703	694	728	799	842	913
Torrington	196	206	174	184	212	216	217	236	225	238
Stamford	514	499	491	586	609	656	725	775	767	858
Waterbury	379	320	308	315	351	374	377	398	502	627
Total	17,377	17,146	16,374	16,699	17,403	18,338	19,145	20,577	21,758	22,717
Tri-Campus	1,255	1,183	1,079	1,128	1,266	1,284	1,322	1,433	1,569	1,778

Connecticut State University Fall Enrollment 1990-2004

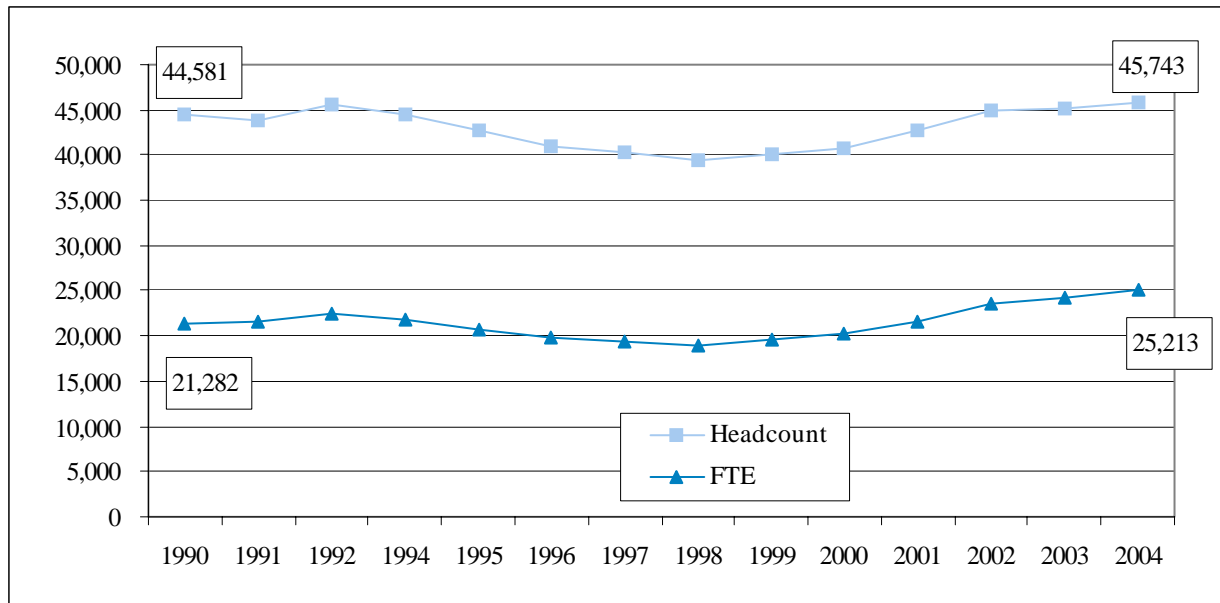


From 1990 to 1996, the CSU system lost about 12 percent of its enrollment. Since 1996, enrollment has increased modestly every year with FTE enrollment exceeding the original 1990 peak beginning in 2001. Although headcount growth has fallen off since its peak in 2002, the number of FTE students continue to grow indicating a marked increase in full-time students. All campuses experienced growth from fall 2003 with Central, which surpassed its 1990 peak for the first time, leading the way at nearly five percent. Eastern and Southern both hovered around two percent increases and Western remained essentially flat with an increase of eight FTE students. Central once again is the largest CSU campus after losing that position last year to Southern. From fall 1996, when enrollment bottomed out, to fall 2004, Western managed FTE enrollment growth of 28 percent, Eastern, 24 percent, Central, 22 percent and Southern, 16 percent.

Fall FTE Enrollment 1995-2004

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Central	7,418	7,369	7,445	7,708	7,866	8,111	8,432	8,836	8,585	9,001
Eastern	3,258	3,328	3,328	3,557	3,820	3,935	4,045	4,081	4,052	4,140
Southern	7,689	7,677	7,756	7,677	7,900	8,335	8,535	8,672	8,759	8,936
Western	3,656	3,573	3,626	3,698	3,842	4,034	4,254	4,391	4,552	4,560
Total	22,021	21,947	22,155	22,640	23,428	24,415	25,266	25,980	25,948	26,637

Community-Technical College System Fall Enrollment 1990-2004

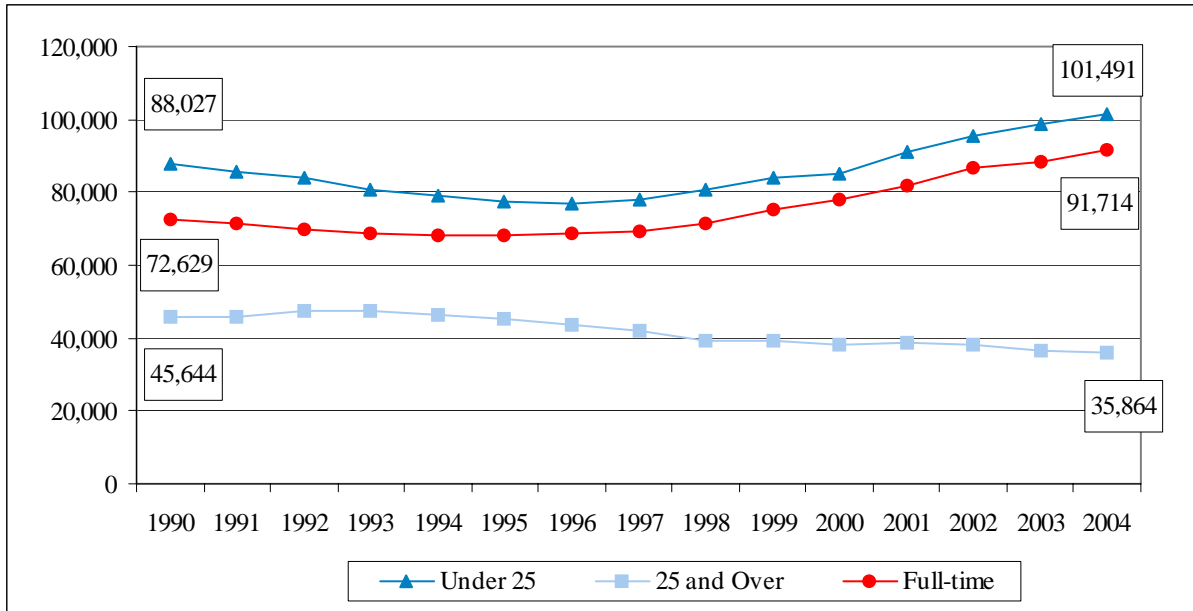


In 2004, FTE enrollment at the Community-Technical College System surpassed 2003 for a new record high of 25,213. Although enrollment declined from 1992 to 1998 at nine of the 12 campuses, there was continued growth at Housatonic, Norwalk and Quinebaug Valley. Six years later, Capital, Gateway, Naugatuck Valley and Tunxis have joined these three with FTE enrollments exceeding the 1992 peak. The System FTE enrollment, as a whole, increased four percent in one year with only Northwestern and Norwalk suffering modest declines of 0.4 and 1.6 percent. Ten colleges grew enrollments with six increasing by more than five percent. The largest increases were at Quinebaug Valley (11 percent) followed by Naugatuck Valley at nine percent and Manchester at eight percent. Manchester once again holds the rank of largest community college in 2004, moving past Norwalk.

Fall FTE Enrollment 1995-2004

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Asnuntuck	817	797	806	744	750	785	785	800	734	759
Capital	1,371	1,400	1,368	1,354	1,319	1,468	1,533	1,757	1,794	1,846
Gateway	2,334	2,161	2,002	1,906	1,979	2,029	2,343	2,748	2,909	2,971
Housatonic	1,233	1,212	1,543	1,676	1,809	1,884	2,123	2,308	2,487	2,601
Manchester	2,945	2,790	2,766	2,684	2,698	2,729	2,914	3,127	3,250	3,499
Middlesex	1,340	1,242	1,070	1,049	1,104	1,108	1,119	1,235	1,245	1,312
Naugatuck Valley	2,926	2,728	2,521	2,495	2,599	2,748	2,821	2,938	2,904	3,169
Northwestern CT	853	849	800	767	738	702	723	782	775	772
Norwalk	2,589	2,580	2,545	2,444	2,619	2,759	2,921	3,093	3,278	3,224
Quinebaug Valley	574	581	597	598	666	694	762	793	822	912
Three Rivers	1,967	1,818	1,728	1,774	1,779	1,761	1,743	1,894	1,892	2,034
Tunxis	1,746	1,618	1,533	1,503	1,594	1,591	1,783	2,012	2,068	2,114
Total	20,695	19,776	19,279	18,994	19,654	20,258	21,570	23,487	24,158	25,213

Connecticut Undergraduate Enrollment Student Age Summary and Full-Time Enrollment Fall 1990-2004



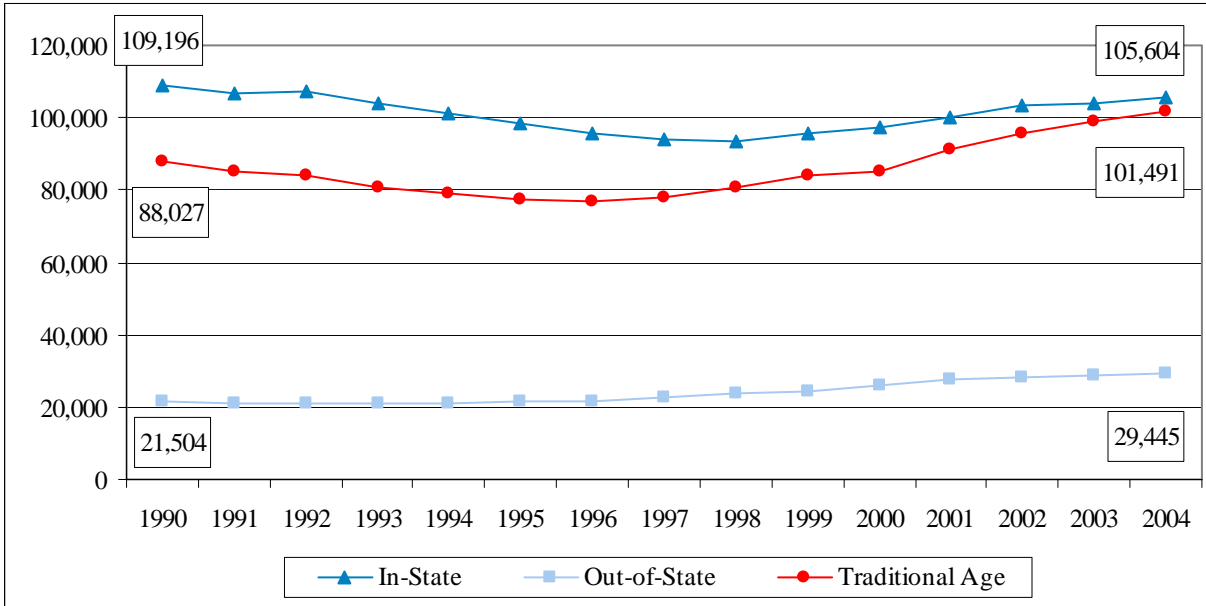
The enrollment of full-time undergraduate students began to increase in fall 1995, driven by enrollment in the independent sector. Since 1990, full-time students have represented from 70 to 88 percent of undergraduate enrollment in the independent sector, but only became the majority of undergraduates at public institutions in 1999. This upturn in full-time enrollment ties closely with the baby boomlet in traditional-age (under 25) college students which began in fall 1997, as indicated in the graph above. However, while traditional-age students increased 15 percent from 1990 to 2004, full-time enrollment grew almost twice as fast at 26 percent. (Note that the full-time and under 25 lines are drawing together in the above graph.) It appears that, in addition to fueling the enrollment increase, traditional age students are enrolling full-time in higher numbers than in recent years. It is projected that this boomlet will continue to drive enrollment through at least 2008.

The number of undergraduates age 25 and older peaked in 1992 with 47,533 students but has declined every year since and now stands at an all-time low of 35,864, down nearly 25 percent. This decline is largely a reflection of the baby boom generation nearing retirement and passing the point of career-oriented education. During this same time period the number of undergraduates under age 25 grew 21 percent.

Student Age Summary and Full-Time Enrollment 1995-2004

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Under 25	77,504	77,020	77,906	80,748	84,130	85,163	91,041	95,541	98,842	101,491
Full-time Enrollment	68,376	68,956	69,169	71,375	75,257	78,161	81,888	86,719	88,332	91,714
25 and Over	45,512	43,712	42,043	39,501	39,377	38,393	38,674	38,153	36,776	35,864

Residence Status of Connecticut Undergraduate Students Fall 1990-2004



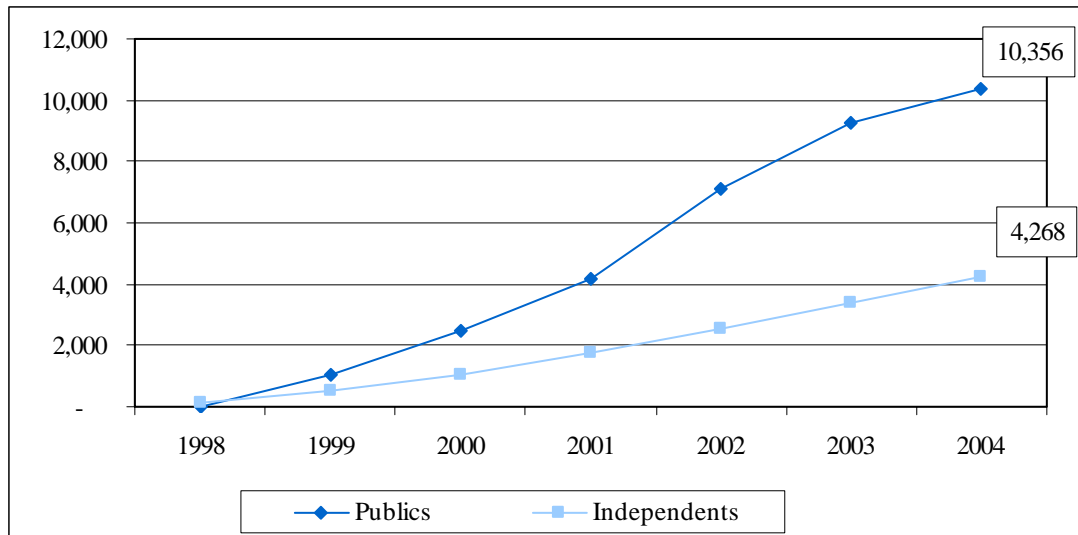
In-state enrollment follows the traditional-age college enrollment growth pattern fairly closely. In 2003, 77 percent of Connecticut’s public high school graduates planned to attend college and nearly 57 percent of them planned to stay in Connecticut. Traditional-age students are staying in-state for higher education in growing numbers. Although the number of in-state undergraduates has risen every year since 1995, their share of the total has fallen from 82 percent to 78 percent. Increases in full-time and full-time equivalent (FTE) enrollment above the original 1990 peak have likely been achieved, at least in part, due to the recent surge in out-of-state students.

From 1990 to 1996 out-of-state enrollment remained at a constant level between 21,000 and 22,000. From 1997 to 2001 out-of-state enrollment grew at a rate of about 1,500 per year and, although slowed, has increased to almost 30,000 students in 2004. Out-of-state students now make up 22 percent of the state’s higher education enrollment with recent growth occurring largely at the regional independent schools and UConn. With the pool of in-state students expected to grow steadily through 2008, however, the out-of-state trend may begin to take a back seat.

Residence Status 1995-2004

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
In-State	98,480	95,886	94,092	93,417	95,889	97,393	100,316	103,359	103,764	105,604
Out-of-State	21,782	21,782	22,846	23,686	24,566	25,995	27,901	28,049	28,803	29,445
In-State/Out-of-State Ratio	82/18	83/17	80/20	80/20	80/20	79/21	78/22	79/21	78/22	78/22

Connecticut Online Enrollment 1998 - 2004



In fall 1997, the first two asynchronous web-based courses in higher education were offered with some 20 students enrolled through the Connecticut Distance Learning Consortium (CTDLC). Beginning with 30 institutional members, the CTDLC was created as a focal point for distance learning offered by Connecticut public and independent institutions with a high quality infrastructure available to its members. Just seven years later, the CTDLC has 47 institution and affiliate members, and has enrolled 14,624 students in 459 courses in 2004. The largest percentage growth occurred at the University of Connecticut (96 percent), while the community colleges experienced the largest numerical increase with 528 students. In addition to individual courses, the CTDLC, through its Connecticut member institutions, now has full-degree programs online including 10 associates, 14 bachelor's, 13 master's and 20 certificate programs in subjects such as criminal justice, nursing, library science and data mining.

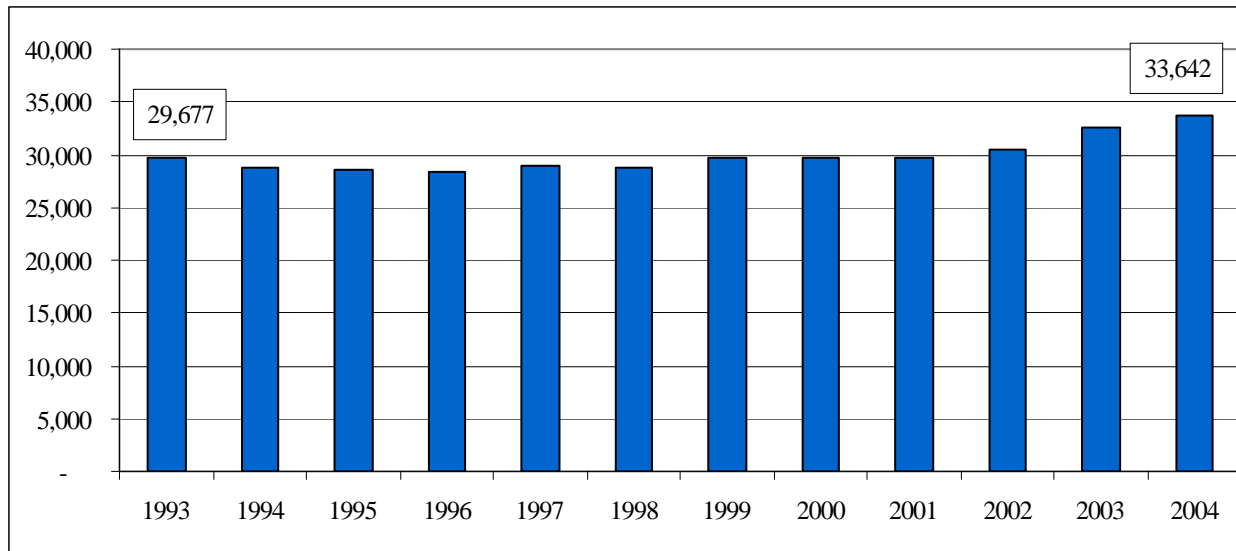
Online Enrollment 1998 - 2004

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
UConn	-	-	-	13	92	387	757
CSU	-	280	1,005	1,546	1,680	1,654	1,714
CTC System	20	626	1,385	2,258	4,180	5,653	6,181
COSC	8	115	109	350	1,189	1,567	1,704
Subtotal Public Inst.	28	1,021	2,499	4,167	7,141	9,261	10,356
Independent Inst.	98	544	1,061	1,790	2,542	3,379	4,268
Grand Total	126	1,565	3,560	5,957	9,683	12,640	14,624



DEGREES CONFERRED

Degree Productivity by Connecticut Institutions 1993 through 2004



Connecticut colleges and universities awarded 33,642 degrees and certificates in 2004, up 3.5 percent from last year. Most of the growth was at six of the state’s larger institutions (Central and Western Connecticut State Universities, Fairfield, Quinnipiac, Sacred Heart and the University of New Haven) with New Haven leading the way at a 19 percent increase, while the other forty degree-granting institutions combined were up less than one percent.

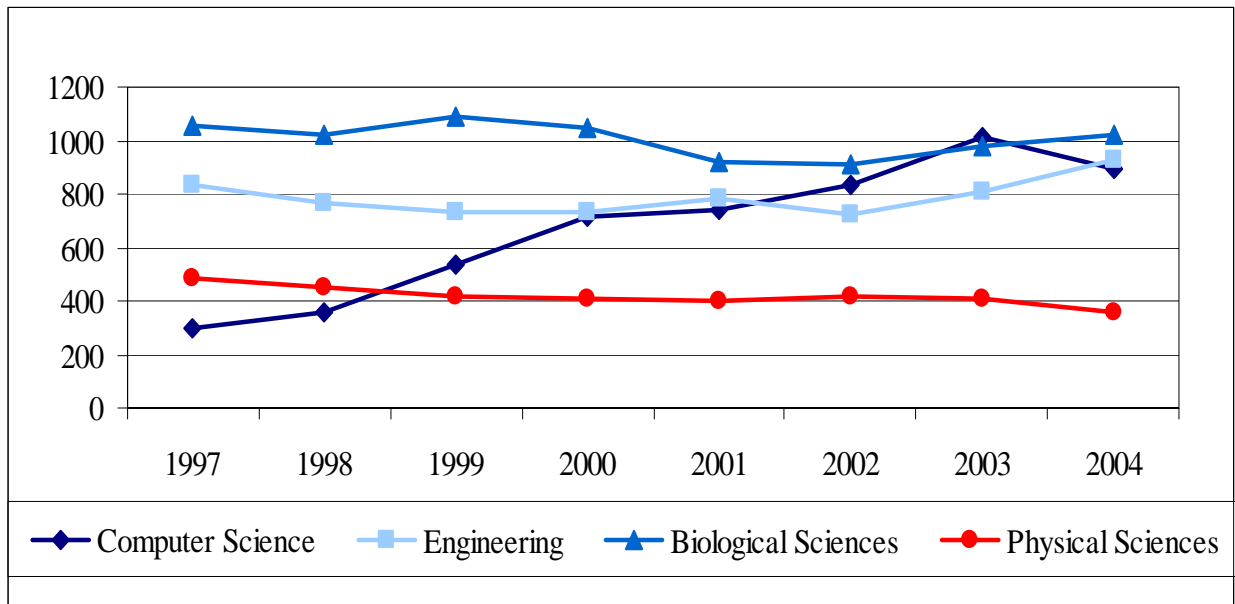
The number of minority students earning degrees increased 10.5 percent, triple the overall increase, with the largest gains among Hispanics/Latinos and African Americans. The share of degrees received by minorities rose from 15.7 to 16.7 percent, a favorable comparison to the 6.2 percent share of twenty-one years ago. Women continue to earn more degrees than men at 59 percent of all degrees, growing steadily from 53 percent two decade ago. Although women earn fewer doctoral and first-professional degrees than their male counterparts, at 47 and 49 percent, respectively, it is likely that these also will shift to the majority shortly.

In 2004, baccalaureate degrees are the majority (51%) for the first time since 1993, followed by master’s degrees (27%) and associates (14%). Both bachelor’s and doctorates, up six percent and seven percent, respectively, showed healthy growth; certificates, associate’s and master’s exhibited more modest two to three percent growth; and first-professional degrees declined six percent. In addition, there were significant decreases in law degrees from both Quinnipiac and Yale.

The top five degree-producing disciplines, in order, are business, education, health professions, social sciences and history, and liberal arts and sciences. They comprise 56 percent of all degrees in 2004 with all but education increasing. A robust nine percent increase in health professions allowed it to move up one space to third on the list of five.

Public colleges and universities awarded 16,635 degrees, up 3.3 percent from 2003. Independent institutions granted 17,007 degrees, up 3.7 percent. The slightly lower growth in the public sector reduced its share of total awards from 49.5 percent last year to 49.4 percent in 2004. Public institutions last awarded a majority of degrees in 1998.

Degrees Conferred in Economic Cluster or Shortage Related Disciplines



The development of human capital is critical to Connecticut's economic prosperity. The state has identified nine industry clusters that require special attention: aerospace, agriculture, bioscience, insurance/finance, maritime, metal manufacturing, plastics, software/information technology and tourism. All but tourism are heavily dependent on employees with advanced scientific and technical knowledge typical of the four disciplines relevant to those clusters identified in the chart above.

Engineering is the only clear success over the last five years with degrees up 27 percent. However, the longer-term is less favorable with the 925 awards in 2004 compared to more than 1,000 per year every year between 1983 and 1994. Biological sciences have grown modestly at four percent in one year, but have fallen six percent over the last five years and since the peak in 1996. Computer science is down 12 percent from its 20-year peak reached last year, but still registers the second highest year of those twenty, as expected for a field experiencing tremendous change. Finally, physical science awards are down 12 percent from last year, with downward trends continuing. The 360 awards in 2004 are the lowest in twenty years of data.

Degrees in nursing (defined as R. N. training) rose by a robust 15 percent—from 753 in 2003 to 866 in 2004. However, annual production of nurses averaged 787 in the last four years, well below projected annual openings of 1,235.

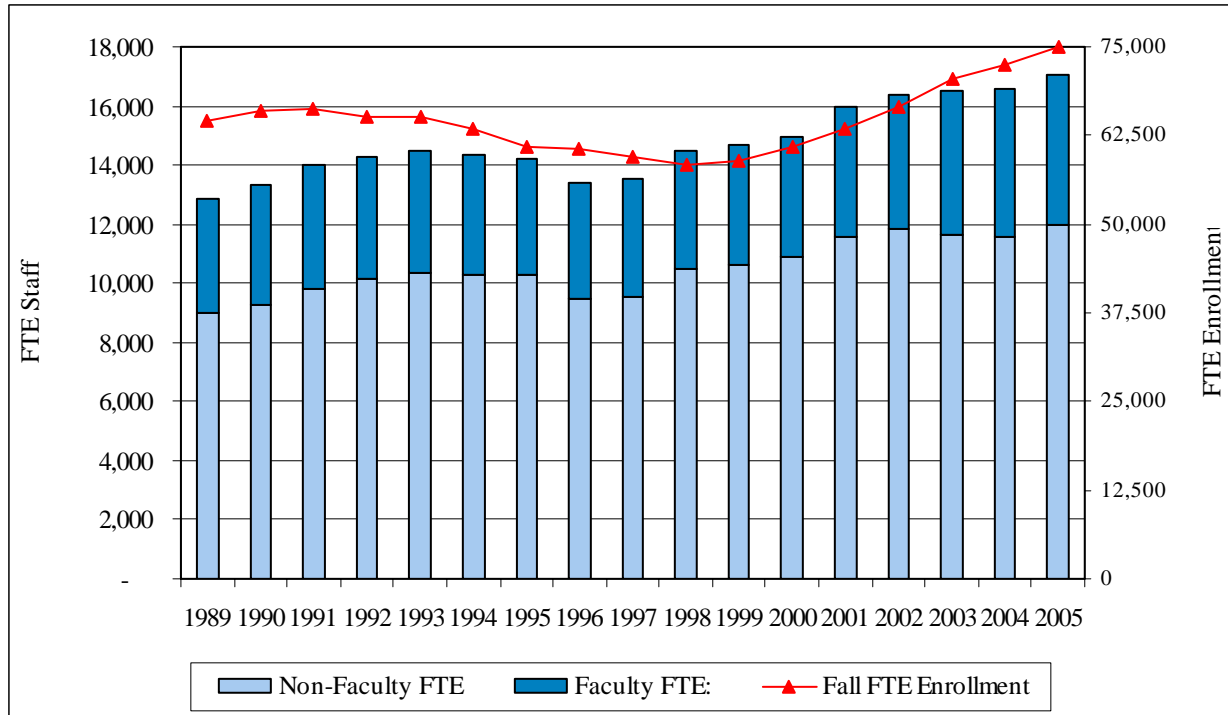
A total of 3,415 students were awarded credentials in teacher preparation programs, down six percent from 2003, the first decline in four years. Unfortunately, only 824, 24 percent, were in the critical shortage areas identified by the State Department of Education (special education, mathematics 7-12, music, Spanish 7-12, school psychologist, bilingual education, speech and language pathology, consumer and home economics, technology education and remedial reading). The Alternate Route to Certification (ARC) program awarded 99 of these priority-area credentials.



POSITION TRENDS

Connecticut Public Higher Education System Position Trends 1989-2005

Total FTE Staff by Faculty and Non-Faculty



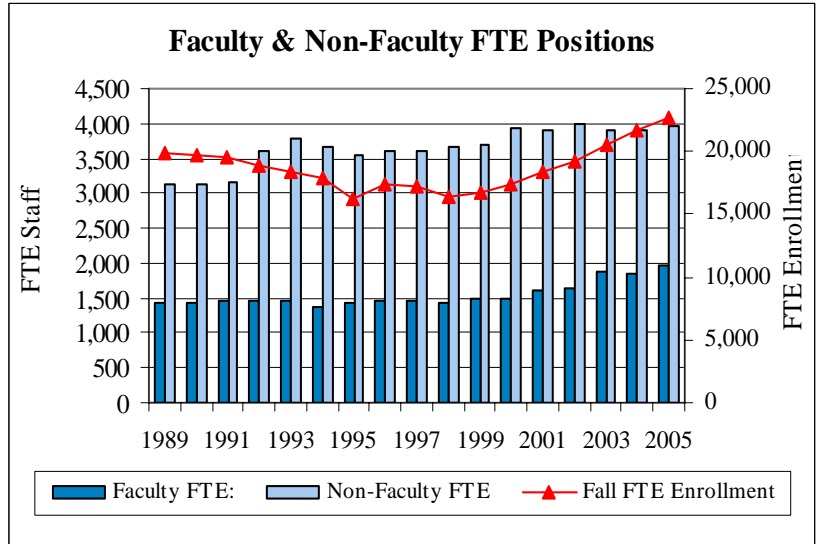
Source: Constituent Unit Biennial Operating Budget Submission Forms and DHE Enrollment Surveys

Total positions across the system have increased by 4,215 or 33 percent since 1989 to an estimated 17,059 in 2005. In comparison, fall 2004 FTE enrollment reached 75,049, representing a fourth consecutive year of peak enrollment and increasing 10,614 students or 16.1 percent since 1989.

From 1989 to 2005, the faculty complement of positions has grown by 1,227, or 32 percent, to 5,104. This figure does not include faculty at the University of Connecticut Health Center where all positions are reported as non-faculty. The non-faculty category has added 2,988 since 1989 bringing the total non-faculty positions to 11,955 in 2005, an increase of 33 percent. After a leap in 1990 in response to the previous enrollment peak, faculty positions hovered around 4,000 until 2001 when growing enrollment again began to be an influence. From 2000 to 2005, enrollment and faculty grew at roughly the same rates with faculty reaching over 5,100 positions by 2005, a 25 percent increase over the previous decade's level. Non-faculty positions, however, grew steadily from a low of nearly 9,000 in 1989 to almost 12,000 in 2005, dropping briefly in 1996 through 1997, and in 2003 through 2004 when early retirement programs were implemented.

University of Connecticut Position Trends 1989-2005

At the University of Connecticut, total funded positions increased 1,355 or 30 percent from 1989 to 2005. The majority of the growth occurred in the non-faculty complement which increased by over 800 or 26 percent. The growth began with a surge in 1992, then steadied until rising sharply in 2000 and has hovered at around 4,000 positions since. The faculty, on the other hand, remained between 1,400 and 1,500 from 1989 to 2000, dipping and growing along with enrollment. Recent enrollment growth is pushing the faculty complement steadily toward 2,000 except for a slight dip in 2004 as a result of the early retirement program. Fall FTE enrollment declined from a peak of 19,903 in 1989 to a low of 16,269 in 1995, a reduction of 18.3 percent. Over the past six years, enrollment has increased steadily, along with faculty, and now stands at 22,717, about 2,814 students, or 14.1 percent, above the peak in 1989.



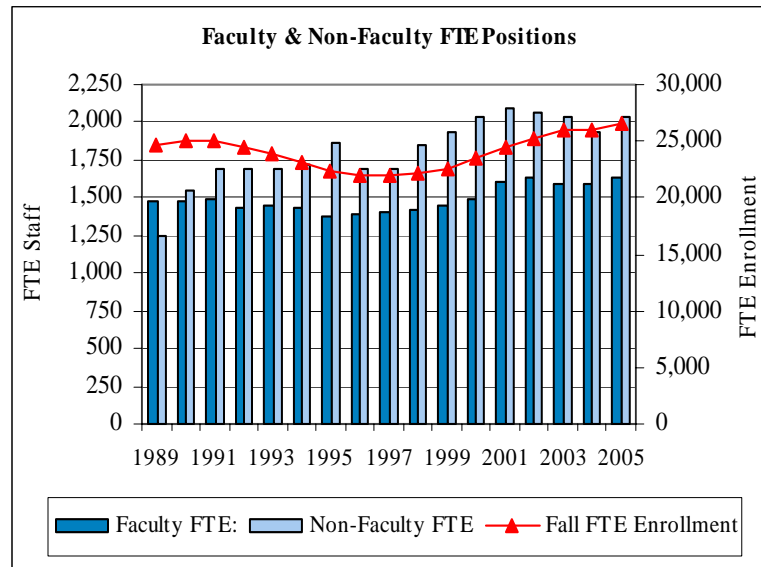
FTE Faculty	1989	2002	2003	2004	Est. 2005	Change 1989-05
Full-Time	1,109	1,015	1,094	1,021	1,105	-.4%
Part-Time	311	617	781	826	849	172.3%
Total	1,420	1,632	1,875	1,847	1,953	37.5%
Full-Time %	78.1%	62.2%	58.4%	55.3%	56.6%	
Part-Time %	21.9%	37.8%	41.6%	44.7%	43.4%	

Source: University of Connecticut Biennial Operating Budget Submission and DHE Enrollment Surveys.

Since 1989, faculty positions have increased by 533 or 37.5 percent, however, the majority of the growth has been in part-time faculty. This represents a significant shift from full-time to part-time faculty. While full-time faculty has been stable over the period, full-time equivalent part-time faculty has nearly tripled, from 311 in 1989 to 849 in 2005. The ratio of full-time to part-time faculty was 78 percent in 1989 and has dropped to 57 percent in 2005. In 2005, part-time faculty are filling an additional 232 full-time positions, for a 37.6 percent increase, and full-time faculty have added 90 positions, an 8.9 percent increase. This data demonstrates that as enrollment has increased, the need for faculty has been met primarily through the use of adjuncts with no significant increase in the ranks of full-time staff. The University is preparing to address this issue through a five-year faculty expansion plan.

Connecticut State University Position Trends 1989-2005

At Connecticut State University, total funded positions increased 947, or 34.9 percent, from 1989 to 2005. The majority of the growth occurred in the non-faculty complement which increased nearly 800, or 63.5 percent, beginning with a leap of nearly 300 positions in 1990. From 1991 through 1997, non-faculty remained stable at about 1,700 before growing to 2,000 in 2000 and subsequently remaining fairly flat through 2005 but for a slight dip in 2004 due to the early retirement program. The number of faculty, although growing at an overall rate of nearly 11 percent, did not pass 1989's level of 1,475 until 2000 due to generally declining enrollment through the period. With the recent enrollment surge, the faculty lines have seesawed above and below 1,600 between 2000 and 2005. In comparison, fall FTE enrollment declined from a peak of 25,050 in 1990 to a low of 21,947 in 1997, a reduction of 12.4 percent. Since 1997, enrollment has steadily increased to 26,637 in 2005 while faculty increased until 2001 and has since remained at about 1,600 positions.



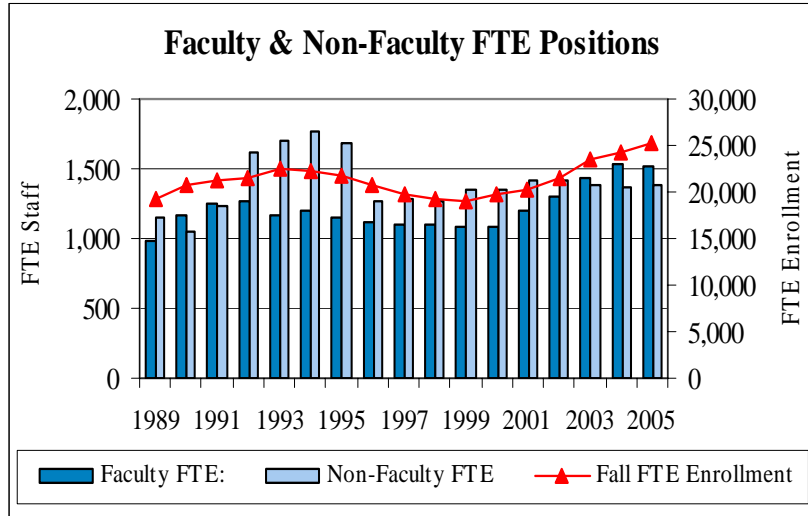
FTE	1989	2002	2003	2004	Est. 2005	Change 1989-05
Faculty						
Full-Time	1,118	1,180	1,193	1,176	1,201	7.4%
Part-Time	357	452	402	418	433	21.2%
Total	1,475	1,632	1,595	1,594	1,634	10.7%
Full-Time %	75.8%	72.3%	74.8%	73.8%	73.5%	
Part-Time %	24.2%	27.7%	25.2%	26.2%	26.5%	

Source: Connecticut State University System Biennial Operating Budget Submission and DHE Enrollment Surveys.

With the significant growth of non-faculty positions, faculty as a percent of total positions at the State University dropped more than 10 percentage points to roughly 45 percent. At the same time, the relationship between full-time and part-time faculty has remained fairly constant at a ratio of roughly 75/25 with a slight dip experienced in 2001 and 2002. Specifically, since 1997, full-time faculty positions increased by 154 or 15 percent while part-time faculty increased at a slightly faster rate of 23 percent, or 80 positions. Over the same period, enrollment grew by nearly 4,700 students, or 21 percent, and the entire faculty complement increased at a slightly slower rate of 17 percent with 233 faculty added. The CSU faculty collective bargaining contract requires the State University to maintain the roughly 75/25 ratio of full-time to part-time faculty, which explains the lack of growth in adjuncts noted elsewhere in the system.

Community-Technical College System Position Trends 1989-2003

At the Community-Technical College System, funded positions increased 772 or 36.2 percent from 1989 to 2005. The majority of the growth occurred in the faculty complement which increased by 535, or nearly 55 percent. From 1989 to 2001, the faculty remained between 1,000 and 1,200 following the same trend as enrollment. The enrollment surge pushed the faculty lines to just over 1,500 by 2004. Non-faculty positions, on the other hand, grew 21 percent over the same period with the spike from 1992 to 1995. This was followed by a more measured rise to 1,400 positions in 2001, where it has hovered but for a slight dip in 2004 due to the early retirement program. In comparison, fall FTE enrollment declined from a peak of 22,402 in 1992 to a low of 18,994 in 1999, a reduction of 15.2 percent. Over the past four years, enrollment in the CTC System has been on the increase, and now stands at 25,213, about 5,867 students or 30.3 percent above 1989.



FTE	1989	2002	2003	2004	Est. 2005	Change 1989-03
Faculty						
Full-Time	809	777	775	772	773	-4.4%
Part-Time	173	520	655	756	744	331.3%
Total	982	1,297	1,430	1,528	1,517	54.6%
Full-Time %	82.4%	59.9%	54.2%	50.5%	51.0%	
Part-Time %	17.6%	40.1%	45.8%	49.5%	49.0%	

Source: Community-Technical College System Biennial Operating Budget Submission and DHE Enrollment Surveys.

Due to the more rapid growth in faculty positions since 1989, faculty as a percent of total positions at the community colleges has increased about six percentage points to 52 percent. At the same time, there has been a dramatic shift in the relationship of full-time to part-time faculty. The System has moved from a full-time mix greater than 80/20 to one approaching 50/50 in 2005. Specifically, full-time faculty declined by about four percent, or 36 positions, while part-time faculty have more than tripled with 571 positions added. The community colleges have managed enrollment growth of over 5,900 students (30.8%) since 1998 with the addition of 375 adjunct faculty, an increase of over 100 percent, while the full-time faculty complement has increased by 38 positions or 5.2 percent. The community colleges have requested additional full-time faculty to address this significant imbalance.

Connecticut Public Higher Education FTE Faculty & Staff 1989-2005

	<u>1989</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>Estimated 2005</u>	<u>Change 1989-05</u>
FTE Faculty							
University of Connecticut	1,420	1,609	1,632	1,875	1,847	1,953	37.5%
UConn Health Center	-	-	-	-	-	-	-
Connecticut State University	1,475	1,599	1,632	1,595	1,594	1,634	10.8%
Community-Tech College System	982	1,199	1,297	1,430	1,528	1,517	54.5%
Charter Oak State College/CTDLC	-	-	-	-	-	-	-
Department of Higher Education	-	-	-	-	-	-	-
Total Faculty	3,877	4,407	4,561	4,900	4,969	5,104	31.6%
FTE Non-Faculty							
University of Connecticut	3,141	3,893	4,002	3,900	3,899	3,963	26.2%
Connecticut State University	1,241	2,099	2,068	2,029	1,934	2,029	63.5%
Community-Tech College System	1,150	1,412	1,417	1,391	1,373	1,386	20.5%
Subtotal Non-Faculty	5,532	7,404	7,487	7,320	7,206	7,378	33.4%
UConn Health Center*	3,357	4,044	4,252	4,196	4,281	4,459	32.8%
Charter Oak State College/CTDLC**	22	49	55	52	57	69	213.6%
Department of Higher Education	57	48	48	48	49	49	-14.0%
Total Non-Faculty	8,967	11,545	11,842	11,616	11,593	11,955	33.3%
FTE Total Staff							
University of Connecticut	4,561	5,502	5,634	5,775	5,746	5,916	29.7%
UConn Health Center*	3,357	4,044	4,252	4,196	4,281	4,459	32.8%
Connecticut State University	2,716	3,698	3,700	3,624	3,528	3,663	34.9%
Community-Tech College System	2,131	2,611	2,713	2,821	2,901	2,903	36.2%
Charter Oak State College/CTDLC**	22	49	55	52	57	69	213.6%
Department of Higher Education	57	48	48	48	49	49	-14.0%
Total Staff	12,844	15,952	16,402	16,516	16,562	17,059	32.8%

* The University of Connecticut Health Center staff is not reported by faculty and non-faculty, therefore, all staff have been categorized as non-faculty.

**Growth in positions at Charter Oak drops to 122.7% from 1989 to 2003 when the 13 CTDLC positions and 7 Bridgepoint Education positions are removed.

Source: Constituent Unit Biennial Operating Budget Submissions



TUITION AND FEES

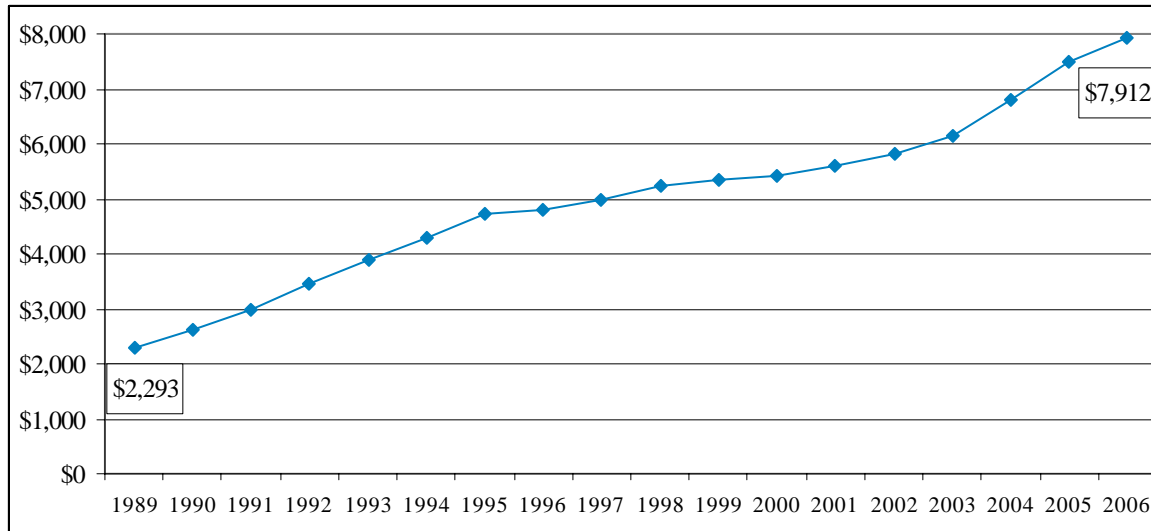
**Connecticut Public Higher Education
Undergraduate Tuition and Required Fees**

	<u>In-State</u>			<u>Out-of-State</u>		
	<u>FY 2005</u>	<u>FY 2006</u>	<u>% Change</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>% Change</u>
University of Connecticut						
Commuter	\$ 7,490	\$7,912	5.6%	\$19,322	\$20,416	5.7%
Resident	14,894	15,760	5.8%	26,726	28,264	5.8%
Connecticut State University						
Commuter	5,611	5,936	5.8%	13,127	13,875	5.7%
Resident	12,748	13,426	5.3%	20,264	21,365	5.4%
Community-Technical College System						
	2,406	2,536	5.4%	7,178	7,568	5.4%
Charter Oak State College						
Associate Degree	855	890	4.1%	1,115	1,160	4.0%
Bachelor Degree 1st Year	980	1,015	3.6%	1,245	1,305	4.8%
Bachelor Degree > 1st Year	555	605	9.0%	735	805	9.5%

For the 2006 academic year, projected tuition and fee increases drop below the double digit range for undergraduate commuting students at all public institutions. In June 2004, the Connecticut State University (CSU) rolled back its 2005 tuition increase from 13.7 percent to 8.1 percent after receiving additional funding from the legislature. At the same time, the University of Connecticut implemented a second 2005 increase, a 7.7 percent increase to 10.0 percent in order to generate additional funding for the replacement of faculty. The 2006 increases, all under six percent, are more reasonable, although continuing well above the Higher Education Price Index (HEPI) rate for 2004 of 4.7 percent and the corresponding CPI rate of 2.2 percent. The proposed increases also are dependent on the receipt of sufficient state support. Elsewhere, public sector 2005 tuition increases fall in the seven to 12 percent range, averaging 10 percent. These averages are the result of improving, or at least stabilized, state budgets across the nation. Although Connecticut's rates for 2006 are favorable in comparison with the rest of the county, they assume that there will be no other major budgetary problems. Adequate tuition and fee revenue in combination with state support is needed to support collective bargaining increases in the five percent range, along with growing technology, utility and debt service costs.

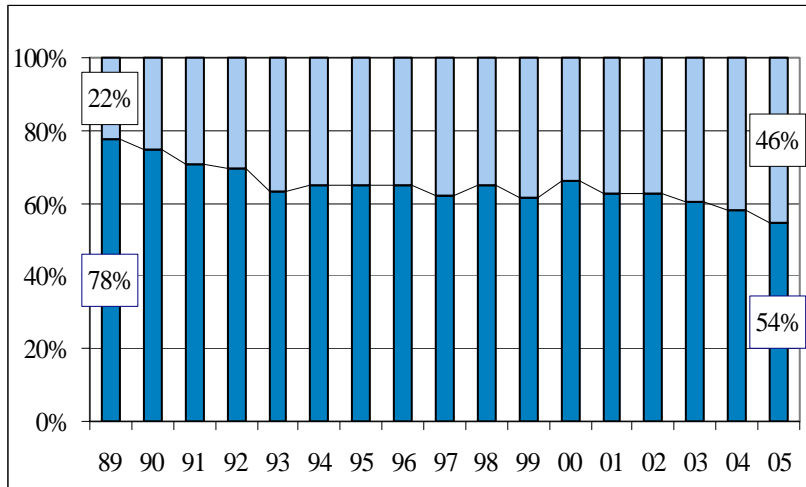
It should be noted that the Governor, as part of her FY 2005-07 budget proposals, has recommended that tuition at all public institutions be frozen for the 2005-06 academic year.

University of Connecticut In-State Tuition and Fee Growth 1989 – 2006

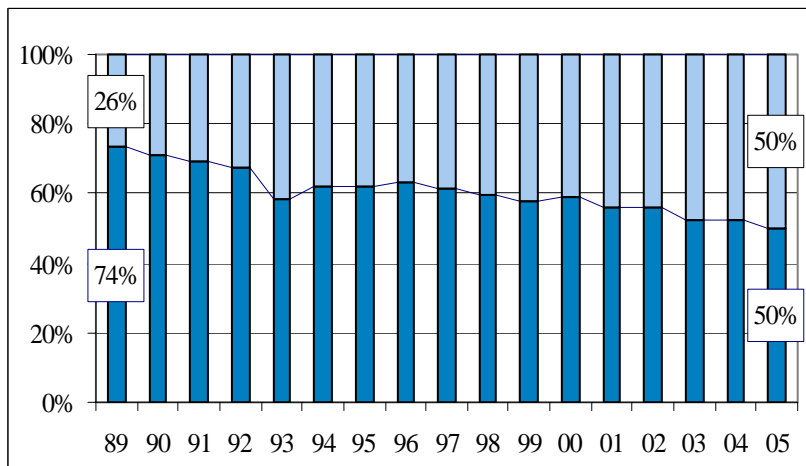


<u>Fiscal Year</u>	<u>Tuition and Fees</u>	<u>% Increase Over Prior Year</u>	<u>Cumulative % Increase</u>
1989	\$2,293	-	-
1990	2,631	14.7%	14.7%
1991	2,974	13.0%	29.7%
1992	3,463	16.4%	51.0%
1993	3,902	12.7%	70.2%
1994	4,290	9.9%	87.1%
1995	4,712	9.8%	105.5%
1996	4,810	2.1%	109.8%
1997	4,974	3.4%	116.9%
1998	5,242	5.4%	128.6%
1999	5,330	1.7%	132.4%
2000	5,404	1.4%	135.7%
2001	5,596	3.6%	144.0%
2002	5,824	4.1%	154.0%
2003	6,154	5.7%	168.4%
2004	6,812	10.7%	197.1%
2005	7,490	10.0%	226.6%
2006	7,912	5.6%	245.1%

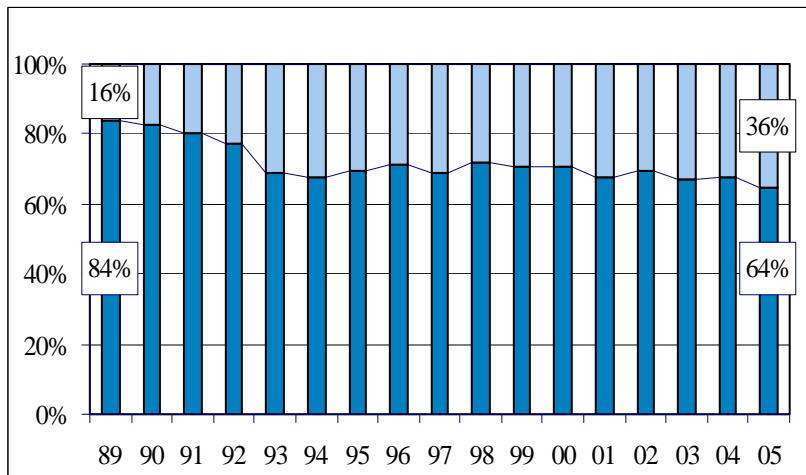
University of Connecticut



Connecticut State University



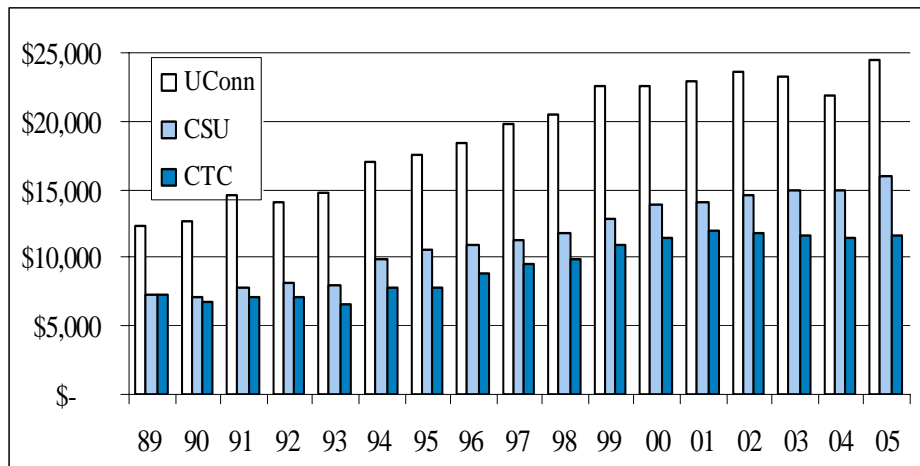
Community-Technical College System



State support per FTE student as a percentage of total cost per student dropped significantly again this year to historically low levels at all three constituent units. As shown in the charts at left, the percentage of support coming from the state for the University of Connecticut, Connecticut State University and the Community-Technical College System declined rapidly from 1989 to 1993. Through 2002, student/state share stabilized somewhat, with only CSU experiencing another decline beginning in 2001. Since 1997, CSU has exhibited a smaller proportionate share of state support than UConn. This is because CSU's overall rate of spending per student significantly outpaced that of UConn and not because it received lower state support. All three constituent units experienced declines in state share as spending from tuition and other revenues exceeded the growth in state appropriations. In 2005, state support actually increased at all units, but not as much as revenue from tuition and fee increases that was used to expand services. State support, therefore, drops in relation to student support: two points at UConn, which had the highest tuition increase, one point at CSU to reach 50/50 and remains constant at the CTC System. The Board of Governors' Tuition Policy promotes a state share of at least 65 percent of educational costs at four-year institutions and 70 percent at two-year colleges. If spending patterns continue and state support does not keep pace, Connecticut will face serious affordability and capacity issues, especially if state student financial aid programs are not restored and sustained.

Student Share State Share

Growth in Cost Per Student



The cost per student at Connecticut’s public institutions is a reflection of educational and general expenditures divided by full-time equivalent students (FTE). The chart and table depict the actual cost by constituent unit from the previous enrollment

peak in 1989 to estimated costs for the current year. Over this period cost per student has increased 97 percent at the University of Connecticut, 117 percent at Connecticut State University and 62 percent at the Community-Technical College System. By comparison, the Consumer Price Index (CPI) has increased 54 percent and the Higher Education Price Index (HEPI) has increased 74 percent. While the community colleges’ cost growth is between the national standards’, CSU’s growth is more than 50 percent faster than the HEPI and UConn’s is 30 percent higher.

Costs remained relatively stable from 1989 to 1993 as state support steadily declined. Since that time, however, all three constituent units have displayed marked cost increases. Until 1998 the growth was a result of modest expenditure increases coupled with declining enrollments. Costs, however, continued to increase rapidly through 2001 before slowing in 2002. Significant enrollment growth, combined with modest tuition and fee increases, lowered the cost by spreading it out across a larger base. As a result, in 2003 and 2004, cost per student actually declined.

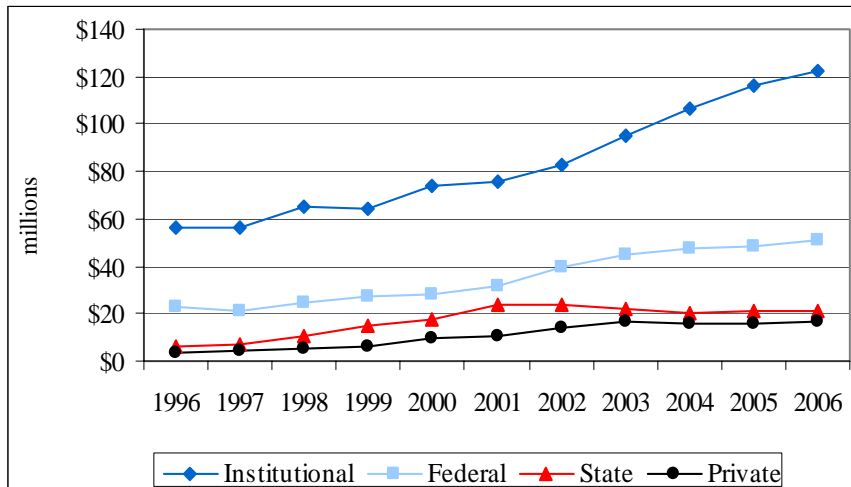
In 2005 modest increases to state appropriations are combined with relatively high tuition and fees and enrollment that is lower than fee growth. The result is a huge jump in cost per student at UConn (highest tuition growth); a large cost jump at CSU (lowest enrollment growth); and a modest increase at the community colleges (lowest tuition growth). This is a worrisome indicator. Educational and general expenditures have increased an average of six percent per year since 1989 at UConn, nearly five percent at the community colleges and seven percent at CSU, while appropriations grew less than three percent annually.

	<u>UConn</u>	<u>CSU</u>	<u>CTC</u>
1989	\$12,361	\$7,314	\$7,213
1990	\$12,590	\$7,162	\$6,785
1991	\$14,574	\$7,840	\$7,067
1992	\$14,074	\$8,129	\$7,103
1993	\$14,696	\$8,067	\$6,587
1994	\$16,978	\$9,933	\$7,792
1995	\$17,468	\$10,544	\$7,788
1996	\$18,383	\$11,001	\$8,867
1997	\$19,843	\$11,333	\$9,514
1998	\$20,544	\$11,828	\$9,886
1999	\$22,633	\$12,785	\$10,931
2000	\$22,625	\$13,966	\$11,425
2001	\$22,899	\$14,102	\$11,893
2002	\$23,628	\$14,574	\$11,821
2003	\$23,263	\$14,907	\$11,556
2004	\$21,907	\$14,888	\$11,392
2005	\$24,412	\$15,887	\$11,675



**STUDENT AID
AND
STATUTORY WAIVERS**

Financial Aid Trends from All Sources

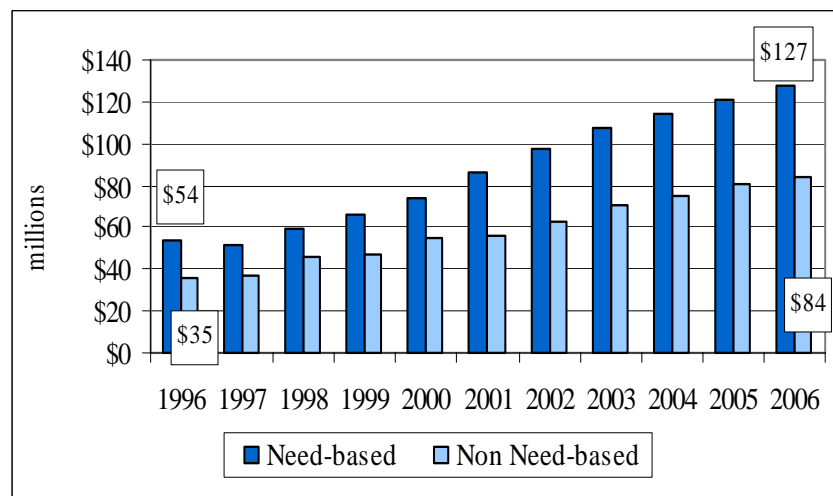


Both need- and non need-based student financial aid for the University of Connecticut, Connecticut State University and the Community-Technical College System have grown from \$89 million in 1996 to \$211 million in 2006, increasing by more than one and one-third in ten years. Although state aid has increased 225 percent since 1996, the

economic downturn has resulted in a significant drop-off in state support from its peak in 2002. State aid has, in fact, declined from a peak 17 percent of total aid in 2001 to 10 percent in 2006, remaining slightly above private aid at eight percent, and well below federal aid, which is nearly a quarter of the total. Institutional aid is by far the largest amount of aid in dollars and continues to draw away in size from other sources, largely as a result of enrollment growth coupled with tuition increases generating more tuition revenue, 15 percent of which is set aside for aid. Because federal and state aid are both need-based, their combined growth has allowed increasing institutional aid to be funneled to non need-based programs, despite the continuing need-based funding gap.

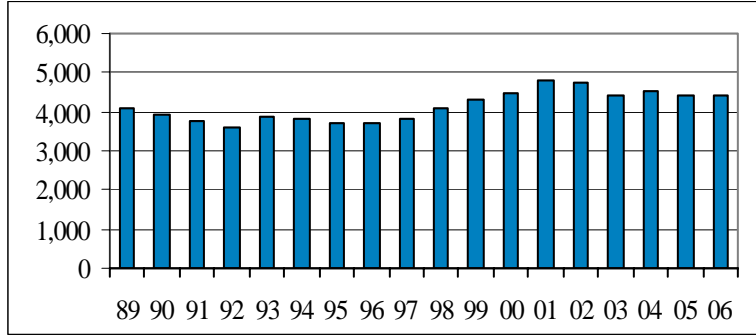
The chart below shows a comparison of financial aid growth by need-based and non need-based programs projected out to 2006. The relationship of need-based to non need-based aid has remained the same over ten years at a ratio of 60/40, but the ratios at each constituent unit have changed considerably. Although need-based aid declined to 43 percent of total aid at UConn, compared to 44 percent in 1996, it increased over the period at both CSU and the community colleges—from 70 to 73 percent and from 88 to 92 percent of total aid, respectively. The

majority of non need-based aid is at UConn and a significant portion is dedicated to graduate waivers, but there also has been growth in merit aid at UConn and CSU. Since the current economy has caused a stall in the growth of state supported need-based aid, it is incumbent upon the institutions and their students, through tuition set-aside, to provide need-based financial aid growth for the foreseeable future.



The Connecticut Independent College Student Grant Program (CICSG)

**CICSG Number of Recipients
1989 through 2006**



State dollars for this program are appropriated to the Department of Higher Education and then allocated to Connecticut independent colleges by statutory formula. The colleges select recipients according to each institution’s financial aid packaging policy. **Recipients must exhibit financial need and be Connecticut residents.**

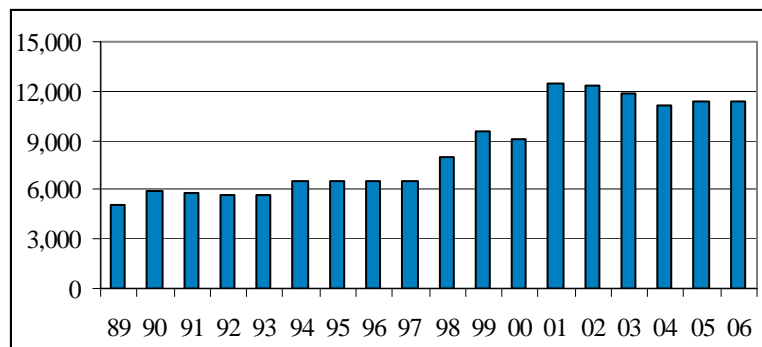
This program began in 1989 and was funded at 93 percent of its statutory funding formula. Funding remained at the 1989 level through most of the 90’s, resulting in a drop to 74 percent formula funding by 1997. Beginning in 1998, the General Assembly approved substantial increases, bringing the program to full statutory funding by 2001. In 2001, with the program fully funded, 4,787 students received awards averaging \$3,964. Although funding did not increase in 2002, it remained at 98 percent of the formula request. For 2003, in an effort to share cost reductions made to public colleges, the Governor reduced funding for CICSG by 15 percent. Even with reduced funding, 4,400 students received awards averaging \$3,622.

The 2004 formula calculation represented a significant increase over prior years due to a legislative change to the statutory formula. The change increased the formula base from 17 to 25 percent of state support per full-time equivalent student in public 4-year institutions. As is evident from the table, this change generated a substantial increase in the formula. Funding was not available to match the formula increase, however, and the appropriation was reduced by an additional five percent. For 2005, the formula funding was increased slightly. For the next biennium the Governor has recommended a flat appropriation. The formula continues to shrink as a result of modest public appropriations spread over significant increases in public enrollment. At the current level more than 4,000 students are likely to receive aid awards that average more than \$3,500.

	<u>CICSG Formula</u>	<u>CICSG Appropriation</u>	<u>Percent Funded</u>
FY 1989	\$13,983,876	\$12,983,876	93%
FY 1990	14,837,131	12,235,132	82%
FY 1991	15,250,393	12,235,132	80%
FY 1992	15,024,088	12,055,530	80%
FY 1993	15,417,328	12,055,530	78%
FY 1994	14,705,399	12,055,530	82%
FY 1995	14,184,992	12,055,530	85%
FY 1996	15,395,824	12,055,530	78%
FY 1997	16,194,194	12,055,530	74%
FY 1998	17,056,712	14,344,863	84%
FY 1999	18,222,281	16,128,795	89%
FY 2000	18,302,385	16,949,378	93%
FY 2001	18,800,713	18,776,929	100%
FY 2002	19,269,387	18,776,929	98%
FY 2003	18,400,602	15,888,864	86%
FY 2004	27,932,639	15,067,492	54%
FY 2005	26,784,625	15,519,517	58%
FY 2006	26,100,143	15,519,517	59%
Gov. Rec.			

Connecticut Aid for Public College Student Grant Program (CAPCS)

CAPCS Number of Recipients



State dollars for this program are appropriated to the Department of Higher Education via a statutory formula and then allocated to Connecticut public colleges by a formula weighing need and cost of attendance. The colleges select recipients according to each institution's financial aid packaging policy. **Recipients must exhibit financial need and be Connecticut residents.**

This program began in 1989 and was funded at 91 percent of its statutory funding formula. Funding remained at the 1989 level through most of the 90's, resulting in a drop to 26 percent formula funding by 1997. The General Assembly approved substantial increases from 1998 through 2001, resulting in growth to 81 percent of formula funding. At peak funding in 2001,

12,510 students received awards averaging \$1,572. Both the number of recipients and the average award nearly doubled from 1997. For 2002, the appropriation was consistent with 2001, although the formula funding increased five percent and the number of recipients declined two percent due largely to an increase in the average award. Since 2002 the formula funding target has increased considerably, but budgetary problems have forced a reduction of 20 percent to the appropriation. The result is recommended funding at 40 percent of formula and a nearly ten percent reduction in the number of aid recipients since the 2001 peak. The reduction in recipients was kept relatively low by reducing the average award from \$1,600 to \$1,450. As tuition costs increase, so does need, and as appropriations are reduced, so are the number of aid recipients. With a level appropriation and a Governor-recommended tuition freeze, students would not lose additional ground in 2006. The CAPCS formula, as an expression of tuition growth and student need, now tops \$40 million, while stalled appropriations have resulted in funding that is less than half of that need target.

	<u>CAPCS</u> <u>Formula</u>	<u>CAPCS</u> <u>Appropriation</u>	<u>Percent</u> <u>Funded</u>
FY 1989	\$5,633,304	\$5,133,304	91%
FY 1990	6,376,617	5,633,304	88%
FY 1991	7,678,537	5,633,304	73%
FY 1992	9,600,073	5,562,888	58%
FY 1993	11,626,664	5,562,888	48%
FY 1994	14,417,492	5,562,888	39%
FY 1995	16,775,157	5,562,888	33%
FY 1996	21,371,316	5,562,888	26%
FY 1997	21,371,316	5,562,888	26%
FY 1998	21,678,216	8,696,397	40%
FY 1999	22,155,510	11,327,414	51%
FY 2000	22,308,702	14,552,940	65%
FY 2001	24,300,536	19,759,261	81%
FY 2002	25,563,271	19,759,261	77%
FY 2003	28,997,909	17,539,728	61%
FY 2004	32,218,570	16,039,728	50%
FY 2005	35,744,407	16,520,920	45%
FY 2006	41,342,814	16,520,920	40%
Gov. Rec.			

Connecticut Capitol Scholarship Program

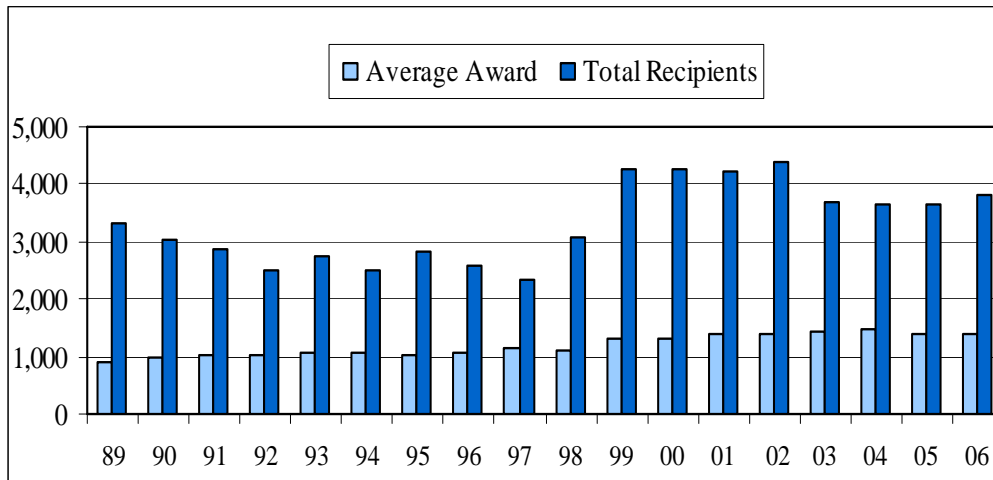
	<u>Total Expended</u>	<u>Total Recipients</u>	<u>Average Award</u>
FY 1989	3,008,112	3,339	901
FY 1990	2,946,150	3,045	968
FY 1991	2,936,779	2,876	1,021
FY 1992	2,587,800	2,506	1,033
FY 1993	2,906,050	2,742	1,060
FY 1994	2,725,474	2,742	994
FY 1995	2,909,238	2,846	1,022
FY 1996	2,743,096	2,597	1,056
FY 1997	2,678,557	2,341	1,144
FY 1998	3,376,277	3,091	1,093
FY 1999	5,429,986	4,259	1,275
FY 2000	5,548,918	4,247	1,307
FY 2001	5,826,289	4,215	1,383
FY 2002	6,193,344	4,385	1,412
FY 2003	5,360,530	3,709	1,445
FY 2004	5,299,517	3,629	1,460
FY 2005	5,120,000	3,657	1,400
FY 2006	5,338,510	3,813	1,400
Gov. Rec.			

This is a **need- and merit-based program** administered by the Department of Higher Education. The state appropriation is supplemented by federal LEAP (Leveraging Educational Assistance Partnerships) funds. The Department first selects students who pass an academic screen (top 20% of class or SAT scores above 1200). Recipients are then determined based on the family's ability to pay for college. Recipients may take the award to any Connecticut college or a college located in one of eight reciprocal states.

The maximum out-of-state award has been \$500 since 1981. In-state awards range between \$500 and \$2,000, depending upon cost of education and family ability to pay. As with the other two state aid programs, funding levels limited availability of the awards for much of the 90's. In this case, funding was limited to families able to contribute \$3,000 or less for most of the 90's. Significant increases in 1998 and 1999 raised the program's appropriation above \$5 million and provided an additional 2,000

awards. Flat state funding for 2002 was enhanced by the addition of supplemental LEAP (SLEAP) funding as well as LEAP itself, but reduced state funding for 2003 resulted in the loss of the SLEAP funds. LEAP is funded on a maintenance-of-effort basis, and continued flat funding has begun to endanger the receipt of future LEAP funding as the higher funding from previous years works its way into the maintenance of effort formula average. The Governor's recommendation for 2006 fulfills Connecticut's required maintenance of effort.

Total Recipients and Average Award



Minority Teacher Incentive Grant Program

In 1999, the Department of Higher Education launched the Minority Teacher Incentive Grant Program as a means of encouraging more minority students to enter teaching in Connecticut. Minority junior or senior college students enrolled in state teacher education programs are nominated by their institutions to receive up to a \$5,000 grant for each of their last two years in college. In addition, students who go on to teach in a Connecticut public school system are eligible for a \$2,500 stipend annually for up to four years to offset student loans. A qualified student who goes on to teach in a Connecticut school for four years can receive a total of \$20,000: \$10,000 while in college to help avoid taking out a student loan, and \$10,000 while teaching to help repay student loans already incurred. **The program targets at least 50 new recipients per year** of whom 10 percent must be community college transfers. Grants also are available to minority students enrolled in the Alternate Route to Certification (ARC) program.

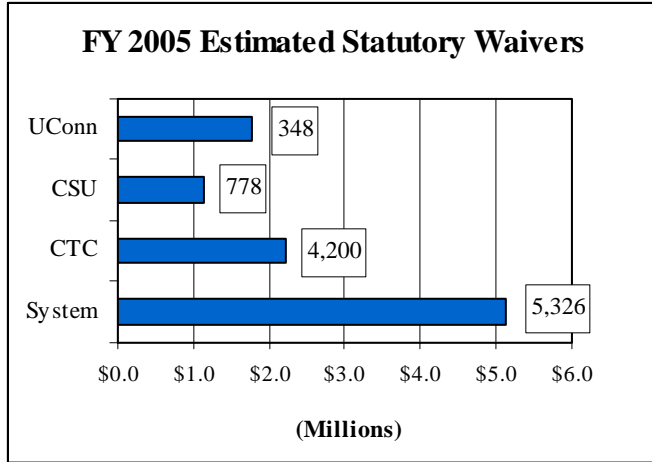
The figures below illustrate program results from the program's inception through 2004, with estimated 2005 activity. The program is now in its seventh year of grants and fifth year of stipends for graduates who are teaching in Connecticut's schools. A fully-funded program would cost one million dollars per year, but this has been a highly successful program even with modest funding. Program graduates are currently teaching in 26 Connecticut towns, including Bridgeport, Hartford, New Haven, Stamford and Waterbury. Among current grant recipients there are 10 community college transfers, 17 percent of the total. Current recipients are attending the University of Connecticut, Connecticut State University, Yale University, the University of Hartford, Connecticut College, Fairfield University, Quinnipiac University and St. Joseph College. The large number of ARC grants awarded in 2002 was possible as a result of carryover funding from 2001 projected stipends that were not paid. In 2003, however, the Governor reduced funding below the 2002 level causing an attendant reduction in grants. This reduction has never been restored. **The 2005 estimate distributes available funding among the required program components — committed stipends paid first, followed by renewal grants, leaving room for only 32 new college grants, compared to the targeted 50, and no ARC grants.** Increased funding was requested but not provided for 2006 so, as stipends increase, new grants will again decrease. As recipients move out to teach and spending on stipends increases, so does the need for increased funding of the program. The current flat funding severely limits the number of new participants in both college and ARC programs, and, therefore, limits the number of new minority teachers.

Program Recipients

	1999 Total		2000 Total		2001 Total		2002 Actual		2003 Actual		2004 Actual		2005 Estimated	
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
College Grants	23	\$112,500	83	\$387,500	85	\$395,000	71	\$355,000	62	\$297,500	52	\$260,000	59	\$295,000
ARC Grants	4	5,500	5	8,060	12	24,000	31	62,000	25	25,000				
Stipends					17	42,500	35	86,500	62	149,897	67	162,620	74	185,000
Total	27	\$118,000	88	\$395,560	114	\$461,500	137	\$503,500	149	\$472,397	119	\$422,620	133	\$480,000

Connecticut Public Higher Education Statutory Waivers

State statutes provide tuition benefits to certain veterans and national guardsmen and, on a space available basis, to senior citizens.



The statutes also provide for reimbursement of the cost of waivers that exceed 2.5 percent of tuition revenue for UConn and CSU and five percent for the community colleges. However, since funds for this purpose have never been appropriated, the cost of these waivers is borne by other students.

The graph at left shows the estimated value of the statutory waivers for 2005 along with the number of waivers provided by each constituent unit. In 2005, the public

higher education system anticipates providing 5,326 waivers at a cost of \$5.1 million, including two waivers for family members of 9/11 victims. Historically, the number of waivers hovered around 7,000, spiking in 2000 and then dropping steadily. The spike was largely due to an unexplained 21 percent increase in participation by National Guardsmen, an increase which occurred at all three constituent units to varying degrees. The decline in waivers since 2000 is evident in all three categories with a 23 percent drop off for veterans, a 26 percent drop for those over 62 and a 47 percent decrease for the National Guard. Although veterans waivers dropped steadily from 1999 through 2004, they are projected to level off in 2005, while National Guard waivers continue to fluctuate from year to year. Over 62 waivers significantly decreased for the first time in 2004, but also are projected to remain constant in 2005. It is noteworthy that total waivers have been dropping steadily at each constituent unit since 2000 despite annual estimates to the contrary.

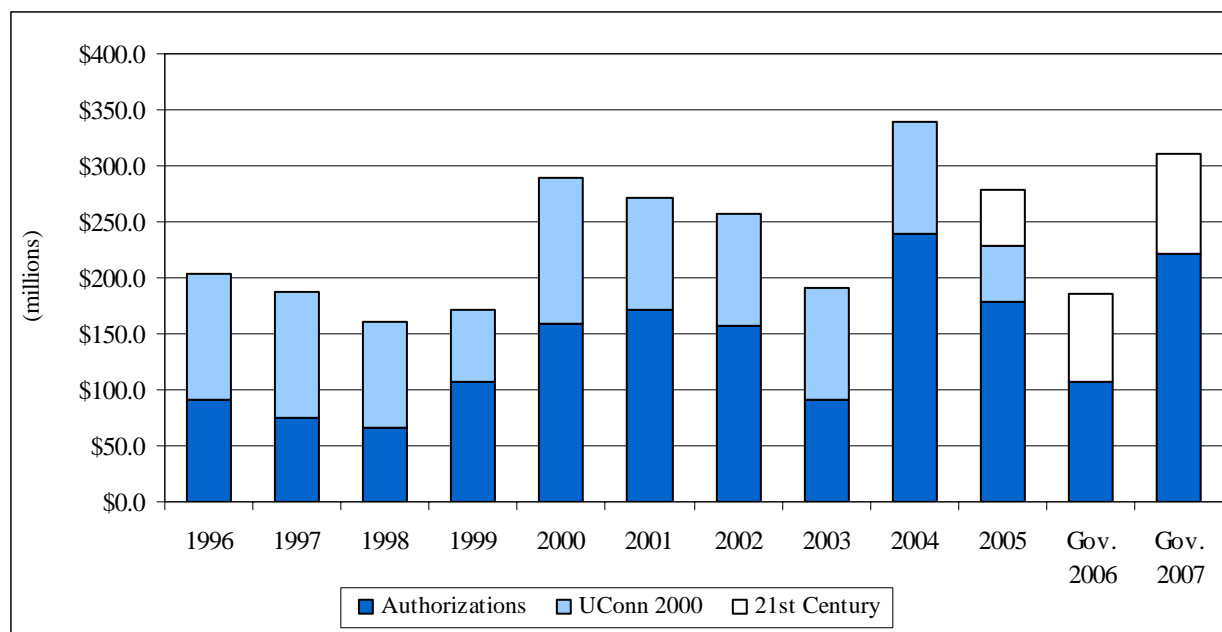
The cost of waivers first exceeded \$5.0 million in 2000 and then dropped through 2003 before increasing again in 2004, despite the number of waivers remaining virtually level. The cost of waivers again exceeds \$5.0 million in 2005 as a result of the double-digit tuition increases.

	2000 <u>Actual</u>	2001 <u>Actual</u>	2002 <u>Actual</u>	2003 <u>Actual</u>	2004 <u>Actual</u>	2005 <u>Estimated</u>
Number of Waivers						
University of Connecticut	554	518	470	398	348	348
Connecticut State University	1,091	901	779	768	762	778
Community-Technical Colleges	5,872	4,938	4,672	4,293	4,200	4,200
Total	7,517	6,357	5,921	5,459	5,310	5,326
Percent Change	6.6%	-15.4%	-6.9%	-7.8	-2.7	0.3%
Dollar Value						
University of Connecticut	\$2,128,573	\$2,101,753	\$1,910,369	\$1,614,303	\$1,615,084	\$1,772,554
Connecticut State University	1,136,956	987,251	891,862	908,320	1,035,526	1,141,293
Community-Technical Colleges	1,943,155	1,973,998	1,750,026	1,896,774	2,196,568	2,212,471
Total	\$5,208,684	\$5,063,002	\$4,552,257	\$4,419,397	\$4,847,178	\$5,126,318
Percent Change	8.4%	-2.8%	-10.1%	-3.0%	9.7%	5.8%



CAPITAL BUDGET

Connecticut Public Higher Education System General Obligation, UConn 2000 & 21st Century Bond Authorizations



The Connecticut public higher education system includes the University of Connecticut and its Health Center, the Connecticut State University, the Community-Technical College System, and Charter Oak State College. Bond authorizations for the system remained relatively low until 1996 and the start of UConn 2000. Growth continued in the fall of 1997 and again in 2001 when the Governor announced five-year capital programs comparable to UConn 2000 for both CSU and the CTC System followed by a five-year capital program extension for each unit. The ten-year capital commitment to the CSU and CTC Systems, which runs through 2007, originally totaled \$1.4 billion (\$720 million to CSU and \$655 million to CTC) and grew to \$1.6 billion (\$856 million to CSU and \$722 to CTC). With two years remaining on these capital programs, the investment has begun to modernize, renew and transform the CSU and CTC campuses bringing them into the 21st century. In August 2002, the legislature approved an 11-year extension to UConn 2000, known as 21st Century UConn, in the amount of \$1.3 billion. Under the new program, the Health Center has been included and will receive about \$297 million, while \$1.0 billion will be invested at Storrs, the regional campuses and the law school from 2005 through 2015. Over the life of these capital investment programs, the public higher education system will receive nearly \$4.0 billion to rebuild its infrastructure for the benefit of students, faculty and Connecticut’s citizenry.

Despite the fiscal climate, the Governor’s biennial budget proposes continuing the momentum and moving forward as originally planned with 21st Century UConn and the commensurate CSU and CTC capital investment programs. These investments are laying the foundation to make Connecticut’s public higher education system world class and will reap significant benefits for the state in the future.

Connecticut Higher Education Capital Budget Request Summary General Obligation Bonds

<u>Constituent Unit</u>	<u>Requested FY 2006</u>	<u>Requested FY 2007</u>	<u>Governor's Recommended</u>			
			<u>FY 2006</u>	<u>%</u>	<u>FY 2007</u>	<u>%</u>
Department of Higher Education	2,250,000	-	-	0.0%	-	0.0%
University of Connecticut	-	-	-	0.0%	-	0.0%
UConn Health Center	-	-	-	0.0%	-	0.0%
Connecticut State University	100,091,000	105,056,000	42,331,000	39.5%	123,049,000	55.7%
Community-Tech College System	68,069,161	136,863,722	64,714,220	60.5%	97,897,841	44.3%
Charter Oak State College/CTDLC	522,915	576,146	-	0.0%	-	0.0%
Total	170,933,076	242,495,868	107,045,220	100%	220,946,841	100%

<u>Project Type</u>	<u>Requested FY 2006</u>	<u>Requested FY 2007</u>	<u>Governor's Recommended</u>			
			<u>FY 2006</u>	<u>%</u>	<u>FY 2007</u>	<u>%</u>
Code Compliance	13,205,000	5,969,000	13,153,000	12.3%	5,880,000	2.7%
Renovations	75,589,226	55,883,978	63,732,220	59.5%	16,565,941	7.5%
New Construction	54,411,000	155,122,900	6,160,000	5.8%	174,500,900	78.9%
Equipment	24,477,850	24,519,990	24,000,000	22.4%	24,000,000	10.9%
Acquisitions	1,000,000	1,000,000	-	0.0%	-	0.0%
Other	2,250,000	-	-	0.0%	-	0.0%
Total	170,933,076	242,495,868	107,045,220	100%	220,946,841	100%

*Charter Oak and the CTDLC technology equipment request was transferred to the Capital Equipment Purchase Fund (CEPF) as requested while their facilities projects will be handled through DPW.

Connecticut Higher Education Capital Budget Summary General Obligation & 21st Century Bonds

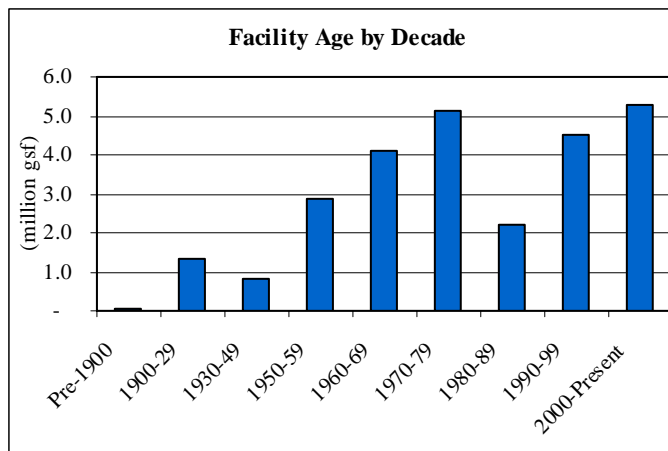
<u>FY 2006</u>	<u># Projects</u>	<u>Requested</u>	<u># Projects</u>	<u>Governor's Recommended</u>	<u>Change</u>
Department of Higher Education	1	2,250,000	-	-	(2,250,000)
University of Connecticut	-	-	-	-	-
UConn Health Center	-	-	-	-	-
Connecticut State University	26	100,091,000	14	42,331,000	(57,760,000)
Community-Technical College System	6	68,069,161	5	64,714,220	(3,354,941)
Charter Oak State College/CTDLC	2	522,915	-	-	(522,915)
Subtotal General Obligation Bonds	35	170,933,076	19	107,045,220	(63,887,856)
21st Century UConn	9	79,000,000	9	79,000,000	-
Grand Total FY 2006	44	249,933,076	28	186,045,220	(63,887,856)

<u>FY 2007</u>	<u># Projects</u>	<u>Requested</u>	<u># Projects</u>	<u>Governor's Recommended</u>	<u>Change</u>
Department of Higher Education	-	-	-	-	-
University of Connecticut	-	-	-	-	-
UConn Health Center	-	-	-	-	-
Connecticut State University	12	105,056,000	13	123,049,000	17,993,000
Community-Technical College System	6	136,863,722	5	97,897,841	(38,965,881)
Charter Oak State College/CTDLC	2	576,146	-	-	(576,146)
Subtotal General Obligation Bonds	20	242,495,868	18	220,946,841	(21,549,027)
21st Century UConn	11	89,000,000	11	89,000,000	-
Grand Total FY 2007	31	331,495,868	29	309,946,841	(21,549,027)

<u>Total Biennium</u>	<u># Projects</u>	<u>Requested</u>	<u># Projects</u>	<u>Governor's Recommended</u>	<u>Change</u>
Department of Higher Education	1	2,250,000	-	-	(2,250,000)
University of Connecticut	-	-	-	-	-
UConn Health Center	-	-	-	-	-
Connecticut State University	26	205,147,000	18	165,380,000	(39,767,000)
Community-Technical College System	8	204,932,883	8	162,612,061	(42,320,822)
Charter Oak State College/CTDLC	2	1,099,061	-	-	(1,099,061)
Subtotal General Obligation Bonds	37	413,428,944	26	327,992,061	(85,436,883)
21st Century UConn	13	168,000,000	13	168,000,000	-
Grand Total Biennium	50	581,428,944	39	495,992,061	(85,436,883)

Connecticut Public Higher Education Age of Facilities

Connecticut public higher education includes 18 colleges and universities on 28 campuses throughout the state. The 12 community colleges maintain 15 campuses, the four state universities maintain four campuses, the research university maintains eight campuses, including a health center and a law school, and the external degree college maintains one campus. The campuses are located in both rural and urban areas occupying about 6,000 acres with 26.4 million square feet in over 530 buildings.



Source: Joint Effort for State Inventory Reporting (Jestir) Database.

Connecticut's public institutions have grown dramatically since the mid-1900's. During the 1960's and 1970's, over 35 percent of the present facilities were constructed accounting for 9.3 million square feet. Through UConn 2000 and similar programs for CSU and the CTCs, an additional 37 percent of the current 26 million square feet was constructed from the late 1990's through 2005. The state universities doubled the size of their facilities during the 1960's as they expanded their missions from teacher training to more comprehensive colleges and then universities. The growth in facilities for the community colleges has been more stable since the 1960's when these colleges were created. About 38 percent of the community college facilities were built before 1970 making them over 35 years old. The majority of the UConn Health Center physical plant was completed in the early 1970's. Until the passage of 21st Century UConn, the Health Center was the only unit of higher education that had not received a significant capital investment. Over 10 years starting in FY 2005, the Health Center will receive about \$297 million to improve its aging infrastructure.

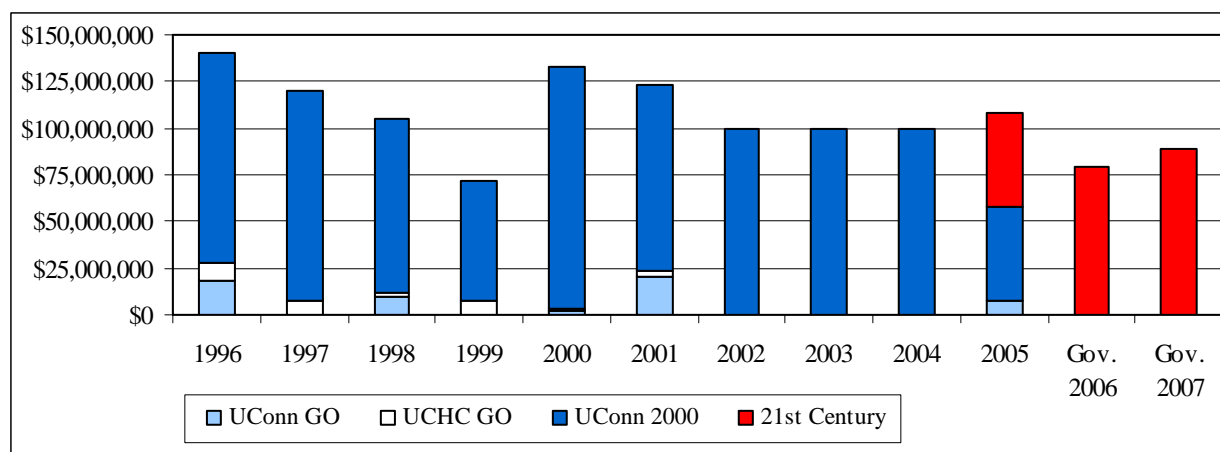
As part of the significant state investment in our higher education facilities, it is imperative that these facilities receive a commensurate amount of support for operations and maintenance. This is a critical step in preserving and protecting the taxpayers investment as well as insuring these buildings continue to serve the needs for which they were built.

Public Higher Education Facilities - Gross Square Feet by Decade

	<u>Pre-1900</u>	<u>1900-1929</u>	<u>1930-1949</u>	<u>1950-1959</u>	<u>1960-1969</u>	<u>1970-1979</u>	<u>1980-1989</u>	<u>1990-1999</u>	<u>2000-Present</u>	<u>Total</u>
UConn	61,057	811,242	727,853	2,056,404	1,332,669	1,383,585	174,191	2,319,882	2,678,379	11,545,262
UHC	-	-	-	-	37,387	1,348,586	338,416	348,816	99,000	2,172,205
CSU	2,790	534,565	95,464	787,968	1,348,542	1,800,427	1,058,305	1,379,814	1,802,377	8,810,252
CTC	2,360	1,020	2,100	24,200	1,400,706	617,633	630,714	447,230	689,695	3,815,658
COSC	-	-	-	-	-	-	-	14,570	-	14,570
Total	66,207	1,346,827	825,417	2,868,572	4,119,304	5,150,231	2,201,626	4,510,312	5,269,451	26,357,947
Percent	0.3%	5.1%	3.1%	10.9%	15.6%	19.5%	8.4%	17.1%	20.0%	

University of Connecticut & Health Center

Authorizations

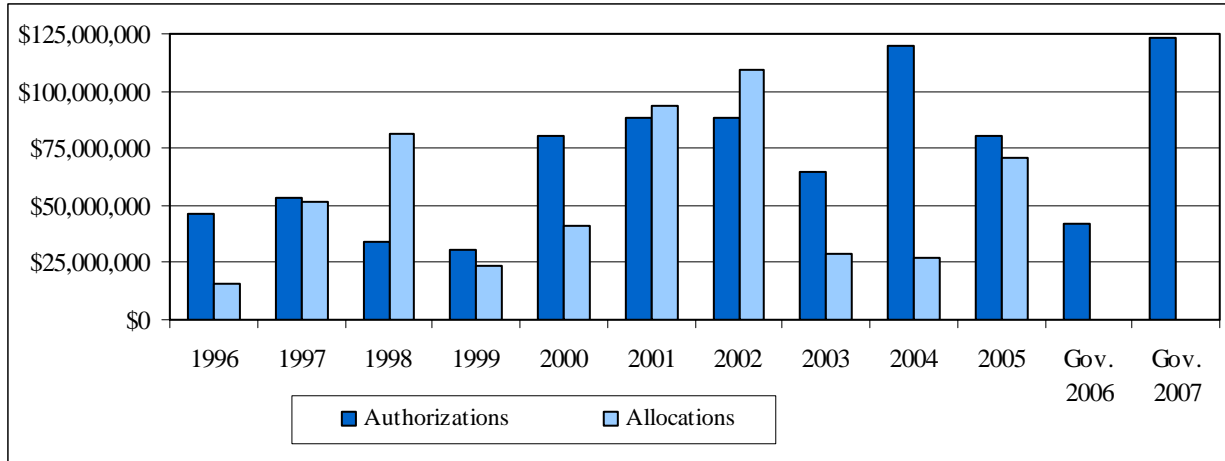


Under the \$2.3 billion UConn 2000/21st Century Program, deferred maintenance/code compliance/ADA accounts for \$420 million, while equipment, telecom and library collections amount to \$433 million for UConn and the Health Center. These two projects represent 38 percent of the total program budget. Some of the larger upcoming projects for UConn include the soon to be completed Pharmacy building and Student Union addition at \$95 million and \$53 million, respectively, new classroom buildings to replace Arjona and Monteith for \$66 million, the Engineering building for \$43 million and Torrey Life Science renovation and biology expansion for \$67 million. The Health Center major projects include renovations to the main building for \$75 million and the construction of a Research Tower for \$60 million. In addition, the University has used four series of special obligation revenue bonds (debt service paid by students) totaling just over \$200 million for the construction of student housing and a parking garage.

	UConn 2000	GO Bonds UConn	GO Bonds Health Center	21st Century UConn	21st Century Health Center	Grand Total
FY 1996	\$112.5	\$18.0	\$9.5			\$140.0
FY 1997	112.0	9.4	7.9			129.3
FY 1998	93.1		5.2			98.3
FY 1999	64.3		7.9			72.2
FY 2000	130.0	2.0	2.2			134.2
FY 2001	100.0	20.0	3.4			123.4
FY 2002	100.0					100.0
FY 2003	100.0					100.0
FY 2004	100.0					100.0
FY 2005	50.0	10.0		33.6	16.4	110.0
Gov. 2006				52.9	26.1	79.0
Gov. 2007				49.3	39.7	89.0
FY 2008				84.2	35.8	120.0
FY 2009				116.9	38.1	155.0
FY 2010				117.1	43.4	160.5
FY 2011				122.0	39.5	161.5
FY 2012				122.3	15.8	138.1
FY 2013				116.4	13.1	129.5
FY 2014				111.1	15.4	126.5
FY 2015				77.2	13.7	90.9
Total	\$961.9	\$56.4	\$36.1	\$1,003.0	\$297.0	\$2,354.4

Source: OPM Capital Database and Budget Book

Connecticut State University General Obligation Bond Authorizations and Allocations FY 1996 – FY 2007



Source: OPM Capital database. The FY 2005 allocations represent Bond Commission allocations from July 1, 2004 through January 31, 2005.

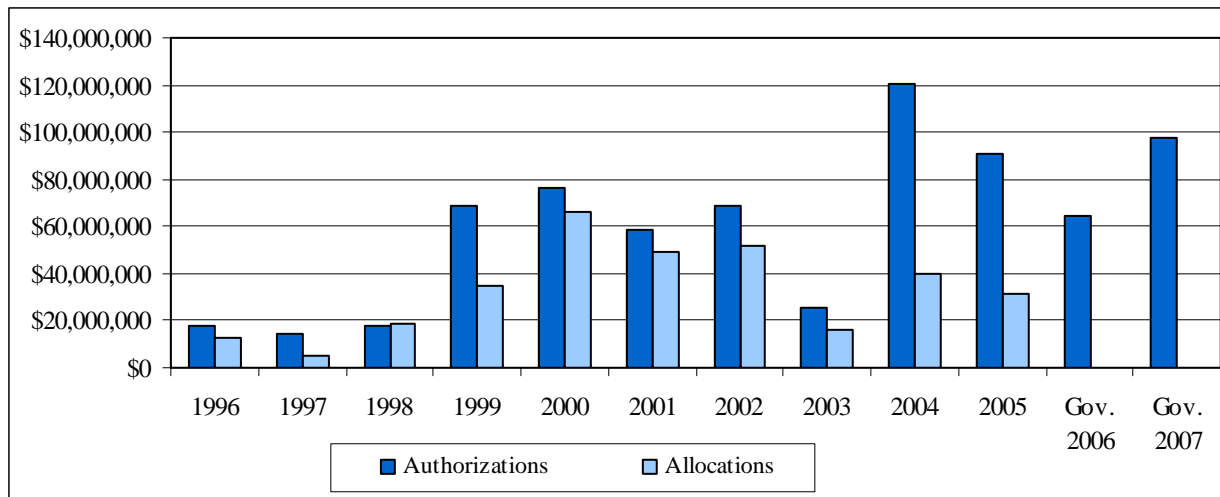
From 1990 through 2005, the CSU System has added about 3.2 million square feet, or 36 percent of its current 8.8 million square feet. These facilities have been funded through general obligation bonds from the state and five series of CHEFA bonds in the amount of \$324.8 million. This would bring the total funds raised through CHEFA and GO bonds to almost \$1.2 billion from 1996-2007. The debt service from CHEFA bonds is paid through student fees. While the Governor continues the commitment to CSU, keeping projects on track has been a real challenge with the tightening of the contracting process. In addition, if allocations do not keep pace with authorizations, projects will be delayed and project budgets are pinched as costs escalate.

These authorizations have provided the campuses with the funding necessary to bring their facilities into the 21st century. In this regard, the State Universities have completed two new state-of-the-art libraries at Eastern and Western with expansions and renovations sought for the remaining two libraries at Central and Southern. The Vance Academic Center opened in 2001 at Central, while Engleman Hall at Southern is nearing completion of a major renovation and expansion. Central recently opened its newly expanded Student Center, Eastern consolidated its administrative staff in the new Administration building, and Western and Southern broke ground on a new science center and student center, respectively. In addition, Eastern, Southern and Western opened new residence halls in fall 2004.

CSU Capital Investment Plan (GO Bonds)

(millions)	Authorizations
FY 1996	\$47.4
FY 1997	56.1
FY 1998	34.1
FY 1999	30.5
FY 2000	80.6
FY 2001	88.4
FY 2002	88.6
FY 2003	64.6
FY 2004	120.0
FY 2005	80.7
Subtotal	\$690.8
Recommended	
FY 2006 Gov.	\$42.3
FY 2007 Gov.	123.0
Subtotal	\$165.3
Grand Total	\$856.1

Community-Technical College System General Obligation Bond Authorizations and Allocations FY 1996—FY 2007



Source: OPM Capital database. The FY 2005 allocations represent Bond Commission allocations from July 1, 2004 through January 31, 2005.

From 1990 through 2005, the Community-Technical College System has added approximately 1.1 million square feet or nearly 30 percent of its total current 3.8 million square feet. Housatonic Community College in Bridgeport was the first to receive a new downtown campus, which has been extremely successful in attracting students, with FTE enrollment increasing over 69 percent since its opening in 1997. The recently completed master plan calls for expansion into the adjacent Sears building, doubling the size of the campus. In January 2003, Manchester Community College opened the Center of Arts, Science and Technology, along with the Academic Village which complements the Learning Resource Center with a state-of-art library that opened in 2001. Capital Community College opened its new 11-story downtown Hartford campus in 2002 and experienced an enrollment increase of 20 percent. In fall 2003, Norwalk opened its new Center for Information Technology, while Northwestern completed its Learning Resource Center and Founder Hall renovation. Plans for consolidation of campuses at both Three Rivers and at Gateway Community Colleges are in process. The master plans recommend consolidating Three Rivers on the Thames Valley Campus and Gateway in downtown New Haven on the site of the former Macy's/Malley's Department Stores. Through the use of capital funds, the Community-Technical College System has made significant progress in bringing its facilities into the 21st century to reflect the quality of its programs.

CTC Capital Investment Plan (GO Bonds)

(millions)	Authorizations
FY 1996	\$17.6
FY 1997	14.8
FY 1998	18.0
FY 1999	68.7
FY 2000	76.0
FY 2001	59.0
FY 2002	69.1
FY 2003	25.7
FY 2004	120.2
FY 2005	90.4
Subtotal	\$559.5
Recommended	
FY 2006 Gov.	\$64.7
FY 2007 Gov.	\$97.9
Subtotal	\$162.6
Grand Total	\$722.1

Connecticut Public Higher Education Bond Authorizations and Allocations FY 2002– FY2007

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Gov. Rec. FY 2006</u>	<u>Gov. Rec. FY 2007</u>
<u>Bond Authorizations</u>						
University of Connecticut	-	-	-	-	-	-
UConn Health Center	-	-	-	-	-	-
Connecticut State University	88,637,379	64,643,000	119,957,000	80,708,000	42,331,000	123,049,000
Community-Tech College System	69,068,948	25,715,100	120,180,390	90,430,232	64,714,220	97,897,841
Charter Oak State College	81,500	-	-	-	-	-
Subtotal Authorizations	157,787,827	90,358,100	240,137,390	181,138,232	107,045,220	220,946,841
UConn2000 Authorizations	100,000,000	100,000,000	100,000,000	50,000,000	-	-
21st Century Authorizations*	-	-	-	50,000,000	79,000,000	89,000,000
Total Authorizations	257,787,827	190,358,100	340,137,390	281,138,232	186,045,220	309,946,841
<u>Bond Allocations</u>						
	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>July 2004- Jan. 2005</u>		
University of Connecticut	-	-	-	-	-	-
UConn Health Center	14,127,954	-	3,231,260	-	-	-
Connecticut State University	109,257,043	28,688,308	27,290,093	71,209,766	-	-
Community-Tech College System	51,652,913	15,757,500	40,043,151	31,149,820	-	-
Charter Oak State College	81,500	-	42,000	-	-	-
Subtotal Bond Allocations	175,119,410	44,445,808	70,606,504	102,359,586	-	-
UConn2000/UConn 21 Allocations	100,000,000	100,000,000	100,000,000	100,000,000	-	-
Total Bond Allocations	275,119,410	144,445,808	170,606,504	202,359,586	-	-

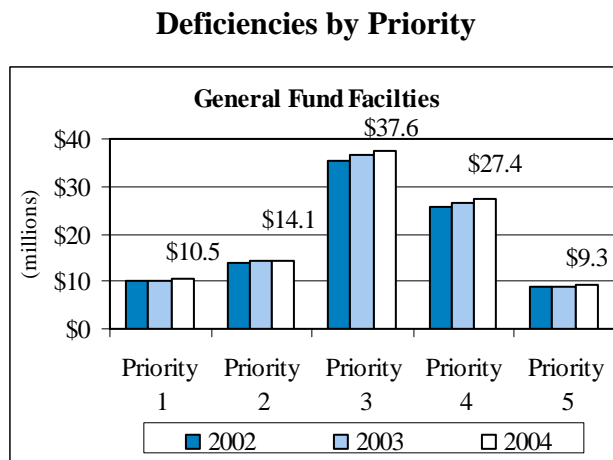
* In FY 2005, the 21st Century funds are allocated to UConn in the amount of \$33.6 million and to the Health Center in the amount of \$16.4 million, in FY 2006 UConn receives \$52.9 million while the Health Center receives \$26.1 million. In FY 2007, UConn receives \$49.3 million while the Health Center receives \$39.7 million.

Source: Authorizations and Allocations from OPM Capital database.

Higher Education Asset Protection Program Phase I

During 2002, as part of the Higher Education Asset Protection Program, a comprehensive facility condition assessment (FCA) was conducted by VFA, Inc., a nationally known evaluation firm, on 69 buildings covering over 4.0 million gross square feet (roughly 20% of the system's 22.2 million gsf) at Southern Connecticut State University, Asnuntuck, Gateway, Housatonic, Manchester, Middlesex, Naugatuck Valley, Northwestern, Norwalk, Quinebaug Valley, Three Rivers and Tunxis Community Colleges and Charter Oak State College. The FCA process began with a

physical survey of the buildings by a team of three qualified (architectural, mechanical and electrical) engineers. The team identified, prioritized and categorized deferred maintenance items and developed a correction cost estimate for each. In addition, a web accessible database application was implemented to warehouse data and provide a capital planning and analysis tool for the system. The program provides the credible, prioritized assessment data required for determining capital needs to correct current facilities deterioration and to avoid future deterioration. The Department has requested \$2.25 million, which represents less than one percent of the annual higher education capital budget, to complete the implementation of the program .



The database cost estimates were updated to 2004 which resulted in the total backlog growing by 2.2 percent to \$154.7 million from \$151.3 million. The current replacement value also was adjusted for the 69 buildings from \$734 to \$748 million. About 64 percent, or \$98.9 million of deficiencies, are associated with the 55 general fund buildings, while the remaining \$55.7 million of backlog issues are affiliated with just 14 auxiliary facilities (residence halls, student centers, dining halls). In general fund facilities, about 25 percent or \$24.6 million of the deficiencies identified are classified as priority 1 or 2. The Department has requested funding to complete the roll-out of the program to remaining public higher education institutions as well as reassess those facilities completed under phase 1 to determine our overall progress. Backlog reduction plans would be developed, implemented and funded through new resources to protect the state's significant investment in campus physical plants, which since 1998 alone approaches \$1.6 billion.

<u>Institution</u>	<u>Priority 1</u>	<u>Priority 2</u>	<u>Priority 3</u>	<u>Priority 4</u>	<u>Priority 5</u>	<u>Total</u>
Southern: General Fund Bldgs	2,873,609	2,558,477	7,262,175	6,824,346	1,409,751	20,928,358
Southern: Auxiliary Bldgs	5,531,472	4,394,248	14,827,394	24,529,587	6,449,644	55,732,345
Subtotal Southern CSU	8,405,081	6,952,725	22,089,569	31,353,933	7,859,395	76,660,703
Community-Tech College System	7,606,434	11,554,485	30,306,513	20,520,951	7,869,259	77,857,642
Charter Oak State College	13,940	28,602	45,686	56,156	1,618	146,002
Grand Total	16,025,455	18,535,812	52,441,768	51,931,040	15,730,272	154,664,347

Source: VFA, Inc. 2002 Facility Condition Assessment Study.