

Excerpts from the May 2011 Community Letter from the President of the University of Connecticut

The UConn Health Center: A New Vision

On May 17 Governor Malloy came to the University of Connecticut Health Center and presented a bold new initiative designed to enhance our State's capacity to serve as a national center for bioscience research and development. Our Health Center is central to that plan, and the Governor's \$864 million proposal creates breathtaking opportunities for us to be of service to our State.

The UConn Health Center is, of course, a vital and intrinsic part of the University as a whole, but it is much more than that. It is a critical economic and public health asset to the State of Connecticut—and, as the Governor noted, it has the capacity to become a resource of even greater value in years to come. Throughout the past decade, in collaboration with our State's elected leaders and with the health care community in our region and beyond, we have endeavored to determine how best to move from where we are to where we want and need to be: specifically, how to assure the financial stability and ongoing excellence of John Dempsey Hospital, work with our partners in the region to meet consumers' needs, and, importantly, how to help bring Connecticut to the forefront in bioscience and other economically vital areas. We understand the goals. What we have long needed is an ambitious, viable strategy to achieve them.

No one understands these objectives better than our Governor. Even before his inauguration he said publicly, "A renovated, expanded UConn Health Center is something I think is critical to the economic revival of Connecticut, and it would clearly benefit the State from a public health standpoint and from an education standpoint. It's the type of investment we need to fight for." Since then, he and the members of his administration have been exceptionally generous with the time and attention they have devoted to this issue, asking penetrating questions but making the Governor's ongoing commitment to the Health Center's potential contribution clear.

The Governor's proposal springs from that commitment. Recognizing our capacity to serve as a generator of economic growth in general and excellent, high-paying jobs in particular—primarily in the bioscience field—the Governor's proposal calls for an investment in expanding our capacity for path-breaking research, much of which is expected to generate commercial application in our State; increasing our ability to deliver health services in a state-of-the-art patient tower and ambulatory care center; and enlarging our ability to educate physicians and dentists to meet Connecticut's needs. The total plan will be funded through a mix of State bonding, private financing, and Health Center resources.

The plan builds on, but is a dramatic departure from, proposals developed over the past several years under the leadership of the University Board of Trustees and the Health Center Board of Directors. Our primary concern in developing the earlier initiatives was,

understandably, to assure the ongoing strength of the Health Center as a key part of our University. Governor Malloy's plan accepts that goal—and, indeed, provides means to support it—but views what we offer in the larger context of Connecticut's long-term economic and public health agenda. As the Governor has said on many occasions, even as the State confronts immediate fiscal challenges, it is vital that we develop and implement a long-term agenda that reverses a climate of economic stagnation. UConn stands ready to serve as a primary instrument in moving Connecticut ahead.

A UConn Technology Park

On April 29, against the backdrop of a hugely impressive engineering student “Senior Design Demonstration Day” display in Gampel Pavilion, Connecticut Senate President Don Williams, joined by State Representative Gregg Haddad and several of their colleagues, announced support for another initiative of tremendous promise: a University of Connecticut Research and Technology Park. The proposal revives and greatly enhances a proposal that was originally put forward a generation ago. For complex reasons that earlier plan did not come to fruition, but in the intervening years, thanks in great measure to UCONN 2000, UConn has moved ahead dramatically as a center of groundbreaking research. A new tech park will help us build on that progress.

Research and Technology parks exist at or adjacent to several major American universities, including Purdue, Virginia Tech, the University of Illinois, the University of Wisconsin, and many others. Essentially they are facilities, or clusters of facilities, that drive technology-based economic development by creating partnerships between research universities and industry, typically supporting the growth of existing companies by offering access to advanced technology, faculty expertise, and potentially engaged students and in many cases by providing incubator space for new companies (something UConn is already doing at other sites). A 2007 study of technology parks in the U.S. and Canada by the Battelle Memorial Institute estimated that the typical tech park generates several hundred jobs.

Senator Williams' proposal includes \$18 million in funding next year for the design, site development and infrastructure improvements for the technology park site. The ultimate cost of the proposed full project, including design, construction, and specialized equipment of an initial University-industry partnership building in the tech park, is estimated to be approximately \$172.5 million, to be provided through State bonding. The tech park would be located between the northern part of campus and Route 44.

Many steps remain between the initial proposal and its ultimate creation, but the prospects are very promising. A tech park in Storrs, coupled with the facilities and programmatic initiatives that will be part of the Health Center initiative in Farmington, will, if all goes as we hope and expect, lead to a new decade of progress that will complement the achievements that followed from the University's implementation of UCONN 2000.

The University Budget

The day my appointment as Interim President was announced last June I attended the meeting of the Board of Trustees at which the Board gave final approval to the FY 2011 budget. To my surprise, Board Chairman Larry McHugh asked me to comment. Having reviewed the budget only a few hours before, I, perhaps too glibly, said the first words that came into my mind: “The budget situation is terrible. We will survive.”

As all of us know, the current budget situation is even more difficult than was the case in June 2010. We will survive this, as we did the budget crises of the 1980s, the early 1990s, and the early 2000s. But it will not be easy.

Over the past many months Provost Peter Nicholls, Vice President for Health Affairs Cato Laurencin, Vice President and CFO Rich Gray and many others have worked diligently to keep the University community informed on the budget situation and knowledgeable about the choices before us. This has been challenging, since much has depended on decisions made in Hartford and elsewhere. The budget approved by the General Assembly earlier this month sets a framework. But many decisions that will affect the University’s ultimate allocation of funds remain to be made. We will continue to communicate with the University community regarding specific details as we move toward the start of the new fiscal year on July 1.

This much I can say at this writing. Based on what we know and decisions made thus far—including tuition and fee adjustments approved by the Board of Trustees—we will begin the next academic year with fewer resources than was the case at the start of the last year. Yet we will enroll about 150 more students and, happily, employ more faculty.

We can do many things at the University of Connecticut, but we cannot defy the laws of arithmetic. Thus we need to make savings in a wide range of areas. We recently imposed a stringent process for approval of new, non-faculty hires and rehires. We are reluctantly imposing budget reductions for non-personnel expenditures virtually throughout the University. We of course continue to explore alternative sources of revenue, such as an expanded summer session. And we are working with faculty and staff to find other savings.

With these measures in place we will proceed through the coming year. Moreover, we have set a foundation that will enable us to get through the following year, which is likely to be even more challenging. And I should say that not all the budget news is bleak. The FY 2012-13 Biennial Budget approved by the General Assembly included \$2.5 million in FY ’13 to expand the “Eminent Faculty” program at UConn, through which the University recruits faculty who can expand our research capacity in areas important to technology transfer and development—a fine companion piece to the tech park initiative discussed above.

The old aphorism that times of adversity are also times of opportunity may be cold comfort to those within our community who are asked to defer worthy plans, but the statement does contain more than a kernel of truth. This winter the University retained McKinsey and Company, an internationally renowned management consulting firm, to work with us to identify

savings in non-academic areas, and that engagement is moving at full speed. Though initially proposed by the Board of Trustees before the current budget challenges came into being, the McKinsey study will be of great value not just in the immediate future, but over the long term. Even in a more positive fiscal climate, every dollar saved in administrative costs can be redirected to our core missions of teaching, research, and student service, and that is a net gain for all of us. Many faculty, administrators, staff, and students have already met with the McKinsey team to discuss ideas, and more meetings will be taking place in the coming months.