

# UNIVERSITY OF WYOMING

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## Summary of 2013-2014 Biennial Budget Requests Approved by UW Trustees September 2011

UW's legislative budget requests, based on input from Faculty Senate, Staff Senate, and academic deans and directors, reflect several months' worth of work by UW's Division of Administration, college-level administrators, and the President's executive council.

The requests fall into two categories: (I) operations and (II) capital construction.

### I. OPERATIONS

UW organizes its operating budget request by state agency number:

- A. Agency 067 (main UW "block grant") — by far the largest part
- B. Agency 167 (Medical Education)
- C. Agency 069 (Western Interstate Commission for Higher Education)
- D. Agency 070 (Enhanced Oil Recovery Commission)

All amounts listed below appear in the *exception budget* — that is, they would be increases to the *standard budget*. They represent two-year totals for the 2013-2014 biennium, which begins 1 July 2012. Except where otherwise indicated, the requests are for recurring allocations from the state's general fund.

#### A. Agency 067 ("Block Grant")

The table below summarizes the operating budget request. These requests correspond closely with priorities identified by UW's academic deans and directors in a January 2011 retreat. Following the table are excerpts and synopses of narratives submitted to the State Budget Office.

**Summary table for agency 067 operating budget**

Priority	Purpose	Amount (millions)	Comment
1	Salary increases for UW employees	\$20.15	The salary portion amounts to 6.6% of UW's total salary budget for the affected employee groups.
2	SER operating budget	\$20.40	Shift from federal AML funds
3	Library enhancements	\$3.60	
4	Gift matching funds	\$50.00	One-time funds
5	NCAR-Wyoming Supercomputer Center	\$1.00	Complete Wyoming's \$2 million/biennium commitment
6	Brucellosis research	\$0.40	
7-1	High-performance computing - 1	\$4.78	Recurring funds
7-2	High-performance computing - 2	\$2.17	One-time infrastructure upgrades
8	Natural gas vehicle initiative	\$1.80	One-time match for compressed natural gas vehicles

### *1. Salary Increases -- \$20.15 million (including employer-paid benefits)*

The University must preserve its ability to compete with the best institutions in the world for talented employees, and it should strive to be Wyoming's model employer. History shows that failure to maintain attractive salaries and benefits results in persistent discrepancies between the university's salaries and those that prevail nationally, leaving the institution vulnerable to the loss of some of its best employees and leaders. The Legislature's last raise appropriation to UW was in the FY 2009-2010 biennium.

UW's top budget priority is to ensure that employee salaries remain competitive to attract and retain a high quality workforce. Following two consecutive years without pay adjustments, the University has lost ground in achieving the goal set forth in *University Plan 3* to attain market competitiveness. Benchmark data from annual salary surveys for faculty and administrators together with the results of a recently completed market survey for classified staff indicate that the University needs to make investments to both "catch up" to competitors' salary levels and plan for increases that "keep up" with forecasted increases in the 2013-2014 biennium.

In the 2011 legislative session, executive branch employees received increases bringing them to 91 percent of the market average. UW employees did not receive that adjustment. The University is requesting \$9.37 million for the biennium to allow UW employees' average salaries to catch up to the 91 percent level. In addition, the University is seeking \$10.78 million to raise average salaries to 95 percent of the 2011 market place average for all employee groups. This request is part of the University's ongoing strategy to pursue the goal of bringing average salaries to the market average.<sup>1</sup>

UW does not administer across-the-board raises. If the Legislature funds a salary increase program at UW, some employees will receive less-than-average raises; some will receive greater-than-average raises. Some portion of the Legislature's total salary allocation to UW will fund promotions and equity-related adjustments. As in the past, all of the dollars allocated as a result of this request will go toward salaries and employer-paid benefits.

### *2. SER Operating Funding -- \$20.4 million*

The University is requesting \$20.4 million per biennium for the School of Energy Resources (SER) in FY 2013-2014. SER was authorized and initially funded by the Legislature in 2006. After the first year of funding, SER has been funded with federal Abandoned Mine Land (AML) funds, which are separate from UW's block grant and which are not recurring. The request will provide stable funding for the continued operation of SER, in light of on-going uncertainty of AML funding from the federal government.

### *3. Library Enhancements -- \$3.6 million*

Strong libraries are a critical component of a major research university, and UW's library resources are currently not competitive with comparator research institutions of higher learning. Access to a wide array of scholarly books, journals, and electronic resources are key to advancing academic excellence, developing academic programs of national distinction, and the advancement of knowledge through scholarship and competitively funded research programs.

The Greater Western Library Alliance (GWLA) is a consortium of 32 research libraries located across 17 Midwestern and Western states with common interests in programs related to scholarly communication, interlibrary loan, shared electronic resources, cooperative collection development, digital libraries, staff development, and continuing education. Twenty-five GWLA libraries are also members of the

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<sup>1</sup>A 2011 report by the Faculty Senate Budget Committee concluded that FY 2011 UW faculty salaries, taking discipline into account, were at the following average levels relative to nationwide market averages for 2010 (the most recent data available): professors, 91 percent; associate professors, 96 percent; assistant professors, 98 percent. See [http://www.uwyo.edu/acadaffairs/files/docs/FacultySenate\\_salary\\_rept.docx](http://www.uwyo.edu/acadaffairs/files/docs/FacultySenate_salary_rept.docx), retrieved 15 September 2011.

Association of Research Libraries (ARL), a more selective group of nationally prominent university libraries of which UW is not a member.

This request for \$1.8 million in recurring annual General Fund appropriations represents the residual left unfunded during the 2011 legislative session. It will position UW to successfully pursue GWLA membership in 2014, based upon a plan that also includes revenue from tuition increases. The overall plan reflects an increase in collections (e.g., scholarly books, journals, and electronic resources) as well as a judicious mix of staffing resources needed to manage a larger collection. A portion of the collections funding will be directed toward the UW Law Library—which is administered separately for accreditation purposes—to expand its research collections, consistent with recommendations in American Bar Association (ABA) accreditation site inspection reports and Association of American Law Schools (AALS) membership reports. The UW Libraries also financially support statewide access to many research, economic, and health resources through the Wyoming Library Database (WYLD) system, enabling statewide access to many of the UW databases.

#### *4. State Matching Fund Request -- \$50.0 million (non-recurring)*

The state's commitment to matching funds for higher education began in 2001, and the matching fund program has been an outstanding success and the envy of and a model for other states. Since the inception of the program, the Legislature has appropriated \$145.2 million in matching funds among four accounts – academic endowment, academic facilities, athletic facilities, and Wyoming Reclamation and Restoration Center. The university has identified a list of potential fundraising initiatives for gift matching which align with areas of distinction identified in its strategic plan, *Creation of the Future: University Plan 3, 2009-2014*. These funds would be used on a 50/50 matching basis.

This request envisions \$20 million of state match for academic facilities, \$20 million to match endowed gifts for academic programs, and \$10 million to match gifts for athletics facilities.

#### *5. NCAR- Wyoming Supercomputing Center -- \$1.0 million*

As part of the agreement bringing the NCAR- Wyoming Supercomputing Center (NWSC) to Cheyenne, the Legislature appropriated \$20 million in 2007 to assist with the construction of the facility and agreed to provide \$1 million per year for 20 years to assist with future acquisition of equipment. In exchange, UW will have access to 20 percent of the NSF base-funded computing resource once NWSC is operational. UW needs a total of \$2 million in general funds during the FY13-14 biennium for the third and fourth installments, as required under the agreement with NCAR. Only half (\$1 million) of the biennial amount currently sits in UW's standard budget. This request is for the other \$1 million.

#### *6. Brucellosis Research -- \$0.4 million*

The university requests that the one-time funding of \$200,000 per year, provided in the 2011-2012 biennium for brucellosis research, be made permanent in the 2013-2014 biennium. Research funds expended to date have led to initial development of a rapid brucellosis test and several initial candidates for further vaccine testing. In addition, support was made available to initiate immune defense system research at the Wyoming State Veterinary Lab.

#### *7. High Performance Computing (HPC) -- \$4.78 million; and \$2.17 million (non-recurring)*

This item would provide funding to enhance the university's cyberinfrastructure (i.e., the instructional and research infrastructure that supports computing, high-speed data acquisition, data storage, data management, data integration, visualization and other computing resources). Specifically, a recurring budget of \$1.1 million per year (or \$2.2 million for the biennium) will provide sustainable support for high performance computing (HPC) education and research. A one-time appropriation of \$2.17 million is also needed to address immediate infrastructure needs to support HPC education and research. Recurring funding of \$1.288 million per year (or \$2.58 million for the biennium) is also needed to support state-of-the-art computer systems and technology, networking, monitors and equipment, not only in computational

science but in all STEM (science, technology, engineering, and mathematics) disciplines. The request includes state-of-the-art networking and an enhanced campus database system as well.

*8. Natural Gas Vehicle Initiative -- \$1.8 million (non-recurring)*

As a result of discussions with a private natural gas exploration and production corporation, UW has received a commitment from industry to provide a compressed natural gas (CNG) vehicle fueling station. To leverage and supplement this contribution, UW requests \$1.8 million for the FY 2013-14 biennium for:

- Vehicle conversion. Approximately one-third to one-half of this appropriation would be used to convert gasoline vehicles to CNG or to acquire CNG vehicles, consistent with UW's vehicle replacement schedule. Approximate conversion costs are \$7,000 per passenger vehicle, \$14,000 per truck, and \$40,000 per transit vehicle. UW would convert or purchase not less than 20 vehicles during the biennium.
- Facility upgrade and siting. The donation will require siting studies, facility upgrades, fuel station enhancements, and such infrastructure elements as additional lighting, paving, and structural modifications.

**B. Agency 167, UW Medical Education**

These requests are not in priority order; they appear in the order required by the State Budget Office.

*1. Salary Increases -- \$1.45 million*

Salary increases are UW's highest-priority budget request. This request provides the same percentage salary adjustment for Medical Education employees as for UW's other employees.

*2. Casper Family Medicine Residency Center -- \$4.6 million (retention of clinic income)*

For the past decade, the Community Health Center of Central Wyoming managed the business operations of the Casper clinic and received the clinic revenue. The end of UW's affiliation with CHCCW brought all clinic functions — business operations, medical care, and resident training — under UW's purview. An exception ("B-11") request, approved by the Governor in June 2011, provided interim authority for UW to modify the operating structure and to use clinic income to support the business operations. Continuing operations under the new structure requires legislative authorization.

*3. Cheyenne Family Medicine Residency Center -- \$2.38 million general fund increase*

For the Cheyenne clinic, increased funding will support current operations. The request 1) realigns budgeted clinic income with recent projections for the 2013-2014 biennium; 2) seeks \$1 million per year of increased state general funds to continue staffing levels needed to support an accredited medical residency program and operate the clinic as a safety-net provider for the Cheyenne community; and 3) provides \$0.3 million for equipment.

*4. WWAMI -- \$1.7 million*

For the WWAMI program, a General Fund biennial appropriation increase of \$1.7 million is needed to address (i) tuition for expanded class size from 16 to 20 per year; (ii) faculty and support costs for expanded class size from 16 to 20 per year; (iii) summer tuition costs; and (iv) tuition inflation (3%) for 2013 and 2014 for all students.

*5. WYDENT -- \$0.48 million*

The WYDENT program contracts with Schools of Dentistry at the University of Nebraska, Lincoln and Creighton University in Omaha. Tuition at these schools is projected to increase by 5 percent per year, and a General Fund appropriation increase of \$0.48 million is needed for the biennium for cost escalation.

*NOTE: UW serves as fiscal agent for the Enhanced Oil Recovery Commission, Western Interstate Commission on Higher Education (WICHE), the Center for Distance Learning and Education (CDLE), and the Statewide Taskforce on Videoconferencing (STV); however, these requests do not require Trustee approval. The CDLE and the STV do not have separate agency numbers at this time.*

### C. Agency 069, WICHE

The Western Interstate Commission for Higher Education, or WICHE, allows Wyoming and other western states within the compact an opportunity to provide high-quality, cost-effective education without replicating programs in every state. Wyoming currently participates in three WICHE student exchange programs: (1) the Professional Student Exchange Program (PSEP); (2) the Western Undergraduate Exchange Program (WUE); and (3) the Western Regional Graduate Program (WRGP). WUE and WRGP require no appropriations from the Legislature. Through WICHE's Professional Student Exchange, Wyoming sent 110 students to out-of-state programs in 2010-2011 in seven different fields (veterinary medicine, physical therapy, occupational therapy, optometry, podiatry, osteopathic medicine, and physicians' assistant study). An exception budget request for the 2013-2014 biennium is not anticipated.

### D. Agency 070, Enhanced Oil Recovery Commission

The EORC met in August to approve their budget proposal for the 2013-2014 biennium. The commission is requesting an increase of \$1.67 million per biennium to support additional research and outreach initiatives in UW's Enhanced Oil Recovery Institute.

## II. CAPITAL CONSTRUCTION

The table below summarizes UW's capital construction request. In cases where UW proposes to use revenue bonds as the funding vehicle, it is necessary (1) to identify an appropriate stream of revenues and (2) to seek legislative authorization to issue the bonds.

### Summary of UW's capital construction request (all figures expressed in millions)

Project	UW Revenues	General Fund	Total	Comments
Performing Arts Level III, including construction		\$ 32.40	\$ 32.40	
White Hall Level III, including construction	\$ 10.00		\$ 10.00	Bonding authority based on residence hall fees
Infrastructure and LRDP Improvements - Phase I, Level III		\$ 30.00	\$ 30.00	Utility improvements (steam, electricity, water) required to support Lewis Street projects
Half Acre - Level III	\$ 15.00	\$ 12.00	\$ 27.00	Bonding authority to raise \$15M through ASUW-approved student fees.
Engineering Building Addition, Level II		\$ 1.25	\$ 1.25	Planning funds; expect to request state funds for construction.
Classroom and Facility Upgrades		\$ 8.00	\$ 8.00	
Joint UW-LCCC Facility, Level II		\$ .30	\$ .30	10% of estimated total project costs
Pharmacy Addition, Level II		\$ .70	\$ .70	Planning funds; will seek \$5M in gifts, to be matched.
<b>Total Request</b>	<b>\$ 25.00</b>	<b>\$ 84.65</b>	<b>\$ 109.65</b>	