

INTRODUCTION

Since its founding in 1886, the University of Wyoming has sustained its strength through difficult and demanding times. Anyone familiar with Wyoming's boom-bust economy knows that UW is well prepared to withstand the current economic downturn.

In the face of our nation's significant financial challenges, the University of Wyoming remains a remarkable institution strongly supported by the state of Wyoming, dedicated faculty and staff, and numerous passionate donors, alumni, and friends.

As we navigate these uncertain times, the University of Wyoming must develop a comprehensible budget strategy that advances *access*, advocates *excellence*, and promotes *leadership*. This plan will continue our momentum and build upon the substantial progress made by our institution during its 123-year history.

This process begins with an assessment of UW's mission, priorities, and enhancements.

SECTION ONE

Briefly define each tier in a three-tier framework for thinking about the University of Wyoming's expenditures.

"Education is the transmission of civilization."
~ Ariel and Will Durant

I. Core elements of UW's mission

The core elements of the UW's mission focus on learning. They are the basic values on which we will dynamically create our future and articulate the institution's purpose:

- Teaching – students, faculty, academics
- Research – faculty research, laboratories, industry cooperation
- Service – reaching out to Wyoming through outreach programs and agriculture extension, as well as service within our institution

As the only public university in Wyoming, we must guarantee that our resources support teaching, research, and service, as each contributes to UW becoming one of the nation's finest public land-grant research universities—a clear statement of intent outlined in the university's mission statement. These values should be our first priority and last to experience budget cutbacks.

Moreover, the university's mission statement further clarifies the core elements: "As Wyoming's only university, UW is committed to outreach and service that extend human talent and technological capacity to serve the people in our communities, our state, the nation, and the world."

II. High-priority activities that support the core

High-priority activities at the University of Wyoming must support the core and sustain the elements fundamental to delivering on the promise of the university's mission.

When considering these endeavors, we look to the university's mission statement once again as our guide: "In the exercise of our primary mission to promote learning, we seek to provide academic and co-curricular opportunities that will:

- Expose students to the frontiers of scholarship and creative activity and the complexities of an interdependent world;
- Ensure individual interactions among students, faculty, and staff;
- Nurture an environment that values and manifests diversity, free expression, academic freedom, personal integrity, and mutual respect; and
- Promote opportunities for personal growth, physical health, athletic competition, and leadership development for all members of the university community."

Consequently, we must supply resources for these high-priority activities as they directly support teaching, research, and service. They may include activities such as economic and community development; responsible stewardship of our cultural, historical, and natural resources; building excellence in capital facilities and infrastructure; building excellence in human capital; and athletic excellence and achievement. These high-priority activities are outlined in the university's planning documents.

III. Enhancements

In order to advance the core elements of teaching, research, and service through high-priority activities, UW must provide strong direction—not just within the university but also extending throughout the region, the nation, and the world and into the future.

Enhancements will augment university programs and supply priorities with improved, advanced, or sophisticated features. These features may be defined as the actions that improve all of the university's core elements and high-priority activities.

Next, we turn our attention to an understanding of how the university's operations fit into the three-tier framework.

SECTION TWO

Which major elements of UW's current overall operations belong to each of these three tiers?

"Education is the most powerful weapon which you can use to change the world."

~ Nelson Mandela

I. Core elements of UW's mission – Operations

When considering what operations belong within the first tier, we look again to *Creation of the Future 3* for guidance. Areas of distinction are those areas that the university is committed to reinforcing and refining. Accordingly, we view the following as fundamental:

- Core Elements in Science and Technology –
 - Noteworthy progress has been made in energy resources in relatively short period of time. We should further expand and enhance energy-related teaching and research, energy research centers, and statewide energy-related outreach, as delivered through the curriculum of the School of Energy Resources (SER) and all of the colleges that support SER.
 - It is crucial to continue planning and support for UW’s high-performing computing infrastructure, including our important work with the National Center for Atmospheric Research.
 - Interdisciplinary programs in water resources should remain a priority, as this issue has global reach and will advance the university’s reputation nationally and internationally.
- Core Elements in Environment and Natural Resources –
 - We have firmly established a reputation in the area of environment and natural resources, as witnessed by the work of the Haub School, Ruckelshaus Institute, SER, and College of Agriculture. We must reinforce this standing with our budgetary commitment.
- Core Elements in Cultural Assets, Arts, and the Humanities –
 - As is stated in the university plan, UW is the state’s “natural hub for the fine and performing arts and creative endeavors.” We are a national leader in this area, thanks to the dedicated efforts of talented staff, faculty, and students at the UW Art Museum, American Heritage Center, and the College of Arts and Sciences. Consequently, we must remain committed to their continued success and achievement.
- Core Elements in Life Sciences –
 - UW has a long tradition of strength in the life sciences. The university’s planning documents call for lasting commitments from faculty in the Colleges of Agriculture, Arts and Sciences, and Health Sciences to sustain this momentum. Additionally, we advocate full budgetary support incorporating the new Berry Center in UW’s research mission and programs of study.
- Core Elements in Graduate Education –
 - The university should fully endorse graduate and professional education across the university with additional fellowships and assistantships. Graduate education is imperative for world-class research institutions, and our commitment will determine the type of institution we hope to become. Graduate program goals must also include assessment of student learning in graduate programs.
- Core Elements in History and Culture of the Rocky Mountain Region –
 - UW should support additional measures that bolster the institution’s already substantial presence in this field, including additional majors of study in Religious and American Indian studies, as well as interdisciplinary activities, an essential characteristic of UW’s curriculum.

Essential to each of these operations is the university’s ability to ensure a superior education that is both accessible and affordable. This principle is embedded in UW’s mission statement, and it faithful to the intent of a public land-grant institution. As a consequence, we should move to support initiatives that encourage access and affordability so that

“students enter college with the right preparation, begin their college careers with the right courses, and have access to the right tools and resources to succeed.”

II. High-priority activities that support the core – Operations

By closely examining the areas of distinction through the lens of university planning documents, operational activities that bolster teaching, research, and service are easily identifiable. They include the following:

- Activities that build excellence in human capital –
 - As is stated in *Creation of the Future 3*, “the foundation for an excellent university is excellent people.” We support practices and policies that nurture this ideal including the hiring, retention, and promotion practices of faculty, administration, and staff that are essential to quality UW programs.
- Activities that promote diversity and internationalization –
 - The budget must support programs that provide an advantageous environment for university students to acquire the competencies necessary to be successfully engaged in a changing, challenging, and interdependent global society.
- Activities that build excellence in facilities and infrastructure –
 - Current tier 1 projects within the university’s capital facilities plan are high-priority projects, and we look forward to the completion of these essential physical enhancements. Tier 2 and 3 projects certainly support high-priority activities; however, we should revisit the feasibility of these projects in our budget strategy.
- Activities that promote professions critical to the region –
 - UW needs to play a leadership role in the region, particularly in professions that are critical to the region’s future. As outlined in *Creation of the Future 3*, these professions include health care, education, business and economic and community development, and law and public policy. Putting resources into health care and education creates healthy well-informed individuals, while focusing on business and economic and community development and law and public policy shapes tomorrow’s greater society.
- Activities that foster achievement and excellence in athletics –
 - The benefits of athletics extend far beyond the football field and the basketball court. Student athletes, whether they play for UW or an intramural team, learn to value hard work, team effort, and leadership, which contribute to their success in future careers. UW also brings the state together to cheer on the Pokes—to revel in their successes and to seek consolation in defeat.

III. Enhancements – Operations

Enhancements are activities that would streamline the university and prepare it to continue its strong record of teaching, research, and service. Please refer to Section Four for these suggestions.

Now, we will examine the operations of the University of Wyoming Foundation and how these endeavors fit within the framework.

SECTION THREE

Which major elements of the University of Wyoming Foundation belong to each of these three tiers?

“Education is for improving the lives of others and for leaving your community and world better than you found it.”
~ Marian Wright Edelman

The University of Wyoming Foundation was formed in 1962 by the UW Board of Trustees to raise, receive, and manage private gifts, and since then the Foundation and the university have crafted an important partnership.

This enterprise has resulted in notable levels of private and public support for many university initiatives from scholarships, to faculty chairs, to academic and athletic facilities.

Private giving to the University of Wyoming reached new heights during FY 2008 as the university raised a record-setting \$43 million, the single largest fundraising year in UW’s history. The total gifts and pledges raised in FY 2008 elevated UW’s five-year average for private giving to more than \$30 million a year, another considerable milestone for the university. In the last five years, the number of endowments at UW increased from 884 in 2004 to 1,102 in 2008.

From 2001 to 2008, \$233.6 million in private gifts have been received to the benefit of UW. Furthermore, significant support for UW continues to be made available from the state’s matching fund. During the same time, UW has received \$84.65 million in state endowment matches, \$43.35 million in state matches for academic facilities, and \$16 million in state matches for athletic facilities. When totaled, the university has received a remarkable \$377.6 million in private gifts and state matching funds since 2001.

There is no doubt that fundraising is a considerable revenue source for the academic and athletic programs at UW.

Beyond the numbers, the advantages a private foundation provides to a public university are significant. They include the following high-priority activities:

- Investment Management –
 - Institutionally related foundations can invest private gifts with greater flexibility, increasing the revenue available to the primary institution.
 - Foundation board members are recruited for their investment management expertise and their ability to raise private support for the institution.
 - *Example: UW Foundation staff and board members combine diverse areas of expertise to bring a wealth of financial experience to the management of the foundation’s investments. At the core of the foundation’s investment policies—that strive to achieve a balance between current requirements and future needs—is providing a stable and growing income stream to the university while preserving the purchasing power of the endowment assets.*
- Donor Confidentiality and Stewardship –
 - Foundations maintain donor records and safeguard donor privacy.

- Laws mandate that records and meetings of state institutions be open to the public. Foundations are able to keep confidential gift records, wills, trust agreements, correspondence, and other personal documents related to gifts.
- Foundations ensure that gifts are used in accordance with donors' wishes. Foundations are accountable to donors and distribute annual reports on fund performance.
- *Example: UW Foundation IT staff maintain, update, and preserve the integrity of the Advance alumni and donor database, a fundamental asset for UW used by various campus constituencies.*
- Independence –
 - A foundation provides a means of keeping private and public funds separate.
 - Foundations have the ability to administer successful and highly professional fundraising programs.
 - Foundations can offer greater flexibility in gift acceptance and in the distribution of unrestricted dollars for university needs.
 - *Example: The UW Foundation administers advanced giving programs in the areas of Planned Giving, Corporate and Foundation Giving, and Annual Giving, creating connections for alumni, donors, corporations, and foundations and leveraging those associations to support UW fundraising priorities.*
- Leadership –
 - Foundation boards can operate in a businesslike approach and provide an engaging role for prominent business leaders, alumni, and other successful individuals who are willing to commit their time and talent to support the institution.
 - Foundation board members can extend the institution's sphere of influence nationally and internationally.
 - Foundation board members contribute personally, serving as leaders and examples for other donors, volunteers, and students. They also help foundation staff with prospect identification, solicitation, and stewardship by leveraging their influence to secure additional gifts.
 - *Example: The UW Foundation Board of Directors and the UW Board of Trustees have created a dynamic partnership and consistently collaborate on issues important to the future of UW, as apparent by recent conversations about endowment issues.*
- Entrepreneurial Activities –
 - Foundations can develop for-profit opportunities such as real estate or commercial ventures that advance the mission of the institution while protecting the university from the risks associated with such investments.
 - Foundations may provide flexible financing for university needs, construction projects, and/or special programs in support of institutional priorities.
 - *Example: The UW Foundation was instrumental in the construction of the University of Wyoming Conference Center. It was built using private gifts from the McMurry Foundation and the estate of Clara Toppan. The balance of construction costs were financed by the UW Foundation.*

Foundation programs are among the highest priority activities at UW, and they are fundamental in supporting the core elements of UW's mission.

Let's review some of the most noteworthy recent examples of UW private support to illustrate the Foundation's contributions to the university's core elements of teaching, research, and service:

- \$17 million from the estate of Clara Toppan to support various UW programs and endowments
- \$10 million from the Wolf Creek Charitable Foundation to create the Robert and Carol Berry Center for Natural History and Conservation
- \$5 million from John and Mari Ann Martin and Mick and Susie McMurry and their families to name the playing surface at War Memorial Stadium, Jonah Field, and to provide additional funds for construction projects outlined in the Strategic Plan for Intercollegiate Athletics
- \$5 million from Jim Nielson for an endowment for SER
- \$5 million from BP America in support of programs within SER
- \$5 million from the McMurry Foundation for a College of Business Dean's Excellence Fund
- \$4.2 million for Curtis and Marian Rochelle Athletics Center
- \$3.6 million from the McMurry Foundation for the University of Wyoming Conference Center and the Wyoming Technology Business Center
- \$3.2 million from Vice President Dick Cheney and Mrs. Lynne Cheney for the Cheney International Center and Study Abroad programs
- \$3 million from Fay and Roy Whitney to establish the Fay W. Whitney School of Nursing
- \$3 million from Helga and Erivan Haub for an endowment to rename the Helga Otto Haub School of Environment and Natural Resources
- \$3 million for the Bill Daniels Chair of Business Ethics
- \$2 million from EnCana Oil & Gas USA for new research laboratories for the university's petroleum engineering program
- Additional key gifts have been received in support of the Alan K. Simpson Institute for Western Politics and Leadership, the Ellbogen Center for Teaching and Learning, SER, and each of the colleges and units

Without the levels of private support raised and invested by the UW Foundation and the state matching dollars leveraged by those gifts, certain programs could not flourish, some priorities would not be possible, and still other activities would fall short.

With this important partnership in mind, as well as the current market conditions impacting university endowments, the UW Foundation has been proactive in exploring budget-cutting measures, with specific focus on how Section I savings may be initiated while still strongly and successfully supporting UW's mission. Currently, 32.6% of the UW Foundation's budget comes from Section I funding and 67.4% is self-funded.

Upon recognition of the dramatic downturn in the economy, the UW Foundation has taken a critical eye to its budget and, as a direct result, foundation expenses have been cut by 12% in FY 2009 (a reduction in the current fiscal year budget), including leaving vacant three positions in the departments of Annual Giving, Advancement Operations, and Financial Services and cutting a third senior-level administrative position in National Ambassadors (Denver office). In addition, the UW Foundation has examined its operations for added savings, including further programmatic cuts in the areas of Marketing and Communications, Annual Giving, and facilities planning. As we plan for FY 2010, the UW Foundation will

hold the line on its budget in anticipation of further economic challenges. Additionally, in the future the UW Foundation will strategically review all vacant positions to determine the impact of leaving them vacant.

With reference to National Ambassadors, the program has been reorganized to focus on stewardship and major gift fundraising activities. Donor stewardship forms an integral part of the fundraising cycle and, done well, is a powerful tool for ongoing fundraising success. We believe that these proactive changes elevate the role of stewardship and recognize that an investment of time and effort in stewardship for major donors will bring benefits to UW for many years to come.

Moreover, the enhanced focus on stewardship takes into account the impact of the current financial crisis on higher education philanthropy. Now is the time to improve communication with donors, show understanding, and provide alternatives to making current gifts and future commitments. This new focus will keep UW's case for support in front of our constituents.

The prior National Ambassadors model included a board of directors (which has been dissolved), as well as business partnerships, internships, and student recruiting initiatives. These auxiliary efforts will no longer be a function of the program. The new model—one we are calling a development council—will focus on resources and activities that more efficiently support the foundation's fundraising mission.

In the final section, we evaluate new approaches that give strategic direction to budget planning.

SECTION FOUR

Propose other approaches to create budget flexibility and relieve persistent budget pressures.

"Remember that our nation's first great leaders were also our first great scholars."
~ John F. Kennedy

The following campus-wide measures are proposed in an effort to create flexibility for the UW budgeting process, as well as to mitigate persistent budget stresses.

- **Athletic Team Travel:** Initiate a comprehensive review of all athletic team travel policies.
- **Business Center Model:** Combine essential accounting and business management activities into a central office within each college/unit instead of individual staff assigned to each department within a college/unit.
- **Consolidate Call Center Operations:** More effectively utilize the UW Foundation call center for various calling operations on campus, including those currently outsourced by the UW Alumni Association. Additional opportunities could include the call center operation within the Wyoming Survey & Analysis Center and fundraising or membership drives for UW Athletics and Cowboy Joe.

- **Consolidate Major Giving Efforts:** Continue to examine the appropriate model to centralize major giving functions and personnel under the administration and supervision of the UW Foundation. This will create budget flexibility and allow for more efficient use of personnel for university fundraising activities.
- **Paperless Campus:** Initiate a “paperless campus” by delivering various official announcements, bulletins, form letters, invitations, etc., exclusively through electronic methods such as UW staff and faculty list-servs, WyoWeb, and e-mail. As part of this assessment, evaluate programs across campus for more efficient document workflow, including using online forms and processes.
- **Outreach Tuition Policy:** Increase tuition rates for nonresident UW Outreach students to the nonresident tuition levels for on-campus students. Currently, outreach students (undergraduate and graduate) are charged tuition based on their student standing.