

UNIVERSITY OF WYOMING

Office of Academic Affairs

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To: President Buchanan
From: Myron Allen
Subject: Budget planning recommendations
Date: 1 May 2009

1. Introduction

This memo is the budget planning report called for in my memorandum¹ of 13 February to university leaders. I hope the report is useful in guiding the university's response to Governor Freudenthal's memorandum to state agencies, issued 12 February. In that memorandum, the Governor directed state agencies to develop scenarios for budget reductions, anticipating lower state revenue projections for the next few years.

In developing this report, I relied on information and perspectives developed by university constituency groups, as outlined in the memo of 13 February. These groups included:

- Associated Students of the University of Wyoming
- Faculty Senate
- Staff Senate
- Division of Administration
- Division of Government, Community, and Legal Affairs
- Division of Information Technology
- Development of Institutional Advancement
- Division of Intercollegiate Athletic
- Division of Research and Economic Development
- Division of Student Affairs
- Deans and Directors in the Division of Academic Affairs

I also owe thanks to colleagues in the Office of Academic Affairs and other administrators for valuable discussions and technical information.

The report begins with a review of the context. Afterward, it presents recommendations in three broad categories: (1) key principles that UW should follow in reducing budgets, should the institution face them; (2) an analysis of the functions currently supported by UW's budget and their overall importance to the university's mission; and (3) budget techniques that UW may need to implement in managing significant cuts that it may face.

I do not include explicit scenarios for five- and ten-percent budget cuts, for two reasons. First, it now appears likely that the shortfall in state revenue for fiscal year (FY) 2010 will be closer to ten percent than five percent. Second, the precise budget techniques required to implement any cut depend strongly on its magnitude. Beyond these reasons, it may be useful to envision reductions in UW's current section 1 budget commitments *beyond* what the state ultimately requires. Implementing changes that judiciously disencumber segments of UW's budget can create some flexibility to handle problems that are looming in

¹ This memo, together with other documents related to UW's budget planning process, is viewable by UW employees and students on WyoWeb, under the Budget Planning group.

other arenas. As just one admittedly technical example, using legislature-appropriated operating funds to pay for some Physical Plant positions can help free federal mineral royalties from that purpose, thereby increasing the university's capacity to pay for future construction through revenue bonds.

2. Context

UW is hardly alone among U.S. universities in facing potential budget reductions: last year's downturns in the world economy and in investment markets have already saddled many institutions of higher learning with significant fiscal difficulties. In UW's case, the most significant budget issue arises from projections that Wyoming's state revenues will decline sharply during FY 2010 and perhaps beyond. The basis for these projections is the demand-driven trend in energy commodity prices. Income from natural gas extraction has an especially significant effect on state revenues, and during the past year the spot price of gas at Wyoming's Opal hub has dropped by a factor of three.

A reduction in the state's general fund can have a profound effect on UW's budget. The reason is simple: UW and the State of Wyoming figure prominently in each other's budgets. Within the university's \$255.5 million/year operating budget — the *section 1* budget — 76 percent comes from legislative appropriations from the general fund. And higher education accounts for over 21 percent of state appropriations, so any reduction in overall appropriations will almost certainly involve UW.

The Governor has asked all state agencies to develop plans for reducing their general fund appropriations by five percent and ten percent. For UW's section 1 budget these potential reductions amount to \$9.7 million/year and \$19.4 million/year, respectively. Strictly speaking the percentages involved are arbitrary. UW won't know precisely what budget reductions it will have to sustain, or when they will take effect, until the Governor makes decisions based on official revenue estimates due in mid-May. Nevertheless, preliminary estimates discussed by state officials during the past month suggest that a ten-percent reduction in state revenues — and hence a significant reduction in UW's general fund appropriation — is a distinct possibility.

UW has other budgets. It is important to recognize that reductions or savings in those budgets, while possibly important or compelling in their own right, would not contribute directly to the reductions contemplated in this report. The following table summarizes some relevant facts about these other budgets.

Table 1: Summary of UW's non-section 1 budgets

Budget	Implications for the section 1 budget
Medical Education	These other UW accounts are also subject to the Governor's request for budget-reduction scenarios. By statute UW cannot shift funds between these accounts and the section 1 operating budget, so we cannot soften the impacts on section 1 by saving more in these accounts.
Western Interstate Commission for Higher Education	
Enhanced Oil Recovery Commission	
Section 2	This category includes self-sustaining revenues, such as external contracts and grants, student fees assessed for residence life and dining services, and athletics revenues. Reductions here can <i>increase</i> the burden on section 1.
Endowment income	This category includes expendable funds generated as income from invested gifts. The uses of these funds are often legally constrained by donors' trust agreements. In addition, owing to recent trends in investment markets, many of these accounts have their own difficulties.

Major maintenance	This account is formula-funded each biennium, on a one-time basis, by the Wyoming Legislature. Funds are earmarked by statute for specific types of maintenance and cannot be used to substitute for operating funds.
Construction funds	These funds contain one-time monies (a) allocated by the Wyoming Legislature for a specific project, (b) acquired through philanthropic gifts, or (c) obtained through the issuance of revenue bonds. Since none of these sources permit the monies to be shifted to the operating budget, construction typically continues during the implementation of permanent cuts.
School of Energy Resources, including the UW-GE gasifier budget.	SER's current funding comes from federal Abandoned Mine Land distributions. These monies are not affected directly by reductions to the state's general fund and are not eligible for reallocation to compensate for general fund reductions.

In essence, this table summarizes several important constraints on the exercise at hand. It will not be possible to shift much of the burden of section 1 budget cuts onto other types of budgets.

3. Key principles

I propose that any budget reduction adhere to a set of key principles. Principles help minimize the temptation to adopt *ad hoc* measures that, while convenient to implement, may be inimical in the long run to the university's core mission, values, and long-term strength. In feedback distributed to the 11 constituent groups in response to their draft white papers, I proposed the following principles.

1. **Planning as priority setting.** Any measures undertaken to manage a reduction in UW's legislature-funded budget must mesh with the institution's strategic plans. Planning is a vehicle for establishing and pursuing priorities, not simply for directing new resources. Hence our plans should guide our choices of what to preserve, what to strengthen, and what to reduce. Budget control measures that rely exclusively on unplanned events — such as hiring freezes that permanently penalize units only because they suffer ill-timed retirements and resignations — defeat this principle. If new measures are required to constrain hiring or other resource flows, they must include mechanisms to ensure consistency with UW's plans.
2. **Centrality of academics.** As an academic institution, UW has a responsibility to manage budgets in a fashion that verifiably advances its academic strength. As it has in more promising economic eras, UW will continue to make prudent decisions about the appropriate distribution of resources among its academic programs and will continue to follow its regulation-prescribed processes for adding and eliminating them. But, absent cuts large enough to negate the gains of the past decade, it is academic planning and not budget reductions that should drive these decisions.
3. **Job quality.** UW 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. Toward these ends, the university should avoid reductions in compensation. History shows that failure to maintain attractive salaries and benefits leaves the institution vulnerable to the immediate loss of some of its best employees and leaders, and it results in persistent discrepancies between UW's salaries and those that prevail nationally. UW should seek to *improve* its employees' compensation at every opportunity. It is better to have a smaller number of well treated employees than to preserve a larger number at the expense of compensation.
4. **Tuition policy.** A coherent tuition policy is a necessary part of any rational university budget planning. From 1986 to 2006, UW's resident undergraduate tuition increased at an average rate of 8.3 percent per year. Since then, most students' tuition rates at UW have remained constant or nearly so. This more recent policy enjoys some rationale in times of rapidly increasing fiscal support from the state. However, if UW must manage state-mandated budget reductions, a judicious, multi-year plan for tuition increases must be part of the discussion.

5. **Cost-effective practices.** UW's managers continually examine the university's operating practices and their outcomes, to identify more effective and efficient ways to accomplish the mission. Budget planning furnishes an explicit opportunity for all members of the UW community to undertake this type of self-scrutiny. Examples of measures worth exploring include the establishment of pools of business-service staff that serve several departments simultaneously, central coordination and support of information technology professionals, greater restraint in the delivery of small-section classes, and careful pruning of the curriculum to offer fewer classes overall. Many such measures are worth instituting even in the absence of mandatory budget reductions, and many others can prove valuable as pressure-relief mechanisms, even if they don't yield easily quantified cost savings.
6. **Infrastructure.** Excellence in academics requires sophisticated infrastructure. This realm extends beyond the obvious need for heat, light, plumbing, and roofs. It includes modern classroom technology, high-performance data networks and computing equipment, distance-learning facilities, and state-of-the-art offices, laboratories, studios, and collections. Effective budget planning must preserve and, if possible, enhance the institution's capacity to maintain and upgrade the infrastructure required for learning throughout Wyoming, at all levels, from the entry-level curriculum to the frontiers of knowledge and creativity.

These principles provoked little controversy in the white papers.

4. Analysis of functions supported by the section 1 budget

In the February memo, I asked each constituent group to define a three-tier framework for analyzing UW's budgets:

- Tier 1: Core elements of UW's mission
- Tier 2: High-priority activities that support the core
- Tier 3: Enhancements.

I also asked each group to answer two questions:

- Which major elements of UW's current overall operations belong to each of these three tiers?
- Which major elements of the constituency group's bailiwick belong to each of these three tiers?

Several of the white papers advance insightful and sophisticated answers to these questions. I remain concerned, however, about the temptation to frame answers with respect to UW's organization chart, with too little reference to the *specific functions* at issue.

For this reason, I propose framing the problem by referring to the standard program categories for higher educational budgeting established by the National Association of College and University Business Officers (NACUBO):

- Instruction
- Research
- Public Service
- Academic Support
- Student Services
- Institutional Support
- Operation and Maintenance of Plant
- Scholarships and Fellowships
- Intercollegiate Athletics

These categories have specific definitions, listed in the appendix to this memorandum. The appendix also shows a pie chart indicating the distribution of UW's current section 1 budget among the categories.

Broadly speaking, I propose assigning **instruction**, **research**, and **public service** to tier 1. These activities belong at the core of a public university's mission. That said, some qualification is necessary:

not all of UW's instructional activities are equally central to the university's mission or to its major academic priorities and directions. To identify instruction, research, and public service as tier-1 activities is not to render every activity in these categories immune to budget reductions, nor is it to say that UW's current practices in these programs are maximally cost-effective. Even within these core activities, programs and activities vary in impact, quality, and degree of alignment with major institutional directions. However, assigning these categories to tier 1 implies that they deserve special care in any budget reduction.

Assigning tiers to the remaining NACUBO categories is trickier. Activities in **academic support** often qualify as high-priority activities that support the core and hence belong to tier 2: the libraries, archives, galleries, computing and information technology support, academic administration, and the support for course and curriculum development, both on campus and through the Outreach School. Notwithstanding the importance of these activities, there may be some reasonable opportunities to reduce the amounts budgeted for staffing and acquisitions in the collections, for academic administration, and for curricular support, especially in the non-credit bearing arena.

Some activities in **student services** also clearly belong to tier 2. For example, it is difficult to imagine a university without a registrar's office or an office of admissions. Less clear is the status of "activities whose primary purpose is to contribute to the student's emotional and physical well-being and to his or her intellectual, cultural, and social development outside the context of the formal instruction program."² Here the question is arguably one of degree rather than kind, in the sense that these activities are essential at some level. Beyond that level they should not take precedence over the degree-bearing curriculum and therefore they belong to tier 3. This latter set of student services is a reasonable area in which to envision greater reliance on student fees and hence to consider, where possible, shifts from section 1 to section 2 funding.

Most of the activities in the categories of **institutional support** and **operation and maintenance of plant** arguably belong to tier 2. Here, as in academic support, there may be areas that deserve scrutiny, either because UW could operate satisfactorily with less of them or because there are opportunities to shift funding sources from section 1 to section 2. For example, the rationales underlying section-1 subsidies of fund raising and alumni relations may be stronger when state funding is robust than when budget reductions appear imminent.

One specific aspect of operation and maintenance of plant — namely energy conservation — deserves special discussion. For fiscal as well as ethical reasons, I'll argue, UW must pursue more energy-efficient operations. Such an initiative requires changes in day-to-day business practices as well as a long-range commitment to modifying the physical plant. As important as these measures are, it is unwise to adopt energy conservation as a budget reduction technique. Translating energy efficiency into concrete budget targets requires reliable estimates of how much energy UW will actually conserve and how much that energy will cost. Whatever control we have over the first factor, we have little over the latter. And to the degree that we miss the dollar target we'd be forced to absorb unplanned reductions in other parts of the budget, simply because of erroneous projections of commodity prices. Therefore I recommend making a serious commitment to energy-efficient operations but not counting on near-term success to identify specific reductions.

UW's section 1 **scholarships and fellowships** consist largely of tuition discounts. Evidence suggests that some reduction in this portion of the budget will be necessary to achieve a level that is sustainable even within current budgets.

Many argue that **intercollegiate athletics** is an enhancement and therefore belongs to tier 3. Whatever classification one may advocate, two perspectives are worth bearing in mind. First, UW's athletic budget is the sum of section 1 support and revenues generated by a small subset of our teams. To a great extent, these revenues, and thus the viability of intercollegiate athletics at anything resembling its current level, hinge on UW's membership in the Mountain West Conference. This status imposes constraints on the minimum number and distribution of sports offered — constraints with respect to which UW's cushion

² See the definitions in the appendix.

is currently quite slender. The upshot is that sports supported with section 1 money generate revenues that effectively double the intercollegiate athletics budget. Hence there is a multiplier effect: impacts associated with indiscriminate cuts can be significantly larger than the section 1 savings alone might suggest. Second, this complication is no justification for granting intercollegiate athletics immunity from significant budget reductions, should the university have to implement them. Intercollegiate athletics greatly enhance students' education and personal growth, but it is not appropriate to leave their budgets intact if we are forced to cut budgets in tier 1 and tier 2.

5. Budget techniques

The analysis of UW's programs by NACUBO category may help clarify the institution's budget priorities, but it falls short of identifying specific techniques that might be useful in a budget reduction. This section outlines several such techniques, then discusses how the analysis in section 4 bears on their application.

1. **Budget reductions.** This technique consists of reducing the budgets of certain units without identifying monies to backfill the reduction. In some cases it may be possible for units to absorb reductions with small consequences to their programs. In other cases, the consequences may be more drastic, including reductions in force and possibly the elimination of the programs and functions altogether.

One example of a budget reduction technique is **central salary management**. This is the mandate, instituted this past February, to fill every vacant staff position at a salary that is 15 percent into the salary range prescribed for the pay grade. In cases where the salary on the budget line is greater, this policy yields savings that, aggregated over a year, can yield an estimated \$500,000 in permanent budget savings. This approach, *per se*, results in no salary reductions and no loss in staff positions. As noted in *University Plan 3*, this management practice, maintained beyond the state's current budget difficulties, can increase the institution's budgetary flexibility in the long run.

Another example of a budget reduction technique is a **staff hiring squeeze**. Over $\frac{3}{4}$ of UW's section 1 budget resides in employees' salaries and benefits. A significant reduction in this budget will be nearly impossible without limiting units' authorizations to refill newly vacant classified staff positions. Any loss of a staff positions hurts whatever unit it affects. However, a crudely enforced hiring freeze distributes the ill effects virtually at random, in whatever units happen to suffer resignations or retirements during the period of the freeze. To maintain the greatest possible consistency with the institution's priorities and plans, the limits on hiring must allow for the refilling of more important positions, perhaps immediately or perhaps after some delay, to allow for funding to be reallocated from a later, lower-priority vacancy. The amount of funding that a staff hiring squeeze could generate during a fiscal year depends on the severity of the squeeze.

Procedures already exist to implement a third budget reduction technique, namely a **faculty hiring squeeze**. The Office of Academic Affairs could simply leave unallocated a fraction of the salary pool (and hence the accompanying benefits) captured each year in central position management (CPM). To date, UW's practice has been to return all of these monies to academic units, although not necessarily preserving the old distribution of funds among units. The annual captured pool ranges between \$2 million and \$3 million, so for example a 10 percent skim of the pool would yield \$200,000 - \$300,000 in savings to the permanent budget. This technique would directly reduce the university's instructional budget and therefore work against one of the key principles outlined earlier.

Academic or nonacademic **program elimination** is a fourth budget reduction technique. Eliminating programs and functions, even nonacademic ones, inevitably arouses controversy. If one accepts the premise that instruction lies at the core of UW's mission, there is a compelling reason to resist the elimination of academic degree programs as a budget reduction measure *per se*. UW continually adds and eliminates degree programs *based on the institution's academic plans and areas of distinction*; I propose that we retain this policy unless faced with unexpectedly drastic budget reductions. In any case, rejecting program elimination just to avoid controversy

will severely limit the university's ability to adhere to the key principles outlined earlier, especially its ability to make decisions aligned with its most important priorities and directions.

Elimination of programs and functions also poses a thorny challenge to administrators seeking to maintain an open process. It clearly requires careful deliberation and the analysis of many scenarios. On the other hand, conducting the deliberations and scenario analyses in a protracted, public fashion can cause tremendous damage. It scares away student recruits, undermines competitive hiring, and demoralizes existing employees, even in cases where a speculative proposal to eliminate a program is ultimately rejected.

2. **Revenue replacements and shifts in funding sources.** In several parts of the institution there are opportunities to shift the funding for some activities away from the section 1 budget without eliminating the activities. Examples include:
 - a. increasing parking fees and charges to reduce section 1 support for TransPark shuttles
 - b. increasing the portion of UW's philanthropy-based fund-raising and development activities that is funded by the University of Wyoming Foundation,
 - c. shifting administrative functions of the Enhanced Oil Recovery Institute to funds under the control of the state's Enhanced Oil Recovery Commission,
 - d. requiring the Wyoming Statistical Analysis Center to reimburse the section 1 budget for the time of its faculty director,
 - e. shifting some of the supply and equipment costs of instruction from the section 1 budget to course-specific student fees.
 - f. redirecting some student fees (and the revenues they generate) to support initiatives, such as accessibility, that currently require section1 support.

This list is far from exhaustive; it is possible to imagine a wide range of other such measures. This technique does not reduce costs; it simply transfers some of the explicit burdens of a budget reduction to other entities.

3. **Tuition increases.** As mentioned in section 3, increasing tuition — especially resident undergraduate tuition, which has remained unchanged in recent years — is a potential mechanism for replacing monies lost from the state's general fund. This technique is a form of shift in funding sources: it transfers burdens instead of cutting costs. The additional burden in this case is borne by those who presumably have the greatest interest in avoiding the erosion of educational quality associated with a pure cost reduction.

It is not feasible to replace *all* of a five- or ten-percent general fund reduction with tuition revenues. Since general fund appropriations contribute \$194.2 million to the section 1 budget, compared with roughly \$41 million from tuition, it would take nearly a five percent tuition increase to compensate for a one percent reduction in the general fund contribution.

UW offers two professional programs, Pharmacy and Law, in which a tuition differential generates revenues specifically dedicated to the programs. In both cases the overall tuition rates are lower than the median among regional comparators. This fact suggests the possibility of using increases in tuition differential revenue to replace some general fund appropriations currently used to deliver the programs.

4. **Outsourcing.** In some cases it may be possible to save money by contracting with outside entities for certain services. Several auxiliary (revenue-generating) services, various institutional analysis functions, and certain services currently provided in Student Health may furnish some opportunities of this type.
5. **Program reorganization.** In some cases it appears possible to reorganize, combine, or re-house programs to increase their efficiencies. In some cases such reorganizations allow for a reduction in section 1 staffing or support. In other cases they can improve the functionality of the university or reduce pressures imposed by actual reductions in other areas. A good example of a

measure that can reduce budget pressures is a systematic effort to reduce the number of courses and sections taught by academic units, even if we leave the numbers of faculty members, academic professionals, and degree programs unchanged. An appropriate focus on outcomes can conceivably allow the adoption of such changes with no loss in the quality of student learning. Outside the academic realm, it may be possible to reconfigure UW's staffing for department-level business services, such as bookkeeping and accounting, and department-level administration of information technology positions.

6. **Program efficiencies.** A technique related to program reorganization is the implementation of measures that increase the effectiveness of our operations. And, as with program reorganization, not all of these measures will yield significant, easily recoverable savings. Among the measures in this category are mandatory direct payroll deposits and centralized computer purchasing.

One form of enforced program efficiency is a general cut in support budgets. This technique requires a judicious touch in an organization where personnel costs vastly outweigh support budgets. As attractive as a support budget reduction may seem in comparison with some other measures, such as reductions in force, plundered support budgets can be crippling.

7. **Buffer fund.** To manage the time delays associated with such measures as a staff hiring squeeze, it will probably be necessary to establish a buffer fund (also called a bridge fund), that is, a fund of one-time monies that UW can use to bridge the transition between current funding in certain areas and the lower funding levels targeted for those areas. Possible sources of buffer funds include (a) a one-year delay in the \$4.3 million budgeted for library acquisition increases in FY 2010, (b) tapping some of the money that currently resides in released time accounts, (c) and employee furloughs, which generate roughly \$600,000/day, obviously at a cost to employees' gross earnings. There may well be other possible sources.

In developing and analyzing specific scenarios for applying these seven types of budget techniques, it will be essential to gauge each scenario's consistency with the priorities established in section 4.

Tier 1: With respect to instruction, research, and public service, the gauge should answer two questions:

- Do the reductions inflict less damage to tier-1 categories than to others?
- Do the reductions maintain or increase the *relative* size of tier-1 categories in UW's budget?

Tier 2: For academic support, institutional support, operation and maintenance of plant, and the critical student services, the appropriate gauge is more qualitative in nature:

- Do the reductions threaten or diminish any activities that are truly essential for UW core mission?

Tier 3: For noncritical student services and athletics, the appropriate gauge is whether the reductions would transform UW to a fundamentally different institution than it is today or diminish the student experiences that help make UW a truly distinctive university.

6. Conclusion

Budget reductions are neither pleasant nor visionary exercises. The use of the NACUBO framework can help guide hard decisions, but any realistic scenario will diminish UW's capacity to accomplish worthy goals. Complicating matters is the fact that universities are among society's most complex organizations, with many internal and external constituencies. Public universities also have a complicated mix of funding sources, some of which are highly constrained. The need to reduce some sources while others remain intact can lead to apparent paradoxes, such as construction work when programs are being eliminated. It is hard to say good things about an unpleasant task that demands such a maddening level of technical detail.

Complexities notwithstanding, UW owes its students, its employees, and its public the highest caliber teaching, research, and service that it can deliver. Our ability to meet this responsibility must be the touchstone for any budget reductions the current economy forces upon the institution.

APPENDIX: STANDARD HIGHER EDUCATION BUDGET PROGRAM CATEGORIES DEFINED BY
NATIONAL ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS

PROGRAM	DESCRIPTION
INSTRUCTION	Expenditures for all activities directly related to instruction. Expenditures for credit and noncredit courses, for academic, vocational, and technical instruction, for remedial and tutorial instruction, and for regular, special and extension sessions are included in this program.
RESEARCH	This program includes all expenditures for activities specifically organized to produce research outcomes, whether commissioned by an agency external to the institution or separately budgeted by an organizational unit within the institution. Subject to these conditions, it includes expenditures for individual and/or project research as well as those of institutes and research centers.
PUBLIC SERVICE	Funds are expended for activities established primarily to provide non-instructional services beneficial to individuals and groups external to the institution. These activities include community service programs (excluding instructional activities) and cooperative extension services. Included in this program are conferences, institutes, general advisory services, reference bureaus, radio and television, consulting, and similar non-instructional services to particular sectors of the community.
ACADEMIC SUPPORT	Funds are expended primarily to provide support services for the institution's primary missions: instruction, research, and public service. It includes (1) operations for the retention, preservation, and display of educational materials, for example, libraries, museums, and galleries; (2) the provision of services that directly assist the academic functions of the institution; (3) audiovisual services and technology services, such as computing support; (4) academic administration (including academic deans but not department chairs) and personnel development to provide administration support and management direction to the three primary missions; and (5) separately budgeted support for course and curriculum development.
STUDENT SERVICES	Funds expended for the offices of admissions and the registrar and those activities whose primary purpose is to contribute to the student's emotional and physical well-being and to his or her intellectual, cultural, and social development outside the context of the formal instruction program. It includes expenditures for student activities, cultural events, the student newspaper, intramural athletics, student organizations, intercollegiate athletics (if the program is operated as an integral part of the department of physical education and not as an essentially self-supporting activity), counseling and career guidance (excluding informal academic counseling by the faculty), student aid administration, and student health service (if not operated as an essentially self-supporting activity).
INSTITUTIONAL SUPPORT	Expenditures for: (1) central executive-level activities concerned with management and long-range planning of the entire institution, such as the governing board, planning and programming, and legal services; (2) fiscal operations, including the investment office; (3) administrative data processing; (4) space management; (5) employee personnel and records; (6) logistical activities that provide procurement, storerooms, safety, security, printing, and land transportation services to the institution; (7) support services to faculty and staff that are not operated as auxiliary enterprises; and (8) activities concerned with community and alumni relations, including development and fund raising.

OPERATION AND MAINTENANCE OF PLANT	Expenditures for the operation and maintenance of the physical plant. This program includes all expenditures from operations established to provide services and maintenance related to grounds and facilities. Also included are utilities, fire protection, property insurance, and similar items. It does not include expenditures made from the institutional plant fund accounts.
SCHOLARSHIPS AND FELLOWSHIPS	Expenditures for scholarships and fellowships in the form of grants to students, resulting either from selection by the institution or from an entitlement program. It also includes trainee stipends, prizes, and awards, except trainee stipends awarded to individuals who are not enrolled in formal course work, which are charged to instruction, research, or public service as appropriate.
INTER-COLLEGIATE ATHLETICS	Intercollegiate athletic accounts whose funding is supported by the University of Wyoming, including athletic scholarships but not including club sports, which fall under the student services program.

**UNIVERSITY OF WYOMING
FY 2009 BUDGET, SECTION I FUNDING BY PROGRAM
(Departments 067 and 167 in Millions)**

