



an update on the **budget**  
and  
declaring **financial crisis**

President **Laurie Nichols**

June 22, 2016



UNIVERSITY OF WYOMING

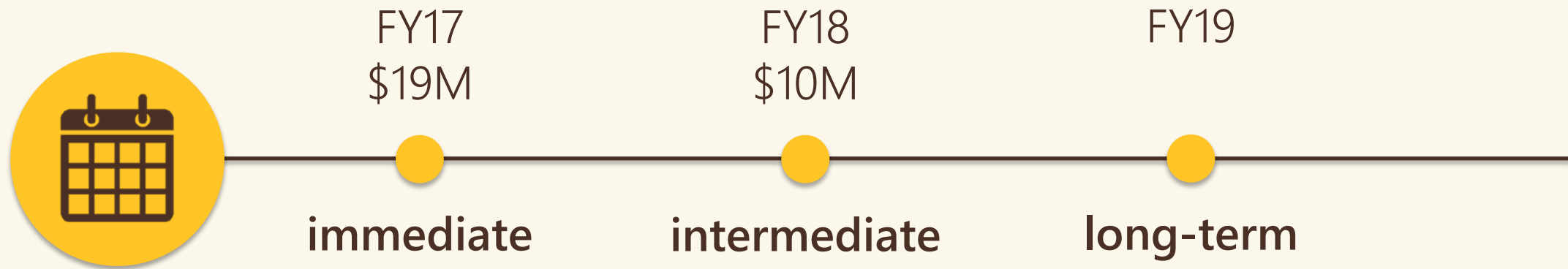
# budget reduction and essential reallocation

Budget	Biennium	Annual
<b>Recurring Reduction</b>		
Penny plan (1 ½%)	\$5.8 million	\$2.9 million
8%	32.4	16.2
Utility shortfall	6.0	3.0
<b>Total recurring</b>	<b>\$44.2 million</b>	<b>\$22.1 million</b>
<b>One-time reallocation</b>		
Fiscal system (legislature)	5.0	2.5
Fiscal system (university)	13.0	6.5
<b>Total fiscal system</b>	<b>\$18.0 million<sup>1</sup></b>	<b>\$9.0 million</b>

<sup>1</sup>\$23M including appropriation from legislature

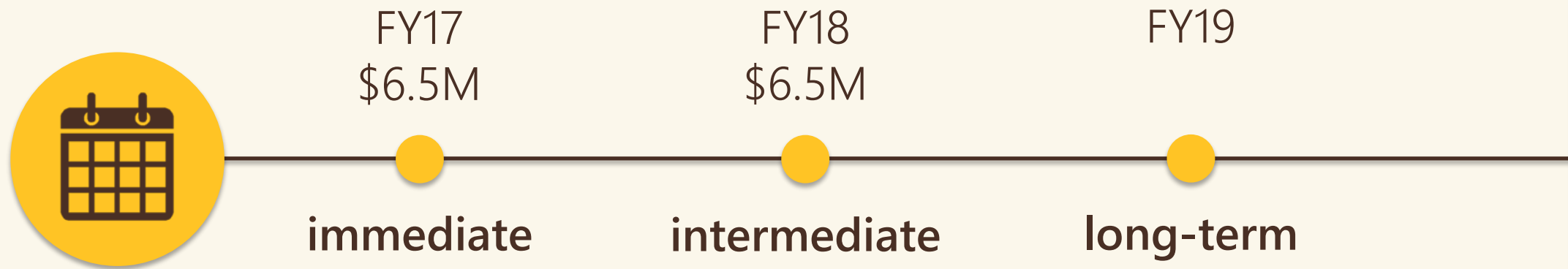
# timeline

## permanent cuts



# timeline

## one-time reallocation



# fiscal year '17 reduction plan approved - recurring

1

## recurring appropriations

included \$6.2m in new recurring appropriations for specific purposes

2

## tuition increase

a 4% increase will yield \$2m; \$1.5m to utilities and \$500k to faculty compensation for tenure and promotion

3

## block grant reductions

included \$2.9 million reduction for penny plan and \$16.2 million reduction for additional 8% cut

# fiscal year '17 reduction plan approved – one time

## 4

### **fiscal system funding**

identified \$8.5m internal reallocation for fiscal system, primarily from cash reserves

## 5

### **utility funding**

identified \$4.8m internal reallocation to cover utility shortfall (including prior year's deficit)

## 6

### **one-time appropriations**

included \$18.5m in new one-time appropriations for specific purposes, including the new fiscal system

## block grant fy'17 reduction details

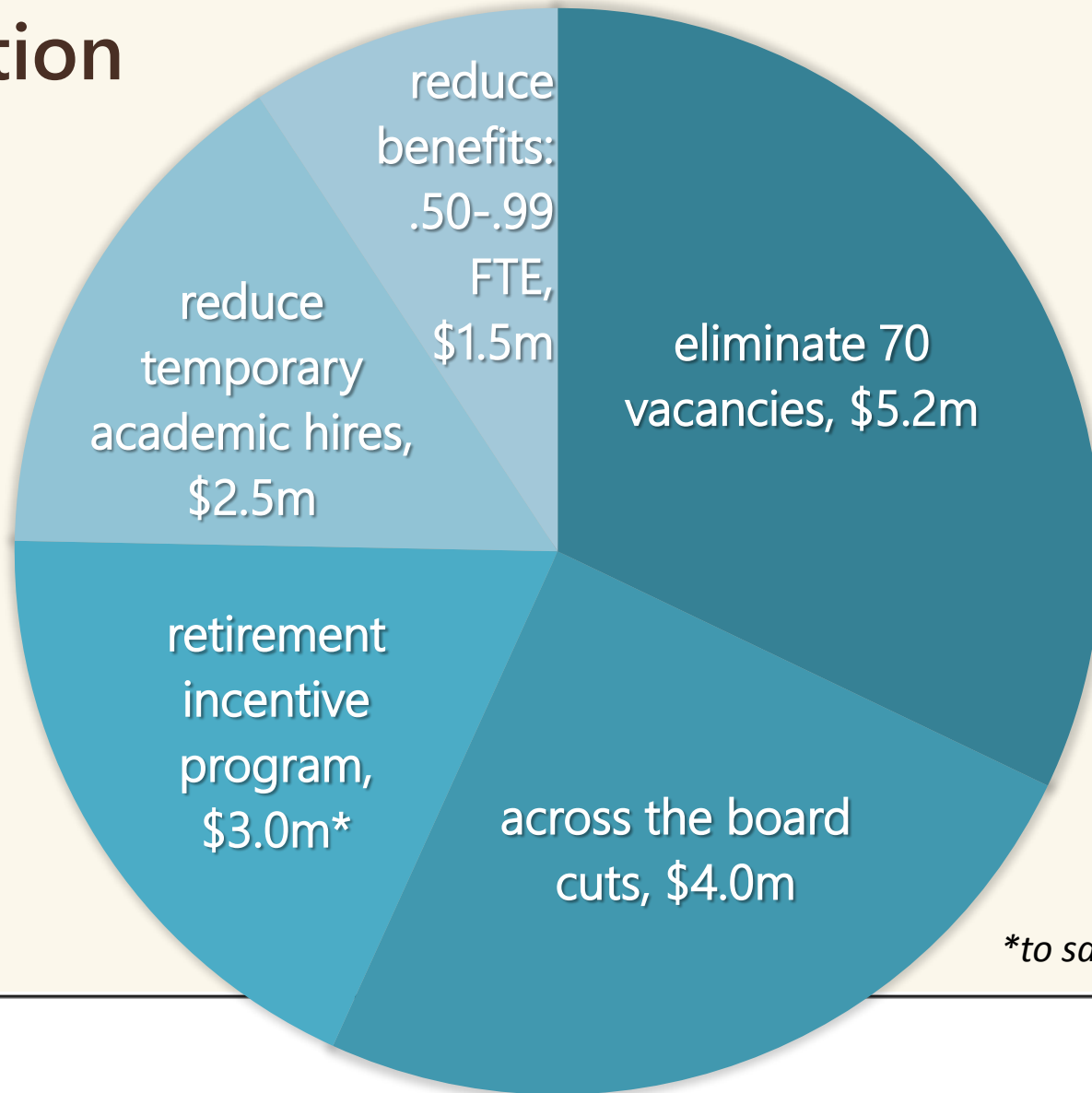
\$2.9m

"penny plan"  
across the board  
excluded benefits & utilities

\$16.2m

eliminating 70 vacancies  
realizing efficiencies – teaching workload; benefits  
retirement incentive

# detailing the \$16.2m reduction



*\*to save an additional \$6m in FY18*



# fy17 one-time reductions fiscal system

- Cash Reserves: \$4.5 million

\$ 500,000 President's Office

\$ 500,000 Residential Life & Dining

\$ 500,000 Information Technology

\$ 500,000 Audit Reserve

\$1,250,000 Outreach School

\$1,250,000 Colleges Outreach

- FY16 Carryover: \$1-2 million

fiscal year '18

intermediate: cost savings

- university program review
- review organization and structure
- review administrative appointments
- analyze positions/9 month

fiscal year '18

intermediate: new revenue

- fully utilize UW foundation funds
- increase tuition
- program fees for high-cost programs
- grow enrollment

## declaring a financial crisis

- rescinded Presidential Directive 6-1993-2
- Trustees discussed in Executive Session June 15
- message to campus sent June 16
- propose to follow UW Reg 6-41

# declaring a financial crisis

## UW Reg 6-41



## determination of a financial crisis

- reductions in FY17 of \$2.9m + \$16.2m from block grant
- utility shortfall of \$3 million per year
- new fiscal/accounting system in excess of \$28 million
- pending FY18 budget reduction of at least \$10 million
- pending program review process

## description of financial deficiency

- FY16 block grant reduced by \$11.7m
- FY17 penny plan reduction + 8% additional cut
- CREG April 22 letter suggests reduced state revenue will continue
- 70% of Section I funds from state appropriations; 23% tuition
- fall student enrollment down slightly

why

## financial crisis

- provides flexibility and expedited timeline from UW Reg 6-43 for program review/elimination
- provides flexibility in reviewing organizational structure
- creates FCAC to consult in creating a financial crisis plan (FY18 reductions)
- is not financial exigency



# financial crisis advisory committee

Provost		David Jones/Kate Miller
VP Administration		Bill Mai
Dean		Klint Alexander
Dean		Susan Frye
Faculty Senate	Executive Committee	Robert Sprague
Faculty Senate		Donal O'Toole
Faculty Senate	Academic Planning Committee	Stephen Bieber
Faculty Senate		Molly Marcusse
Faculty Senate	Budget Planning Committee	Frederic Sterbenz
Faculty Senate		R. McGregor Cawley
Staff Senate		Kevin Colman
Staff Senate		Rachel Stevens
ASUW		Joel Defebaugh

# proposed timeline



June 16

declaration  
of financial  
crisis

June 22

general  
University  
meeting

June 28

First  
meeting of  
the FCAC

# proposed timeline, cont.

July/Aug



President develops financial crisis plan in consultation with FCAC

Sept 7



President submits financial plan to FCAC for review

Sept 8-29



FCAC vets plan, solicits and assembles comments for the President

# proposed timeline, cont.

Oct 6



FCAC  
submits  
comments  
to president

Oct 11



President  
submits plan  
to Board of  
Trustees,  
considering  
FCAC input

Oct 19



Board of  
Trustees  
meeting,  
Board action  
on financial  
crisis plan

「questions  
and discussion」