THE UNIVERSITY OF WYOMING
FINANCIAL CRISIS ADVISORY COMMITTEE
MINUTES OF THE COMMITTEE

Tuesday, July 5, 2016
12:00 – 2:00 p.m.
Coe Library Room 506; University of Wyoming Campus

AGENDA
Call to Order .............................................................................................................................1
Roll Call........................................................................................................................................1

Public Session
I. Announcement ........................................................................................................................1
II. Budget Presentation by Vice Presidents Bill Mai and Janet Lowe........................................1
III. Agenda Items – July 8, 2016................................................................................................2

Adjournment ................................................................................................................................3
Call to Order
Financial Crisis Advisory Committee Chairman Steve Bieber called the meeting to order at 12:06 p.m. on Tuesday, July 5, 2016 in Coe Library Room 506.

Roll Call
Committee members present were: Dr. Steve Bieber, Ms. Molly Marcusse, Mr. Joel Defebaugh, Dr. Frederic Sterbenz, Vice President for Academic Affairs David Jones, Dean Klint Alexander, Dr. Robert Sprague, Dean Susan Frye, Mr. Kevin Colman, Ms. Rachel Stevens, Dr. Greg Cawley, Dr. Donal O’Toole, Vice President for Administration Bill Mai and Associate Vice President for Administration Janet Lowe. Sophia Beck, UW Trustee Mike Massie, and Mr. Brian Schuler were also present at the meeting.

Public Session
Announcement
Chair Bieber announced to committee members that Bob Sprague drafted a principles and procedures document, expanding on the original budget reduction document presented to the committee by UW President Nichols on June 28. Dr. Sprague invited committee members to join him in the College of Business Building Room 344, on Wednesday, July 6 at 1:00 p.m. to review the draft document and provide further input. Chair Bieber would present the draft document to UW President Nichols on Thursday, July 7, for her review.

As a point of reference to the timeline, Chair Bieber noted the following as related to committee work: Stage I of academic program reviews would be available to committee members by August 1, and Stage II reviews would be available by the end of August. The final product and recommendation of the committee’s work would be completed by the last week of August or early September. Non-academic units did not seem to have a formalized process concerning document solicitation. Chair Bieber would work to determine a timeline for non-academic program reviews and report back to the committee.

Budget Presentation by Vice Presidents Bill Mai and Janet Lowe
A Powerpoint handout and additional supporting documents was distributed to committee members (see below). Vice President Bill Mai and Associate Vice President Janet Lowe proceeded with an overview of the UW budget structure and noted that the operating budget was the focus of the day’s meeting. The following categories were presented:

- Revenues/Sources of Funds
- Uses/Expenditures of Funds
- Section I – general operating budget of the university
- Section II – self-supporting/self-sustaining budget
- Section III – external research funding (federal, state, local)

The Financial Crisis Advisory Committee’s work would focus on Section I (general fund legislative appropriations). The state mandated UW to make cuts to the Section I budget. In FY16, 70% of the UW budget was funded by general fund appropriations from the legislature.

Source of funds for Section I were legislative appropriations, UW income fund (primarily tuition), athletics income fund (primarily student fees), and other university funds (sales and services,
federal mineral royalties, land income funds, unrestricted income from UW Foundation, and medical education clinical income).

Section II funding consisted of self-sustaining budgets (revenue from University auxiliary services—housing, residence halls, dining services, student health and student union, transportation and parking, University store, etc.) gifts and contributions, student fees, federal mineral royalties, and intercollegiate athletics revenue.

Section III funding consisted of sponsored funding for research contracts and grants. These funds were mission-specific and managed through the Division of Research and Economic Development by the Office of Sponsored Programs. These funds were often awarded through competitive peer review and managed by faculty. They included federal formula funds.

Discussion followed with regards to revenue sources for Section I, II, and III. These categories included general fund, auxiliary enterprises, grants and contracts, UW income fund, foundation and gifts, federal mineral royalties, sales and services, clinic income WWAMI, contract payments, federal formula funds, athletics, and permanent land income fund.

Expenditures by classification included personal services (compensation and benefits), support services (goods, services, equipment, etc.), grants and aid (scholarships and medical education student support), and non-operating funds (interest expense and refunds). Expenditures by function included instruction, research, public service, academic support, student services, institutional support, operation and maintenance, scholarships and fellowships, and intercollegiate athletics.

Chair Bieber thanked Vice President Mai and Associate Vice President Lowe for their presentation, insightful discussion, and answers to specific questions. With the time frame before the committee, he shared the desire to determine specific principles for budget cut considerations and invited all members once again to meet on Wednesday afternoon to review the expanded guiding principles and procedures document drafted by Bob Sprague.

**Agenda Items – July 8, 2016**
Student Affairs program review – Vice President for Student Affairs Sara Axelson
Determine data and information needed for committee’s work

**Other Business**
There was no other business to come before the committee.
Adjournment
It was moved by Dr. Cawley and seconded by Dr. O’Toole to adjourn the meeting at 2:05 p.m. The motion carried.

Respectfully submitted,

Debbie Martinez
Executive Administrative Assistant to the President
Fiscal Year 2017 Budget Reductions

<table>
<thead>
<tr>
<th>Agency 067</th>
<th>University of Wyoming</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Annual $</td>
</tr>
<tr>
<td>University of Wyoming</td>
<td>$2,897,286</td>
</tr>
<tr>
<td>School of Energy Resources (SER)</td>
<td>$155,815</td>
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<tr>
<td>Tier 1 Engineering</td>
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<tr>
<td>NCAR</td>
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<td><strong>Total</strong></td>
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**Governor Mead's May 2016 Letter**

<table>
<thead>
<tr>
<th>Agency 157</th>
<th>UW - Medical Education</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Annual $</td>
</tr>
<tr>
<td>University of Wyoming</td>
<td>$16,192,009</td>
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<td>School of Energy Resources (SER)</td>
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<td>Tier 1 Engineering</td>
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<td>NCAR</td>
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<td><strong>Total</strong></td>
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**Governor Mead's April 2016 Letter (Additional 8%)**

<table>
<thead>
<tr>
<th>Agency 157</th>
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<tbody>
<tr>
<td>Casper Family Medicine Residency Program</td>
<td>$80,588</td>
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<tr>
<td>Cheyenne Family Medicine Residency Program</td>
<td>$70,822</td>
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<tr>
<td>WWAMI</td>
<td>$94,557</td>
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<tr>
<td>Dentistry Contracts</td>
<td>$36,514</td>
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<tr>
<td>Accelerated Nursing Degree</td>
<td>$1,687</td>
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<td><strong>Total</strong></td>
<td><strong>$283,728</strong></td>
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</table>

Revenue replacement (clinc income and Graduate Medical Education (GME) federal funding). 

**School of Business**

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<thead>
<tr>
<th>Agency 157</th>
<th>UW - Medical Education</th>
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<tbody>
<tr>
<td>Casper Family Medicine Residency Program</td>
<td>$473,802</td>
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<tr>
<td>Cheyenne Family Medicine Residency Program</td>
<td>$344,637</td>
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<tr>
<td>WWAMI</td>
<td>$504,306</td>
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<tr>
<td>Dentistry Contracts</td>
<td>$234,481</td>
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<td>Accelerated Nursing Degree</td>
<td>$ -</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$1,513,226</strong></td>
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</table>
FY 2017 PROPOSED UW OPERATING BUDGET

Board of Trustees Meeting – June 15, 2016

• The FY 2017 Proposed UW Operating Budget
  o Is an annual budget—these are not biennium amounts unless otherwise noted
    o Includes Agency 067:
      • University of Wyoming
      • School of Energy Resources
      • NCAR Memorandum of Understanding
      • Tier 1 Engineering
      • UW Operating Matching Funds
    o And Agency 167
      • Family Medicine Residency Centers (Casper & Cheyenne)
      • WWAMI (Washington, Wyoming, Alaska, Montana and Idaho) Medical Education Program
      • Dental Contract Program
      • Accelerated Nursing Degree Program
    o Does not include any Capital Construction budgets
    o Does not include Agency 069 – WICHE (Western Interstate Commission for Higher Education)
    o Does not include Agency 070 – EORC (Enhanced Oil Recovery Commission)
    • Agency 069 and Agency 070 budgets are not approved by the UW Board of Trustees
    • They are approved by their respective governing boards – their Commissions

• The narrative is found on Pages 17-20 of your Board Report
• The detailed table was provided yesterday
  • Page 1 of the table reflects Agency 067 – Section I budgets
    • Including SER, NCAR, Tier 2 and UW Operating Matching Funds
    • Table F in the 067 Total Section I proposed budget
  • Table G is the proposed Section II (self-sustaining) budget
  • Table H is the proposed Section III (sponsored research) budget
  • Table I is the sum of the above Agency 067 tables
  • Table J is the Agency 167 - UW Medical Education proposed budget
  • Table K is the grand total of Agency 067 and Agency 167
  • Page 9 contains explanatory footnotes

• Increases in the Proposed Operating Budget
  o General Fund state appropriations that apply to all budgets with personnel (UW, SER, Tier 1, Med Ed)
  • Significant increase for health insurance costs
• $7.3 million for UW Section I
• $0.3 million for UW Section I
  o General Fund RECURRING state appropriations as a result of the 2016 Wyoming Legislative (Budget)
  Session
  • $4.0 million per year
    • Athletics Operating Matching Funds
      o A $1.0 million reduction from FY 2016
  • $1.3 million (of a $2.3 million biennial appropriation)
  • Science Initiative programmatic initiatives
  • $0.5 million per year
    • Operations and maintenance (utilities) - $9.375 million
      o Will talk about funding sources for the remaining utilities shortfall later
  • Environmental health and safety - $0.125 million
  • $0.25 million per year
    • Re-appropriation of funding for the Master's in Counselor Education degree program
  • General Fund ONE-TIME state appropriations as a result of the 2016 Wyoming Legislative (Budget)
  Session
  • Endowment matching funds ($10.35 million)
    • Earnings from endowments are estimated and included in the proposed operating budget
  • Matching funds for "any university initiative with a total cost of less than two hundred thousand dollars ($200,000)" ($1.15 million)
  • $5.0 million
    • Fiscal management and reporting system
    • See Supplementary Budget Information (Page 4)
  • $1.5 million (of a $2 million biennial appropriation)
    • School of Energy Resources Carbon Engineering research
  • $0.5 million (of a $0.5 million biennial appropriation)
  • Wyoming Public Media infrastructure
  • Tuition revenue
    • $1.5 million
    • Operations and maintenance (utilities)
  • $0.3 million
    • Faculty compensation for tenure and promotion
  • Differential tuition revenue
    • $0.1 net increase
      • Minor increases in Law and Pharmacy
    • Minor decrease in MBA program
  • Cash reserves (UW Income Fund"tution"
    • $4.5 million if after contract approval
    • Fiscal management and reporting system
    • $0.0 million
      • Operations and maintenance (utilities)
85  • Cash reserves (UW Land Income Fund)
86     • $2.5 million
87     • Prior years utilities deficit
88
89  • Decreases in the Proposed Operating Budget
90     • Removal of one-time appropriations
91     • $5.0 million
92     • Athletics Operating Matching Funds
93     • $0.8 million
94     • Science Initiative
95     • Camps/events for Wyoming high school students
96     • Legislatively-approved “Penny Plan”
97     • Reductions in all programs (UW, SER, NCAR, Tier 1 and Med Ed)
98     • Personal services and support budgets permanently reduced
99     • $2.9 million – UW
100     • $0.2 million – SER
101     • Less than $0.1 million
102     • NCAR, Tier 1
103     • Total 067 reduction $3.1 million
104     • Total 167 reduction $3.3 million
105  • Governor Mead’s May 20X6 Letter
106     • Reductions in 067 programs (UW, SER, NCAR and Tier 1)
107     • Total of $17.5 million per year
108     • Personal services, employer-paid benefits (EPBs) and support budgets permanently reduced
109     • $16.2 million reduction of UW budget
110     • $6.1 million
111     • Expenditure reductions for vacant positions, part-time non-benefited academic positions and EPBs
112     • $4.5 million
113     • Revenue replacement ($4.0M)
114     • One-time bridge funding – Section 8 cash reserves
115     • Temporarily replace General Fund revenue
116     • Required to be replaced for FY 2018 or further reductions must be identified
117     • Temporary compensation budget reduction ($0.5M)
118     • To be restored as future savings materialize
119     • $5.6 million
120     • Temporary reduction of EPB budget
121     • To be restored as future savings materialize
122     • $2.0 million reduction of SER
123     • Research support budget permanently reduced
124     • $0.3 million reduction of Tier 1
Administration support budget permanently reduced
- $0.1 million reduction of IMCA
- MGU contractual obligation support budget permanently reduced
- Other UW resources must be used to meet obligation
  - Governor Nace’s April 2016 letter
    - Additional 0% reductions announced
    - Reductions in 167 programs (Family Medicine Residency Programs, WWAMI, Dental Contracts)
      - $0.8 million - FMBPs
        - Revenue replacements
          - Clinic income (Casper)
          - Graduate Medical Education (GME) federal funds (Casper and Cheyenne)
          - Other reductions to be determined
        - $0.5 million - WWAMI
          - Revenue replacement
        - Student tuition and contract payments
        - Endowment income
        - $0.2 million - Dental Contracts
          - Student financial aid budget permanently reduced.

ASKING FOR APPROVAL OF PROPOSED FY 2017 OPERATING BUDGET
- AGENCY 067 REVENUE AND EXPENDITURES = $ 542,468,130
- AGENCY 167 REVENUE AND EXPENDITURES = $ 25,050,469
- TOTAL REVENUE AND EXPENDITURES = $ 567,518,599

SUPPLEMENTARY BUDGET INFORMATION
- Fiscal management and reporting system
  - Funding sources in FY 2017 - $13.3 million (All Section I)
    - $5.0 million - one-time state appropriation
    - $4.0 million - [of a $5 million] one-time block grant funding shift (as directed by legislature)
    - $4.3 million - cash reserves from UW Income Fund/Tuition
- Operations and maintenance (utilities)
  - Prior years deficit
    - $1.5 million - UW LANF Income Fund (Section I)
    - Ongoing shortfall: $2.7 million in FY 2017 (All Section I)
    - $1.5 million - tuition revenue
    - $0.025 million - cash reserves from UW Income Fund/Tuition
    - $0.375 million - recurring state appropriation
<p>|   | B   | C   | D   | E   | F   | G   | H   | I   | J   | K   | L   | M   | N   | O   | P   | Q   | R   | S   | T   | U   | V   | W   |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
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| 3 |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| 4 | Total Revenue / Sources |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| 5 |      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| 6 | General Fund |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| 7 |      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
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| 9 |      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| 10 |      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
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| 14 |      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
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| 16 |      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
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| 18 |      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| 19 |      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| 20 |      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
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| 22 |      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| 23 |      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| 24 |      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| 25 |      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| 26 |      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| 27 |      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
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| 30 |      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| 31 |      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| 32 |      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| 33 |      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| 34 |      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
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<table>
<thead>
<tr>
<th>Agency and Section Subtotals</th>
<th>University of Wyoming (Agency 067) and UW- Medical Education (Agency 167)</th>
<th>APPROVED FY 2017 - 6/15/2016 Revised 7/1/2016</th>
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<tbody>
<tr>
<td><strong>Total Revenue/ Sources</strong></td>
<td>FY15 Revised FY15 Proposed FY16 Revised FY16 Proposed FY17 Revised FY17 Proposed FY18 Revised FY18 Proposed Total Revised Total Proposed</td>
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<tr>
<td>UW Income Fund</td>
<td>$63,717,393 $64,118,495 $71,269,152 $71,269,152 $71,269,152 $71,269,152 $71,269,152 $71,269,152 $71,269,152 $71,269,152 $71,269,152</td>
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<tr>
<td>Other (engineering services)</td>
<td>$2,076,026 $2,076,026 $2,076,026 $2,076,026 $2,076,026 $2,076,026 $2,076,026 $2,076,026 $2,076,026 $2,076,026 $2,076,026</td>
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<tr>
<td>Sales &amp; Services</td>
<td>$4,870,035 $4,870,035 $4,870,035 $4,870,035 $4,870,035 $4,870,035 $4,870,035 $4,870,035 $4,870,035 $4,870,035 $4,870,035</td>
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<tr>
<td>Federal Reimbursement</td>
<td>$1,026,511 $1,026,511 $1,026,511 $1,026,511 $1,026,511 $1,026,511 $1,026,511 $1,026,511 $1,026,511 $1,026,511 $1,026,511</td>
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</tbody>
</table>

**Total Expenditures / Uses**

| FY15 Revised | FY15 Proposed | FY16 Revised | FY16 Proposed | FY17 Revised | FY17 Proposed | FY18 Revised | FY18 Proposed | Total Revised | Total Proposed |
|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|---------------|---------------|----------------|
| Total Earnings  | -             | -            | -             | -            | -             | -            | -             | -             | -              | -              |

**Total Revenue/ Sources**

<table>
<thead>
<tr>
<th>FY15 Revised</th>
<th>FY15 Proposed</th>
<th>FY16 Revised</th>
<th>FY16 Proposed</th>
<th>FY17 Revised</th>
<th>FY17 Proposed</th>
<th>FY18 Revised</th>
<th>FY18 Proposed</th>
<th>Total Revised</th>
<th>Total Proposed</th>
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Table A: University of Wyoming (SUW)

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<tr>
<th>Y</th>
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<th>AY</th>
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</table>

(a) The general fund variation from FY 15 to 16 includes removal of new on-time funding for information technology, Wyoming public media, shared business services and athletics matching funds ($6,456); compensation and benefits increases ($6,456); new state appropriations for the science initiative, operations and maintenance, environmental health and safety, and a new master's degree program ($1,196); and athletic matching funds ($3,366). The total general fund variation from FY 16 to the proposed FY 17 budget includes removal of new on-time funding for information technology, Oregon public media, shared business services and athletics matching funds ($6,456); compensation and benefits increases ($6,456); new state appropriations for the science initiative, operations and maintenance, environmental health and safety, and a new master's degree program ($1,196); and athletic matching funds ($3,366).

(b) The UW income fund variation from FY 16 to FY 17 includes removal of on-time funding for summer school tuition and fee distribution and end-of-semester carryover for summer school, differential tuition, student fees, and computer and course fees ($7,378); tuition increase for compensation, academic support budgets and differential tuition ($7,378); and annual distribution of summer school tuition ($1,294). The UW income fund variation from FY 16 to the proposed FY 17 budget includes removal of on-time funding for summer school tuition and fee distribution and end-of-semester carryover for summer school, differential tuition, student fees, and computer and course fees ($7,378); tuition increase for compensation, academic support budgets and differential tuition ($7,378); and annual distribution of summer school tuition ($1,294).

(c) The Federal Funds for the College of Agriculture and Natural Resources have been reclassified from Section B to Section H. See Table H.

(d) In order to achieve the $16.0M General Fund (revenue) reduction in FY 2017, Section F revenues from the Outback Bowl, the Coliseum, and the Division of Student Affairs, Information Technology and Research and Economic Development will temporarily replace (or augment) General Funds in the Section I budget ($4,094). This is a temporary revenue replacement until proposed budget expenditures are reduced by FY 2017 are implemented.

(e) Proposed budget reduction measures such as elimination of vacant positions, reductions in part-time budgets for temporary academic positions, and the retained employee paid benefits ($6,644) are reflected in the Proposed FY 2016 Personnel Services Expenditures budget. These proposed measures are insufficient to fully achieve the $16.0M total reduction. In addition to the revenue replacement described in footnote (d) ($4,094), temporary reductions of the centrally-administered compensation budget ($8,644) and employer-paid benefit (EPE) budget are proposed ($2,563). This is a temporary budget reduction until proposed additional budget reduction measures during FY 2017 are implemented. As a savings measure, the compensation and EPE budgets will be reentered.

Table B: School of Energy Resources (SUER)

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
</table>

(a) The increase in the School of Energy Resources budget from FY 2015 to FY 2016 is due to the state appropriation for compensation and benefits ($6,644). The increase from FY 16 to the Proposed FY 17 budget includes state appropriations for health insurance and retirement increases ($6,644), a funding shift of salary and benefits to the Enhanced Oil Recovery Commission (Agency 070) budget ($3,094), a new $25.0M state appropriation for Carbon Engineering, the "Honey Plan" budget reduction ($2,862) and an additional budget reduction of $6,644.

Table C: Athletics

<table>
<thead>
<tr>
<th>1</th>
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<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
</table>

(a) The proposed budget funding increase in FY 16: The FY 16 and FY 15 budgets represent a phased-in implementation, or ramp-up of operational expenditures. The proposed FY 2016 budget reflects a static level of annual funding (one-half of the $2.0M increase appropriation) and includes both the "Honey Plan" reduction and the May 2016 Governor's Letter reduction ($0.0M) for both reductions.

Table D: Operating Matching Funds

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<thead>
<tr>
<th>1</th>
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<th>8</th>
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</thead>
</table>

(a) Operating Matching Funds have been in legislative methodology in FY 16: The FY 16 approved budget reflected $2.728M for Unconventional Oil and Gas and Earth Sciences research and graduate programs. The Unconventional Oil and Gas funding ($2.728M) was rescinded to Section III (see Table H) and the Athletics Funds ($2.184M) moved to the UW budget (Table A) as funds were matched and released by the Interim Treasurer's Office, leaving $1.544M for Literacy programs and $20.25M for Earth Sciences research in the revised FY 2016 budget. The proposed FY 2017 budget reflects $1.544M for athletics matching funds - an annual reduction of $2.184M from FY 2016.

Table E: Section I

<table>
<thead>
<tr>
<th>1</th>
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<th>4</th>
<th>5</th>
<th>6</th>
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<th>8</th>
</tr>
</thead>
</table>

(a) The FY 2017 approved budget reflects a one-time use of $2.4M of UW Land Income funds each year to address the prior year's deficit in the Section I Operations and Maintenance (OM) budget. The UW Land Income Fund is unrestricted and may be used for any university purpose.

Table F: Section II and Table III - Section IV

<table>
<thead>
<tr>
<th>1</th>
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<th>7</th>
<th>8</th>
</tr>
</thead>
</table>

(a) Section III - Sponsored Research Funding - was repositioned from Section I to self-sustaining budget in FY 2016 in order to recognize the unique nature of sponsored research funds.

Table G: OM

<table>
<thead>
<tr>
<th>1</th>
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<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
</table>

(a) Agency 19 - University Medical Center - reflects a net decrease of $0.1M for the new program (general fund remains largely unchanged after state budget and legislative increases were offset by general fund "Honey Plan" and Governor's letter budget reductions). There is a small increase in IT/Consortium Payment revenue by NWMP1 to accommodate the charge to curriculum delivered on the UW campus. The Center for Medicine Excellence Program Proposed budget reflects a minor increase of $3.5M. Expenditure budgets are relatively stable and the proposed budget reductions will be accommodated by a revenue replacement of clinic income and miscellaneous Medical Education (MEd) funding for General Fund. The Chiracota/Expedition Programs Proposed budget reflects a $0.5M net decrease. A General Fund reduction of just under $1.1M is offset by a $0.5M increase in projected clinic income. The Dentistry Contract Program Proposed budget reflects a $0.2M net decrease in General Fund revenue and related and related to dental students.
Faculty Senate Budget Committee Briefing

• Part 1
  – Budget Overview

• Part 2
  – UW Income Fund and Tuition Revenue
Part 1 - Budget Overview

- University of Wyoming Budget Structure
- Revenues or Source of Funds
- Expenditures or Use of Funds
Budget Structure

• Section I
  – General operating budget of the university

• Section II
  – Self-sustaining budgets (e.g. auxiliary enterprises)
  – Gifts and the income they generate
    • Donations, endowments and earnings on endowments

• Section III
  – Sponsored funding for research contracts and grants
Budget Structure (continued)

• Special Appropriations
  – Operating budgets created for specific activities

• Capital Construction
  – Budgets for new facilities and major renovations

• Major Maintenance
  – Budgets for maintenance and repair of building systems
  • Maintains current uses of facilities
Source of Funds - Section I

• General operating budget of the university
  – Legislative appropriations from the state’s general fund
  – UW income fund (primarily tuition) and Athletics income fund (primarily student fees)
  – Other university funds
    • Sales and services funds
    • Federal mineral royalties
    • Land income funds
    • Unrestricted income from the UW Foundation
    • Clinic income (medical education)
Source of Funds - Section II

• Self-sustaining budgets
  – Revenue from university auxiliary services
    • Housing, residence halls, dining services, student health and student union, transportation and parking, University Store...
  – Gifts and contributions
  – Student fees (room, board, recreation...)
  – Federal mineral royalties
  – Intercollegiate Athletics revenue
Source of Funds - Section III

• Sponsored funding for research contracts and grants
  • Mission-specific sponsored research
  • Managed through the Division of Research and Economic Development by the Office of Sponsored Programs
  • Often awarded through competitive peer review and managed by faculty (Principal Investigators or P.I.s)
  • Includes Federal formula funds – College of Agriculture and Natural Resources (research and extension).
Revenue Sources

UNIVERSITY OF WYOMING -- Summary
FY 2016 BUDGET, SECTIONS I, II, AND III COMBINED REVENUE SOURCES
($s in Millions)

- General Fund: $245.6 (43.0%)
- UW Income Fund: $63.6 (11.1%)
- Foundation and Gifts: $32.2 (5.6%)
- Federal Mineral Royalties: $15.4 (2.3%)
- Sales & Services: $4.6 (0.8%)
- Clinic Income: $5.3 (0.9%)
- WWAMI Contract Payments: $0.8 (0.1%)
- Federal Formula Funds: $2.4 (0.4%)
- Athletics: $2.4 (0.4%)
- Permanent Land Income Fund: $1.2 (0.2%)
- Grants and Contracts: $117.9 (20.7%)
- Auxiliary, Enterprises and Other University Funds: $81.2 (14.2%)

Total Section I, II, and III Revenue Sources: $570,604,304
Excludes Agencies 069 and 070
Revenue Section I Only

UNIVERSITY OF WYOMING -- *Agency 067
FY 2016 BUDGET, SECTION I FUNDING BY SOURCE
($s in Millions)

Total Section I Agency 067 Funding: $270,193,737
See Table A-1

* 067 -- University of Wyoming
(Not including Special Appropriations)
Use of Funds
All Sections (I, II & III)

- By Expenditure Classification
  - Personal Services (compensation and benefits)
  - Support Services (goods, services, equipment...)
  - Grants and Aid (scholarships and medical education student support)
  - Non-Operating (interest expense and refunds)
Use of Funds
All Sections (I, II & III)

- By Function
  - Instruction
  - Research
  - Public Service
  - Academic Support
  - Student Services
  - Institutional Support
  - Operation and Maintenance of Plant
  - Scholarships and Fellowships
  - Intercollegiate Athletics
Expenditure Distribution
By Classification

UNIVERSITY OF WYOMING -- Summary
FY 2016 BUDGET, SECTIONS I, II, AND III COMBINED EXPENDITURE DISTRIBUTION
($s in Millions)

- Support Services: $163.5 (28.7%)
- Grant & Aid Payments: $52.0 (9.1%)
- Non-op. Expenditure: $19.3 (3.4%)
- Future Capital Projects: $2.5 (0.4%)
- Future Grant Expenditures: $11.7 (2.1%)
- Employer Paid Benefits: $84.5 (14.8%)
- Graduate Assistant: $16.0 (2.8%)
- Part-time Personal Services: $27.5 (4.8%)
- Overtime: $0.2 (0.0%)

Total Section I, II, and III Expenditure Distribution: $570,604,304
Excludes Agencies 069 and 070
Expenditures Section I Only
By Classification

UNIVERSITY OF WYOMING -- *Agency 067
FY 2016 BUDGET, SECTION I EXPENDITURES BY CLASSIFICATION
($s in Millions)

- Total Personal Services: $208.6 million (77.3%)
- Employer Paid Benefits: $58.5 million (21.7%)
- Part-time Salaries: $15.6 million (5.8%)
- Full-time Salaries: $134.5 million (49.8%)
- Non-Operating: $0.0 million
- Grants & Aid Payments: $19.6 million (7.3%)
- Support Services: $42.0 million (15.5%)

Total Section I Agency 067 Funding: $270,193,737
See Table A-2

* 067 -- University of Wyoming
(Not including Special Appropriations)
Expenditures Section I Only
By Function

UNIVERSITY OF WYOMING -- *Agency 067
FY 2016 BUDGET, SECTION I EXPENDITURES BY FUNCTION
($s in Millions)

- Instruction: $110.9, 41.0%
- Research: $15.7, 5.8%
- Public Service: $10.7, 4.0%
- Academic Support: $37.6, 13.9%
- Student Services: $9.7, 3.6%
- Institutional Support: $33.5, 12.4%
- Athletics: $14.0, 5.3%
- Scholarships: $14.2, 5.3%
- Operation & Maintenance of Plant: $23.9, 8.8%

Total Section I Agency 067 Funding: $270,193,737
See Table A-1

* 067 -- University of Wyoming
(Not including Special Appropriations)
Part 2 – UW Income Fund

- UWIF revenue FY 2015 = $63.6 million

- 86% is tuition revenue = $54.7 million
  - Net of tuition waivers = $2.3 million

- Remainder is differential tuition, summer session tuition, misc. fees and Athletics (fees and ticket sales)
Tuition Revenue

• Rule of thumb: a 1% tuition increase generates roughly half a million dollars per year

  – A 1% annual salary increase for Section I employees only (including employer-paid benefits) costs $1.86 million
    • Doesn’t include Sections II & III!
  – Therefore, it would take a 3.7% tuition increase to fund a 1% Section I salary increase
## Use of Tuition Increases

<table>
<thead>
<tr>
<th>Tuition Increases</th>
<th>2011 (a)</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016 (b)</th>
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<tbody>
<tr>
<td>UW Library Acquisitions</td>
<td>$1,000</td>
<td>$1,000</td>
<td>$0.900</td>
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<td>-</td>
<td>-</td>
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<tr>
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<td>College of Arts &amp; Sciences</td>
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<td>Salary Increase</td>
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<tr>
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<td>0.250</td>
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<td>allocation withheld (c)</td>
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<td>0.125</td>
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<tr>
<td><strong>Total Tuition Increase</strong></td>
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<td>$1,750</td>
<td>$1,750</td>
<td>$2,250</td>
<td>$2,500</td>
</tr>
</tbody>
</table>

- **Tuition increase% - resident**: 5.0% 5.0% 2.0% 2.0% 5.0% 5.0%
- **Tuition increase% - non-resident**: 5.0% 5.0% 4.5% 4.5% 5.0% 5.0%

(a) Federal Stimulus funds (ARRA) paid the 2011 tuition increase on behalf of students.
(b) Tuition Policy passed at November 2014 Board of Trustees meeting:
- 4% annual tuition increase; 2% salary increase (1st priority: promoted faculty), 1% academic support, and 1% libraries and information technology;
- 2015 distribution was contingent on actual revenue collected (which only met projection in May 2015).
QUESTIONS?

Thank You!