



A Plan for Budget Reduction at the University of Wyoming for the FY17-18 Biennium *November 2016*

For well over 100 years, the University of Wyoming has met many challenges and overcome obstacles in fulfilling its land grant mission of providing accessible and affordable education to the residents of the State of Wyoming. The most recent series of budget reductions have presented new challenges and obstacles, and have caused some to question the resolve of the institution to continue in its long-standing tradition of combining strong teaching with excellent research to offer programs of superior quality both on campus and through outreach. It is hoped that the proposed plan will alleviate this concern.

In May 2016, Governor Mead asked UW to cut \$35 million from its budget for the 2017-2018 biennium. As a consequence of this action, UW Regulation 6-41 was activated and the Financial Crisis Advisory Committee was formed. The committee comprised administrators, faculty, staff and an ASUW representative. Its charge was to assist the President in the development of a financial crisis plan to reduce the FY2018 budget by at least \$10 million. This amount is beyond that proposed for reduction in FY2017. The goal was to develop a plan that preserved the integrity of the University while not requiring the termination of tenured faculty.

The committee met with multiple constituencies across campus during the summer and early fall of 2016. It was not always an easy process. However, the committee was impressed by the willingness of so many members of the UW community to sacrifice personal and unit interests for the welfare of the institution, to commit to students and their success, and to place their trust in the future of UW. This plan is hopefully a reflection of their spirit, determination, and hope.

The actions taken to reduce the FY2017 budget have had a dramatic impact on the University and the recommendations for reductions to the FY2018 budget will further exacerbate the problem. The FCAC has made every effort to develop a plan that protects students and their educational experience, is flexible, and accomplishes its charged goal.

Fortunately, a strategic planning process has begun which will help the University make the necessary adjustments required to accommodate these reductions and to ensure continued ability to meet its land grant mission.

In addition to the plan, the FCAC considered revenue enhancement opportunities and a separate committee was formed to develop such a proposal. The work of this committee will be forwarded to the University community and to the Trustees separately.

Guiding Principles

The University of Wyoming aspires to be one of the nation's finest public land-grant research universities. We serve as a statewide resource for accessible and affordable higher education of the highest quality; rigorous scholarship; technology transfer; economic and community development; and responsible stewardship of our cultural, historical, and natural resources. As Wyoming's only University, we are committed to outreach and service that extend our human talent and technological capacity to serve the people in our communities, our state, the nation and the world. These aspirations will be central to the decisions on how UW will respond and adapt to reduced State support. Below are principles that will guide the development of budget reduction plans.

Staying True to our Mission

- Budget reductions should have minimal impact on student success including recruitment/access, retention, persistence, transfer ease, and timely completion of degree.
- UW will continue to place the quality of academic programs, both at the graduate and undergraduate level as the highest priority. Our most enduring legacy is its graduates, who use their education to better their lives, our state, and the world around them.
- UW will endeavor to maintain excellence in research, scholarship and creative activity that contributes to the state's economy and enriches society.
- UW will preserve its statewide presence through outreach, extension and UW athletics.

Essential to our Core

- UW will strive to attract, retain, and reward high quality employees who contribute to a diverse campus community.
- The safety and health of students, faculty, staff or visitors, or UW's compliance with applicable laws will not be compromised.
- The ability of the University to perform essential operation or maintenance of the physical plant will be maintained.

Cost savings and Revenue enhancing opportunities

- As the University works to address reductions in state funding to the University, it must also increase private support and explore entrepreneurial opportunities to diversify and grow other revenue streams.
- UW will emphasize cost savings through driving inefficiencies out of the University's operations.

Process

- The University will be as transparent as possible in dealing with budget reductions and provide on-going communication with the campus and constituencies.

FY17 Budget Reduction Completed

Permanent Budget Reduction for FY17* **\$19,300,000**

1. Implement \$7 million budget reduction submitted in early April
Savings: \$7 Million
2. Eliminate 102 vacant positions.
Savings: \$5,949,836
3. Standardize faculty workload for fall semester as follows:
 - a. Professorial faculty assigned a 2/3 or 3/2 workload. Provost develop guidelines for reducing teaching load.
 - b. Academic Professional faculty assigned a 3/4 or 4/3 teaching load.
 - c. On-line courses taught in-load.
 - d. *Temporary academic appointments for fall 2016 paid for on Section 2 funds (i.e., non-extended term academic professional lecturers, temporary faculty appointments, visiting faculty appointments).***Savings: \$2,691,574**
4. Eliminate positions between .50 FTE (50% time) and .99 FTE; take positions to below .50 or make them full time.
Savings: \$750,000
5. No overtime, no faculty overload, no additional compensation effective immediately.
Savings: \$0 (these savings occurred at the College and department level)
6. Offer a retirement incentive to qualified employees.
***Savings: \$3 Million in FY17; \$4 million in FY18**

One-time Budget Cuts for FY17 (to fund the fiscal/accounting/HR system) **\$6,519,043**

1. One-time contribution from cash balances as follows:

President's Office	\$500,000
Student Affairs	\$500,000
Information Technology	\$500,000
Audit Reserve	\$500,000
Outreach School	\$1,250,000
Colleges outreach funds	\$1,250,000

Savings: \$4.5 Million
2. Savings realized in FY16 from salary salvage and operating expenses
Savings: \$2 Million
3. Voluntary reduction of summer hours for employees to 32 hours (with pay for 32 hours). Hours of work approved by supervisor.
Savings: \$19,043

Other Actions**

1. Standardize course/section enrollment as follows:
 - a. Evaluate all course caps and raise whenever possible.
 - b. Standardize 10/5 low enrollment (10 students minimum to offer undergraduate course; 5 students minimum to offer graduate course). Two% of all sections allowed as exceptions justified to the Provost on a course-by-course basis.
 - c. For multiple section courses, employ a minimum of 85% fill rate.
2. Limit out-of-state travel; limit conference attendance; limit professional development spending.
3. Cap student labor at same level as FY16 or lower.

**These will result in some savings but potential savings is difficult to estimate

FY18 Budget Reduction Plan

Permanent Budget Reduction Target \$10 million (note: sum of all items is \$10,360,500)

1. Faculty Separation Incentive

Offer one-time separation for those with 20 years' service or more. Goal of \$4 million savings with \$2 million reduced from the FY18 budget and \$2 million returned to the Provost for hiring new faculty in high priority/high need areas. All incentive payout taken from cash balances.

Projected Savings: \$2 million (includes salary and EPB)

2. Vacancies

Eliminate approximately 12 faculty and academic professional vacancies held by the President.

Projected Savings: \$750,000 includes salary + EPB

3. Division Reductions

Reduce each division's budget using Vice President's plans; reductions presented to the Financial Crisis Advisory Committee who suggested final reduction amount based on core mission and potential impact. Please see Table 1 for Division reduction strategies.

Projected Savings: \$5,915,500

	<u>Proposed Cut</u>	<u>% of FY17 budget</u>
Academic Affairs	\$2,045,000	3.4%*
Arts and Sciences	\$475,000	1.5%
Agriculture	\$350,000	2.0%
Business	\$150,000	2.2%
Education	\$110,000	2.0%
Engineering	\$125,000	1.3%
Health Sciences	\$150,000	1.8%
Law	\$75,000	1.4%
Outreach	\$500,000	14.3%
Library	\$110,000	0.8%
Administration	\$1,308,628	4.7%
Athletics	\$1,000,000	8.3%
IT	\$500,000	4.8%
Student Affairs	\$300,000	1.9%
General Counsel/Risk/EHS/EEO	\$215,000	6.6%
President's office	\$191,340	7.5%
UW Foundation	\$175,000	7.8%
Research and Econ. Development	\$80,532	3.9%
Gov. and Community Affairs	\$100,000	7.6%

*This is the total percentage for the Division of Academic Affairs. The breakdown by College/unit follows.

4. Operating Efficiencies

Reduce operating costs by gaining efficiencies by Huron Consulting Group

Long-term disability	\$300,000
Stores	\$80,000
Procurement/Sourcing	\$335,000
Fleet Transportation	\$75,000
IT consolidation	\$630,000
Students Health	\$275,000

Projected Savings: 1,795,000

Table 1: Division Reduction Detail

Division	Reduction Amount	Budget Reduction Strategy
Academic Affairs	\$2,045,000	<ul style="list-style-type: none"> • Reduce faculty positions (\$685,000) • Reorganize and consolidation of staff/administrative functions (\$735,000) • Consolidate opportunities identified by the Huron (\$500,000) • Reduce operating funds (\$125,000)_
Administration	\$1,308,628	<ul style="list-style-type: none"> • Eliminate 2 vacant positions (\$346,484) • Transfer 1 position to Section II (\$180,144) • Eliminate 5 positions in UW Operations (\$500,000) • Eliminate credit card process fee (to be paid by student fees) (\$192,000) • Reduce in postal services (Section II funds to be used) (\$30,000) • Redirect general fund expenses to Section II (\$30,000) • Reduce personnel leadership account (\$30,000)
Athletics	\$1,000,000	<ul style="list-style-type: none"> • Eliminate 10 FT/PT positions & modified coaching contracts (\$550,800) • Eliminate Golden Spurs Dance Team/reduce Cheer Squad Members (\$10,300) • Reduce team travel/team nutrition expenses (\$149,300) • Reduce purchase of athletic equipment and apparel (\$75,000) • Reduce game guarantees (\$75,000) • Re-negotiate/modify contracts/re-organize marketing (\$87,000) • Reduce game management/facility operational expense (\$22,600) • Reduce support staff travel for competitions (\$30,000) • Grow revenue (part of objective but not used toward budget reduction)
Information Technology	\$500,000	<ul style="list-style-type: none"> • Eliminate 7 positions (\$400,000) • Reduce support budget (\$100,000)
Student Affairs	\$300,000	<ul style="list-style-type: none"> • Transfer the majority of Counseling staff to Section II funding (\$300,000)
General Counsel & Risk/EHS/EEO	\$215,000	<ul style="list-style-type: none"> • Reduce Safety Office support budget (\$125,000) • Utilize funding from former VP/General Counsel salary (\$90,000)
President's Office	\$191,340	<ul style="list-style-type: none"> • Reduce salary and part-time budget (\$68,340) • Reduce use of aircraft (\$35,000) • Reduce use of catering and refreshments (\$61,000) • Eliminate membership with the AAC&U (\$7,000) • Reduce capital equipment purchases (\$20,000)
Foundation	\$175,000	<ul style="list-style-type: none"> • Transfer 2-3 positions to Section II funds (\$175,000)
Research & Economic Development	\$80,532	<ul style="list-style-type: none"> • Transfer 3 staff positions to Section III funds (\$80,532.50)
Governmental and Community Affairs	\$100,000	<ul style="list-style-type: none"> • Eliminate 1 position (\$90,000) • Reduce operating budget (\$10,000)

TOTAL **\$5,915,500**

Revenue Growth Plan

1. Enrollment Growth and Retention Improvement	\$200,000
2. Tuition increase (4%)	\$2,000,000
3. Residence Life (increase occupancy)	\$350,000
4. Mandatory fee increase (\$667 to \$720)	\$610,000
5. Program fees (approximate)	\$5,000,000

Longer-term fiscal plan

1. Develop strong strategic plan to include higher fiscal performance.
2. Develop a plan to rely less on state support, diversify revenues and address capital needs.
3. Develop a strategic enrollment plan and grow enrollment to align UW faculty-student ratio and average cost per students to peer institutions.
4. Implement an integrated budget and accounting system; analyze budget staffing; develop strong reporting function.
5. Implement a Responsibility-centered Management (RCM or decentralized) budget model.
6. Optimize public and private funded scholarship resources to meet student enrollment objectives.
7. Develop a campus resident hall and dining plan.
8. Refresh or develop other plans to align with the strategic plan: Campus master plan; College plans; Enrollment plan; Athletic plan; Diversity plan, Foundation plan, etc.
9. Incentivize external funding and rename the Research Products Center to the Wyoming Technology Transfer and Research Products Center and provide support to this entity.
10. Develop a merit salary policy and on-going plan for salary increases
11. Study and when feasible, develop private/public partnerships.
12. Launch a capital campaign to support the strategic plan.