

FY 2017 PROPOSED UW OPERATING BUDGET

Board of Trustees Meeting – June 15, 2016

- **The FY 2017 Proposed UW Operating Budget**
 - Is an annual budget – these are not biennium amounts unless otherwise noted
 - Includes Agency 067
 - University of Wyoming
 - School of Energy Resources
 - NCAR Memorandum of Understanding
 - Tier 1 Engineering
 - UW Operating Matching Funds
 - 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
 - Does not include any Capital Construction budgets
 - Does not include Agency 069 – WICHE (Western Interstate Commission for Higher Education)
 - 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**
 - Hardcopies are available today to hand out
 - Page 1 of the table reflects Agency 067 – Section I budgets
 - Including SER, NCAR, Tier 1 and UW Operating Matching Funds
 - Table F is the 067 Total Section I proposed budget
 - Table F is replicated on Page 2
 - 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 3 contains explanatory footnotes
- **Increases in the Proposed Operating Budget**
 - General Fund state appropriations that apply to all budgets with personnel (UW, SER, Tier 1, Med Ed)
 - Significant increase for health insurance costs
 - \$7.2 million for UW Section I

- Minor increase for retirement contribution costs
 - \$0.3 million for UW Section I
- General Fund RECURRING state appropriations as a result of the 2016 Wyoming Legislative (Budget) Session
 - \$4.0 million per year
 - Athletics Operating Matching Funds
 - A \$1.0 million reduction from FY 2016
 - \$1.3 million (of a \$2.3 million biennium appropriation)
 - Science Initiative programmatic initiatives
 - \$0.5 million per year
 - Operations and maintenance (utilities) - \$0.375 million
 - *Will talk about funding sources for the remaining utilities shortfall later*
 - Environmental health and safety - \$0.125 million
 - \$0.4 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 biennium appropriation)
 - School of Energy Resources Carbon Engineering research
 - \$0.5 million (of a \$0.5 million biennium appropriation)
 - Wyoming Public Media infrastructure
- Tuition revenue
 - \$1.5 million
 - Operations and maintenance (utilities)
 - \$0.5 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/Tuition)
 - \$4.5 million if after contract approval)
 - Fiscal management and reporting system
 - \$0.8 million
 - Operations and maintenance (utilities)
- Cash reserves (UW LAND Income Fund)

- \$2.5 million
 - Prior years' utilities deficit
- **Decreases in the Proposed Operating Budget**
 - Removal of one-time appropriations
 - \$5.0 million
 - Athletics Operating Matching Funds
 - \$0.8 million
 - Science Initiative
 - Camps/events for Wyoming high school students
 - Legislatively-approved "Penny Plan"
 - Reductions in all programs (UW, SER, NCAR, Tier 1 and Med Ed)
 - Personal services and support budgets permanently reduced
 - \$2.9 million – UW
 - \$0.2 million – SER
 - Less than \$0.1 million
 - NCAR, Tier 1
 - Total 067 reduction \$3.1 million
 - Total 167 reduction \$0.3 million
 - Governor Mead's May 2016 Letter
 - Reductions in 067 programs (UW, SER, NCAR and Tier 1)
 - Total of \$17.5 million per year
 - Personal services, employer-paid benefits (EPBs) and support budgets permanently reduced.
 - \$16.2 million reduction of UW budget
 - \$6.1 million
 - Expenditure reductions for vacant positions, part-time non-benefited academic positions and EPBs
 - \$4.5 million
 - Revenue replacement (\$4.0M)
 - One-time bridge funding - Section II cash reserves temporarily replace General Fund revenue
 - Required to be replaced for FY 2018 or further reductions must be identified
 - Temporary compensation budget reduction (\$0.5M)
 - To be restored as future savings materialize
 - \$5.6 million
 - Temporary reduction of EPB budget
 - To be restored as future savings materialize
 - \$0.9 million reduction of SER
 - Research support budget permanently reduced
 - \$0.3 million reduction of Tier 1
 - Administration support budget permanently reduced

- \$0.1 million reduction of NCAR
 - MOU contractual obligation support budget permanently reduced
 - Other UW resources must be used to meet obligation
 - Governor Mead's April 2016 Letter
 - Additional 8% reductions announced
 - Reductions in 167 programs (Family Medicine Residency Programs, WWAMI, Dental Contracts)
 - \$0.8 million – FMRPs
 - 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 = \$ 542,468,120**
 - **AGENCY 167 REVENUE AND EXPENDITURES = \$ 25,050,463**
 - **TOTAL REVENUE AND EXPENDITURES = \$ 567,518,583**

SUPPLEMENTARY BUDGET INFORMATION

- Fiscal management and reporting system
 - Funding sources in FY 2017 - \$13.5 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)
 - \$4.5 million – cash reserves from UW Income Fund/Tuition
- Operations and maintenance (utilities)
 - Prior years' deficit
 - \$2.5 million – UW LAND Income Fund (Section II)
 - Ongoing shortfall - \$2.7 million in FY 2017 (All Section I)
 - \$1.5 million – tuition revenue
 - \$0.825 million – cash reserves from UW Income Fund/Tuition
 - \$0.375 million – recurring state appropriation