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 067 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