

UW Board of Trustees
Budget Committee
Budget Meeting June 5, 2017

Unanimous recommendations of the Budget Committee to the full BofT regarding the FY2018 Operating Budget for the University of Wyoming as presented to the Budget Committee by the President and Administration.

The UW Budget Committee held budget hearings on May 8th and 9th during which the various departments and units presented their budgets to the Committee. (Draft budget 5/3/17). Various questions were asked by the Committee, and the President and Administration provided a revised budget to the Committee dated May 31, 2017. The Committee met on June 1st and 5th to work the budget and make their final recommendation to the full BofT for the June 7th meeting. At the meeting on June 5th the Administration provided a revised budget dated 6/5/17 which is the budget which the Committee used in its recommendations.

The **Budget Committee unanimously recommends to the BofT** that the FY2018 UW Operating Budget, dated 6/5/17, be adopted with the following amendments and changes:

1. Create a permanent sinking/reserve fund for funding the future replacement of the passenger plane, and fund it with an initial \$1,000,000 from the funds in the UW accounts as further set forth in no. 7 below.
2. Add an expense line for an annual payment to the passenger plane permanent sinking/reserve fund which shall be an annual payment of \$140,000 to said fund.¹
3. The administration shall invoice/bill the use of the passenger plane out at a discounted rate of \$1,400 per hour. These funds shall be used for annual operation, general expenses, prop sinking fund, etc.
4. Add an expense line providing the Alumni Association will receive an additional \$150,000 in funding from the University of Wyoming for its general operations funding. It is intended that this will be an ongoing funding provision for future years. The Administration and Foundation will determine how the funding obligation will be split for FY2018 and future years.
5. Add funding for one (1) additional attorney in the General Counsel's office with an annual salary range of \$80,000 to \$90,000. The funding shall be sufficient to cover salary (within the above parameters), benefits, and any other expenses associated with adding the attorney.
6. Create a permanent risk pool/litigation reserve fund which shall be held at the General Counsel's office. Said fund shall be initially funded in the amount of \$5,000,000. Said funds shall come first from the existing risk pool and the balance from the funds in the UW accounts as further set forth in no. 7 below.
7. Create and fund several reserve/sinking funds in the priority and amounts set forth below. Said funding shall be created by taking 80% of page 1, line 370, column "All Funds" in the amount of \$123,180,642, less the amount on page 1, line 370, column "Restricted Expendable (Gifts)" in the amount of \$1,573,894 for a net beginning amount of \$121,606,748, proportionally from each unit,

¹ BofT will need to pass resolution providing for the ongoing funding of the passenger plane replacement sinking/reserve fund for future years.

division, department or other account making up the total amounts contained in the net of those two lines. The net of those two lines is: \$121,606,748. Back out \$44,455,000 which is currently in the Unrestricted Operating Reserve Account and \$15,000,000 which is currently in the Capital Construction Reserve Account, which leaves a balance of: \$62,151,748. Eighty percent (80%) of \$62,151,748 is \$49,721,398. The balance of \$12,430,350 shall remain proportionally in the various accounts. The reserve/sinking funds shall be created and funded with the 80% of funds set forth above (\$49,721,398) in the priority and amounts set forth below:

- a. Passenger plane sinking/reserve fund, initial amount of \$1,000,000.
 - b. Permanent risk pool/litigation reserve fund shall be initially funded up to the amount of \$5,000,000.
 - c. Fund the General Unrestricted Operating Reserve Account with an amount of at least \$5,545,000, so said fund has a minimum balance of \$50,000,000.
 - d. Fund the Capital Construction Reserve account with an additional \$5,000,000, so said fund has a minimum balance of at least \$20,000,000.
 - e. Create a Residence Hall account and initially fund said account with \$14,000,000.
 - f. Create an endowment fund solely for one-time bonus, recruitment, and retention funding. Said bonus, recruitment and retention payments shall only be made for one-time payments, and shall not be on-going obligations or additions to salary or compensation. Said account shall be University of Wyoming funds and held by and invested by the UW Foundation. Initially fund said endowment account with a total of \$7,400,000. Of said funds, \$400,000 shall be available for expenditure in FY2018, and the balance of \$7,000,000 shall be held in a permanent endowment fund and only the annual income shall be available for expenditure.
 - g. The remaining balance (approximately \$11,776,398) shall be placed in a newly created special projects reserve/sinking fund account to fund such programs, expenses, and other matters deemed important and necessary by the University of Wyoming.
 - h. All funds in the accounts created in items 7.a through 7.g shall only be expended after: 1) a recommendation for expenditure by the President and 2) approval of the expenditure by the full BofT.
8. These amendments apply to the FY2018 UW Operating Budget, dated 6/5/17, and once adopted by the full BofT no changes to the FY2018 UW Operating Budget, dated 6/5/17, as amended, shall be made without an affirmative vote of the BofT, and any change or action without said affirmative vote shall be void.
 9. All transfers required to fund the above accounts, funds, and reserves shall be completed by July 31, 2017. The Administration shall provide the full BofT a written report regarding these accounts, funds and reserves at the BofT's July, 2017 meeting.