

An aerial photograph of the University of Wyoming campus, showing various academic buildings, green spaces, and parking lots. The text is overlaid in white on the image.

# 2013-14 Biennium Budget Planning

UW Board of Trustees  
November 17, 2011



UNIVERSITY OF WYOMING



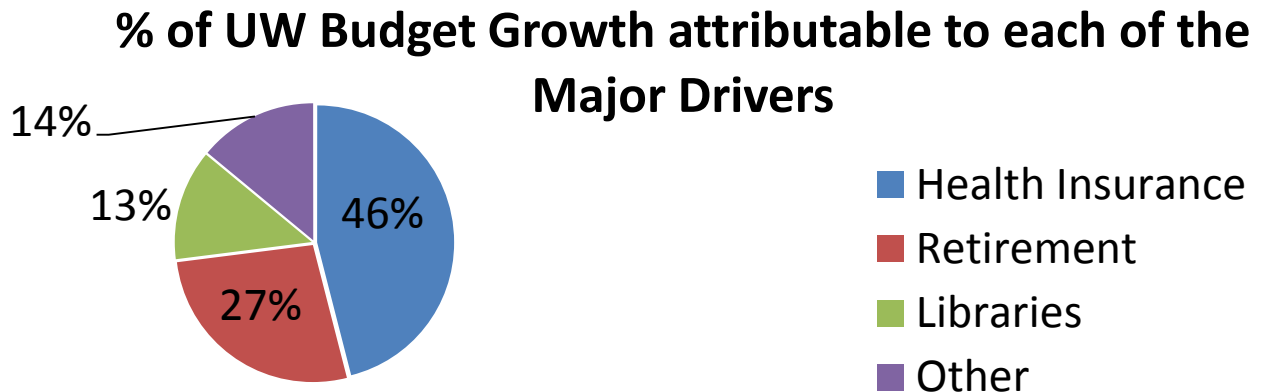
# Background: Context of Directive

- The initial State standard budget increased from \$2.56 billion in '11-12 to \$2.8 billion in '13-14 (or **9.1 percent**).
- Traditional revenues are projected to decline by **6.0 percent** from \$3.6 billion to \$3.4 billion over the same time period. *Issue: expenditure growth rate is greater (and in opposite direction) than the rate for revenues.*
- Wyoming Legislature left the 2011 Session with \$1.044 billion in immediately available balance.
  - Given larger than expected revenues, as of October 2011, there is now an additional \$414 million available for expenditure, increasing available one-time funds to \$1.4 billion at end of '11-12 biennium.
- Traditional revenues are projected by CREG to decrease by approximately \$200 million during the upcoming biennium, then projected to slightly increase.
- Exception budget requests submitted (all agencies combined): reported at approximately \$950 million. (UW's total GF request was approximately \$188 million, including SER, matching funds, and capital construction.)
- Nov. 4 - Joint Appropriation Committee requested budget reduction plans for a 5 and 8 percent reduction for all state entities.
- Nov. 16 - Governor Mead added a 2 percent scenario.



# UW's Standard Budget Growth

- UW's standard budget growth for the last biennium was 3.8 percent, compared to statewide growth of 9.1 percent – less than half the growth of the State.
- Principal drivers of growth in UW's standard budget were rate-based:



- UW's standard budget in '09-10 was \$362 million compared to \$368 million in '13-14, an increase of less than two percent – essentially flat.



# State's Standard Budget Growth

- UW's contribution to the total growth of the State's standard budget: 5.8 percent of the total increase (UW accounts for roughly 13 percent of the total state general fund standard budget)
- Principal drivers of the State's standard budget increase:
  - Wyoming Department of Health (largest state agency) experienced a 15 percent increase to \$1.7 billion (federal and general funds)
  - Health insurance
  - Retirement
  - Compensation



# Magnitude of Potential Changes

UW Reductions	Annual	Biennial
2% std budget reduction	\$3.7 million	\$7.4 million
5% std budget reduction	\$ 9.2 million	\$18.4 million
8% std budget reduction	\$14.7 million	\$29.5 million

Statewide	Annual	Biennial
2% std budget reduction	\$28 million	\$56 million
5% std budget reduction	\$ 70 million	\$140 million
8% std budget reduction	\$112 million	\$223 million



# Impacts of Potential Reductions

- UW operating budget is personnel intensive
  - All ranks average faculty salary -- \$85K; median staff salary -- \$38K
  - Must carefully manage attrition and reallocation of positions
- Over the last two years, UW has invested a total increase of \$4 million annually from tuition revenue in increased operating support for libraries and academic departments
- 5 percent tuition increase generates ~\$2 million per year
- The larger the reduction, the more likely that employment, operating support, and tuition are all impacted in balancing the budget



# UW FY 2012 Section I Budget by Unit

ACADEMIC AFFAIRS	7,245,518
AGRICULTURE	20,755,584
ARTS & SCIENCES	30,546,744
BUSINESS	7,154,881
EDUCATION	5,898,042
ENGINEERING	10,653,961
HEALTH SCIENCES	9,737,463
LAW	5,168,525
LIBRARY	13,832,466
OUTREACH	3,334,255
ADMINISTRATION	31,461,633
ATHLETICS	11,354,772
EMPLOYER PAID BENEFITS	47,696,044
GOV COMM & LEGAL	1,922,382
INFORMATION TECHNOLOGY	9,382,625
INTERNAL AUDITOR	167,428
OFFICE OF DEVELOPMENT	2,260,182
PRESIDENT	2,165,491
RESEARCH	2,075,019
STUDENT AFFAIRS	29,626,095



# Process Calendar

- BOT must authorize budget changes; President Buchanan charged with plan development
- Use 2009 budget reduction process as a template for process design
  - Solicit input on options from UW stakeholder groups: Faculty Senate, Staff Senate, ASUW, Deans and Directors, Executive Council, and others. Input to be received no later than December 9.
  - Early December – Advise the Trustees of principles and process to be used. Principles to include:
    - UW will protect the core academic enterprise to the maximum extent possible.
    - Recognition that no budget reductions will be free of consequences.
    - No disclosure of specific actions prior to any reductions being announced, since even discussions could result in irreparable harm.
  - December 16 – Forward UW’s submission to the Governor and Budget Office.
  - January 18 – Present testimony before the Joint Appropriations Committee
  - March 22, 23 – President reports to BOT on proposed actions

