

AGENDA ITEM TITLE: **2009-2010 Biennium Budget – Section I**, Lowe/Miller

CHECK THE APPROPRIATE BOX(ES):

- Work Session
- Education Session
- Information Item
- Other Specify: BUSINESS MEETING (Consent Agenda)

BACKGROUND AND POLICY CONTEXT OF ISSUE:

The following 2009-2010 Biennium budget authority requests are the result of appropriations by the 2009 Session of the Legislature that are effective immediately and will be added to the FY 2009 budget authority of the university:

1) 2009-2010 Biennium Budget, University of Wyoming, Department 067

a) FY 2009 – 067 Section I Operating Budget Authority Increase

i) Brucellosis Testing and Research; \$100,000-General Fund (GF); recurring. The President is requesting a FY 2009 budget authority increase of \$100,000 in state general funds due to the Supplemental Budget Governor's Recommendation for brucellosis vaccine and testing research in the Greater Yellowstone risk area. This will be a continuing appropriation, beginning with the 2011-2012 Biennium, but it is not part of the block grant.

ii) Clean Coal Technology Research; \$1,422,522-GF; one-time. The President is requesting a FY 2009 Section I budget authority increase of \$1,422,522 in state general funds to be credited to the university's block grant from the \$20M appropriation for the Capital Facilities Match program (2007 Session Laws, Chapter 136, Section 3.067, as amended). The funds replace funds that the university expended to fund clean coal technology research approved by the Clean Coal Technology Task Force in the fall of 2008.

b) FY 2009 – 067 Special Appropriation, SER Budget Authority increase

Western States Energy and Environment Symposium; School of Energy Resources (SER); \$250,000-GF; one-time. 2009 Session Laws, Chapter 149, appropriated \$250,000 in state general funds to the University of Wyoming, School of Energy Resources to be expended "...for the purpose of providing the staffing, technical support, including contracting with consultants as necessary, and the costs of planning, conducting and reporting on the western states energy and environment symposium..." (An appropriation of \$200,000 general fund is also provided to the Legislative Service Office for the purposes of this act.)

c) 067-Capital Construction Appropriations, Information Items

i) Fine and Performing Arts; \$2,700,000-GF. This appropriation is for Level III final design and construction documents for Phase I, the Arts building. Level II planning funds (\$670,000, general fund) were appropriated in the 2008 Session budget bill.

ii) NCAR Architectural and Engineering Services; \$3,500,000-GF. An appropriation not to exceed \$3.5M in state general funds is to be transferred from the \$20M appropriation to the Wyoming Business Council for the NCAR supercomputer. The funds are for expenditures made by the university under the existing contract with NCAR for architectural and engineering services for the construction of the supercomputer center.

iii) South Parking Lot; \$1,400,000-GF. Not to exceed \$1,400,000 may be expended from the Academic Facilities Match Account maintained by the State Treasurer's Office for the purchase of the south parking lot identified in the University's parking and transportation plan.

d) FY 2010 – 067 Section I Budget Authority Approval

The proposed Section I operating budgets shown in the following sections have been prepared on the basis of the state appropriations to the University for the biennium, an anticipated FY 2010 general fund budget reduction, other state revenue sources such as UW Land Income Funds, other University funds, and augmenting revenue (clinic income) in Department 167, UW-Medical Education. The current budget request includes adjustments and continuing obligations based on prior authorizations by the Trustees, state appropriations approved in the Budget and General Sessions of the Legislature, an anticipated FY 2010 general fund budget reduction of 10%, additional University-generated funds, and changes in other non-state funding.

The recommended FY 2010 Section I operating budget for the University of Wyoming, Department 067 is shown below. If the FY 2010 state budget reduction is less than 10%, the Trustees will be so advised. The following table summarizes the fiscal year budgets and the sources of revenue:

UNIVERSITY OF WYOMING
2009-2010 BIENNIUM BUDGET
Recommended FY 2010 Section I Operating Budget
University of Wyoming, Department 067

Funding Sources	FY 2009 Budget (As amended)	FY 2010 Budget (Recommended)	2009-2010 Biennium Total
General Fund *	181,556,510	172,669,575	354,226,085
UW Income Funds	43,725,075	44,381,974	88,107,049
UW Income Fund (Athletics)	1,832,500	1,832,500	3,665,000
Sales and Services	3,622,352	4,305,948	7,928,300
Federal Mineral Royalties	9,220,689	9,240,707	18,461,396
Fed. Funds-Agriculture Col.-Research	1,350,000	1,350,000	2,700,000
Fed. Funds-Agriculture Col.-Extension	1,107,809	1,107,809	2,215,618
Land Income Fund-University	682,000	682,000	1,364,000
Land Income Fund-Agriculture College	460,000	460,000	920,000
Foundation Income	390,163	1,425,910	1,816,073
Total Budget	243,947,098	237,456,423	481,403,521

<i>* General Fund Budget Reduction (see details below)</i>	<i>0</i>	<i>13,300,000</i>	<i>13,300,000</i>
<i>Total General Fund Appropriation before reduction</i>	<i>181,556,510</i>	<i>185,969,575</i>	<i>367,526,085</i>

Operating Budget Changes

<u>Changes from the Prior Fiscal Period</u>	
FY 2010 Section I Operating Budget, recommended	237,456,423
FY 2009 Section I Operating Budget, as amended	243,947,098
Net Change	(6,490,675)

Details

Adjustments Based on Prior Authorizations	
Less: Trustee-approved one-time authorizations (University Income Fund)	(2,158,440)
Plus: Appropriated continuing authorizations (State General Fund)	5,935,587
2009 General Session – One-time Appropriations	
Brucellosis Testing and Research (State General Fund)	(100,000)
- not part of the block grant – budget continues next biennium (FY 2011 and FY 2012)	
Clean Coal Technology Research Backfill	(1,422,522)

Continuing Obligations (University Income Fund)	
Academic Scholarships	2,401,722
Athletics Scholarships	287,835
Student Health Service – FY 10 Mandatory Fee Increase	25,800
Freshman Summit Program	120,000
Budget Authority Changes - FY10 Budget Plan*	
General Fund Budget Reduction**	(11,003,605)
General Fund Shift to School of Energy Resources**	(232,335)
General Fund Shift to Section II**	(344,717)
General Fund Shift to Revenue Enhancement**	(1,719,343)
FY 10 UW Revenue Enhancement***	1,719,343
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Total Operating Budget Adjustments	(6,490,675)
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** General Fund Budget Reduction \$13.3 million plus \$5 million bridge funding equals \$18.3 million. The source of the \$5 million in bridge funding is academic facility matching funds.

*** The \$1.7 million in revenue enhancements is from the University of Wyoming Foundation and from sales and services of various programs such as the UW Alumni Association, Wyoming Technology Business Center, Wyoming Statistical Analysis Center, WYNDD, and other auxiliary units.

2) **2009-2010 Biennium, University of Wyoming, Department 067**
School of Energy Resources (SER), Special Appropriation, Information Item

In addition to the Section I Block Grant, above, the proposed Section I operating budget for FY 2010 for Department 067 includes special appropriations for the School of Energy Resources. The 2008 Session of the Legislature includes the following appropriations: (a) For FY09, up to \$2,020,177 was appropriated from the carryover of state general funds remaining from the amended state appropriation of \$10,071,997 (see 2008 Session Laws, Chapter 48, Section 317); and (b) For the 2009-2010 Biennium, Federal Funds were appropriated to the Department of Environmental Quality (DEQ) for the School of Energy Resources from Federal Abandoned Mine Land (AML) Funds (see *ibid*, Section 320).

The following table summarizes the funds available for the School of Energy Resources during the 2009-2010 Biennium:

UNIVERSITY OF WYOMING
 2009-2010 BIENNIUM – SECTION I OPERATING BUDGET
Department 067: School of Energy Resources

Program/Activity	FY 2009 (Approved)	FY 2010 (Recommended)	2009-2010 Biennium Total
General Fund	2,020,177	0	2,020,177
Federal Funds (DEQ-AML)	6,423,086	10,997,479	17,420,565
Section I-Special Appropriation	8,443,263	10,997,479*	19,440,742

*BFY 2006 account

*** \$232,335 of current Section I funding for the Enhanced Oil Recovery Institute will be funded though the SER.**

3) 2009-2010 Biennium, UW-Medical Education, Department 167

**a) FY 2009 – 167 Section I Operating Budget Authority Increase
 Accelerated Nursing Degree Loan Repayment (Contracts)**

The 2009 Legislature (2009 Session Laws, Chapter 111) appropriated \$250,000 State General Fund to the University of Wyoming, Medical Education budget (167) from the 2009-2010 Biennium appropriation to the Community College Commission (057) for the Wyoming Investment in Nursing Program. The purpose of the UW appropriation is to “provide loans to not more than six (6) students in each (accelerated nursing degree program) class cohort.” A permanent budget authority increase of \$125,000-General Fund, beginning in FY 2009, is requested to accommodate loans for five (5) students that will be administered by the School of Nursing. The first class cohort begins in May 2008.

b) FY 2010 – 167 Section I Budget Authority Approval

The recommended FY 2010 Section I operating budget for the UW-Medical Education, Department 167 is shown below. The following table summarizes the fiscal year budgets and the sources of revenue:

UNIVERSITY OF WYOMING
2009-2010 BIENNIUM -- SECTION I OPERATING BUDGET
Agency 167 - UW-Medical Education

Means of Funding	FY 2009 Budget (As amended)	FY 2010 Budget (Recommended)	2009-2010 Biennium Total
<u>Family Medicine Residency Program at Casper</u>			
General Fund	4,865,232	4,323,087*	9,188,319
<u>Family Medicine Residency Program at Cheyenne</u>			
General Fund	3,990,814	4,026,787	8,017,601
Clinic Income	<u>3,543,017</u>	<u>3,622,485</u>	<u>7,165,502</u>
Total Budget	7,533,831	7,649,272	15,183,103
<u>WWAMI Instruction & Contracts</u>			
General Fund	3,770,896	3,763,853	7,534,749
<u>Psychiatric Residency Rotation</u>			
General Fund	84,400	0	84,400
<u>Advance Practice-RN Psychiatry</u>			
General Fund	282,500	225,000	507500
<u>Dentistry Contracts</u>			
General Fund	1,176,000	1,711,940	2,887,940
<u>Accelerated Nursing Degree Contracts</u>			
General Fund	125,000	100,000	225,000
<u>Total Section I Budget-Agency 167</u>			
General Fund	14,294,842	14,150,667	28,445,509
Clinic Income	<u>3,543,017</u>	<u>3,622,485</u>	<u>7,165,502</u>
Total Budget	17,837,859	17,773,152	35,611,011

*The reduction to the Casper Family Residency is solely a return of funding appropriated for contract services. The estimate used to develop the biennial budget for these contracts was too high. The program will not be affected.

No existing contracts for students in any educational program are affected. The other programs are affected as follows:

Cheyenne Family Practice Residency – reduction of \$40,000 in support budget

WWAMI - \$21,000 reduction in support budget

Psychiatric residency rotation – Program deleted due to lack of interest from students in psychiatric residencies.

Advance Practice-RN Psychiatry – Reduction of two in new students to be admitted.

Dentistry Contracts – Three students dropped out of the program and will not be replaced.

Accelerated Nursing Degree Contracts – Reduction of one new student to be admitted.

PRIOR RELATED BOARD DISCUSSIONS/ACTIONS

The Board has had numerous discussions about the University operating budgets and revenue, including the University budget submittals to the Governor and the Legislature, the University *Fee Book*, and budget authority adjustments.

WHY THIS ITEM IS BEFORE THE BOARD:

The Board's approval of the operating budget is required by Trustee Regulations and University budget procedures.

ARGUMENTS IN SUPPORT:

The operating budget has been prepared on the basis of legislative appropriations and estimated University resources.

ARGUMENTS AGAINST:

None

ACTION REQUIRED AT THIS BOARD MEETING:

Board approval.

PRESIDENT'S RECOMMENDATION:

The President recommends Board approval of the 2009-2010 Biennium Budget which includes the amended FY 2009 Section I Operating Budget and the FY 2010 Section I Operating Budgets for Departments 067 and 167. The President also recommends that this be placed on the Consent Agenda.