

**THE UNIVERSITY OF WYOMING**

**MINUTES OF THE BOARD OF TRUSTEES**

**SPECIAL MEETING**  
**December 13, 2011**

The Final Minutes can be found on the University of Wyoming Board of Trustees website  
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**THE UNIVERSITY OF WYOMING  
“SPECIAL” MEETING OF THE BOARD  
MINUTES OF THE TRUSTEES**

**Tuesday, December 13, 2011  
8:00–9:00 a.m.; Old Main Boardroom/Conference Call**

**AGENDA**

Call to Order .....	1
Roll Call .....	1
Public Session	
1. Response to 2013-14 Budget Reduction Planning, Buchanan.....	1
a. Agency 070 (EORI) .....	1
b. Agency 069 (WICHE) .....	2
c. Agency 167 (UW Medical Education) .....	2
d. Agency 067 (University of Wyoming) .....	4
Adjournment .....	7

### **Call to Order**

President Buchanan called the meeting to order at 8:05 a.m.

### **Roll Call**

Trustee Lauer took roll. The following Trustees participated: Trustees Dave Bostrom, Brad Mead, Dave Palmerlee, Jim Neiman, Howard Willson, Dick Davis, Ann Rochelle, Betty Fear, and Jeff Marsh. Education Policy Advisor to Governor Mead, Mary Kay Hill, participated on behalf of Governor Mead. Trustee Lauer and President Buchanan participated in person. Ex-Officio Trustee Wyoming State Superintendent of Public Instruction Cindy Hill and Staff Senate President Megan Degenfelder participated via conference call. Trustees John MacPherson and James Trosper did not participate on the conference call.

### **Public Session**

#### **1. Response to 2013-14 Budget Reduction Planning, Buchanan**

President Buchanan noted the purpose of this “special” meeting was to apprise the Board of the status of the development of UW’s three budget reduction scenarios for the Governor and the Joint Appropriations Committee (JAC). The JAC asked for 5% and 8% reduction scenarios, and Governor Mead added a 2% reduction scenario

President Buchanan stated the University had prepared a number of different budget reduction scenarios, which the Board had in front of them. These budget scenarios are the final drafts of the documents to be presented to the Governor on Friday, December 16. This “special” meeting of the Board did not require formal action, but given the implications of budget reductions of this size, the University did not want to move forward with presenting these budgets without a clear understanding between all of the parties.

#### **Agency 070 – (UW Enhanced Oil Recovery Commission) Budget Reduction Scenarios**

President Buchanan reported that Agency 070 (EORC) is an independent state agency whose budget is administered at UW. These 2%, 5% and 8% budget reduction scenarios were developed by the EOR staff with review by the Commission. This budget and its reduction scenarios do not impact the UW budget, other than President Buchanan will submit the budget on behalf of the EORC because the director of the EOR Institute is a UW employee.

The Board had no comments on the EOR Commission budget reductions.

**Agency 069 – (WICHE) Budget Reduction Scenarios**

President Buchanan presented the WICHE budget reduction scenarios. He noted that WICHE is a quasi-independent organization whose budget is administered at UW. It consists of three commissioners: Karla Leach, President of Western Wyoming College; Representative Sam Kronefrom Cody; and President Buchanan. The Commissioners met and affirmed the budget reduction strategy. There is only one line item in the WICHE budget and all the monies go to program services. To determine budget reduction numbers, the average cost per WICHE student per year was used to reach the reduction number at 2%, 5% and 8% cuts. By using the average cost per student, this proposal would spread the impact across the varied study areas of incoming students which WICHE supports.

Trustee Lauer asked if these reductions would affect students already in the program. President Buchanan stated it would not affect current students.

The Board had no further comments on the WICHE Commission budget reductions.

**Agency 167 (UW Medical Education) Budget Reduction Scenarios**

Provost Allen presented the Agency 167 (UW Medical Education) budget reduction scenarios. He explained that this particular budget funds the physician faculty and residents at the Family Practice Residency Centers in Cheyenne and Casper, the WWAMI program (loan-for-service repayment program for Medical School students in cooperation with the University of Washington), a Psychiatric Mental Health Nurse Practitioner Program, and WYDENT (a loan-for-service program with two universities in Nebraska for dentistry). The budget reductions would only affect the entry year of the student pipeline.

Trustee Marsh noted he was aware of previous discussions about cutting the numbers in these programs. Dean Steiner stated there had been previous discussions and concerns expressed by the dental community about the number of students in the program. President Buchanan noted that there is the potential to support the two loan-for service programs in WICHE.

Trustee Willson noted the lack of availability for osteopathic medical students as the program is presently constructed. WICHE was discussed as an avenue of support for this program. Trustee

Willson asked how the reductions would affect the thinking of a pathway for implementing a program for osteopathic medical students.

President Buchanan stated the reductions would not have an impact. Even with the reductions, a significant number of physicians could be supported in the WICHE program. The WICHE Commissioners had a recent discussion about using the WICHE program to support the DO degree and using the WWAMI program to support the MD degree. Commissioners voted unanimously to use the WICHE program for the primary vehicle for the DO program and to use the WWAMI program as primary conduit for those wanting the MD degree. This decision will begin to play out in the next iteration of WICHE applicants.

Provost Allen presented the budget reduction scenarios for Agency 167. He noted that the recently increased class size of 20 WWAMI students was approved by the Legislature based on discussions with the University of Washington. AY 2011-12 was the first year for the increase. All the slots were filled and there were qualified students turned away; these students can re-apply. There is a healthy volume of students interested in studying through the WWAMI program.

Trustee Willson noted the reason for this funding was to bring Wyoming students back to Wyoming to practice. Trustee Willson suggested it might be a good idea to look at more stringent requirements of return.

Trustee Mead asked what mechanism would be used to apprise the JAC of the real world consequences of an 8% budget cut. President Buchanan, Director for Governmental and Community Affairs Don Richards, and Vice President for Administration Doug Vinzant will be discussing the impacts of these reductions with the JAC.

Provost Allen noted there was not a philosophy of across-the-board reductions in all the programs in the Agency 167 budget reduction scenarios. Trustee Willson noted that if UW struggles to keep the WWAMI program, we must by definition struggle to keep the residency vibrant and functional because it does not do any good to go to medical school and then not be able to return to the state where you are aiming with the support from WWAMI.

**Agency 067 – University of Wyoming**

Provost Allen stated that a deliberate decision was made not to propose across-the-board cuts within this budget. In 2009, input was gathered from all stakeholders across the University (faculty, staff and students). All the constituency groups who provided white papers in 2009 were asked to provide updates. These documents are available on the Academic Affairs website.

The principles and approaches used in the Agency 067 budget reduction scenarios were to protect the academic enterprise to the maximum extent possible and look at non-personnel areas for budget reductions in preference to workforce reductions. Provost Allen stated that UW wanted to provide the Legislature with sufficient detail to show what kind of reductions would have to be made if the budgets are reduced. Provost Allen then discussed the mechanisms used for the budget reduction scenarios which included reducing non-personnel support budgets, reducing the amount of money devoted to UW funded scholarships (not Hathaway Scholarships or Foundation dollars – these dollars are part of the block grant monies), reducing the workforce in administrative and non-academic categories (administrative and staff positions), and reducing the workforce in the academic area (professors, lecturers, research scientists, librarians, archivists and extension educators).

In response to a question from Trustee Lauer regarding support budgets, Provost Allen noted there was a reduction in support budgets in 2009 and since then UW has been able to use tuition revenues to put \$2M/year back into academic support budgets. Trustee Lauer noted these cuts have a direct financial and academic impact on the students.

Vice President Axelson noted that reducing UW funded student scholarship budgets would impact traditional and non-traditional students as well as in-state and out-of-state students. These student scholarship monies are used to help attract students by reducing their overall costs of attendance.

President Buchanan stated that this year the average amount of scholarship monies awarded to incoming undergraduate students was equivalent to 150% of tuition and fees. This would reduce that average modestly, but most students would continue to receive substantial scholarship support under the 2% reduction scenario.

Trustee Mead asked what the non-Hathaway Scholarship amount has been and what kind of an impact a \$2M cut would have on this scholarship.

Vice President Axelson stated the overall non-Hathaway Scholarship budget is \$16M. In the last budget reduction exercise, the impact was a loss of 120 incoming students, translating into a loss in fees supporting residence life as well as tuition. Scholarships ranged from \$1,000 to \$5,000/year.

Trustee Palmerlee asked for an explanation of the statement a ‘reduction in scholarships would result in a greater reduction in tuition revenues’.

Provost Allen explained there are effects that changing the scholarship rate has on the demand for a UW education. If scholarships are reduced, costs are increased, demand goes down and fewer students are paying tuition dollars.

Dr. Allen continued by discussing the option of reducing the workforce in administrative and non-academic categories. This could not be done completely through workforce attrition because workforce attrition occurs randomly.

Trustee Lauer asked if Provost Allen could explain what effect the reductions in 2009 had on the current faculty and on UW’s ability to attract future faculty and on UW’s approach to seek excellence in teaching.

Provost Allen explained that in 2009, UW strived to avoid reductions in the academic budget. Some reductions were unavoidable, but UW strived to shield that portion of the cuts.

Provost Allen further discussed the reduction plans and mechanisms that would potentially be used.

Trustee Neiman asked if any academic degree programs had been targeted. Provost Allen responded that it would be destructive to identify academic programs in a set of hopefully hypothetical scenarios at this time. It would make recruiting good faculty very difficult.

Trustee Neiman asked if the students that did not receive scholarship monies would take out loans or would we likely lose these students. Vice President Axelson responded that there would likely be more loan indebtedness in each scenario. It does, however, steer students other places if they do not have the resources available to come to UW.

Trustee Neiman asked if we had the opportunity to offset this with a review of out-of-state tuitions. President Buchanan responded that there is opportunity and the Board is slated for discussion about tuition at their March meeting. At that time there will be more certainty to the budget status and then the Board will have the opportunity to step in to discuss whether changes in tuition structure should be part of the overall discussion. This opportunity was avoided in these budget discussions because these documents address how UW would reduce, not the mechanisms available after the reductions occur. Trustee Neiman supported the process in that order.

Trustee Rochelle asked President Buchanan to explain the process forward with the budget scenarios. President Buchanan explained that the documents the Board were given are due in Cheyenne to the JAC and the Governor on December 16, 2011, and UW's appointment with the JAC is January 18, 2012. Following the January 18 meeting, and prior to start of the Legislature on February 13, 2012, the JAC will develop their budget recommendations. They will have discussions with the Governor while developing their recommendations. UW will have an opportunity to discuss with the Governor and the Legislature during this time.

Trustee Lauer asked if discussions had ever taken place with the Governor or JAC noting the University's uniqueness compared to other state agencies. He stated the University is an ongoing institution and possibly should be viewed differently when it comes to budget cuts.



President Buchanan noted that uniqueness is a fundamental part of most discussions with the Governor and the JAC. He also reminded the Board that these budget reduction scenarios are playing out during a Legislative budget session. UW is having a discussion about growth and reduction at the same time. The discussion at this meeting is only focused on a small piece of this budget session request. While discussions are taking place about budget reductions, there are discussions going on about salary increases (the Governor has recommended salary increases), capital construction and increased library support.

Trustee Neiman noted he felt it was important the University not act like a special agency, but step up as was done the last time. He felt the JAC and the Legislature would sort out the uniqueness with the discussions after the fact.

Trustee Palmerlee asked if it would be appropriate for a Trustee to be present at the January 18 meeting. President Buchanan stated it was a public meeting. The Board will have an opportunity to address and discuss the decision and assess the impact of the decision made.

### **Adjournment**

There being no further business, Trustee Neiman adjourned the meeting at 9:10 a.m.

Respectfully submitted,



Shannon Sanchez  
Deputy Secretary, Board of Trustees

**JULIE HAMILTON**

Julie Hamilton  
Executive Administrative Assistant