

THE UNIVERSITY OF WYOMING
BOARD OF TRUSTEES' MINUTES

Conference Call Meeting
Monday, February 9, 2015

The final minutes can be found on the University of Wyoming Board of Trustees website
at <http://www.uwyo.edu/trustees/>

THE UNIVERSITY OF WYOMING

BOARD OF TRUSTEES MEETING MINUTES

Monday, February 9, 2015

8:00 a.m.

Conference Call

In Old Main Boardroom

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Consent Agenda Items for Approval

(Trustees are able to pull items off this list for discussion and/or separate vote.)

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THE UNIVERSITY OF WYOMING
MINUTES OF THE BOARD OF TRUSTEES
Monday, February 9, 2015
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In Old Main Boardroom

As will be reflected in the public session meeting minutes, the Board of Trustees of the University of Wyoming held a conference call on Monday, February 9, 2015 at 8:01 a.m. The Board began with approximately an hour of public session and then entered executive session. Trustee President Dave Palmerlee noted that there would be a change in the meeting agenda due to conflicts with Trustee Howard Willson's schedule.

Deputy Secretary for the Board of Trustees Shannon Sanchez took roll call. Members participating included: Dave Palmerlee, John MacPherson, Dave True, Dave Bostrom, Dick Davis, Brad Mead, Wava Tully, and Howard Willson. Trustee not in attendance included Jeff Marsh, Betty Fear, and Larry Gubbels. Ex-officio Trustees who participated included: UW President Dick McGinity and ASUW President Ahmed Balogun. Ex-officio Trustee Governor Matt Mead was not in attendance; Education Policy Advisor Mark Kay Hill participated on his behalf. Ex-officio Trustee Superintendent of Public Instruction Jillian Balow was not in attendance; Wyoming Department of Education Chief Policy Advisor Brent Bacon participated on her behalf. Ex-officio Trustee Executive Director for the Wyoming Community College Commission Jim Rose was not in attendance.

AGENDA ITEM TITLE: Fiscal Year 2015 Budget Authority Increase (Agency 167), Mai/Lowe

- Work Session
 - Education Session
 - Information Item
 - Other Specify: Board of Trustees Meeting (Consent Agenda)
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MINUTES OF THE MEETING:

Trustee President Dave Palmerlee noted that the Board would begin the meeting with a discussion on medical education, and invited Vice President of Administration Bill Mai and Associate Vice President of Fiscal Operations Janet Lowe to begin their presentation. Vice President Bill Mai noted that this is a discussion of a budget authority increase for Agency 167, which is the medical education budget. The Board will need to approve this increase.

Associate Vice President Lowe noted that the Trustees could find this information on page 49 of the report. She stated that the Trustees may recall that the Education Health Center of Wyoming was supposed to serve as umbrella for the Cheyenne and Casper medical residency program. It is expected that the funds at these centers will increase; however, the funds have yet to materialize, as this is a new development. The first part of the funding is for software enhancements to the electronic medical records systems and a performance management system. The program needs to collect this data to maintain its status. There will be one-time and recurring costs. The Casper program does not have significant budget authority at this time to cover its share of this software. The Cheyenne program does have budget authority to do this at this time because they have vacant faculty positions. The Cheyenne program does not need a budget authority increase, only the Casper program. Associate Vice President Lowe asked for questions and noted that Dean of the College of Health Sciences Joe Steiner was also in the room and available for questions.

As there were no questions, Associate Vice President Lowe continued by noting that the second part of this budget increase is the ability under the Health Services Act to operate a pharmacy. This allows for the programs to provide low cost prescriptions to the public, which is an extremely exciting opportunity in Casper. The Cheyenne program will also offer a pharmacy in the future. Associate Vice President Lowe noted that because the programs do not have the enhanced Medicaid and Medicare reimbursement, the programs are basing this on the revenue they already have. The Casper program is running over budget, and the existing clinic income will support the pharmacy. Basically, the program needs funds to buy the initial prescriptions and replenish as needed.

Trustee President Dave Palmerlee wanted to confirm that the request is not asking for more money, only to be able to spend the money differently. Associate Vice President Lowe clarified that they were asking for the authority to use the clinic income that it currently has and is projecting over the next six months to be used for the purpose as described.

Trustee Howard Willson thanked Associate Vice President Lowe. He noted that he wanted to discuss the structure of the WWAMI program. He gave a summary of the progress made through this program and encouraged the Board to approve this motion. Trustee President Palmerlee noted that this topic is on the consent agenda, and that there is a quorum of Board members present to approve it, even if Trustee Willson leaves the meeting.

Trustee Dave True asked if the program anticipated receiving revenue from the pharmacy during the first six months; as he understands it, the program needs to stock the medicines as the revenue comes in. However, he wanted to know if it would take a full six months to generate revenue. Associate Vice President Lowe responded that it would not, but stated that there will be some lag, and they will not know exactly the revenue generated by the pharmacy until about four months from now. This issue will come before the Board again with a second budget request to fund the 2016 fiscal operations.

Trustee True asked if the programs anticipate a positive net margin from the pharmacy, or if the pharmacy is intending break even. Associate Vice President Lowe deferred to Dean of the College of Health Sciences Joseph Steiner. Dean Steiner noted that the pharmacy is expected to generate positive revenue, but the amount of revenue is difficult to estimate. He shared a range of income with the Board and noted that the program is intending to make more money than it spends. Trustee Willson added that it is difficult to predict as so much is changing, but Dean Steiner's analysis seems correct.

Trustee Willson then stated that there were some proposals regarding the WWAMI program before the Board. He noted that UW is dealing with likely the best medical school in the county for training WWAMI physicians. It is an admired, effective program with a great product of return to Wyoming. He stated that when UW was considering entering a medical program, the other schools it was considering had low statuses. When WWAMI was approved by the legislature, it had one dissenting vote. It has proven to be an excellent source of physician recruitment and training of medical students. UW thought about starting its own medical school, but that was voted down, which was good. WWAMI has been in existence for a long time. In 1996, UW voted to join WWAMI, so UW is lagging behind other states but doing well with training and product. Last year, at the WWAMI legislative luncheon, there was a reference made to affiliating with a different medical school and mention of this in a legislative report. Trustee Willson stated that UW should not change its affiliation, and urged the Board to reacquaint itself with WWAMI. He commented that to even think of changing that structure right now is not wise. He urged the Board to not even consider a proposal to change medical schools back to Colorado. Trustee Willson noted that they would hear more about this at the WWAMI lunch, but he hopes UW will stay with its current structure.

Dean Steiner added that the report Trustee Willson may be referencing is the report to the Joint Labor Health and Human Services Legislative Committee, which recommend that UW remain in WWAMI. He noted that he did not think there were any strong preferences to change medical schools, as things are going well with WWAMI. As UW considers the space issue, it wants to be sure the state supports expanding WWAMI.

Trustee Willson noted that this was good, and there will be increased student time spent in Laramie. He added that he hopes there is not a major push to restructure and that they overcome the temptation to change.

UW Board of Trustees President Palmerlee asked Trustee Willson to be the informal eyes and ears of the Board so the Board is well educated on this issue.

Trustee Willson noted that he is still on the WWAMI Committee and will keep the Board informed. He stated again that UW should not change the WWAMI program.

AGENDA ITEM TITLE: Budget Bill Highlights, Mai

- Work Session
 - Education Session
 - Information Item
 - Other Specify:
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MINUTES OF THE MEETING:

Vice President of Administration Bill Mai transitioned the Board into a discussion on highlights of the budget bill. Vice President of Governmental and Community Affairs Chris Boswell sent the summary of the status of the budget bill yesterday. Vice President Mai noted that the budget bills were just introduced and will not be out of committee until later this week. The current budget bill contains many appropriations; however, there are priorities within the budget bill. Retention compensation is one priority, with \$1 million allocated in the budget, but it has been allocated as nonrecurring, which is not what UW wanted. Another priority is the Science Initiative. These funds are nonrecurring and would not be available until July 1, 2015. Vice President Mai noted that he hopes the nonrecurring feature of these requests would be dropped. A third priority is funding for fiscal systems, and UW asked for \$4 million for the fiscal system overhaul. Trustee President Palmerlee asked Vice President Mai not to review every priority, but only to mention the large items.

Vice President Mai then noted the additional funding requests for UW, including information technology, entrepreneurship, unconventional oil, Tier 1 engineering, athletic competitiveness, and the renovation to the Rochelle Athletic Center. He also discussed funding for the High Bay Research Facility, as well as the funds for the Science Initiative facility design and for the renovation of the Corbett building.

Trustee President Palmerlee noted that this was a very unusual session with lots of odd things going on, but UW has a good team addressing it.

Trustee Dave True asked about the backfilling for the engineering project. Vice President Mai noted that the design team had to handle the budget reduction, and asked Director of Facilities Planning Larry Blake to explain further. Director Blake confirmed that all construction will be allocated to the new building and the current building will have 1-2 floors of shelled-in walls that could be designed and finished in any way. Trustee President Palmerlee asked about the cost difference for shelling out some floors. Director Blake responded that he was not sure he could project that.

Trustee Dave Bostrom noted that this is positive and the engineering building leadership team has discussed this topic. This modular component is good because when the money comes forward, there will be a space to use it. He noted that costs must also be justified to WGEESIT. The next WGEESIT meeting is March 31, and the leadership team is working towards that date.

Vice President Mai mentioned that even with state funding, private donations and matches could also increase the total budget.

Trustee Bostrom added that the Foundation is in a standby mode, ready to raise this \$15 million; however, they cannot begin since the design components are not completed. The Foundation cannot make any progress until they understand the spaces for naming opportunities.

AGENDA ITEM TITLE: Compensation/Salary Distribution Policy for FY 2016, Mai

- Work Session
 - Education Session
 - Information Item
 - Other Specify:
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MINUTES OF THE MEETING:

Vice President of Administration Bill Mai next transitioned the Board into a discussion of compensation and salaries. He noted that this information could be found on page 3 of the report. He explained that there were two scenarios: one with the additional \$1 million in retention and recruitment funds that is currently footnoted in the budget bill, and one without. He explained the July 1, 2014, raise and market and merit increase, and noted Trustees should be thinking about this issue for the March 2015 Board meeting. Vice President Mai explained the specifics of each of the two scenarios and the percentage of funds that would be allocated. He noted that if the legislature approves the additional \$1 million in funds, it would increase the funding pool. He also explained what would happen if the \$1 million was not appropriated by the legislature, as there are still funds available for salary and compensation from the tuition increase.

Trustee Dave True asked what the plan is if the \$1 million remains as nonrecurring in the budget bill. Vice President Mai explained that the Trustees will have to decide what to do in this situation, and suggested that if this is a one-time amount, these funds should be added to retention.

Trustee John MacPherson asked how much flexibility UW has with employer paid benefits. He also asked why it is that when UW is compared to other universities, UW's salaries do not include benefits, as this would make them more attractive. Vice President Mai noted that UW cannot take insurance funds and put them towards salaries. Funds appropriated for insurance can only be used for insurance.

AGENDA ITEM TITLE: Fees for FY 2016 and Differential Tuition, Mai

- Work Session
 - Education Session
 - Information Item
 - Other Specify:
-

MINUTES OF THE MEETING:

Vice President Mai next discussed fees with the Board. Information on fees can be found on page 7 of the report, which details the breakout of individual fees. The report shows that the largest increase in individual annual fees is in Union and student services. He also noted that there is no change in transit fees. Vice President Mai discussed differential tuition, specifically in regards to the UW College of Law. There was further discussion on the Law School, as well as other programs such as pharmacy.

AGENDA ITEM TITLE: Update Re: Flooding on Campus, Mai

- Work Session
 - Education Session
 - Information Item
 - Other Specify:
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MINUTES OF THE MEETING:

Trustee President Dave Palmerlee asked Vice President of Administration Bill Mai to only review the conclusions and recommendations, as time was short.

Vice President Mai noted that the issue of flooding on campus is a real problem. He referred the Board to page 20 of their report, and added that the only building with extensive damage was the Education Annex. Vice President Mai summarized the design issues and system failures of the flooding. He noted that these issues would have been caught sooner if someone was regularly going through the building. Since the flooding occurred over winter break, buildings were left unattended and people did not recognize problems or incorrect temperatures. He noted that UW is changing some approaches to this by adjusting the staffing. He also explained that some of this is a result of having a growing campus when cutting back maintenance operations. If UW increases its evaluations of buildings in the fall to prepare for winter, it may mean other areas are not attended to. Vice President Mai noted that it is a priority going forward that buildings be evaluated and ready for winter. He noted that some issues are due to having new additions on older buildings, such as Coe Library and the Buchanan Center for the Performing Arts. Systems must be tied into the existing facilities. Vice President Mai noted that UW will ensure buildings built now and in the future will have complete evaluation done on them to try and prevent these issues.

Trustee Dave Bostrom noted that UW is talking about new buildings being joined with old buildings, and the transitions costs are included and designed for so these issues do not happen again. He noted that individuals have their own cold weather protocol, and that he hopes UW does not under-budget for this. Vice President Mai responded that these changes will be written into procedures. The new buildings in general are functioning well and not having major issues.

Trustee President Palmerlee asked Vice President and General Counsel Rick Miller about insurance issues. Vice President Miller said they would discuss this topic during executive session.

Committee of the Whole – Consent Agenda

- I. Sheridan Incubator Lease Agreement (reviewed and discussed during the January 2015 Board of Trustees Meeting) – Miller/Gern/Mai
- II. Revision to UW Regulations – Miller
- III. Fiscal Year 2015 Budget Authority Increase (Agency 167) – Mai/Lowe

Trustee President Palmerlee asked for a motion to approve the consent agenda.

Trustee Dick Davis moved, and Trustee Brad Mead seconded. [Note: the call was temporarily dropped during the voting process.] The Board unanimously approved the consent agenda.

Trustee President Palmerlee called for motion to move into executive session. Trustee Davis moved to enter Executive Session for the purpose of *Litigation* and *Donations*; second from Trustee Mead. Motion passed with unanimous vote, and the trustees began Executive Session at 9:12 a.m.

The Board entered back into public session at 10:10 a.m. Trustee Palmerlee discussed the Board of Trustees Retreat and changing the location from Buffalo to Cheyenne. He stated that the group would meet at Little America and would host a community dinner as had been done in years past.

Trustee Palmerlee then referenced an email sent by Vice President for Governmental and Community Affairs Chris Boswell regarding HB 114 on concealed carry. Trustee Davis inquired as to if the University was taking a position on this topic publicly. Vice President and General Counsel Miller responded affirmatively, stating that Vice President Boswell and others have joined with folks in Cheyenne to express their concerns regarding weapons on campus and that those communications will continue.

Trustee True requested a brief summary of what the Bill provides and how it affects the University of Wyoming, to which Vice President Miller explained that current law states that concealed carry of a weapon is allowed on campus only with approval from the UW Chief of Police. He noted that HB 114 would change this to allow concealed carry anywhere on campus, specifically at the child care center and at athletic events, without prior approval from the police chief. Vice President Miller noted that this is of major concern, and the institution is concerned for safety of people on campus. The argument against this issue has been raised repeatedly, and UW will continue to voice concerns.

There was no further business to come before the Board.

Adjournment

Board of Trustees President Dave Palmerlee adjourned the meeting at 10:16 a.m. Trustee Palmerlee thanked everyone for taking time to participate in the call.

Respectfully submitted,



Shannon Sanchez
Deputy Secretary, Board of Trustees



Laura Wespetal
Senior Administrative Assistant