THE UNIVERSITY OF WYOMING

MINUTES OF THE TRUSTEES

Conference Call Meeting
Wednesday, December 14, 2016

The final minutes can be found on the University of Wyoming Board of Trustees website at
http://www.uwyo.edu/trustees/
TRUSTEES OF THE UNIVERSITY OF WYOMING AGENDA
December 14, 2016

AGENDA ITEMS FOR DISCUSSION/APPROVAL
Results of the WySAC Survey on UW – Nichols
Status of Strategic Plan – Miller
Science Initiative Update – McKinley/Boswell
Approval of Professor of Practice [Revisions to UW Reg 5-1, Academic Personnel] – Bostrom
Update re: Reorg of Academic Affairs – Miller
Summary of Coach Bohl’s Contract and Funding Sources – Nichols
Management Audit Committee Meeting Update – Boswell
Governor’s Budget Recommendations – Boswell
Wyoming Excellence Chairs Budget – Boswell/Mai
Approval of Audited Annual Financial Reports – Mai/Lowe

Roll Call

Date of Next Meeting – January 18-20, 2017

Adjournment
The University of Wyoming Board of Trustees held a conference call on Wednesday, December 14, 2016. Trustee President John MacPherson called the meeting to order at 7:04 a.m. Deputy Secretary for the Board Shannon Sanchez took roll. Trustees participating included: Mel Baldwin, Dave Bostrom, Larry Gubbels, John MacPherson, Jeff Marsh, Mike Massie, John McKinley, Dave Palmerlee, Dick Scarlett, Michelle Sullivan, Dave True, and Wava Tully. Ex-officio Trustees UW President Laurie Nichols (in room), and ASUW President Michael Rotellini (in room) were in attendance. State Superintendent for Public Instruction Jillian Balow and Wyoming Community College Commission Executive Director Jim Rose participated via phone. Ex-officio Trustee Governor Matt Mead was not in attendance. The trustees discussed various matters such as the strategic plan, audits, and academic affairs reorganization. The meeting adjourned at 9:13 a.m.
MINUTES OF THE MEETING:
UW President Nichols explained that the WySAC survey was done every other year, typically in
connection with major political elections in the state. She noted that several questions were asked
about UW as part of the survey, as UW provided some financial support for the survey. UW
President Nichols referenced the first page of the report which contained a summary of the
responses to the UW questions. She noted that responses were generally good if the top two
categories were combined. UW President Nichols noted that two areas that scored the highest
included campus safety and providing and excellent undergraduate education. She noted that the
response to the athletics question could use some improvement. President Nichols briefly
summarized the other questions and noted that overall UW had a good perception within the state.
MINUTES OF THE MEETING:
Provost and Vice President for Academic Affairs Kate Miller updated the Board on the strategic plan. She noted that the listening session phase of the project was concluding, and that there had been sessions on campus and throughout the state. Provost Miller explained that the Strategic Planning Leadership Council meet this week, and discussed how to analyze all the data they had gathered. She shared the upcoming timeline for the project and noted that there would be a long, retreat style meeting on January 27, 2017 to discuss what could be the initial themes that were emerging.
MINUTES OF THE MEETING:
Trustee John McKinley noted that the Science Initiative was being discussed by legislators and the Governor, and that it was recognized as a high priority for UW. He noted that the concern across the state was the availability of funds for various projects currently underway that need to be finished. Trustee McKinley noted that there may be issues with timing of funding and available funds. However, he noted that he believed the project was moving forward. He noted that a slightly modified version of Science Initiative four pillars document had been uploaded to the public trustees website (see attachment A).

Vice President for Governmental and Community Affairs Chris Boswell added that the Governor did recommended $500,000 towards Science Initiative in his budget, but there were not any details with this recommendation. He noted that he believed these funds were intended to be for one-time programmatic elements. Vice President Boswell stated that a video explaining the Science Initiative and the Science Initiative building was nearly complete, and it would be shared with the trustees and public when it was done.
MINUTES OF THE MEETING:
Trustee Dave Bostrom moved that UW approve the changes to UW regulation 5-1 as outlined in the Board of Trustees’ report. Trustee Mike Massie seconded.

Trustee Bostrom noted that the Board was prepared to move on this topic during their last meeting, but the final version of the changes had not been provided to Staff Senate and ASUW for comment. He asked ASUW President Michael Rotellini to share his comments.

ASUW President Rotellini noted that ASUW had unanimously passed Senate Resolution 2531. He noted that ASUW had talked about this topic in depth for several months, and that students had gathered 243 signatures on a petition in favor of adding a professor of practice position at UW.

Faculty Senate Chair Scott Shaw stated he wanted to make some comments on behalf of Faculty Senate. He noted that there were 13,000 students at UW and only 243 had signed the petition, which he had not seen. He noted that while there may be reasons to pass this, it is a minority opinion and the Board should be careful to respond to the minority opinion. He noted that while other universities use professor of practice, they were not UW’s peers or stretch peers. Faculty Senate Chair Shaw noted that he was not sure that having a professor of practice had been proven to be beneficial to recruitment for students or faculty. He noted that not all of the faculty’s concerns had been addressed in this draft, and that passing this would have a negative impact on faculty moral.

College of Engineering and Applied Sciences Dean Michael Pishko was asked to comment on Faculty Senate Chair Shaw’s concerns. He noted that a number of land grant universities have this title, and adding this title did not lower faculty moral at these schools. He noted that the College of Engineering wanted this title for recruiting purposes. He further discussed the details of the title and its advantages.

All trustees were in favor of the motion; it passed unanimously. Trustee Larry Gubbels did not vote as he joined the call a few minutes later.
AGENDA ITEM TITLE:  **Update re: Reorg of Academic Affairs, Miller**

CHECK THE APPROPRIATE BOX(ES):

- [x] Work Session
- [ ] Education Session
- [ ] Information Item
- [ ] Other Specify:

MINUTES OF THE MEETING:

Provost and Vice President for Academic Affairs Kate Miller noted she shared with the Board a preliminary plan for reorganization of Academic Affairs at the November 2016 meeting. She noted that since the last meeting, UW had made progress on this reorganization. She noted that campus had been notified of the board outlines for the plan. Provost Miller noted that in March 2017, the administration would share all the required UW regulation changes and implementation plan with the Board for approval. She noted this would also include a budget, and that everything should be in place by July 1, 2017. Provost Miller noted that they were working with a wide variety of stakeholders about how to reorganize and streamline processes.

Trustee MacPherson asked Provost Miller to provide a flow chart of the reorganization, if appropriate. Provost Miller noted this was shared with the Board during executive session at the November 2016 meeting.

Trustee Massie noted that at the March Board meeting, there would be new Board members, and it would be important for the new members to be briefed on this topic before voting.
MINUTES OF THE MEETING:
Athletic Director Tom Burman shared the details of head football coach Craig Bohl’s new contract. He noted that this was a significant investment in Wyoming football, and it was mainly based on increased athletics revenue. He shared the details of this projected revenue which were listed in the Board of Trustees report, such as in increased ticket revenue, increased season ticket holders, fundraising growth in Cowboy Joe, guaranteed games, home games against major opponents, a new partnership with Wyoming Sports properties, television contracts, sales of beer and wine, and renegotiation of athletic appeal contracts.

Athletic Director Burman then shared the details of Coach Bohl’s new contract, which were listed in the Board report. He shared the funds coming from athletics as well as state funds. He noted that the contract restricted Coach Bohl’s ability to switch schools in the coming years. Director Burman shared the different levels of incentives that Coach Bohl could work for.

Trustee Mike Massie asked if the assistant coaches would want increases as well, and if this model would be sustainable or if athletics would need to ask for additional support from the state’s general fund.

Director Burman responded that the cost structure of intercollege athletics is challenging. He noted this was modeled on not receiving additional state funds. Director Burman noted that there could be a student fee increase. He noted that athletics has operated in the black for several years and planned on continuing to do so. Director Burman noted that while challenging, athletics planned to do with this with self-generated funds.

Trustee McKinley asked Director Burman to share the adjustments made to the assistant coaches for basketball and football. Director Burman noted these contracts had not yet been finalized, but each of the positions had been reviewed to see what was appropriate in the market, as these coaches had not received pay raises since 2013. There was further discussion on assistant coach’s contracts.

Trustee Scarlett asked if there was a best/worst case scenario for revenues and expenses. Director Burman responded that there was not. He noted that there was a revenue forecast for the next five years, but he felt UW was in a good position to handle the investments.
MINUTES OF THE MEETING:
Vice President for Governmental and Community Affairs Chris Boswell noted that UW had appeared before the Management Audit Committee. He shared the results of the meeting, and noted the committee had responded positively to UW’s changes in response to the Management Audit committee’s 2-3 dozen recommendations. Vice President Boswell noted there had been many changes at UW, such as leadership changes, fiscal changes, faculty workload, and strategic planning. He noted that UW still had a few areas to address, such as compensation policies, but that work was underway and the Management Audit Committee was pleased with UW’s progress. Vice President Boswell noted that UW’s involvement with this audit was complete, as noted by the email from the Legislative Services Office (see attachment B).
MINUTES OF THE MEETING:
Vice President for Governmental and Community Affairs Chris Boswell updated the Board on UW’s supplemental budget request. He explained that the Governor’s budget recommendations were released on December 1, 2017 and the Governor had not made any changes to UW’s requests. He noted that UW would present to the Joint Appropriations Committee on December 16, 2017, and that the Board could listen to the live audio online. He noted that the majority of the presentation would involve discussion of the budget cuts. He explained the items on UW’s supplemental budget request.
AGENDA ITEM TITLE: **Wyoming Excellence Chairs Budget**, Boswell/Mai

CHECK THE APPROPRIATE BOX(ES):
- Work Session
- Education Session
- Information Item
- Other Specify:

MINUTES OF THE MEETING:
Vice President for Governmental and Community Affairs Chris Boswell updated the Board on the Wyoming Excellence Chairs endowment. He invited Executive Director of the Wyoming Community College Commission Jim Rose to provide comments as well. Vice President Boswell explained the details of this endowment, and how funds were shared with UW and the community colleges to provide for endowed faculty positions. He noted that UW was informed that the funds in this account was very low, and distributions from this account were expected to be very limited.

Vice President for Administration Bill Mai shared further details about the amount of funding UW received per year from this account, just short of $4 million per year (see attachment C). He noted that additional funds not expended had previously been added to a secondary account, but this account had also been spent down. Vice President Mai noted that if the Wyoming State Treasurer’s Office did not distribute any funds, UW could cover the benefits and salaries for FY17, given the remaining funds in the secondary account. However, he noted that this would not leave any money for FY18. Vice President Mai noted that the Treasurer’s Office had not let UW know how much money would be distributed from the account, but he estimated that UW would need to realize $3 million in additional funds to support 17 benefitted positions. He shared further details about the funding situation for these accounts, but noted that at a minimum, UW should develop a plan to cover these salaries for FY18 in the event no funds were received from the endowment.

Trustee True asked for clarification that the current market value for the endowment was $115 million. Vice President Mai noted he was correct, and that this endowment was set up like other permanent funds. Trustee McKinley asked if the unspent funds from the account that are rolled back into the corpus were permanently part of the corpus. He also noted that if UW did not receive the funds from the Treasurer’s Office, it would effectively be another budget cut to UW.

Vice President Mai agreed that this would be an additional cut to UW if the money did not materialize. He noted that UW would make this apparent to the Joint Appropriations Committee when it presented on Friday, December 16, 2016. He noted that he believed the money, once rolled into the corpus, was permanently there, but he stated he would need to double check.

Trustee Massie agreed with Vice President Mai, as he remembered discussing the endowment as a legislator. He shared how the legislature had proceeded when back stocking the Hathaway
agreement. He also noted that some of these positions were only yearly (visiting professors), and he asked if those positions could be suspended to save funds. Vice President Mai noted that the estimated $3 million shortfall had already removed these visiting professors. He noted that the $3 million is for permanent, tenure-track positions, a commitment UW had to honor.
MINUTES OF THE MEETING:
Trustee MacPherson noted that the Board would need to approve the audit reports.

Trustee Scarlett stated that it would be misleading to say that these financial statements were audited. He noted that in his background, these were financial reviews, not audits. Trustee Scarlett noted that UW did not have the staff to do a full audit, yet UW states that these were audited statements. He noted that he understood the lack of staffing and funding to do a full audit, but that he did not feel comfortable approving these as audits when they were reviews.

Trustee Scarlett moved that the Board of Trustees of the University of Wyoming accept and approve the University Financial, Compliance, Bond Funds, Wyoming Public Media and Intercollegiate Athletics Reports for the fiscal year ended June 30, 2016 recognizing these reports were not fully audited reports but they were intended to reassure that the University’s organizational culture, capabilities, systems and processes are adequate to protect the financial health and reputation of the University in audit-related areas. There was not a second to the motion.

Trustee Marsh noted that the only audit that was not a full audit was the athletics report, as the NCAA required different standards for their report than a full audit. He noted that per the NCAA, there was agreed upon procedures, not a full audit. Trustee Marsh noted there was not a second for the motion. He noted the audit committee had recommended approval of three of the reports, as two of them—compliance and the main audit—had not yet been completed when the committee had last meet.

Associate Vice President for Administration Janet Lowe noted that the audit committee had recommended approval of 4 of the 5 audits, and that the compliance audit was not yet complete at the time of the last committee meeting. However, the compliance audit was now complete and was being presented today to the full Board for approval.

Trustee Marsh agreed with Trustee Scarlett’s point, and noted that the Board would need to treat Athletics differently, as it was not a formal audit.
Auditor and Partner from McGee, Hearne and Paiz, LLP, Wayne Herr shared further details on UW’s audits and the agreed upon procedures for the athletics report. Mr. Herr noted that all the reports except athletics were full audits. He noted that the NCAA required a different type of engagement. Mr. Herr noted that the NCAA provides agreed upon procedures for his firm to follow. He noted that they did not find anything in the agreed upon procedures, and that the auditor does not give an opinion on the report. Mr. Herr noted that they did issue opinions on the four other audits. He noted that his was an extensive undertaking that required many hours. Mr. Herr also explained the difference between their work and the work of UW internal audit.

Trustee Scarlett clarified that the University Financial, Compliance, Bond Funds, and Wyoming Public Media were all fully audited, unqualified statements, but that athletics was merely a review per NCAA standards. Mr. Herr confirmed this was correct. There was further discussion on what was audited and not audited.

Trustee Marsh asked Mr. Herr to give a high level overview of the elements of the audits before the Board crafted a motion to approve them.

Trustee Massie noted that audits had been re-uploaded to the website, and asked which version the committee approved and which version the Board was approving.

Trustee Marsh noted that the draft form of the reports online did not have any substantive changes from the final versions. Trustee Massie noted that he would need assurance that these were not significantly different if he was to vote on them today. He also noted there was an additional document added to the site.

Mr. Herr explained that the additional document added was the final letter that was drafted by his firm. He noted that he would explain everyone’s role in this process. Mr. Herr noted that UW administration put together the financial statements, his firm’s role was to analyze the statements and issue an opinion, and then the Trustees role was to approve the audits for distribution or for the Trustees to redirect the firm to reevaluate certain parts of the audit. He noted that the Board would need to rely on the work of UW administration and the audit firm. Mr. Herr noted that most of this work was standard and required by statues. He noted that the letter addresses the difficulties the firm faced in completing the audit this year. Mr. Herr noted that the financial statements were not completed in as timely a manner as usual. He noted this was not a red flag, given that UW was undergoing budget reductions and a new financial system, which took up much of the time of the people who normally gather the information for the audit. Mr. Herr explained that another issue his firm found was with a large grant to UW from Wyoming’s Department of Environmental Quality. He noted that this grant had no formal written document, rather it was only a verbal agreement. He noted that internal controls would be strengthened to prevent something like this from happening in the future, and that the issue had been resolved.

Trustee Scarlett moved that the Board of Trustees of the University of Wyoming accept and approve the CPA’s audited statement for the University Financial, Compliance, Bond Funds, and
Wyoming Public Media, and to approve the review of Intercollegiate Athletics Reports for the fiscal year ended June 30, 2016.

Trustee Baldwin noted that he served on the audit committee, and that the committee spent a lot of time reviewing the documents, and that he did not see a concern with the changes with from the drafts to final versions. Trustee Baldwin seconded Trustee Scarlett’s second motion.

Trustee McKinley asked Mr. Herr to explain the areas of concern/Issues that the auditors identified. Mr. Herr shared the timeline that is set for the audits each May. He noted that when the timeline was set, it appeared to be reasonable. However, due to the budget cut and the implementation of the new fiscal system, the same people were needed to address these areas as well so the audits fell behind. He also shared how UW’s audit also interacted with the state. He noted that he would like to return to the normal timeline, but realized that this year was an exception.

Mr. Herr noted that another area UW could address was streamlining the process for gathering the data for the financial reports. He noted that these processes could be formalized and written down to see if there was any way to be more effective. Mr. Herr noted that the third thing UW could do was come up with a more robust information management system, as there were lots of many secondary systems that required information to be entered.

Mr. Herr then asked Auditor and Partner Brandy Marrou to give a summary of the compliance audit.

Ms. Marrou noted that the audit committee had not yet approved this report, but that the Board could still approve it. She explained that this report was done as the main financial audit to meet the requirements. Ms. Marrou shared details of the report, and noted that the report did result in an opinion. She noted that there was one issue found with the grant with the Department of Environmental Quality and Mr. Herr already discussed. Ms. Marrou noted that this report also reviewed the federal funds to ensure they were being used correctly. She noted that they issued an unmodified opinion. Ms. Marrou noted that they did find 6 issues of noncompliance, and shared details of these issues. She also discussed the changes that would need to be made. Ms. Marrou noted they reviewed the federal funds used for student financial aid and the GEAR UP program. She noted that this was the first year research and economic development was not reviewed, due to new guidance.

Trustee Marsh noted that the Board could have a follow up at the March meeting to learn more about the changes UW planned to make to address these concerns.

Trustee Scarlett asked Ms. Marrou share her concerns. Ms. Marrou noted that she had similar concerns to Mr. Herr’s, such as the timing of the reports and the grant with the DEQ. She noted this issue had been resolved.

Trustee Scarlett asked for follow up on these issues. Trustee Marsh responded that the responsible parties could address these issues at the March meeting. Trustee President MacPherson asked
Shannon to add this to the March agenda. Associate Vice President Lowe noted that part of the compliance report included corrective action plans.

Trustee Massie asked if the correction action plans were sufficient. He noted he was glad this would be revisited in March.

Mr. Herr noted that UW’s liability on its pension also went up, as the standards had changed. He shared further details on some of the issues UW was facing, and noted that other schools were facing them as well.

All trustees were in favor of the motion.
Date of Next Meeting: January 18-20, 2017

Adjournment
The Board adjourned 9:13 a.m.

Respectfully submitted,

Shannon Sanchez      Laura Shevling
Deputy Secretary, Board of Trustees    Senior Administrative Assistant
University of Wyoming Science Initiative building – December, 2016

The four foundational pillars that the new UW SI building will support while helping to drive UW-STEM education and UW research to top-tier status.

1. New, large-scale active learning classrooms (four of these with capacity at 50, 100, 150, 200).
   - Multiple, large studies now demonstrate that compared to traditional large lecture formats (“sage-on-the-stage”), student learning gains and attendance are significantly higher using curricula that is properly delivered in well-designed, flat-floor active learning classrooms, facilitating large and small group discussions, problem solving exercises, presentations of “flash papers” by students and student teams, and multiple research and learning opportunities which are difficult to replicate in the traditional lecture setting.
   - Broad, positive impacts at all levels of UW STEM education, as the 1000 and 2000-level courses in biology, chemistry, and physics that will be using these new large-scale active learning classrooms impact all in the colleges of Engineering, Agriculture, Health Sciences, Education, and STEM majors in Arts & Sciences. Future classroom teachers benefit to a particular degree from their experiences in the active learning setting.

2. Center for Advanced Scientific Imaging (CASI), a proposed new UW core-facility, has been designed into this new UW SI building.
   - From molecular to astronomical levels, digital data, typically in the form of an image, are the data that researchers and students now have work with. This applies to all basic and applied STEM areas at UW. Capture, analysis-interpretation, and storage of these digital images is the glue that bonds much of the STEM research community at UW.
   - This new core-facility will provide some of the core instrumentation needed to capture high-quality images, but perhaps more importantly, it will provide expertise for training of students and faculty in analysis and interpretation.
   - CASI will bring new collaborations with the UW supercomputing program.

3. New state-of-the-art research greenhouses are critical for UW plant research and maintaining UW’s top-tier status.
   - Based on published NSF data for 2007-2015, UW ranks 29th out of 93 U.S. institutions in terms of grant dollars received for plant genome-related research. For comparison, UW ranks ahead of: Kansas State University (32nd), University of California, Berkeley (35th), University of Nebraska, Lincoln (44th), University of Utah (59th), University of South Dakota (85th), and University of Nevada, Reno (89th), to name a few.
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- It is not possible to conduct large-scale, highly controlled plant growth experiments in the current Plant Science greenhouses located at 30th & Harney Streets, or the Williams Conservatory, primarily a display and teaching facility connected to the Aven Nelson Building.
- New, modern greenhouse facilities located on the roof of the UW SI building will service research and teaching needs of plant researchers and students in Botany, Plant Sciences, Molecular Biology, and Renewable Resources.

4. New, state-of-the-art, open, multidisciplinary research labs.
- It is critically important that our UW science majors, as much as possible, become exposed to, and experience work in this type of laboratory design to maximize their “work-force readiness”.
- The important research questions facing Wyoming, the region, and the nation, require research that depends on direct cross-disciplinary work that is best facilitated in this type of lab design.
From: LSO - Michael Swank [mailto:Michael.Swank@WYOLEG.GOV]
Sent: Wednesday, December 07, 2016 9:46 AM
To: Laurie Nichols <Laurie.Nichols@uwyo.edu>; Chris Boswell <Chris.Boswell@uwyo.edu>
Cc: William H. Mai <william.mai@uwyo.edu>; LSO - Samantha Mills <Samantha.Mills@WYOLEG.GOV>
Subject: Management Audit Committee Actions

Good morning President Nichols.

I am writing to thank you and your team for the assistance provided in presenting the follow-up report to the Management Audit Committee related to the January 2015 evaluation report. While individual Committee members may ask for follow-up on issues discussed at the meeting yesterday, I do not foresee any further information required for the Committee as part of the evaluative process. Yesterday’s report essentially closes out our evaluation process with the University. If the Committee makes any additional requests in the future, I will let you know.

Again, thank you very much for your assistance!

Respectfully,

Michael Swank, Program Evaluation and Research Manager
Wyoming Legislative Service Office
Mailing Address: 200 West 24th Street, Rm 213, Cheyenne, WY 82002
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Wyoming Excellence Funds - Update

**FY17**

Internal Reserve: $3,255,043.49

If all that is budgeted (FY17) is spent, we anticipate needing ~$307,148.16 to meet our obligations (e.g., salaries, EPBs, etc.).

Academic Affairs has ~$326,365 in unspent funds

By using the internal reserve and the unspent funds in Academic Affairs, we anticipate being able to meet FY17 commitments (including salaries, EPBs, etc.)

**FY18**

Deans reported ~ $550,000 of unencumbered funds that would not need to be spent in FY17.

Balance of contract for FY17 salaries/EPBs will be ~$381,000

Without additional funding from Wyoming Excellence Funds for FY18, we anticipate being able to meet the FY17 Balance of Contract needs.

**An Example of Impact on FY18** (based on assumption that data are accurate and complete)

If no Wyoming Excellence Funds are available for FY18, and

- Full support for tenured, tenure track and extended term faculty/APs at FY17 budget, and
- No support for temporary or visiting scholar programs, World to Wyoming, add-on to Piri and Ogden,

the University will need ~$2,342,919.00 – a significant addition to the current FY18 budget reduction.