

THE UNIVERSITY OF WYOMING

MINUTES OF THE TRUSTEES

August 3-5, 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
Wednesday, August 3 – Friday, August 5, 2016

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- Feedback from Community College Visits
- What Steps Can Be Taken to Improve Relationships

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 - Restructuring and Reorganization
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 - Revenue Enhancement, Nichols/Rod Godby
 - Tuition, Nichols
 - Academic Program Fee Plan for STEM and Other High Cost Academic Programs, Godby
 - FY18 Budget Process and Trustee Approval of Timeline, Mai
 - Long-Term Budget Vision for UW, Mai

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- Capital Campaign [*Incorporated into Discussion of Other Bullet Points*]
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Approval of Board of Trustees Meeting Minutes

- May 2016 (regular meeting)
- June 15, 2016 (face-to-face; was conference call)

Approval of Executive Session Meeting Minutes

- May 2016 (regular meeting)
- June 15, 2016 (face-to-face; was conference call)
- July 13, 2016 (conference call)

Reports

- ASUW
- Staff Senate
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Public Testimony

[Scheduled for Friday, August 5, at 8:00 a.m.]

Committee of the Whole

REGULAR BUSINESS

Board Committee Reports

[Note - committees of the Board were discussed during a regular work session of the meeting. Those listed below provided reports during the regular Business meeting.]

Trustee Standing Committees

Audit and Fiscal Integrity Committee

Jeff Marsh (Chair)

Financial Management and Reporting Committee (“Financial Committee”)

Dave True (Chair)

Facilities Contracting Committee (“Facilities Committee”)

John MacPherson (Chair)

Budget Committee

John McKinley (Chair)

Honorary Degrees and Awards Committee (“Honorary Degree Committee”)

UW President Laurie Nichols (Chair)

Note: Ad Hoc Committees will present as needed

Liaison to Other Boards

- *UW Alumni Association Board* – Wava Tully
- *Foundation Board* – Jeff Marsh & Dave Bostrom
- *Haub School of Environment & Natural Resources* – Michelle Sullivan
- *Cowboy Joe Club*– John McKinley
- *Energy Resources Council* – Dave True

ITEMS FOR ACTION:

1. Consultant for Arena Auditorium and McMurry High Altitude Performance Center Landscaping Master Plan
2. Arena Auditorium Phase II Bid
3. BSL 3 – Authority to Negotiate Contract Amendment – Miller
4. Financial System Vendor Contract Update – Mai
5. Amendments to Regulations – Clarify College Department – Miller

ITEMS FOR FURTHER DISCUSSION:

- ~~1. Professor of Practice Update – Bostrom/Readdy [Moved to Work Session]~~
- ~~2. Diversity Program Update – Nichols [Moved to Work Session]~~

New Business

Date of Next Meeting – August 24, 2016 (conference call)

Adjournment

THE UNIVERSITY OF WYOMING
MINUTES OF THE BOARD OF TRUSTEES
Wednesday, August 3 – Friday, August 5, 2016
Platte Valley Community Center
Saratoga, Wyoming

As will be reflected in the public session and executive session meeting minutes, the Board of Trustees of the University of Wyoming met in Saratoga, Wyoming at the Platte Valley Community Center on Wednesday, August 3, through Friday, August 5, 2016.

The meeting began on Wednesday, August 3, with the Board meeting in executive session for most of the morning and early afternoon. The Board then discussed a few topics in public session before having a meeting with legislators that afternoon. At the conclusion of the day's meeting, the Board had dinner with the legislators. The Board of Trustees convened at 8:12 a.m. on Thursday, August 4, and discussed various topics such as the FY17 and FY18 budgets, revenue enhancement, UW Foundation, and enrollment. The Board hosted a community event that evening at the Platte Valley Convention Center. On Friday, August 5, the Board began with their business meeting. After the business meeting, the Board had work sessions regarding the developing of a strategic plan for UW and discussed peer benchmarking data.

AGENDA ITEM TITLE: **Statewide Engagement with K-12, Community Colleges, UW-Casper, Extension, and Outreach**, Nichols/Hagy

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 Education Session
 Information Item
 Other Specify:
-

MINUTES OF THE MEETING:

Special Advisor Alyson Hagy shared the articulation scorecard with the Board and updated the Board on the progress being made, as well as areas of concern. She also discussed the progress being made on the articulation website and the four-year degree plans. She discussed some challenges, such as getting names of potential students from community colleges in order to reach out to them, due to privacy issues.

Trustee Sullivan asked how dual and concurrent enrollment fit into the articulation process. Special Advisor Hagy noted that the 2+2 plans have been shared with counselors, so students know why they are taking certain courses.

University of Wyoming President Laurie Nichols shared her experiences visiting Wyoming's community colleges, noting that she had visited six colleges and would visit the final college next week. She noted that there were some common positive themes, such as the good relationship between UW and the community colleges, transfer students, outreach degree offerings, and if UW could offer more online degrees, among others. She shared common negative themes such as budget cuts affecting outreach, a belief that outreach could be better, transfer issues, and issues of diversity.

Trustee McKinley noted that when it was mentioned that community colleges would not give UW student names, and that UW was trying to reach students electronically. He noted that these meetings should be done in person.

Special Advisor Hagy responded that the previous year there was a transfer recruiter who visited the community colleges and was very visible. She further noted that UW wanted the student names to send them electronic invitations to meet with the transfer advisor when he traveled to their college. She noted that UW was working on a detailed recruiting plan. There was further discussion about traveling and recruiting around the state.

AGENDA ITEM TITLE: **Wyoming Business Council Plan to Help Diversify Wyoming Economy**, Boswell

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 Education Session
 Information Item
 Other Specify:
-

MINUTES OF THE MEETING:

Vice President of Governmental and Community Affairs Chris Boswell updated the Board on UW's and the Wyoming's Business Council's plan on state economic diversification. He noted that a draft document had been created with some ideas. He shared some ideas from the document, such as creating a tracking system for UW's graduates to see where they were employed. He noted that another idea was to set up more internships, especially for students with computational and science skills. He referenced the Cheyenne Leads workforce study, which noted a shortage of these types of workers, and how this discouraged companies from moving to Wyoming. He also discussed the importance of tourism.

Vice President Boswell introduced Tom Johnson with the Wyoming Business Council, who was assisting in this project. He also noted that others were being invited to work on this project, such as the MBA Director Steve Farkas.

Mr. Johnson noted that this conceptual framework needed to be developed by the end of August. He noted that he had been working with many deans and vice presidents on campus for this project. He shared the timeline for this project, and noted that it would be aggressive. There was also a discussion of appointing a taskforce for the project.

Policy Director for Governor Matthew Mead, Mary Kay Hill, noted that a taskforce was fine, but the taskforce needed to be charged with the responsibility to implement the plan.

AGENDA ITEM TITLE: **Committee Appointments and Reappointments and Executive Committee Reinstatement**, Boswell

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 Education Session
 Information Item
 Other Specify:
-

MINUTES OF THE MEETING:

Trustee President MacPherson introduced the topic of whether or not the Board of Trustees needed an executive committee.

Trustee Massie stated that this issue had arisen because even though the Board had taken the executive committee out of the bylaws, there were still places in UW Regulations that called for decisions of the executive committee. He added that the question posed was if there was still a legislative function for the executive committee of four offices. He noted that the executive committee typically dealt with coaches contracts and other routine business that the full Board did not need to meet about. Trustee Massie also recognized the existence of one provision in the bylaws that allowed for four members to be called in in an emergency situation when it was difficult to get a quorum and that this executive committee would work with the president of the Board. He then suggested that perhaps the Board did have room for an executive committee, adding that most other boards had executive committees.

Trustee Massie moved that the President of the UW Board of Trustees appoint a three-person committee to examine the matter of whether or not to reinstate an executive committee and to include special tasks for the executive committee to review in their proposal. Trustee Sullivan seconded the motion.

Trustee President Macpherson wanted to ensure that this function would be used sparingly. He added that the reason for having a board was to have all trustees involved in all decisions. He acknowledged that an executive committee could be convenient at times, but that in his opinion it should have limited use.

All trustees were in favor; the motion passed unanimously.

AGENDA ITEM TITLE: Meeting with Legislators, MacPherson

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 Education Session
 Information Item
 Other Specify:
-

MINUTES OF THE MEETING:

Board of Trustees President John MacPherson began the Legislative Discussion by thanking the members of the Wyoming Legislature for attending this important session with the UW Board of Trustees. He explained that the Board had been looking forward to the opportunity to have an open conversation with the Legislators. Trustee President MacPherson noted that this meeting would have a different structure than in previous years, adding that this meeting had a structured agenda to allow all important topics to be covered in a timely manner. He introduced University of Wyoming President Laurie Nichols to the members of the Legislature who had not yet had the opportunity to meet her. Trustee President MacPherson noted that University President Laurie Nichols had begun her job in mid-May after coming to the University of Wyoming from South Dakota State University. He added that in that time, she had begun working very hard on the budget crisis that University is facing and had been doing a great job.

University President Nichols began the discussion by addressing the budget reductions and the overall UW message. She explained that the packet of materials distributed to the members of the Legislature and the Trustees included a document titled A Plan for Budget Planning at UW which was compiled following her arrival in May and in consultation with the university leadership team. University President Nichols noted that a detailed breakdown of the University budget reduction could be found on the final page of the packet. She explained that the budget reduction had been broken down into two main areas, the Penny Plan (the 1.5% budget reduction) and the 6.4% budget reduction that would be implemented for FY17 and FY18. She added that each plan was also broken down into an annual and biennial set of figures. University President Nichols added that there were a few budgets that would not be discussed in this document as they were considered to be separate from the overall University budget. She explained that this document had been created to develop guiding principles and ideals that the University wanted to stay true to through the budget reductions. University President Nichols explained that these principles focused on the quality provided by UW, building excellence, and striving for student success. She stated that these main themes were kept at the center of all budget reduction conversations so that UW could continue to successfully serve its students. University President Nichols explained that with the sizeable budget reduction for FY17 and FY18 it would be best to try to be aggressive and make as many reductions as possible in FY17 that would be realized again in FY18. She noted that during FY17 the University had set out to cut \$19 million and that work had already begun on these efforts. It was noted that when the budget reduction process started, it was thought that it would

be possible to cut \$10 million in FY18, but as work continued, it was decided that \$15 million would be more realistic and would provide a built-in cushion if any short falls were encountered.

University President Nichols explained that the budget reductions for FY17 would be realized in six ways, noting that some would provide more savings than others. She listed the six strategies that would be implemented and how they would be addressed. The first strategy was the Penny Plan which had been implemented before her arrival in May. The second strategy was to freeze 70 vacant positions from across campus, which had risen to 97 vacant positions. University President Nichols stated that these vacancies would not be filled until there was a better understanding of the reductions and if these vacancies could be filled after the reductions. The third strategy was to standardize the faculty teaching load to a 3/2 system. The fourth strategy, which aligned with the third, reduced the number of part time and adjunct professors that would be hired by UW. The fifth strategy was to offer retirement and separation incentives; this strategy had been implemented upon approval from the Board of Trustees. University President Nichols explained that a large majority of the University budget was for personnel and benefits. She added that the payroll at UW needed to be decreased and the University should not be surprised if the work force was reduced by 400 employees. The sixth and final strategy was to reduce the benefits of employees between .5 and .99 FTE, meaning that these employees would need to be moved to full time or reduced to part time, in order to allow for a change in benefits being paid by UW. University President Nichols stated that she had held a town hall meeting to keep the campus informed of all budget reduction actions that had taken place. She added that this work had been taking place every day and it would continue until all savings were fully realized. University President Nichols noted that there were also comprehensive reviews of academic and non-academic programs taking place. She added that the Huron Consulting Group had been brought to campus to assist with these reviews, provide insights on how to drive efficiency, and to implement the new fiscal system.

Trustee Dave Palmerlee asked University President Nichols to elaborate on the process moving forward as more positions became vacant and what flexibility could be utilized.

University President Nichols explained that since the 97 vacancies had been frozen, 40 additional positions had become vacant. She stated that these positions were placed in a centralized system which allowed she and Provost Miller to strategically release and fill these positions to assist departments in dire need of filling these vacancies. University President Nichols noted that vacancies had been seen all over campus and this process allowed for the University to build excellence in specific areas that needed them the most. She noted that this would be a trend that would continue through the biennium.

Trustee John McKinley asked University President Nichols to explain how the funds had been secured to fund the new fiscal system.

University President Nichols explained that the Wyoming Legislature had allocated \$5 million in onetime monies to cover a portion of the new fiscal system and that UW had matched those funds through Block Grant funding. She explained that for the remaining monies, UW would perform onetime budget cuts and reallocation to fund this new system. University President Nichols noted that this process began before she arrived on campus adding that some monies had already be reallocated through salary salvage, and that a part of the remaining funds would be reallocated in the same way. She added that the new fiscal system would be completely implemented by the end of FY17. University President Nichols explained that when the reductions began she was also made aware that the utilities budget had been running in the red due to a shortfall. She added that these funds would need to be taken care of during FY17. University President Nichols stated that based on all components, the budget cut was set at \$41 million.

Trustee President MacPherson asked the members of the Wyoming Legislature how they felt about the new revenue enhancement ventures that UW would begin to embark upon and how they felt about an increase in tuition as the University moved through these budget reductions.

Senator Eli Bebout stated that based on the nature of what was happening in the state and at the University, everyone had been trying to generate new revenues and it was something that should be explored before it was taken off the table. He added that since UW was already ranked as one of the best institutions in the Rocky Mountain Region, making these adjustments would not go against what was stated in the Wyoming Constitution. Senator Bebout explained that he had considered the idea of growing enrollment at UW a great deal. He noted that growth had been a problem in Wyoming and that there needed to be an incentive for growth.

Senator Charles Scott explained that he believed it was important for the University to keep up with general inflation, adding that this would cause many students to be hit with higher student loan debt which was not ideal. He stated that there would also have to be an increase in the Hathaway Scholarship, which would continue to put the state under additional financial pressure. Senator Scott added that increasing the number of students at UW would be considered a high risk maneuver.

Trustee McKinley stated that there was an analysis being done regarding an increase of tuition, mandatory fees, and high expense fees. He added that this analysis was driven by the Legislature's view of programs' expenses.

Senator Scott noted that retaining programs such as those in the sciences were essential to running a good university, especially in a high technology society. He added that any fees implemented should be packaged together.

Trustee Mike Massie stated that the University of Wyoming was number one in the country with the current amount of state funding per student given, which has led to the low tuition maintained by UW. He added that UW students left their undergraduate career with just about the national

average of student debt, even based on the amount of state support received by each student. Trustee Massie explained that students who take longer to graduate obviously would accumulate additional debt.

Senator Jeff Wasserburger stated that the Hathaway Scholarship had dwindled in the past 12 years, adding that he understood the need to increase tuition and fees based on general inflation. He asked that the University hold the line on diminishing the Hathaway Scholarship as it currently sat.

Speaker of the House Kermit Brown stated that the wording in the Wyoming Constitution did not suggest that the University never raise tuition or allow for the University to suffer substantially. He added that the University of Wyoming needed to remain competitive and continue to increase its alumni presence across the world. Speaker Brown stated that letting UW decrease its standards would not fulfill the purpose it was created to perform, adding that free as possible needed to be kept in context with current times. He stated that many in-state students are borrowing additional funds to place more equity in their education. Speaker Brown explained that growth of the University needed to be considered through critical mass and must be justified based on economy of scale and the ability to use campus facilities with an increased population. He felt that these concepts needed to be explored further as the University moved forward. He stated that he would highly oppose an increase in tuition. Speaker Brown added that the Hathaway Scholarship has allowed for the University of Wyoming to retain the best and brightest students in Wyoming.

Trustee President MacPherson explained that based on the facilities and faculty at the University there would be room for growth, those additional students needed to be drawn to the University of Wyoming. He added that many students are attracted to UW solely based on the tuition.

Senator Scott noted that UW needed to be careful when growing enrollment, as this would cause for an expansion of services already provided, which would not be a profitable venture.

Representative Cathy Connolly stated that she appreciated having the opportunity to provide comment on the University. She asked if the University had begun creating a long term tuition plan that would be presented to the Legislature. Representative Connolly stated that this would be valuable and would be incorporated into a long term planning process that the University should fight for. She added that the Hathaway would be considered a crown jewel, however it would be a perfect time to revisit the standards currently in place.

Trustee President MacPherson directed the conversation to the topic of transfer credits and the overall transfer process at UW. He explained that previously there had been problems transferring credits from the community colleges across the state and county to the University of Wyoming. Trustee President MacPherson stated that Alyson Hagy, among others, was working to improve this process.

Special Advisor Hagy thanked the Board of Trustees and the members of the Wyoming Legislature for allowing her to present on the Wyoming Transfer Advance. She presented those in attendance with two score cards that had been created to track progress of the Wyoming Transfer Advance and the 2plus2 initiative. Special Advisor Hagy explained that this process currently only involved course to course transfer but the ultimate goal would be to transfer college to college. She explained that there had been a lot of success and that great partnerships had been created for the top 17 of 80 transfer programs. Special Advisor Hagy noted that some programs needed to cut down their required credit hours to 120 hours except for engineering programs. She added that students that transfer to UW without their associates degree would likely take longer to graduate than those that came to UW with their associates degree.

Representative David Northrup noted his excitement for the programs that had already agreed to the standards proposed by UW. He added that some members of the Legislature might be able to help with additional progress in incorporating all programs and community colleges. Special Advisor Hagy noted that there were only a few programs that needed an extra push to meet the standards and join this endeavor. She added that completing this loop would be a win for the state.

Senator Bill Landen explained that he was a former college administrator and the parent of a recent college graduate. He stated that the issues being addressed could be considered cultural and the University should continue to work as diligently as they had been to prevent students from running into road blocks after they had transferred to UW. Senator Landen explained that these students were wanted in Laramie and he would provide any assistance possible to promote this endeavor to provide a welcoming environment to any and all transfer students. Special Advisor Hagy explained that this process needed to be tightened up and her work was being done in an effort to centralize the process, therefore making it easier.

Trustee President MacPherson stated that once this process was completed it would create a pipeline for students to UW, especially when the transfer process was made easier and more accessible. Trustee Jeff Marsh stated that he agreed that this process had taken too long to be implemented and was happy to see the work currently being done. He asked if any work had been done with the community colleges on the front range of Colorado or in Nebraska?

Special Advisor Hagy explained that work had been done with community colleges both in Colorado and Nebraska but this work could continue just as it would in Wyoming. Numerous members of the Legislature thanked Special Advisor Hagy and her team for the work that would provide a notable change at UW and would allow UW to continue to grow. Trustee Dave Bostrom noted that a number of community colleges still had articulation agreements with universities outside of Wyoming, meaning that these students were not attending UW. He added that the community colleges of Wyoming should look to UW with preference when their students were looking to transfer institutions. Trustee Michelle Sullivan stated that it is important that UW participate in helping high school students make the journey to UW or a community college. She added that more students should have the opportunity to take college courses while they are still

in high school, noting that this would be a great place to continue these conversations. It was noted that K-12 education needed to be discussed further to create a mutually beneficial relationship.

University President Nichols stated that it was time for UW to take a look at the capacity of the University and how enrollment could grow based on the resources already available. She shared a few statistics with the members of the Legislature including the student to faculty ratio at UW which was 14:1, noting that this number was 18:1 at most universities. University President Nichols explained that as a land grant institution, the student to faculty ratio at UW should not rise above 20:1. She added that based on all the numbers and capacity available, UW had some room to grow its capacity. It was noted that according to the state report card, Wyoming received an A based on six criteria, explaining that that UW tuition was the 9th lowest in the United States over 2 years. University President Nichols noted that not all programs could be grown based on facilities and number of faculty, but it was worth looking into how this could affect UW. She added that one area that had not been kept up to date was the residence halls, noting that this was an area where UW was behind in comparison to its peers. University President Nichols added that if UW wanted to maintain its status, it would be important to modernize the residence halls and move towards some of the things UW's peer institutions had done. She explained that when planning for this process began it would be important for UW to find a way to pay for these modern amenities themselves, noting that this usually occurred through a bond. It was noted that residence hall improvements never end and should be a continuous process.

Senator Bebout stated that the University of Wyoming should be proud of the capital projects that had taken place on campus, but should work to continue those improvements especially in the residence halls. He added that UW needed to prioritize the halls and other capital facility projects, such as the Science Initiative. Senator Landen asked how the recent renovations had turned out, and if it would be the case that these buildings were no longer able to be renovated.

University President Nichols explained that Vice President for Student Affairs Sara Axelson would be a great individual to ask the more specific questions too. She noted that it was very important that the current halls had been renovated after being in existence for around 50 years. University President Nicholas stated that even with the renovations, it had not done for UW what new housing structures had done for other universities.

Trustee Massie noted that these discussions about the residence halls should be incorporated into the strategic planning process. He added that this plan would include capital construction priorities among other items. Trustee McKinley stated that the safety of UW students needed to be taken into consideration more so than the cosmetic aspects of the residence halls. He added that the residence halls and the Science Initiative projects were both very important, however they were considered competing interests that would need to be addressed. It was noted that members of the Legislature appreciated UW working towards a strategic long term vision.

Representative Albert Sommers stated that one way that UW could help to benefit the state of Wyoming regarding the K-12 initiative would be to increase the production of quality teachers. He noted that UW educates a vast majority of students who were previously educated by UW graduates. Representative Sommers explained that there was a need for more home grown teachers which would help UW attract and retain homegrown students. Trustee President MacPherson added that these comments made way for the next update regarding the Trustees' Education Initiative.

Trustee Palmerlee explained that the Trustees' Education Initiative was created following one of the first legislative meetings of this nature that was conducted a few years ago, in which it was stated that there needed to be better teacher preparations before these graduates begin teaching in the Wyoming public school system. He added that this initiative was intended to help boost the College of Education teacher prep program to be the best program in the country and produce the best teachers. Trustee Palmerlee explained that the first phase of this initiative would be for those involved to conduct research on the best practices of teacher preparation and the best ways to incorporate those practices into the program at UW. It was noted that this research would include information provided by teachers, principals, superintendents, and school board members. He added that the initiative had applied for a grant through the Daniel's Fund to assist in conducting this research over a five-year period. Trustee Palmerlee explained that a board of directors had been selected and an Executive Director had been hired. He stated that the Executive Director for the Trustees Education Initiative was Rebecca Watts, who would be coming to the University of Wyoming from the Ohio Department of Education. Trustee Palmerlee stated that this initiative would be solely funded through private monies.

Representative Sommers stated that it seemed as though this initiative was spending money on an additional individual who is doing the job that a college dean should be completing. He added that this work was important and hoped that their goals would be met. Representative Sommers explained that in addition to this initiative, Native American education needed to be increased in Wyoming. He added that this included making programs more accessible across the state.

Representative Jerry Paxton stated that education across the state was an area of concern for all members of the Wyoming Legislature. He added that some additional success would be obtained through instituting a four-year elementary education degree at Central Wyoming College, noting that many Native American students were more successful when they did not have to leave the reservation. Representative Paxton explained that there would be an increased number of future teachers graduating if this program was implemented.

Representative Mary Throne suggested that another opportunity for UW to assist in the K-12 initiative would be to help these schools with curriculum development. She added that working with the guidance counselors at the high schools could also offer a good partnership to help foster the transition between high school and college. Representative Throne stated that when reevaluating the Hathaway Scholarship, the idea of allowing college credit courses to be factored

into the GPA requirement for the scholarship should be negotiated, in that hopes that it would encourage students to challenge themselves with college prep courses.

Representative Connolly encouraged UW to bring the Early Childhood Education Center and other services to higher prominence. She added that the Select Committee on Finance would be willing to collaborate with UW in education based endeavors. Representative Connolly stated that student, faculty, and staff from the College of Education could go out into the state to collect data and would provide a great resource to schools in terms of school finance. She noted that UW should continue its recruitment tools such as the World Languages Day, that allowed for student from across the state of come to the UW campus.

Senator Scott stated that there had been a common belief that students were not leaving the K-12 system prepared to attend college because they had not been taking the adequate amount of college preparation courses. He suggested a process where the K-12 system could receive feedback from its graduates to assist in better preparation of the next generation and to close the gaps that currently existed in the education system.

Speaker Brown shared concerns with fellow members of the Wyoming Legislature. He stated that there was a great amount of tension in the K-12 education system. Speaker Brown explained that if the legislature, K-12 system, community colleges, and UW were all on the same page about the best ways to prepare students for college it would benefit all parties and is a discussion that needed to take priority. He stated that the implementation of the success curriculum into the Hathaway Scholarship was a great starting point for these discussions, especially since this curriculum worked hand in hand with UW's admissions standards.

Representative Sommers noted that the Wyoming Department of Education had begun to bring all educational entities together to start these conversations. He stated that Wyoming had a large challenge when it came to the transition of students from high school to colleges, adding that many students are career ready but not college ready. Trustee Sullivan stated many issues that are not only problems with the transition of students from high school to college but through all phases of their lives. She added that these transitions needs to be addressed and thought about systematically, noting that when the education system waits until the student are in middle school to address these transition problems it is much harder to address and can almost be too late.

Policy Director for Governor Matthew Mead, Mary Kay Hill stated that statewide data was showing students who received high end scholarships and matched with admissions requirements were doing alright and persisting in college. She added that those students who were provisionally admitted to community colleges were not succeeding, noting that the overall requirements needed to be reviewed. Policy Director Hill stated that there were efforts underway that allowed for additional advising to students who were missing classes or were not succeeding. She added that the transition piece needed to be knit together to create a better system.

Trustee Mel Baldwin stated that everyone in his family had attended UW, which added up to 20 different degrees obtained by members of his family. He added that he had been an educator for 50 years and in his time as an educator he was a teacher, a principal, and a superintendent. Trustee Baldwin explained that through his experience he felt it was most important for students to learn decision making skills, how to set goals, how to take appropriate risks, to have an exceptional work ethic and a positive social conscious, and to use their moral, ethical, and spiritual conscious. He added that it could be seen that these skills are lacking when students start at UW. Trustee Baldwin stated that when UW is training teachers it is important that these teachers know how to instill these skills and be role models in how to utilize these skills in everyday life.

Senator Chris Rothfuss explained that often times students attending UW who were provisionally admitted based on low test scores and low high school GPAs tend to struggle and must go through a remediated set of courses. He suggested that when students are identified as those who may struggle, they should begin that transition process immediately and start to earn college credit right away. Trustee Massie stated that these claims were supported by data and had driven the implementation of the success curriculum into the Hathaway Scholarship. He suggested that fewer students receive the Opportunity Hathaway Scholarship, the scholarship given to students that may be less prepared for college.

Trustee President MacPherson thanked everyone for their participation and asked Vice President for Administration Bill Mai to update the members of the Legislature on the construction taking place on the UW campus.

Vice President Mai noted that there was always an open invitation for members of the Legislature to visit campus to look at the numerous capital construction projects taking place across campus. He noted that one of the projects that had just recently been completed was the Hoyt Hall renovation. Vice President Mai added that there were additional funds added to this renovation due to unexpected circumstances. He stated that upon completion, the members of the campus community who moved their offices back to that space will be very impressed at the finished product. Vice President Mai stated that the next phase of the Arena Auditorium would begin in August through a new contractor, and that this project was planned to come in under budget. He noted that this renovation would be completed by October of 2017. Vice President Mai explained that the High Bay Research Facility was 60% complete and had followed a well thought out and strategic process for its completion. He stated that the High Altitude Performance Center had been put fully in place and the selected contractor was GE Johnson, adding that this project would begin following the conclusion of the football season. Vice President Mai stated that the engineering building had just completed its design documents and that this project will also likely fall under budget. He added that due to the nature of the science corner of campus, there was a study being conducted to better understand the power plant needs for these facilities. He noted that this study would determine whether or not the power plant could be modernized or what the most beneficial options would be. Vice President Mai explained that there were discussions regarding property acquisition for the block of 9th and Lewis Street, adding these talks would hopefully be completed

by early spring. He concluded by updating the members of the Legislature on the BSL-3 project. Vice President Mai stated that the completion of this project was scheduled for June of 2017. He explained that there was a complication that had delayed the project. Vice President Mai added that there had been an issue with the incinerator and the unsafe nature of this component of the building. He noted that based on this fact, the incinerator needed to be completely reinstalled. Vice President Mai stated that this component of the BSL-3 project presented three options; to completely replace the incinerator, rebuild it in its current place, or work to find a different means of disposal. He explained that based on all information, the incinerator would be replaced. He added that the additional funding for this was secured through a credit with the design firm.

Trustee President MacPherson asked Senator Phil Nichols to update the members of the Legislature on the revenue enhancement for the state of Wyoming.

Senator Phil Nicholas distributed a document to the Board with the state of Wyoming projections for the next four years. He explained that this document demonstrated both the optimistic and pessimistic outlooks for Wyoming as it continued through this time of economic hardship. Senator Nicholas stated that it was well understood that the price of oil was out of the control of the state of Wyoming and often times revenue from commodities was unpredictable. He noted that it was understood that for the foreseeable future, the low revenue from these commodities would remain consistent. Senator Nicholas explained that many of the targets for budget reductions across the state would be based on the CREG report. He added that it was well understood that these revenues would continue to decline and that it would be very difficult to find new sources of revenue. Senator Nicholas explained that cuts would be necessary so that the state did not completely deplete the rainy day fund. He added that everyone would need to breakdown their budgets and ramp up cuts by the second year of the FY17-18 biennium to take the cuts to where they need to be. Senator Nicholas stated that all state agencies would need to make cuts to fully realize the savings required. He explained that the second side of the provided document broke down the capital construction projects that were currently underway, adding that it was being taken in to consideration how these projects would be completed. Senator Nicholas explained that it would be important to budget for the short, middle, and long term goals that the state would need to meet. He added that the most difficult goals to assess would be the long term goals, understanding what the state should look like in ten years and what the citizens of the state would need. Senator Nicholas explained that all projects across the state currently underway would be reviewed until project completion to decide where those projects fell within the goals of the state. He concluded by stating that the deficit was real, but all state projects are important and would be handled in a strategic manner.

Senator Bebout stated that this situation provided an opportunity for all state agencies to do some great work together for the betterment of the state of Wyoming. He suggested that these conversations are taken advantage of in the hopes of doing things better when the JAC assembles for the legislative session.

Trustee President MacPherson thanked the members of the Legislature for taking time to come and have this dialogue with the Board of Trustees and adjourned their discussion.

AGENDA ITEM TITLE: **Budget**, Nichols/Mai

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 Education Session
 Information Item
 Other Specify:
-

MINUTES OF THE MEETING:

FY17 Budget

University President Nichols stated that she would begin with the discussion of the FY17 budget and that Dr. Stephen Bieber, Chair of the Financial Crisis Advisory Committee, would then talk about the FY18 budget. She indicated that she wanted everyone to realize that that the plan to make the \$41 million reduction consisted of reducing the budget on an annual basis with \$19 million in FY17 and \$15 million in FY18. She added that this was a very aggressive plan that exceeds a reduction of \$41 million dollars, and that the purpose of going beyond was to make sure that the University reduced enough. She noted that she would also like to build a salary policy into the budget reduction. She then referred the Board to the first page of the FY17 budget reduction document which showed the budget reduction plan in FY17. She then directed the Board's attention to Line #7, the penny plan. She added that this showed a reduction of \$3 million on an annual basis, for a total of \$6 million in the biennium. She explained that UW made the decision to reduce the budget more than the penny plan and to save additional funds to be used for the utilities shortfall. University President Nichols then noted that this solution took care of both the penny plan reduction and utilities shortfall. She added that Associate Vice President for Fiscal Administration Janet Lowe set this up with actual savings and that the estimated savings was what was left to be realized. University President Nichols noted that the total goal for reductions in FY17 had not yet been realized. She then shared information on the savings from eliminating 97 positions.

Trustee Massie stated that the reason for the first 70 vacancies not producing the savings anticipated was that more staff had left than faculty and because that total was lower than estimated.

University President Nichols confirmed that Trustee Massie was correct in stating that more staff had left than faculty.

Trustee True stated that the 70 vacant positions were not a part of the retirement incentive programs, adding that it should have been known what the mix was, as those vacancies were known.

University President Nichols stated that the total of 70 came from the number on May 16th. She added that hiring was frozen on that day, and the vacancies totaled 70 at that point in time. She added that the number given to her was estimated to be \$5.2 million, but as diving into positions,

there were issues with some positions, and some critical positions had to be removed from the list. She elaborated that the list got finessed over the next three weeks and as that happened, it was necessary to pick up more vacancies to hit the target. This list was then reviewed.

Trustee President John MacPherson expressed that he was concerned that UW was not going to be able to function. He asked how UW was going to run.

University President Nichols stated that the vacant positions were fairly well distributed, and that as critical needs came up, administration would release positions. University President Nichols noted that she gave back two positions to the College of Engineering.

University President Nichols explained that since UW froze 97 positions, there were now 41 more vacancies, and those vacancies were alive because there was plans to put some of them back into the workforce. She detailed that this would be done strategically, and that these positions may be moved around.

University President Nichols then addressed the subject of faculty workload. She indicated that there was efforts to reduce the temporary part-time hires. She pointed out that in the presented documents, the Board could see that there was a \$2.5 million target, and that at that moment almost \$2 million had been achieved. She added that \$1.9 million had been completed, which left \$1.3 million left to go. She noted that areas where UW could get this money had been found, so in the next few weeks, it would have the full \$2.5 million of targeted savings. She acknowledged that there was more work to do in this area, but that UW would realize these savings; this was confirmed.

Trustee McKinley asked University President Nichols to provide a more detailed explanation of how the actual savings had been calculated. He stated that it was a bit difficult to understand how the total of \$1.1 million was being quantified from the information that was provided for full time workload.

Associate Vice President Lowe stated that the \$1.2 million was from part-time salary budgets. She elaborated that in the budget there were part-time lines, and that the spending authority had been reduced. This money was not released out to colleges, so there was savings by reducing the budget.

Trustee McKinley acknowledged the frozen positions, but also addressed the discussion that adjunct faculty would need to be hired for classes in the fall.

Vice President for Administration Bill Mai responded that the direction was that these colleges had to use Section II funds to hire part-time faculty. He added that the next year would depend on how many adjuncts were hired. He stated that the understanding that was brought to University President Nichols was that there were monies existing in the colleges that could be applied for these purposes, and that the existing authority in Section II would be used to hire necessary people. Vice President Mai added that there was also a need for an additional \$1.3 million so that the Section I problem could be addressed. He noted that \$2.5 million was needed from Section I, so if only \$1.2 million was pulled from part-time funds, an additional \$1.3 million was needed.

Trustee President MacPherson inquired as to if the Board could be assured that this \$1.3 million would not be released.

Vice President Mai confirmed that yes, these funds had already been pulled. He stated that some actions UW was taking for a series of expenditures was locking down the ability to transfer the monies without permission from University President Nichols. He noted that the \$1.3 million had been taken away.

Trustee Marsh asked University President Nichols how much money she anticipated savings from reallocation of the workload.

University President Nichols replied that UW wanted to realized \$2.5 million in savings with full implementation. She confirmed that was the target savings from a reduction in hiring adjunct faculty. She added that if faculty were asked to teach more, there was less need for adjuncts. University President Nichols added that the issue was that UW did not have faculty workload where it needed to be at that moment, but that it would done over the year. She emphasized that the \$2.5 million in savings would be reached this year because it had to be. She stated that next year, the goal was to have the adjuncts teach only 100 sections. She noted that UW had plenty of faculty, so this goal was achievable.

Trustee McKinley referred back to the \$1.2 million and expressed understanding at the difficulty of accomplishing the workload equalization, recognizing that this would take some time. He added that this may not be a reality until 2018, and so he referred back to 2017 when \$1.2 million would be taken from the block grant. He then asked if more would be taken out of the block grant with regard to FY18. He also clarified that in FY17, \$1.2 million was frozen but that Section II monies were being used to bridge the need for adjuncts from FY17-18 until the workload issues could be resolved.

University President Nichols affirmed that this was correct. She also reiterated that the total reduction of \$2.5 million would be achieved during the year because \$1.2 million had already been pulled and the other \$1.3 million was identified, so within the next few weeks, the full \$2.5 million would be pulled from budget. University President Nichols added that the deans would use bridge funding from Section II funds to hire until the workload was where it needed to be.

Trustee Marsh stated that at some point, if University President Nichols did not have the ability to accomplish this with a request, then the request must become a directive that the workload change.

University President Nichols responded that she thought the campus had heard her loud and clear since the beginning that faculty would be moving to five courses for professors and seven for lecture faculty. She noted that this would be implemented. University President Nichols stated that the directive had been given to Provost Kate Miller, and there had been work on it. She acknowledged that there was more work to be done, but people knew that the University needed to get there. University President Nichols then noted that Provost Miller had this background and could work on managing the workload. She added that the only other option would be to eliminate more positions, so that was the faculty's choice. She stated that they either needed to eliminate

more positions or get the workload adjustments implemented. University President Nichols stated that the workload adjustments would keep more positions in play, which she thought was the right thing to do.

Trustee True commented that he wanted to make sure he was following the discussion in which was indicated that for the part-time temporary lecturers, the workload standardizing created a saving of \$2.5 million. He then stated that UW took the Section I budget funding release mechanism and reduced it by \$1.2 million. He added that he noticed that the goal of \$2.5 million was determined, but that it was \$1.3 million short. He also clarified that there was a situation where UW would have to hire the temporary lecturers backfill positions for the upcoming year, which would cost \$1.3 million more than originally budgeted, but that cost could be backfilled by cash balances in the Section II budget.

Vice President Mai stated that this was correct.

Trustee President MacPherson asked how the University could say that it saved \$2.5 million, when really it only saved \$1.2 million. There was further discussion on if there was a real savings.

Vice President Mai stated that UW appropriated state funds on a biennial basis. He then detailed that the action that the Board took in June was to essentially bridge the problem in May of the \$32 million cut. He added that the way the University had to bridge FY17 until some of these actions took full effect was to essentially reduce EPB budgets. Vice President Mai stated that at the starting point of July 1, staffing would not be as budgeted because of reducing the vacancies, and that was point of the plan. He noted that the plan was to fill that hole in the EBP budget through these actions, while still carrying \$3.4 million in the EBP budget. He explained that this was money that would be gathered over the course of this biennium to make sure that UW did not overspend. He explained that at that moment, the Section II budget was such a nebulous creature that it was not possible to tell what dollars were committed. Vice President Mai noted that what could be said with relative certainty was that there should be enough Section II funds to cover expenses. He noted that presumably, the \$2.5 million would become a lower number, but in the case it did not and the whole 2.5 million was spent, it would have to be out of Section II. He stated that because there was an additional \$1.3 million owed to Section I, there would be a bill for \$1.3 million and the University would have to take care of part-time hires from Section II money.

Trustee McKinley stated that he understood how this would work. He explained that a reduction in the Section I block grant was permanently gone, and the colleges were then using Section II cash available to fill those positions. University President Nichols verified that this was correct.

Trustee McKinley then commented this plan reduced the block grant by \$2.5 million. He stated that that amount was cut and done, but that on a net spending basis, the University might actually be a net zero depending on how Section II monies were used to backfill and hire people. He stated that this prompted a practical question. He noted that he had heard the message and heard that it has been delivered strongly. Trustee McKinley stated that from a participation standpoint, freezing \$1.2 million encouraged the deans to standardized the workloads, but on the other hand it allowed

Section II cash to be used to counteracted the goal. He asked University President Nichols how she expected to achieve the goals of equal workload.

University President Nichols replied that the use of Section II funds would only be allowed one year. After such time, these positions would then be funded or eliminated.

Trustee Massie remarked that this effort was a worthwhile goal that he supported, and that this was a vehicle that got the University where it needed to be with the \$2.5 million Section I funding reduction. He observed that it was his understanding that Associate Vice President Lowe took out \$1.2 million up front, and that the colleges needed to pay \$1.3 million in the upcoming year to the Section I fund. University President Nichols affirmed that this was correct.

Trustee Palmerlee questioned if the colleges could pay the bill by not hiring or by using Section II funds. University President Nichols stated that they could.

Trustee Marsh stated that with the backfill cushion, it was imperative that at the same time, the University move forward with a new reduction in force policy that allowed the University to take action while not having to declare financial exigency. He expressed that there needed to be more strategic reduction plans than those currently found in the UW Regulations. Trustee Marsh felt that the current regulations were not nimble enough.

University President Nichols concurred with Trustee Marsh. She added that the UW regulations at this point were cumbersome and did not have a reduction in force policy. She added that because there was no existing reduction in force policy, UW Regulations 6-41 and 6-43, the program review process regulations had to be used. She emphasized that these regulations were not created as a reduction in force policy, but that they were all UW had to work with. University President Nichols noted that universities normally have a reduction in force policy at universities.

Trustee Marsh stated that the Board needed to develop this policy right away. He noted that the University did not want to go into financial exigency, and it needed this policy as middle of the road tool.

University President Nichols expressed her understanding that the Board was troubled by the \$2.5 million, acknowledging that there had not been that much success on this matter in the six weeks from May 16 – July 1, and she noted that there were two and a half months to work on it, which was not a lot of time. She added that to work with 700 to 800 faculty to do workload adjustments with a new provost presented a lot of challenges. University President Nichols stated that the teaching load at UW had to go up, and that there would not be as many faculty at UW after the budget reduction. She noted that in total, there would probably be 400 less employees at UW by the time the \$41 million budget reduction was reached. She added that if UW was going to decrease the number of faculty, it needed to ask those remaining to teach more. University President Nichols also noted that UW needed to align workload with its peers. She stated that it was not surprising that this did not get done in six weeks, but that the savings would be realized by FY18. She noted that in the fall of 2017, there would be an adjusted teaching load.

Trustee Massie stated that as a board, they should keep in mind the priority, which was \$2.5 million in savings. He noted there was a lot of stress on campus for many different reasons. Trustee Massie said that he thought that the Board needed to be flexible to move forward with a policy.

Trustee McKinley noted that there was sufficient time to accomplish this with the proposed strategy. He also recognized that some of the regulations that UW had might be old or outdated and did not provide the mechanisms necessary to achieve some of the above goals. He then asked University President Nichols if UW Regulation 6-43 needed to be updated, and if a policy separate from UW Regulation 6-43 and 6-41 that addressed strategic reductions was necessary to assist in reaching these goals.

University President Nichols stated that she did think that rather than reshaping UW Regulation 6-41, a reduction in force policy was necessary and that the policy could be shaped to talk about reduction in force during financial hardship and reduction in force to strategically realign UW when realignment was necessary. She noted that one policy could be used to address both.

Trustee McKinley stated that he did not mention UW Regulation 6-41 and only commented on UW Regulation 6-43 because the timeline for UW Regulation 6-43 took longer to accomplish some of the objectives. He responded to UW Regulations 6-41 and 6-43 and asked if University President Nichols viewed UW Regulation 6-43 as a policy that needed revision.

University President Nichols stated that it probably did. She expressed her thoughts that UW Regulation 6-43 should be a policy of how to review programs. She also noted that there should be a regular rotation by which all academic programs go under review and that some programs might go away.

Trustee Palmerlee stated that the trustees understood what had been occurring over the previous six to ten weeks and noted that he personally was not critical of the steps taken but was amazed at what had been accomplished. He wished that University President Nichols would not leave room thinking that the ball had been dropped, as he thought the Board did not think that. Trustee Palmerlee also explained that for many years, it had been unclear about how communication worked throughout the campus. He said that he thought that the current day was a representation of what had been experienced over many years in which the Board finds out that something else was happening and people were left scratching their heads about what happened a year ago. He also commented that one problem the University had had was interface with the administration, which contributed to several difficulties. He referenced situations in which administration could not explain various matters, because they were so complicated.

University President Nichols commented that she thought the discussion was hitting on a critical topic and that the internal communication did need to improve. She noted that when she first came, she sensed that the campus was unclear about what was happening. University President Nichols then detailed that even though she was not prepared to do so, she had held a town hall meeting to make a statement about opening up communication on campus. She then explained that two more town hall meetings had been conducted since then, and that there had been wonderful attendance at both.

University President Nichols then moved to Item #4, directing the Board to the first page of the handout that addressed .5 to .99 FTE. She detailed the elimination of benefits to this type of position and the target to create \$1.5 million in savings with the elimination. University President Nichols explained that \$750,000 of the \$1.5 million had been accomplished at that time, but she acknowledged that the full target might not be realized long term. She noted that that was why the plan had over-committed on vacancies, as this area was not anticipated to hit the full \$1.5 million. University President Nichols stated that the number was how much was being paid on fringe benefits from the budget for 150 part-time people between .5-.99. She added that as this matter was explored, few of the part-time people were found to be tenured, so that would not occur anymore. She explained that the University had to keep those people and that there were a few other unique situations where certain individuals could not be touched. University President Nichols noted that this small handful of individuals would be made full-time because their jobs were critical, and it made more sense to keep them as full-time and pay more salary in order to get full-time effort. She stated that as all of this was put together, not all of the budget reduction targets would be realized. She then summarized the item stating that there would be some savings there and that there would be no more hiring of .5 to .99 percent employees, as it was too expensive.

University President Nichols transitioned to Item #5 of the same handout which referenced the plan for no overtime or overload. She stated that although this was not a big money saver, it was just more of a statement that the University could not pay for overtime. University President Nichols began discussing Item #6, which was retirement. She explained that in FY18 the University would nearly be at \$6 million but that a lot of benefits needed to be paid out in the current year. University President Nichols noted that this was one area in which the University would fall short, as it would not reach \$3 million in savings for FY17, but that it would get the full savings in FY18.

Trustee Massie asked for clarification of his understanding that if the \$3 million in FY17 could not be achieved, the funds would be taken from a reserve. He added that the Board had played with the idea of identifying a policy of what reserve level UW should have and that this was a fiduciary concept that most other universities had. He then referenced the development of the K-12 funding model. Trustee Massie noted that all 48 school districts had this concept, and the question was whether or not UW should have a policy. He added that the Board played with the understanding that a policy would come to them as a board, but it had not. He expressed that he would feel better if the University had a reserve policy.

Vice President Mai informed the Board that he had spoken with the Board Treasurer, and before proceeding he wished to clarify that the funds being discussed were really cash balances, not reserves. He then explained that the Board had taken proactive action the previous October in regards to reserves. Vice President Mai noted that administration was in the process of identifying reserves, and once they had fully identified all of the finances, it would be time to follow the policy from that point forward. He recognized the need for additional policy work as to what level the Board wanted to set the reserve. He expressed his belief that there was no intent to float any of this with reserves, which was why University President Nichols charged the FCAC with the large

figure of \$15 million. Vice President Mai noted that this number needed to fill some holes from FY17 and was a part of the culmination for the FY18 number.

University President Nichols stated that either within the same policy or a separate policy, there was a need to talk about cash balances. She noted that she thought that there needed to be a policy that did not allow for huge tank accounts. She added that both were needed, and she confirmed that she would work on this.

Trustee Bostrom brought up the unexpended balances in the endowments that had become a hidden reserve and asked if these were included in the cash balances.

Vice President Mai stated that this was in Section II of the colleges, as the UW Foundation monies were in the Section II balances. He explained that by July 1, 2017, the University carried no more obligation on any of that Section II money, and the money expended on some things and with the system as it existed took 45 days or more to pay. Vice President Mai noted that in Section I this was not a problem encountered against the balance, but in many parts of Section II there might not be enough information. He stated that by July 1, 2017, as all of this had to go over conversion, there would be a lot more clarity. He informed the Board that administration would finally be able to meet with every dean, the UW Foundation President & CEO Ben Blalock, Foundation Vice President for Financial Services Mary Ann Garman, Coordinator of Shared Business Services Stacey Holzwarth, and Director of Shared Business Services Megan Hanneman. Vice President Mai emphasized that each of the thousands of Foundation accounts, even the little ones, added up. He added that the little ones that had the most restrictions and were the most problematic, but that some were low-hanging fruit. Vice President Mai stated that even the deans were surprised to find out that there were some resources in these accounts that could help their colleges. Vice President Mai concluded his statement by noting that he had talked with University President Nichols and compelled the Board to understand that he could not give a report at that moment, but that it was very close.

Trustee McKinley stated that it was his understanding, with regard to expendable balances, that this had been handled in May 2016, and that there had been coordination from the colleges. He added that Vice President Mai had qualified those expendable amounts really in talking about other types of cash accounts. With cooperation from the Foundation, Vice President Mai, and the deans he understood that other amounts had been qualified as well. Trustee McKinley then addressed the topic of the reserve policy. He said that he thought that there should be a continuing reserve account policy that went along with the policy that had been passed by the Board in January. He noted that this policy provided that with a budget, the President and Vice President for Administration establish a goal for a balance to be retained in the account, based on the overall financials. Trustee McKinley stated that at that moment, there was a need to establish a goal, which had not been done yet. He noted that he did not know what it was, but noted that the policy already requested a goal and provided that once goals were established that the funds could be put into the reserve account. He stated that his recollection was that it also required a report of the funds in those reserve accounts be submitted to the Board at its every other month in-person

meetings. He did not think that the Board had received an update on the goal or the balance since the January meeting.

University President Nichols stated that she was not aware the Board needed this report, but she assured the Board that administration would get these going.

Vice President Mai explained that there was a second account for construction and that there was some money in that. He also notified the Board that there was \$1.4 million sitting in the indirect costs account in his office. He added that the only reason this had not been swept was because of the current obligations regarding property purchases and that the majority of these funds were committed. Vice President Mai noted that another item was related to the landscaping project, as landscaping in the construction project was underfunded and under budgeted and there was no notion of a tie-together of the two. He expressed that he had held on to as much as he could. He also indicated that he had heard concern for issues with a certain high tech research facility and did not expect to be out of the woods with that project yet. Vice President Mai noted that this was the over-submission of \$1.4 million. He then referenced an instance in which Associate Vice President Lowe asked if he wanted these funds put into the construction reserves, to which Vice President Mai replied to do whatever worked best, as the money would be spent soon. Vice President Mai then told the Board that when looking at the cash balances, others had similar takes on the matter. He also remarked that he had been reluctant to use the cash balances, adding that although the notion of a sweep was oversimplified, there was a need to get these balances swept. He explained that some of these monies were committed and some were already expended. Vice President Mai also took responsibility for the lack of reporting the zero balance in the accounts, but assured the Board he would report on the accounts at the next meeting.

University President Nichols transitioned to the end of the permanent budget cuts for FY17 and shared the total permanent budget cuts from page one. She noted that at that time the budget was short \$3.3 million. University President Nichols presented the possibility of bridge funding, but reiterated that this funding had not been identified.

Vice President Mai stated that this was a part of the math in the charge of the FCAC, emphasizing that it was not as if this was being ignored or was not going to be addressed, but was being considered at that moment.

University President Nichols explained that the committee was only going to identify \$10 million for FY18, but she suspected that \$19 million was not going to be identified for FY17, so if \$15 million in cuts was identified for FY18, it would be a safety net if the target was not obtained in FY17. She added that she would like to get \$3 million this year and was not giving up yet, as she thought that it was possible to achieve this.

Trustee President MacPherson stated that the University would still be doing this two years from the current time.

Staff Senate President Mark Gunnerson made a comment regarding furlough of employees that reduced work time to four days a week in four different months.

Trustee Sullivan remarked that Albany County was one of the poorest counties in the State of Wyoming, and noted that that was important to consider when making decisions that had an enormous impact on people not making a living wage under the current circumstances. She added that as the Board considered these decisions and thought about various strategies, she wanted to make sure that this was a part of the strategic planning.

University President Nichols stated that the furlough was put on the handout as part of the original plan and would be used only if it was absolutely necessary and no other savings could be identified. She did not think that it would be needed. She also prompted the Board to keep in mind that the administration had been able to manage the budget without having to lay people off yet, which she noted said a lot, but she did not know if they could continue this.

University President Nichols added that the last part of this item was the budget cuts for the fiscal system, which captured all of this, and also went into salary and operating sweeps in order to capture the unspent money.

Associate Vice President Lowe stated that her accounting office had been working to have all the obligations captured. She added that the University had until October to liquate the obligated funds, which could be more than \$2 million.

Trustee True asked if there was a high probability of exceeding the aforementioned value, and if that meant the reverse as well, in that it was necessary to get at least \$2 million.

Associate Vice President Lowe confirmed that yes, the \$2 million would be identified.

University President Nichols stated that the last budget reduction method was to offer a voluntary reduction in summer hours to employees. She added there was a little bit of savings in this area.

University President Nichols completed the FY17 report and walked through the last several handouts.

Trustee True made a comment on the semantics of cash balances and reserves. He wanted to make sure that the difference between the two was being tracked on the handout. He referred to item #7 and noted that this was a one-time contribution from cash balances rather than reserves.

Vice President Mai affirmed Trustee True's statement.

Trustee True encouraged a clear differentiation be made as the process moved forward due to the meaningful difference between the two types of funds.

University President Nichols described that the second page of the handout was a recap of the current vacant positions and thanked Associate Vice President Lowe for putting the document together. She continued that there was a total of 151 positions and detailed the handout's breakdown of positions. University President Nichols noted that the pie charts on the left side of the page showed the budgeted positions, and those on the right hand side displayed the positions lost by vacancies, retirement, and incentives. She explained that when comparing the budgeted positions to what happened in the cuts it was evident that some units were hit harder than others.

University President Nichols explained that the staff were hit hardest, and that there were more vacant staff positions or more staff retired in comparison to faculty.

Trustee President MacPherson asked if the University had the capacity to provide the services that the staff provide which keep UW operating if the staff was taking the biggest hit in terms vacancies.

Vice President Mai replied that this was the million-dollar question and that work was being done to balance all of it out, as each unit had unique challenges. He continued that the answer was a guess, but that in some ways, it was no. He gave the example of the electrical shop. He stated that many people look at the buildings on the UW campus and think they are wired like a house. Vice President Mai added that they did not see the tunnels, antiquated cabling, and all of the changes that a mixed age campus had. He then explained that there were a lot of experienced electricians on campus who knew these details. He noted that due to these details, UW could not simply outsource electrical work. Vice President Mai stated that this individual came to him, as he was eligible for retirement, and the smart thing for the man to do would be to retire. He added that the employee revealed to Vice President Mai that he did not know what his division would do if he left though, because he had not had enough time to get people trained underneath him. Vice President Mai stated that due to this, the employee decided to stay, something for which Vice President Mai expressed that he was very grateful for. He added that the electrical shop did lose a master of record to retirement. He stated that in order to have an electrical system, the University had to have a master of record, so this individual had to be replaced to maintain a skeleton shop. He observed that there were some other places where UW could gain some efficiencies, and some places that could live with less service on campus. He noted that it was probably possible to live with reducing trash collection to once per week if that was what it took, but a building not getting enough care was unacceptable. He added that Auxiliary Services had several driver positions open due to retirements, and the question had come up of whether or not to replace them. He said that the Section II, for all practical purposes and for the discussion of UW going forward, needed to be looked at with Section I. He then stated that in determining whether or not to fill these positions, it was necessary to look at what the repercussions would be of not replacing the retired individuals, and then to decide if UW could live with diminished service. He added that this would have to be done on a case by case basis, by counting on the managers to tell the administration the implications, which they would then bring to the Board.

Trustee Scarlett commented that the University needed to be aware that some of the retiring staff might be replaced with someone who was making a higher salary than that which the retiring employee was making, and it needed to be prepared for this. He noted that this was due to the fact that sometimes the salary increases of long-time employees did not keep up with inflation.

Trustee McKinley stated that the process had been started to evaluate certain program majors and asked if the same type of evaluation process had been done on the staff side with efficiencies and consolidations. He noted that if it had not, the administration ought to do so, as those issues were present on the staff side as much as the academic side.

University President Nichols stated that the administration was leaning on Huron Consulting to help them with that for the staff. She agreed that this all needed to be looked at and that the workload was an efficiency measure.

Trustee Gubbels asked whether UW would hire landscaping services from outside of UW.

University President Nichols responded that no decision had been made at that point in time for any particular service but that there was plans to put this out for strategies for FY18, and she noted the possibility of looking at a private-public partnership.

Vice President Mai covered one more topic related to the graphs in the handout. He stated that one of the reasons the graphs were a good tool was because they were able to demonstrate why the 70 positions became 97 in order to get to the desired dollar amount. He explained that when his office calculated the savings associated with vacant positions and retirements this was done based on a cross section of UW. Vice President Mai gestured to the left side of page one of two, which included the breakdown of FY16 public position numbers and dollars associated. He explained that the graphs showed that the staff cost relatively less money because even though they represented more positions, they made up a smaller amount of the budget than faculty. He then explained that if a representative cross section was not obtained, it would skew the data one way or another. Vice President Mai noted that in looking at the actual figures, it was more heavily in staff, which meant that the dollars saved were less than in other scenarios. As UW moved forward with future reductions in staff, he said that he thought that this must be kept in mind. He added that people moved very slowly from tenured positions, and that faculty approached work differently than the staff did. He realized that this was not a representative cross section and that this would have to help guide future plans. Vice President Mai then transitioned to the back page of the distributed handout, which demonstrated a similar trend. He explained that as the FCAC worked, the first cut would be how to divide up the next \$15 million reduction and how it shaped out, which could be seen on left hand side of the document. He explained that Academic Affairs made up a lion share of the budget, and that the left side was the breakdown by division, not by faculty or staff. Vice President Mai then explained that the right hand side showed the actual vs. budgeted amounts, and he noted the imbalances. He noted that he had lobbied for Information Technology, and that University President Nichols was understanding of this.

Trustee Sullivan referenced the information in the packet that was a summary of the data collection done by WYSCA and the Wyoming Women's Foundation. She added that the other document she noted was a report on Wyoming Women's status, which gave an example using Wyoming data put out for people to see. She explained the relation to the resources on their website that accompanied the data. Trustee Sullivan said that the document essentially presented a county by county living wage across the state of Wyoming.

FY18 Budget

University President Nichols briefly recapped the work of the FCAC, adding that the committee was doing a terrific job, especially with academic planning.

Chair Bieber stated that he did not necessarily have a lot to report. He noted that it was going to be a tough and long process, but that things were going well. He also wanted to indicate that the committee was not responsible for the execution of UW Reg 6-41, but was there under the charge of UW Reg 6-41. Chair Bieber noted that the committee was a dedicated committee. He then shared the committee membership and the mandates for committee membership as outlined in UW Reg 6-41. He also shared the charge of the FCAC and the timeline of the committee. Chair Bieber acknowledged that the committee was aware that academic program reviews were being conducted and that they would continue to be conducted on campus, noting that this was done in two stages. He explained that some of these reviews had been completed, adding that the second stage of reviews would be completed by the end of August. He stated that if the University wanted to include Academic Affairs reduction comments in the FCAC's work, this needed to be done. He also expressed the committee's deep appreciation for the Board's action of granting the FCAC's request for a one-month extension, noting that June had been a set-up period.

Chair Bieber added that the committee had received the academic program reviews to assist it and that Huron Consulting Group had graciously moved up their timeline for examination of non-academic units of campus. He confirmed that the committee would try to incorporate their review of the non-academic units as there was some useful information to consider. He also discussed the fact that the charge began with a \$10 million reduction, but had become a \$15 million reduction due to difficulties in FY17. He shared the reductions and noted that it was an across the board reduction of \$15 million and that major divisions could be seen through the reductions. Chair Bieber explained that the \$15 million had been portioned out according to the FY16 budget and that the original charge had the committee basing its reductions on the FY17 budget, which it had not received yet. He anticipated that this would happen soon and that Vice President Mai would give the committee a full briefing of as much as was known on the next Friday, August 12th. He commented that he had heard about the disproportional resignations across campus, so he would try and incorporate this modification that UW was seeing into the new projections.

Chair Bieber added that when the committee heard the budget update, he expected that it would probably modify those numbers. He stated that if there were small changes, the committee would not change their target numbers, as they were soft and had some flexibility in them. He noted that if there were adjustments at the last minute, he hoped that they would all be downward. Chair Bieber stressed that if there was a big change and the Academic Affairs numbers should have to go up or down dramatically, the committee would communicate this to the Board immediately. He added that in continuing with the charge, UW should respond fairly and rationally with its core mission in mind, noting that the committee's purpose was to assist University President Nichols with the development of the plan. He explained that the members of the committee were trying to collect as much information as possible. Chair Bieber also wanted to make the note that if the financial crisis had become so severe that it required the termination of faculty members, UW Regulation 6-41 required that the President request the trustees to declare financial exigency. He

noted that the regulation also stated that before this occurred, the President needed to inform the committee of the intention to do this, so that the committee could give its recommendation to the Board of whether it should or should not declare exigency. Chair Bieber added that this could be done as a separate recommendation if necessary. He continued on, detailing that he had put much of his efforts into what this status meant, what exigency meant, and he said that he thought that the impact of termination of employment would be equally as painful and impactful. He emphasized that he had really taken this seriously, and that financial exigency was a financial crisis, and prompted the Board to refer to UW Regulation 6-41 for its definition.

Chair Bieber noted that he questioned what the substantial harm would be in the status in the above scenario. He then motioned to the last page of his handout which spelled out the guidelines, which he had given to all divisions in order to help everyone in determining reduction suggestions for the committee. He also addressed proposals of elimination and looked for an understanding of what harm would occur if financial exigency was declared. Chair Bieber also addressed trying to preserve the integrity of the University. He then gave his opinion that the greatest harm that could come to UW would be for it to lose its accreditation. He stated that there were two elements to discuss which he had found when learning about commissions and organizations.

Chair Bieber noted that the two criteria for accreditation could be found on the distributed handout. He stated that in order to fulfill the mission of the University by having faculty, staff, and infrastructure, he thought that it was necessary to try to assess the impacts of budget reductions. He noted the request to notify the University of the potential impact. Chair Bieber added that the University had had many reductions over the past four decades, and he had never heard the results of these reductions. He noted that he would continue looking for these impacts, and that accompanying the plan the committee put forth in November would be the potential impacts of the reductions. Chair Bieber continued that the important aspect was if the harm would be substantial and cautioned the situation in which a proposed plan harmed UW. He stated that the problem from UW Regulation 6-41 was that when that threshold was crossed, there could be substantial harm that resulted from terminating tenured faculty. Chair Bieber explained that the University could probably be about 400 positions down and guessed that that was made of probably 80 faculty, which did not include retirements or resignations. He added that UW could survive this, but that it was on the edge. He noted that a restructuring or streamlining of UW could be accommodated, but that under the current construction, the University was close to the edge.

Trustee President John MacPherson thanked Chair Bieber for his presentation. He then made several comments with regards to the timelines of the committee's efforts. He stated that given the fact that the plan was being developed over four to five months, there was some concern that the Board would only have the plan for seven to eight days before they were asked to take action on it. He asserted that this short timeframe presented some problems. He noted that he would like the Board to be kept informed somewhat during this process and that it would be a tough assignment for the Board if it was given a plan on November 8th that it needed to take action on at the November 16th Board of Trustees meeting.

Chair Bieber stated that after getting through FY17, the plan would be solidified. He noted that it was difficult because they were not able to talk about specific dollar amounts, which made the cuts more complicated. He added that due to the fact that there was no recommendation for termination of tenured faculty, it gave the Board extra time. Chair Bieber noted that the cuts would not go into effect until July 1, 2017, and there was the potential for more time.

Trustee Palmerlee asked if the FCAC plan was an outgrowth of University President Nichols' plan.

University President Nichols stated that the previous discussion before Chair Bieber spoke was in regards to the FY17 budget reduction, which was where the plan was \$3.3 million short. She noted that the FCAC was working on the FY18 plan. She further clarified that the FY17 plan was different than the FY18 plan.

Trustee Palmerlee asked for clarification that the FCAC was not working on FY17. University President Nichols affirmed Trustee Palmerlee's statement.

Trustee McKinley thanked Chair Bieber and moved the discussion back to UW Regulation 6-41, specifically item #6. He noted that item #5 held the key element of whether the University moved to #6, unless the recommendation in the plan was for the termination of tenured faculty positions. He stated that he envisioned the creation of a thoughtful plan that could accomplish a variety of financial trimming and focus in a manner that met the requirements of #5. Trustee McKinley noted that this meant that the regulation also provided for the FCAC to submit a recommendation to the Board with its plan. He then urged everyone to read UW Regulation 6-41 and to understand the distinction between the financial crisis plan and financial exigency. He clarified that the University would only get to financial exigency if the plan provided the recommendation that positions held by tenured faculty required termination in order to achieve the plan. Trustee McKinley emphasized that there was a big and important distinction between the two terms. He did not want people on the Board, faculty, or administration jumping to #6 while data was being gathered to make a thoughtful plan.

Chair Bieber stated that this was the committee's view as well. He noted that #6 was only a conditional statement, one of which tried to prepare the University, but also allowed for the development of a plan.

Trustee President MacPherson noted that it was really important for the Board to take some time to read the regulation in order to fully understand it, adding that it was a good or bad road map to follow.

Chair Bieber stated that when the targets had been decided upon initially, the committee was still under the timeline of reporting by the end of August. He added that when the committee actually started to think about needing to give expectations or reductions in areas, there was little information to go on regarding how the reductions for FY17 were going and who had been impacted. Chair Bieber noted that the committee did try to take into account functionality or centrality of the mission of UW, which one might argue was at the forefront. He stated that the FCAC did not have the information to do anything else.

University President Nichols stated that as everyone was a part of the programs and services contributing to the whole University, everyone was a part of the budget. She noted that it was thought to be a good strategy to not take anyone aside and say they were not a part of it. She stated that the University wanted everyone to evaluate themselves. University President Nichols added that it was important to see that this was a University effort, and that this was a way to get the message out. University President Nichols added that the intensity of the plan could be backed off if the impact was so significant that the results were unacceptable. She noted that in the actual budget reduction plan, the numbers would not look that way. She explained that this was a target, a way to get everyone to participate, and a way to get people to think about efficiencies. She noted that overall, University President Nichols said that she thought that this was a good way to get everyone involved.

Trustee Jeff Marsh asked if the University was considering a reduction of benefits. He noted that in the employee handbook there were some elements from the statutes but that these could be changed by the legislature with or without notice or consideration. He said that he thought that the University needed to be aware of the impact, and that at end of day, someone who still had a job but received less pay was better off than not having anything. Trustee Marsh asked if the committee could dive into the numbers on the retirement side because the state paid for 90% of the employees' share, just so the Board knew what the numbers looked like. He noted that this would mean a legislative change, but wanted to see what that numbers were, if it could be a consideration.

Chair Bieber stated that the committee was trying to keep an open mind and considered anything possible. He noted that they had discussed employee benefits but had not formed a clear plan. He stated that they would entertain any suggestions regarding this though. Chair Bieber noted that so much was decided by the state, and the committee had tried to look at the various impacts. Chair Bieber added that the reductions could be dependent on salary, so there could be a differential impact across campus.

Trustee Sullivan expressed her concern about the timeline and consultation with the Board. She said that she thought that the members of the Board had been appointed by the Governor to represent a wide range of perspectives from around state, which was important. She noted that before going to campus, she would rather have the report come to the trustees to take that important perspective into account. Trustee Sullivan then posed the question of how the development of this plan adhered to the strategic planning process. She expressed her desire to have them go hand in hand but thought that the Board should consider how different parts of UW behave, as they do behave differently. She presented the example of staff who might leave their job but stay in the community, which contrasted with the faculty. Trustee Sullivan said that some of the best faculty would leave to find other good jobs, which would have consequences. She worried that the University would find itself with a plan, but all of its excellence gone. She hoped that as this discussion continued, these two things would be kept in mind.

University President Nichols stated that there was the difficulty of having to plan the budget right away. She added that the situation was not ideal, and it was unfortunate that it had happened like

it did. She assured the Board that they would try to do the budget cuts while planning. University President Nichols noted that even though this was the wrong order, there were no other options. She added that it was known where the excellence on campus existed, and efforts would be made to try to preserve it during the budget cuts. She stated that the difficulty would be to keep faculty engaged and having those in charge of the budget cutting visit with units. She noted that when there were attempts to pull in larger budget cuts and to do a salary plan, this would make a huge difference.

Trustee Sullivan wanted to make sure that the two items she discussed above happened in coordination.

Chair Bieber noted that the committee was sensitive to these things. He acknowledged that there was a realization on campus that termination of employment of existing people would be occurring in many positions. He added that this could even include himself. Chair Bieber reiterated that people were already in that mindset until there was information stating otherwise. He stated that there was a much larger and serious problem at that moment, and posed the question of what would happen if what would be done was not known six months before the end fiscal year. He then reaffirmed the difficulty of the situation.

Trustee McKinley explained that the first paragraph of UW Regulation 6-41 required that this plan be done in a manner that continued with the attainment of UW's mission, which included the areas of excellence and all of those other factors. He stressed that these elements were to be at the forefront of the decision-making process when this plan was being developed. He noted that in addition, in the case of increasing employee portion of the retirement contribution, instead of having everything handled by the state, he asked that this was something the committee possibly consider. Trustee McKinley added that he did not know what a 0.5 point increase or 1% increase University bring both in budget reductions and on the moral side of the discussion.

UW President Nichols stated that she was in the process of gathering this information from surrounding states about employee contribution.

Trustee Marsh notified the Board and University President Nichols that he had these statistics and would get them distributed.

University President Nichols added that Wyoming was at the top of the list, in the sense that employee contribution was its smallest in comparison with other states. She explained that the contribution was split right around 50-50 and noted that she would put this matter on the table.

Trustee Mike Massie commented that he happened to be sitting on the Joint Appropriations Committee (JAC) when it reviewed the question the Board was addressing. He reminded that Board that it was necessary to recognize that UW was tied to the community colleges and all state employees and that the same policies applied to all of them. Trustee Massie also noted that he thought that if the University chose to go down that road, it would need to be unbundled or try and encourage state policy throughout state government. He then thanked Chair Bieber for his participation in the town hall meeting. Trustee Massie relayed to the Board that Chair Bieber had

talked about what motivated him to be at UW and discussed his dedication and passion for UW. He added that while this might not reflect all of the faculty, he thought that Chair Bieber's sentiments reflect those of a substantial part of faculty that were not often expressed. He thanked Chair Bieber again and noted the fairly good response from the UW community. Trustee Massie then asked Chair Bieber where the consideration of accreditation came in, not only of UW as a whole but also for individual departments, when it came down to assessing impacts.

Chair Bieber began by noting that that he could not speak for individual departments. He stated that in speaking for UW as a whole, a liaison from the HLC had met with Associate Vice President for Undergraduate Education Anne Alexander and noted that she would present to the FCAC the potential impacts on accreditation the following week. He stated that she would also discuss financial distress and crisis.

Trustee Massie stated that the Board did not have a lot of time to review the report. He clarified that the committee would look at a whole range of information, from which University President Nichols would then select the preferred option. Trustee Massie then asked what the possibility would be of including in the report the options that were not taken. He expressed his concern that the Board would receive a report saying yes or no without understanding other options that might be of interest.

University President Nichols asked Trustee Massie how complex he and the Board would like the report to be, adding that the Board needed to have this discussion. She stated that a more complex but possibly better approach than just a recommendation if there were other options. She stated that either could be presented based on whichever the trustees preferred.

Trustee Massie stated that he would like as much information and alternatives as possible. He noted that he would weigh a recommendation but would like it if other recommendations could be given as well. He added that the third question he had was regarding the possibility of more reductions. Trustee Massie stated that University President Nichols was probably in the best position to project future cuts, which might be of help to UW and the Office of Governmental & Community Affairs when working with the legislators. He said that he thought that it would be helpful to be able to state where UW was likely to go if UW if it experienced more cuts and to demonstrate to the legislature what impact these actions would have on the University.

Andrew Laws was introduced as the Managing Director of the Huron Consulting Group, a full service consulting firm. It was noted that Huron Consulting had helped 45 schools through all of the issues the University of Wyoming was facing. Huron Consulting then explained that they would be giving an update on what they had done over the previous year and what the next steps were.

David Jewell from Huron stated that he had been at UW since the previous August. He shared the different phases Huron had gone through since its arrival. He also discussed the challenges UW was facing around reports and data to inform decision-making. Mr. Jewell stated that Huron was

looking at how to invest in students and faculty, to look at where the people were, and what they were doing. He emphasized that this was much more than just balance sheets and income reporting, but rather it was decisions informed by high quality data. Mr. Jewell added that Phase II of their work was a system upgrade and a determination of scale and scope of what was needed. He stated that during this phase, Huron looked at the integration of business processes, and a decision made to issue an RFP for a business intelligence reporting system had been made. He noted that this was a competitive RFP process in which Oracle and Workday were two major competitors for a company to provide Cloud ERP technology. Mr. Jewell added that the selection committee of the Executive Council chose to go with Oracle. He noted that as Huron entered the beginning stages of implementing this, it had worked with Director of Institutional Communications Chad Baldwin and his team to begin thinking about what UW was doing to address these challenges. He stated that to address this, WyoSolutions had been developed. He added that it was important to talk to internal stakeholders during all of this. Mr. Jewell then continued that part of WyoSolutions was the WyoCloud product, and although it would be used as the fiscal system, it was much more. He stated that financial management, human capital management, grant management, budget planning, reporting and analytics, supply chain management would all be done with WyoCloud. He noted that the best way to implement these changes was through strong project governance by the Executive Steering Committee.

Mr. Jewell said that he thought that like to broaden the stakeholders it was necessary to expand the committee to include Executive Director of University Operations John Davis, Assistant Manager of Financial Services Aaron Courtney, Dean of the College of Arts & Sciences Paula Lutz, and Dean of the College of Engineering & Applied Sciences Michael Pishko. He then shared the program directors who would be managing the project, Jen Chavez, Director of Application & Database Services and Megan Hanneman, Director of Shared Business Services, as well as each of the seven individual project managers. Mr. Jewell then presented the project scope that included four major work streams: 1) Reporting & Business Intelligence; 2) Financial Management, Human Capital Management, Grants Management, Business Process Redesign & Change Management and Project Management; 3) Budgeting & Planning; 4) Performance Improvement. He stated that during his presentation he would talk most about work stream #4, performance improvement. Mr. Jewell then showed the tangible things that needed addressed, primarily that 60% of much of business & financial staff's time was spent reentering data and maintaining shadow systems. He stated that this resulted in UW taking an average of 43 business days to have a new research grant account number set up, 13.3 business days to get travel and other expenses reimbursed, 12.5 business day to generate a check after a payment request was submitted, and ten hours per month collecting paper timesheets and manually entering the time into the Human Resources system. He then explained that the current system was a requirements driven approach, which was not good idea.

Mr. Jewell added that using a solutions driven approach built out of best practices was how to best get things done. He noted that one example of this was not sending receipts around campus, but taking pictures and emailing them. He stated that that request required the rethinking of structure and organization and of how people got work done. Mr. Jewell noted that with how business

processes were currently working, there was a total of 565 business processes. He remarked that some of what would be done was a determination of how new technology could best be leveraged, knowing that it was a big change, and how to avoid falling back into old ways. He then provided a more detailed project timeline.

Mr. Laws then noted that the goals of performance improvement were similar to those of the FCAC: how to increase revenues and reduce costs, noting that Huron was including this as part of their process. He then referenced an 11-week diagnostic timeline in which their team would conduct 50-100 interviews around campus, looking at data forms and UW benchmark data, and then they would create a list of 70-100 ideas for cost reduction. Mr. Laws stated that this would then be followed by an in-depth discussion with the project steering committee to prioritize the list and come away with 15-20 items for UW to move forward with and put at the front of the project. He noted that this might impact the three-year process and that the overall goal of this integrated approach was to reshape business operations. He stated that the integrated approach needed to match the initiatives that University President Nichols outlined at the town hall meeting and needed to align with the FCAC's goals, University President Nichols' goals, and the reality and financial challenges of UW. Mr. Laws elaborated that this menu of opportunities expanded past technology and processes and that most opportunities related to organizational structure, staffing levels, and units working together. He stated that it was broader than simply technology. He then detailed the various areas that often were able to partner with the system.

Mr. Laws added that the performance improvement activities worked great with broader implementation and coordination of communication, plans, milestones, and staffing. He stated that the next slide featured Huron's efforts to tie their work closer to the FCAC while taking different approaches. He explained that they did not give targets, but did diagnostics on benchmark data. Mr. Laws added that from the current period, the FCAC distributed target enhancements and reductions, and Huron would work on interviews and data analysis. He explained that in August they would share the list of 70-100 opportunities with the units and prioritize which 20 recommendations to develop. He noted that a partner with that group would then work with them to determine what to change and what they should do to enhance revenue. He also discussed how Huron and the FCAC would work together.

Mr. Laws added that Huron was presenting items to consider over the next three years, whereas the FCAC needed to address items that impacted FY18. He noted that some impacts from Huron's work would be seen in FY17 and FY18, while some would take a long time to implement. He added that it would be possible to go back to the menu of options throughout the next three years and peruse it. Mr. Laws shared the other schools that were taking these actions who were also facing financial troubles as well as a typical assessment of revenue enhancement and cost reduction that was seen by these institutions. He also gave the example of the Affordable Care Act and how that impacted revenues at various institutions' student health services and the billing of students' insurance companies. Mr. Laws gave information on getting non-skewed numbers to compare and pointed out the need for system integration and consolidation. He added that his team was looking at changes to employee benefits and had put it on their list.

Trustee John McKinley discussed the timeline that had been presented and posed a question regarding the analysis of savings. He used the example of an auxiliary service that could save UW \$1 million on recurring basis. He asked the Huron representatives if their analysis went into the economic effect of if this service was outsourced. Trustee McKinley then asked if they had considered what impact something like that would have in a small community such as Laramie, if the employees terminated were hired by a new entity, possibly at lower wages and with benefit levels less than state benefits. He then restated his question and stated that although he understood the numbers as presented, he feared they may not be considering the much broader impact across the community.

Mr. Laws stated that Huron tried to summarize these variables. He explained that for the list of 70-100 items, Huron would provide recommendations in addition to estimates on financial impacts, service levels, cultural impacts, reputational impacts, difficulty of implementation, and timeline to implementation. He added that each of those components were relative to one another. Mr. Laws stated that from there, he explained that they would prioritize the list, noting that the top five items would be easy to determine and that there would not be as much support for numbers 95 to 100. He noted that at that point it would be a matter of how much change the University was willing to undergo. Mr. Laws then outlined the second phase of partnering with units, building out business cases, and getting much deeper into elements like outsourcing. He stated that in that case, if the list contained 43 items to outsource, all 43 would be evaluated in the list of 100 items, and if one of those was prioritized, Mr. Law added that they would then spend weeks on evaluation and service level impacts. He concluded this section of his presentation by commenting that as things progressed and there was more confidence in whether or not there would be outsourcing, more data would be obtained.

Mr. Laws then moved on to discuss UW's financial status. He explained that UW was the least tuition-dependent institution in its peer group, so when the state made these types of actions, they were felt a lot harder. He noted trends in enrollment in recent years. He also commented that from a financial perspective UW's operating margins were reasonable, but they trailed a bit in comparison to similar institutions. Mr. Laws mentioned that despite these things, UW had seen reasonable revenue growth over the last five years. He noted that in 2011 through 2014, UW's state appropriations increased by over \$20 million even though during the same period UW had experienced a decline in federal appropriations of approximately the same amount. He also reflected on the ARA funds and noted the growth in compensation and benefits during the same period, as discussed above, which totaled approximately an increase in \$15 million in compensation. Mr. Laws then presented UW's operational profile, highlighting that the institution charged less than any of its peers. He noted that although UW was smaller than most of its peers, it had a little less student retention than its peers, adding that this was a difficult place to be in. He also mentioned that Wyoming was really helped by state appropriations and had higher revenues per FTE and higher Core Expenses per FTE than its peers. Mr. Laws then detailed UW's Instructional Costs. He showed the Board the next slide of his presentation, which included a revenue analysis that compared UW to its peers and noted UW's relative wealth. He explained that the black bar that represented the level UW would be at if it had the same revenue as its peers.

Mr. Laws added that the revenue was largely dependent on investment returns and state appropriations greater than its peers, but received less income from government grants and contracts and tuition and fees than its peers.

Trustee McKinley asked where on the graph the Hathaway funds were represented.

Mr. Laws stated that he thought that Hathaway funds were being accounted for under the category of state appropriations

Policy Director for Governor Matthew Mead, Mary Kay Hill, noted that this meant that there was some tuition that should be there, but it was not because of these funds, which indicated that the story was worse than what the graph suggested.

Mr. Laws introduced the next slide showing UW's expenditures compared to its peers. He pointed out that although UW prioritized academic support more, comparatively, it spent less than its peers. He added that the instructional spending was great, but the institutional support column was less of something to brag about, as these were costs of administration. Mr. Laws added that the graph suggested that UW spent more than its peers in this category. He said that he thought that it needed to be understood why this was occurring, so he assured the Board that this would be looked into. He then pointed out the column representing spending on student services, which showed UW to underspend more on these services than its peers. Mr. Laws hypothesized that this was likely the reason retention rates were lower at UW than its peer institutions, as it was doing less to support its students. He summarized the slide by explaining that he wanted to use this data to focus where time should be spent in restructuring. He then gave several examples.

University President Nichols expressed her doubts toward the presented numbers for UW's research spending, noting that UW did a good job supporting research and that the state was very active in subsidizing research due to the existing workload.

Mr. Laws acknowledged the validity of University President Nichols' comment regarding research support and stated that it was possible that some of those variables were not reflected in the graph.

Mr. Jewell stated that the presented data came from how service spending was categorized in the financial system and commented on some of the challenges associated with categorizing data.

Mr. Laws supported Mr. Jewell's statement by noting that the data could point the University in a direction, but it could not support, reinforce, or defend it.

Trustee McKinley voiced his similar concern to that of University President Nichols with regards to institutional support. He pointed out the example of Interim Associate Vice President for Academic Personnel and Budgets Tami Benham-Deal, who was classified as administration, but also taught classes. Trustee McKinley expressed his hope that her costs would be allocated between the blue (institutional support) and red (instruction) expenditures.

Mr. Jewell stated that some funds might be going to support research that were appearing in other areas, adding that the data was only as good as the current system and how it was set up to capture the data.

Trustee Massie asked what peer institutions were being used as benchmarks. Mr. Jewell proceeded to list some of UW's aspirational peers and near peers.

Trustee Massie asked why those institutions were being used as peers, as it was a different list than that which he had seen in the past.

University President Nichols commented that the Board would be hearing a presentation shortly about the selection of new peers. She explained that the number of the new metrics used created a better list of near peers and aspirational peers.

Mr. Laws explained that he tried to use these new peers for his presentation. He noted that a slight variation of peers was used to analyze residence hall costs.

Trustee Larry Gubbels asked if other schools saw declines in student enrollments as well.

Mr. Laws stated that this was a very common trend to see. He noted that in addition, there was a trend of traditional students declining at a faster rate than all students, adding that more traditional students were needed to keep up and allow for growth.

Mr. Jewell added that the enrollment group was not just adding new students, but also relaying the ones that the University already had. He then talked about why that was helpful.

Mr. Laws transitioned to the next slide to describe the summary of financial results, which used Moody's median and operating margins to indicate financial strength. He noted that the summary revealed a decline in operating margins over the five-year period. Mr. Laws stated that the University's operating margins had been trailing comparable institutions, although its return on net assets was aligned with other institutions.

Mr. Laws then described the next slide, which showed UW's five-year revenue changes from 2011-2015. He noted that the following slide detailed UW's expenditure by category. He stated that the spending trends on institutional support revealed where the University could be looking for savings, adding that the data could not necessarily be used to make recommendations.

Trustee McKinley referred to an earlier slide and asked what was included in the public service category. He added that the data was dependent on how UW categorized activities such as outreach and community events, as research sometimes fell into those categories.

University President Nichols expressed her belief that outreach and cooperative extension would be included in research. Mr. Laws confirmed that extension was a major portion of that category.

Mr. Jewell made a comment regarding summer camps and athletic camps.

Trustee Sullivan asked a question regarding compensation and benefits, as well as what was paid to human capital, supplies, services, and other costs related to operating an institution.

Mr. Laws explained that this breakdown did not show how the University spent all of its money, but rather that it just demonstrated how UW spent its increased revenue over the time period.

Mr. Laws then shared information on UW's enrollment profile and pricing power in the next slide. He explained that the graph demonstrated the tie between enrollment yield and rejection rate. He noted that as UW had a low tuition rate, there was the opportunity to change the tuition rate. Mr. Laws also made remarks regarding the relationship between this, the enrollment yield, and the rejection rate.

Trustee McKinley conveyed to the group his confusion regarding tuition and the footnote in the diagram denoting an average of in-state and out-of-state tuition rates.

Mr. Laws clarified that this rate represented the actual average net tuition received by the University, adding that there was discussion about potential problems regarding this calculation method.

Trustee McKinley asked if the discounts provided resulted in zero dollars, which was why the slide listed an average tuition of \$4,600.

Mr. Laws replied that funded scholarships were included, but that waivers were not.

Mr. Laws moved on to the next slide entitled "Capital Expenditure Analysis", which compared its capital intensiveness and operating cash flow. He stated that UW was in a reasonable position compared to its operating margin. He added that UW was in a better position when it was compared to the peer group versus the full credit rating average. Mr. Laws noted that over the given years the average capital intensiveness per UW's revenues was 13%. He then made comments regarding UW's master plan, the amount of deferred maintenance the institution might have, and the scenario that would occur in the bottom right-hand of the graph.

Trustee President MacPherson stated that this showed that UW did have the ability to make some cuts.

Mr. Laws agreed that it was possible to find a better way to do things without cutting services.

Vice President for Administration Bill Mai presented to the Board on the financial reporting system. He explained that there were two separate contracts being discussed, one with Oracle, and one with Huron Consulting Group. He noted that as of that Monday (August 1, 2016), an agreement had been made by the committee to enter into the contract with Oracle, an action the Board had approved at their June and July 2016 meetings. Vice President Mai stated that the pricing from Oracle came back very favorable. He explained that the pricing totaled between \$1.3-\$1.4 million per year and that although this was a hard number to swallow to pay for the next ten years, Oracle really did negotiate with the University that it was a reasonable cost. He added that the University had certain contract provisions that it would not budge on that Oracle agreed to, and that Oracle threw in some incentives to work with their development group. Vice President Mai noted that having this number to bring to campus demonstrated how committed the University was to making this work and that Oracle was committed to UW working well so it could use it as the reference in the future. He also addressed the ten-year component of the five-year agreement, which he explained included a locked in price with the ability to extend five years at the end of the

same for the same price. He described that essentially, the price for the ten-year period was agreed upon and signed.

Vice President Mai then addressed the contract with Huron Consulting. He recognized that there were some concerns raised by the Board that the effort on performance improvement would raise costs to the University. He stated that he was confident that it would not. He added that he wished to talk to the Board again before the Huron contract was approved the following day in the business meeting and that he had the contract with him if the Board wished to see it. Vice President Mai detailed that the total contract price was \$21.25 million for three years and that \$20 million would be identified for this in the current biennium, which left the University \$1.25 million short for the next biennium. He commented that the University could find the money to do this. He then referenced several materials and detailed where the money to pay the annual costs would be coming from. Vice President Mai explained that the first \$5 million would be coming from the general fund and that an additional \$5 million would be coming from the block grant per the legislature (which had already been identified). He then addressed questions regarding the purpose of using Huron to get the new systems in place and to get used to a new way of doing things. He conveyed his optimism for saving money over the three-year period. Vice President Mai added that the data presented in the slides were for informational purposes. He noted that the question of where Hathaway money was in the data pointed to the fact that UW was a unique institution due to state involvement and state appropriations. He elaborated that this would therefore require very careful analysis going forward. Vice President Mai said that he thought that once the University fully adopted this system, it would be sure to save money, noting that this all was in alignment with reality.

Trustee President MacPherson noted the obligations of the Board and its need to be provided reliable and responsible data, without which, it simply could not make good decisions.

Vice President Mai stated that every time there was a chance to talk to people on campus regarding these issues, it was being done. He explained that this had been going on for three to four weeks. He also noted that this conversation tied back to Trustee McKinley's previous remarks regarding cash balances. Vice President Mai added that the University was almost there.

Trustee President Macpherson made a special note that the minutes reflect Vice President Mai's comments.

University President Nichols introduced Rod Godby, whom she had asked to chair the Revenue Enhancement Committee (REC) and shared the committee's purpose.

Chair Godby told the Board that he was excited to be at the meeting, noting that normally when discussing coal revenues and state revenues within the state, the conversations were not necessarily cheerful. He detailed the committee's timeline, explaining that University President Nichols shared the committee's charge with him over the July 4th weekend. He then shared the members of the committee, and reiterated his excitement to be working on the committee. Chair Godby

noted that the members of the committee had already demonstrated that they were quite committed since they were working on this project voluntarily in the summer. He explained that the REC was a subcommittee of the FCAC, adding that most of the members had been appointed by deans from areas where fees could be explored as revenue sources for the University. He added that the first meeting took place July 11, 2016 in order to get all of the members of the committee up to speed.

Chair Godby then presented some background documents for the market. He noted that the initial focus of the committee was on program fees, but that Phase II could be a look at other ways to present UW to the state, as this was a really important aspect. He emphasized that there were people at UW dedicated to the institution and the state. He revealed that the overall plan was to put a proposal together addressing how UW could raise additional revenues with program fees and maintain and improve instructional quality. Chair Godby noted that the key component to this was attracting more students as well as retaining and graduating these students. He emphasized that the entire purpose of UW was students and the creation of human capital for the state. He recognized the importance of forward thinking as a part of the crisis. Chair Godby acknowledged that everyone on the committee was excited to be working on this project and were looking to change UW permanently noting that there was seldom a chance to do this. He then elaborated on the specific charge of the committee, which was the development of a program fee proposal assessed by credit hour. He noted that there were many existing course and program fees and that the current fee book at the time listed 101 pages of fees, which was a challenge.

Chair Godby stated that the plan was to reduce this and only focus on a portion of the fees, as the timeline was fast. He then shared the committee's timeline. He noted that it consisted of completing an initial proposal by the end of August 2016, getting feedback in September 2016, making revisions in October 2016, and presenting to the Board of Trustees in November 2016. He added that this was in alignment with the FCAC's timeline. Chair Godby also remarked that the focus would be on undergraduate program fees only, noting that changes must be cost based and benefit students. He explained that they planned to explore if there were areas that had escalated costs due to inflation in a time of flat funding. He also noted the state's generosity and the impact of rising costs of college. Chair Godby then discussed assistance for higher cost programs and moving with the costs so that there would be sustainable funding. He reemphasized that this must also benefit students and that if the University was going to charge more, the students should also get more. He stated that this would aid with increasing graduation rates. Chair Godby also observed that not all programs could have fees and that a major goal was to free up funds to be better used. He added that self-funding would create more revenue. He once again stated that all fees must be justified, giving the examples of using fees to get the right faculty to improve student advising or creating central planning centers so student could get advising by experts.

Chair Gobdy shared UW instructional costs, as well as average comparator costs. He noted that these diagrams demonstrated that UW was funded in the opposite way from comparable institutions and that their average tuition was 187% higher than UW's. He stated that in addition, their mandatory fees were found to be 135% of UW's fees. He noted that keeping in mind the idea

of best value, there was room to move with changing UW's tuition and fees. Chair Godby felt that there was a shift going on state, and that although for a long time the state carried the majority of the burden and the student carried less; he thought that all could carry more. He explained that UW was close to comparators in costs, but was late in game with how other institutions of higher education were funded in terms of fees.

Chair Godby explained to the Board that ten of 11 of UW's comparators had program fees to which he added that UW had some course fees, but no program fees. He noted that common areas for program fees were business, engineering, nursing, visual performing arts, and the sciences/quantitative areas. He stated that the average peer program fees totaled \$46 per credit hour. Chair Godby stated that this however could lead to an opportunity to deal with crisis and be a way to improve UW. He then shared information on current fees, including UW's current version of program fees. He noted that there were 11 separate college-wide program fees and then shared additional information on specific fees. He explained that the problem was that there were a lot of fees, and students did not know the real costs to coming to UW because of the confusing fees. Chair Godby anticipated that his committee's work would make this more transparent, and that in the future, the website would show the exact cost. He informed the Board that the current revenue from fees was between \$1.6-\$2.6 million, noting that the difference came from two different reporting sources. He gave an analogy to explain the current fee system, saying that this situation could be compared to a supermarket in which the eggs sales paid the gas bill, the potato sales paid the electric bills, and so on and so forth.

Chair Godby explained that the specific revenues paid for particular expenses. He added that this presented a problem when things changed, as in the hypothetical situation of if the supermarket began selling brown eggs and white eggs. He noted that this created a problem in determining which would pay the gas bill. He then shared the problem with the coding of fees. Chair Godby then suggested that instead of program fees flowing back to the department that was creating the cost, they go back to programs. He added that once people could see that they were in charge own destiny, this would create more efficiency and accountability. He noted the importance of having reports and getting good information from the fiscal system.

Chair Godby then shared the guiding principles of the committee, which were listed on his PowerPoint presentation. He added that the committee needed to see what the state was providing and where there were problems with cost escalation. He mentioned again that they must be able to assure that students benefit from this. Chair Godby noted that this included looking at where the institution could improve such as graduation rates, retention, and placement. He said that he thought that the task of the University was to get students an education, to finish their degree, and then to get them a job. He prompted the room to think of the value of an education for the student's lifetime. Chair Godby stated that in comparison, he thought that the University did not charge very much for it, and that there was room to recognize the costs of these programs. He also noted that some programs created different outcomes and that certain degrees earned more than others. He indicated that this also meant that some could take on more debt than others. Chair Godby then addressed financial accountability and creating a business plan to see where the fees go. He

stated that he did not want the costs to be disconnected from the revenues. He emphasized his focus on the fees being direct and in line with a cost-based management system. He added that efficiency was the next guiding principle and suggested that every unit show how program fees were used to benefit the program. Chair Godby noted that this was a practice done at other institutions and that this would help students see if they got value from the fees they were paying. He concluded with the final principle of assessment, which was needed to ensure fees were doing what the University intended. He added that there was a need to create policies regarding the changing of program fees.

Chair Godby stated that at the current moment the REC was identifying programs with additional costs and the costs of strategic initiatives (advising, career services, improving retention, graduation rates, etc.). He noted that the committee was also looking at creating more revenue for advising and placement. He added that the third portion of the committee's work was the need to identify competitive market-based rates for fees, which he noted would be in the committee's proposal to the Board and to campus.

Trustee Marsh stated that at that moment there were differential tuition rates for the pharmacy and MBA, law, and nursing programs.

Chair Godby commented that these were graduate and professional programs. He added that there was discussion of graduate vs. undergraduate fees. He noted that at the March 2016 Board of Trustees meeting, the Board had considered additional course fees but that there was no clear way to do this.

Trustee Marsh discussed differential tuition and the current job market.

ASUW President Rotellini noted that ASUW debated a resolution in the Senate in April that addressed program fees and differential tuition with the idea that if program fees produce direct benefits to students to help cover the funds needed for a higher cost program, students would be in support of fees or differential tuition. He noted that students would support fees or differential tuition rather than remain where UW currently was. He noted this was in Senate Resolution 2494.

Trustee True asked, assuming that it was unknown what kind of revenue new fees would generate in comparison to current revenue and what the counter balance would be in the new revenue picture with the old revenue going away.

Chair Godby noted it was too soon to estimate. He discussed the justification of fees, each college's approach to advising, the implementation of fees, and how the resources would be dedicated. He stressed that the committee wanted to make sure the costs were justified.

Trustee Sullivan brought up a lunch that took place in Sheridan the previous spring for student-teachers to talk about the fees for that degree. She noted the students had commented that it was stressful to have these fees arise with professional fees and test fees, so she was enthusiastic to see something like this.

Chair Godby stated that not every fee in the book could be implemented and that a few of the fees needed to be prioritized as mandatory fees. He noted that he was just discussing the payment of an extra fee per credit hour and not addressing students' licensing fees, student-teacher fees, state testing fees, etc. He discussed the improvements in the College of Education by creating career counseling, noting that if there was a specific charge, things could be done better.

ASUW President Rotellini discussed differential tuition and asked if program fees would be implemented during freshman through sophomore years or if there would be staggering starts.

Chair Godby replied that all students in the programs would pay the fees. He then gave the example of if someone was taking a performing arts class and general education credits, performing arts would still have to provide services for that single course. He then discussed differences regarding if a student was a major in a particular department and how fees worked with respect to variances in the number of credit hours taken.

Trustee President MacPherson thanked Chair Godby.

Vice President for Administration Bill Mai stated that with regards to the \$15 million target, there was a goal for the FCAC to help make up the anticipated shortfall for FY17, be able to balance out the budget for FY17-18, and to provide some ability to pay raises in the FY19-20 biennium. He explained that the Board had been presented with what the FCAC was doing and what was needed for FY19-20 to get some flexibility back. Vice President Mai stated that if UW continued at a 4% annual tuition increase, keeping the \$15 million target in mind, this left a slight positive balance for FY17-18 of \$2.7 million dollars. He stated that this amount should fund the rest of the fiscal system if the full \$15 million was reached in FY17. He noted that in FY19-20, that would amount to \$28 million in the biennium over and above. Vice President Mai stated that that would correspond with a 3% salary increase in FY19-20. He noted that this flexibility was what was being envisioned for the future. He added that assuming there were no tuition increases, this would result in much less. He noted that for FY19-20, there would be \$20 million in freed up cash. Vice President Mai then referenced the previous day's presentation from the legislature about the discussion of tuition increases. He stated that the action of the prior board decision regarding tuition increases assumed that the 4% increase would continue and be adopted for five years.

Trustee Massie stated that when mentioning the achievement of the full \$15 million reduction, this was under the premise that the FCAC would achieve 65% reduction and 35% revenue enhancement. He then asked for clarification on the numbers.

Vice President Mai responded that 4% was a base figure and that if there was an additional 35% from tuition increases, it would be on top of the 4% increase.

Trustee President MacPherson observed how the Board had been told how low Wyoming salaries were and that there was a need to raise them. He prompted the Board to look at page 78 of the report, which he then used to demonstrate that Wyoming's average nine-month salary of \$82,116

was comparable to its peer group average of \$82,502.21. He stated that UW did not need to raise salaries and that the Board had previously been led to believe that its averages were too low.

Trustee Massie commented that he assumed these figures included more than faculty, as the table noted all instructional employees, but he also said that he was not sure whether or not it included graduate students at UW who taught courses.

University President Nichols replied that the table did not include graduate students, but did include lecturers. She added that this information had already been broken down by each category of lecturer, assistant professors, associate professors, and full professors, and that she would get this information to the Board.

Vice President Mai stated that given what was heard the day before, as well as University President Nichols' desire to remain competitive with salary, the \$15 million was a reasonable goal for the FCAC and should not be lowered.

Vice President Mai discussed the supplemental budget request as seen on page 42 of the Board of Trustee's Report.

Trustee Massie stated that the materials listed the proposed statutory changes that dealt with matching funds. He explained that Priority #1 addressed unconventional oil and gas funds and that the request was to break down \$10 million in funding provided to UW in the 2016 legislative session. He noted the specific causes to raising matching funds for \$10 million, and that once the funds were matched, they would go into an endowment. Trustee Massie added that the proceeds from the endowment would then fund various programs that were noted on the sheet. He elaborated that the proposal was to go back to the legislature and split this. He stated that the remaining \$5 million would provide an incentive to raise money for the unconventional oil and gas resource research. He clarified that this portion would not be an endowment, and once the \$10 million was acquired and the state matched the funds, the money would then go to support research in oil and gas. Trustee Massie said that once this money was spent, it would be spent, which made it unlike an endowment. He concluded his point by stating that there was no additional money involved and that there just needed to be a modification of the language in the footnote.

Trustee McKinley stated that the budget committee's recommendation was to approve Priority #1. He continued that there were three supplement budget items. He noted that item #1 was the item that Trustee Massie had just explained, a recommendation that the budget committee recommended to approve as written. Trustee McKinley stated that the second priority, which had zero fiscal impact, dealt with a small grant-matching program. He informed the Board that the budget committee discussed this item at the same time as the first item. He noted that the committee discussed the possible need for language modification on the small grant matching fund request. Trustee McKinley then explained that the administration had been working on a policy to address how those small grants would be identified, prioritized, and awarded. He added that the administration came up with a one-page policy to spell those matters out and that the policy

was on the agenda for a later time. He noted that if the Board adopted the policy, it was likely that those funds for small grants could be raised in a somewhat condensed timeframe and that programs and matching funds for small grants could be identified and endowments set up. Trustee McKinley then stated that the budget committee discussed if request #2 was necessary if they responded with the policy that had been looked at. He noted that if the policy was in place, then maybe the second item was not needed. He recommended looking at the policy and not recommending the approval of supplemental budget Item #2. Trustee McKinley then moved to Item #3 of the supplemental budget: the strategic enrollment management program, which carried a request of \$500,000. He noted that when this was presented to the budget committee there was a lot of discussion, but it was ultimately rejected as unworkable because it was not clearly thought out and not focused as a strategic recruitment program. He stated that the committee requested that changes be made and resubmitted to the budget committee. Trustee McKinley said that he noticed that the Board had just received the handout, and that it had not come back to the budget committee. He recommended that Item #3 be tabled until the budget committee could look at it.

Trustee President MacPherson asked if the Board needed to take action and if there were any other budget committee items. He suggested that the Board take action at that moment.

Trustee McKinley replied that it was his understanding that there had been no set date for the supplemental budget. He gave the options of approving Item #1 and waiting for further items until the August 24 meeting.

Trustee McKinley moved that Board of Trustees approve Supplemental Budget Item #1. Trustee Bostrom seconded. All were in favor, and the motion passed.

Trustee Massie stated that he was not sure if the committee had any objections to Item #2 but that they had given discretion to withdraw it if it was not needed. He added that just in case the Board submitted the proposal before August 24th, it was covered. He affirmed that this item should go forward, unless it was unnecessary.

Trustee Massie moved that the Board pass Priority #2, with the note that the administration could withdraw this priority from submission to the Governor if the administration did not think it was necessary. Trustee Scarlett seconded the motion.

Trustee True noted several typos of dollar amounts within the request.

Trustee McKinley advised to wait on Item #2.

Trustee Massie agreed. He added that if the Board were to adopt Item #2, it would not exclude the policy that the UW Foundation was proposing or prevent the Board from adopting it. He addressed tabling this motion to revisit it during the business meeting.

Trustee Massie moved to table the motion. Trustee Scarlett seconded. All were in favor, and the motion was tabled.

AGENDA ITEM TITLE: **UW Foundation**, Blalock/Brimmer-Kunz

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 Education Session
 Information Item
 Other Specify:
-

MINUTES OF THE MEETING:

Matching Funds from the Small Pool Appropriation Made in 2016 Session, Stark/Boswell

Trustee McKinley stated that it may be efficient to have Foundation Senior Vice President for Development John Stark and Foundation President/CEO Ben Blalock provide information on the policy regarding small grant requests.

UW Foundation President/CEO Blalock noted that the matter was subject to the conversation with the Board.

Trustee McKinley reminded the Board that the budget committee had recommended that this policy be adopted in regards to small grant funding.

Senior Vice President Stark made comments about if the policy was adopted in its existing form and about various elements of the policy, including managing donor expectations and keeping track of the people matching the funds. He expected to secure more specific information that month, adding that gift officers were waiting to make calls. He added that the waitlist for donors would be used to guide some of the conversations in regard to preferences in the policy.

Trustee Massie informed the Board that in the previous legislative session, the appropriations committee had been ready to set aside \$12 million for matching endowments. He noted an amendment that carved up \$1.125 million of that amount with a footnote that UW could only match small donations of that amount for programs at UW that normally did not receive matching funds. He added that the matter was still open ended, that UW's proposal in Priority #2 was to go back and add more detail into it, and that the policy on page 51 of the report pinned down more details. Trustee Massie also explained how funds would be expended, elaborating that programs with initiatives that cost less than \$200,000, and a donor that wanted to offer \$100,000 or less could qualify for the matching endowment for that particular program. He listed the two key limitations of this, which included provisions regarding one donor, and that one donor could not give seven gifts of \$100,000 each that would be matched. Trustee Massie noted that the last paragraph of the policy showed the preference of programs, which included those within the College of Arts and Sciences, the debate team, the Honors Program, Syngery, the Center for Global Studies, and others. He added that other places were not excluded and referenced the UW Foundation's presented materials. He also read directly from the policy that "no department,

initiative, or program will be permitted to claim more than \$200,000 in matching funds.” Trustee Massie also noted programs that were not eligible to receive these funds.

Trustee McKinley noted the distinction between the three groups of programs, the preferred group, the ineligible group, and the third group of all other programs.

Trustee Scarlett asked hypothetically if he gave \$50,000, and his business matched the \$50,000, if the full \$100,000 would be matched or just the individual donation.

Senior Vice President Stark responded that in the past corporate and employer donations could be utilized together as part of the program.

Trustee Scarlett asked if the piece of corporate matching could be added.

Foundation President/CEO Blalock stated that in looking at UW's initiatives of less than \$200,000, such as for the debate team, there was a lot of complexity. He did not want a misstep or other clumsiness in what happened or what needed to happen. He cautioned the Board with regards to what was put in writing and added that there was some push back with some of the matches.

Trustee McKinley stated that the committee had compared language in the footnote to that in the policy and that it was comfortable that the policy satisfied the requirements while also spelling out details on how that would happen. He also wanted to make sure that everyone understood that the policy provided was that the gift was subject to donor choice, and not recipient choice. He added that the donor could have specific language in the endowment that was more detailed than the policy and that this flexibility was built into the policy.

Trustee Mel Baldwin asked President/CEO Blalock to explain any additional concerns he had.

President/CEO Blalock noted that he had expressed his concerns and remarked that more clarity could be added

Trustee McKinley moved that Board adopt the state matching funds plan policy on page 51 of the materials in the handout. Trustee Marsh seconded. Massie suggested an amendment on line three that clarified that the policy was for initiatives with a total annual budget of \$200,000 or less.

McKinley clarified that the \$200,000 was talking about the match of donor, and not the income of the budget of the initiatives.

Trustee Massie acknowledged the clarification.

Vice President for Governmental Affairs Chris Boswell expressed concern that the addition of the word “annual” would restrict the programs to which funds would be available and brought to mind the example of the Honors Program. He explained that there were multiple sources of revenue for the Honors Program, and when this language was added, the policy could become overly complicated.

Trustee Massie moved to adopt the policy without his proposed amendment. All were in favor, and the motion passed.

Chair of the UW Foundation Board April Brimmer-Kunz asked to be joined in congratulating the members of the UW Foundation who were present for raising over over \$63 million. She noted that the UW Foundation was proud of this achievement, but was not resting on its laurels. She explained that all members of the UW Foundation Board were excited and appreciated what UW had helped them achieve in their own lives. Chair Brimmer-Kunz expressed her belief that UW was a fantastic institution and that all members of the UW Foundation Board volunteered for the positions because they loved UW. She noted that none of the members made money from their presence on the UW Foundation Board but were arguably losing money by being away from their other jobs. She stressed that she was there to offer the UW Foundation Board's support in any way that could be needed.

Chair Brimmer-Kunz explained that the UW Foundation Board was a group of accomplished individuals, most of whom were at the top of their fields, who were all willing to help the institution. She emphasized that they were simply offering help and were not intending to take over or to predetermine any directions that UW chose to take. She added that the UW Foundation Board had been engaging with the UW Board of Trustees' initiatives and the Governors' initiatives such as Tier I, Science, STEM, and energy areas, and that it was actively involved with communicating with the Governor, the legislature, and UW. Chair Brimmer-Kunz stated that in this spirit, the UW Foundation Board came before the Board of Trustees to try and address several items on the agenda. She wished the Board to know that the UW Foundation funds could help in many areas, especially in the achievement of several goals discussed that morning, including how to preserve excellence. She said that she believed that the UW Foundation could also help in the area of budget cuts.

Chair Brimmer-Kunz noted that these were strategic funding priorities and discussed funds that could be raised with strategic planning in the UW Foundation. She added that she was not trying to jump ahead of the game, but she was just discussing ideas. She also emphasized the critical nature of matching funds, as UW Foundation dollars doubled by 100% with matching funds. She noted that these funds were not meant to replace money to cut from the block grant. Chair Brimmer-Kunz also explained that there were certain priorities that helped the UW Foundation to achieve its goals in the fundraising process. She noted some of those priorities on the second page of the handout, commenting that most of these strategic priorities were already priorities of UW or trustees' initiatives. She also stated that the UW Foundation Board would do its best with changes that arose. Chair Brimmer-Kunz continued that as donors, they tended to have specific areas in which they wanted their dollars spent, which was why they donated. She added once again that they were not taking a lead role and were aware of University President Nichols' role.

President/CEO Blalock thanked the Board and presented some discussion items.

Establishment of Funding Priorities for FY17 and Future Year

President/CEO Ben Blalock noted his excitement for University President Nichols and the importance of private support. He referenced his time spent with the South Dakota State

University Foundation, adding that a member of their foundation would be visiting UW. He then explained that Provost Kate Miller really wanted to learn about University President Nichols' experience as provost and noted the work with the deans to instill in them the importance of private funds. President/CEO Blalock added that he was developing strategic funding priorities and that there had to be a culture change to put some of the priorities in place. He noted the UW Foundation's travel plans the following Saturday and quoted University President Nichols' comment that the key to private giving was to have a bold vision. He also wanted the Board to know that private gifts could only fund excellence efforts and could not be used as replacement dollars for state or standard operating procures, emphasizing that they could not fund faculty or staff salaries.

President/CEO Blalock added that although a few endowment dollars could potentially be used for faculty support, public education funding simply worked differently. He commented that this split was confusing as was the fact that those faculty in public education had a strong number and that dollars could not be used for other needs. He noted that strategic fundraising priorities had been detailed in the past by the Foundation. President/CEO Blalock noted that he had taken the lead on how these were established and was working with the UW President and Provost's offices. He stated that they had a sense of the greatest opportunities and referenced the Board to the distributed materials. President/CEO Blalock also made a remark on the need to have focused, achievable visions, as well as an institutional vision and commitment and some record of success. He recognized that the UW Foundation was coming off of a great year and had some major projects coming up, one of which was the High Altitude Performance Center. He noted the successes of the College of Engineering, the School of Energy Resources, and the College of Agriculture, adding that different areas had better success due to incentives. He then explained that it was a brand new year, which should be viewed as an opportunity. President/CEO Blalock acknowledged that University President Nichols had really been working with the UW Foundation and made time on her schedule to have key meetings. He added that she had given direction to academic leaders. He referred to this work as short-term strategic fundraising priorities that would be guided by UW's strategic planning process. He also noted that the numbers were large. He acknowledged that this was a major campaigning agenda, and that the Foundation was aware that this was something they were building toward. He added that if the strategic plan identified opportunities, totals could be more than originally anticipated. He explained that this was what would drive the next year's efforts, and that there needed to be priorities for success for different areas.

President/CEO Blalock addressed the new engineering facility. He described the building as jaw-dropping. He added that the College of Engineering would want to become more a part of the agenda President/CEO Blalock had just discussed. He discussed naming opportunities and UW's history of being able to recognize contributors with such incentives. He explained that this area had been very successful a few years ago and that people were encouraged to give for the creation of endowments. President/CEO Blalock noted that the groundbreaking for the building would be in October, adding that the building would really capture attention. He added that energy continued to be a huge area with the High Bay Research facility, the School of Energy Resources, and such, noting that the technology was second to none. He also discussed the opportunities in STEM with the Enzi STEM building. He added that there was work looking for more STEM

opportunities on campus and noted the positive impact of entrepreneurship. President/CEO Blalock also stated that the College of Agriculture had much potential and that there were amazing individuals that had moved to UW and were investing in agriculture. He also noted the College of Law's 2020 fundraising campaign and their upcoming 100-year anniversary. He added that planned giving needed to become more of a focus. President/CEO Blalock elaborated that some gifts had been realized while others were beginning to be a part of projected assets. He also noted the existence of planned gifts from individuals who lived quiet and frugal lives that UW Foundation employees did not have a chance to meet. He added that these individuals may or may not have had family to whom they could leave behind their money, and were not on the donor roles. President/CEO Blalock stated that it was sobering to get a call from a family member and attorney and realize that they had given a beautiful gift that the UW Foundation did not know about. He concluded that he was confident with University President Nichols and the many exciting opportunities for the University such as in health care, biodiversity conversation, business, the Honors Program, environmental programs, and other areas.

Trustee Massie commented that this was all a possibility with regard to fundraising as opposed to strategic priorities. He then asked President/CEO Blalock if he was asking the Board to approve this as the UW strategic priorities for the next year or if this was just a working discussion that would come back for the Board's consideration.

President/CEO Blalock stated that he would turn the question over to University President Nichols, but added that he had broadly and quickly touched on topics for which there were deep specifics such as carbon engineering and artificial intelligence. He also noted that he thought that there was enough clarity in each block to provide donor possibilities. He added that this did not cover every aspect of campus but had been thought through from broad to specific. He also remarked that University President Nichols had been very receptive to the presented ideas, but also knew that she had a planning process.

University President Nichols stated that the University was in between sections of time. She stated that it had just come off of great year and had another year before the publishing of the strategic plan around July 1, 2017. She stated that given this, there had been discussion about keeping efforts going with what had been put in place at UW. She explained that this was what had been presented as a response and that she had added a few new things as well. University President Nichols referenced the Honors Program's strength in recruitment and that this could be seen as a part of the strategic plan. She stated that it would be a continuation of what happened in the past, and that in the next year, the University could see funding and the strategic plan come together.

Trustee Massie stated that University President Nichols' explanation made sense. He noted that every year the Board received a fundraising request and mentioned the gap between the request and the strategic plan. He then asked if there was anything the Board needed to do as a part of the discussion.

University President Nichols stated that she did not know if the Board had approved the fundraising plan or if it was just made aware of it.

President/CEO Blalock clarified that historically the UW Foundation had worked with the president and provost to make sure the administration was able to give input. He commented that this was mostly a presentation, and that historically it had not been a deep discussion. He added that this included hearing feedback and then responding through the president.

Chair Brimmer-Kunz stated that the Board could vote on this matter but that traditionally, this was not something the Board had done. She added that this may be considered under the specific circumstances given the budget issues.

Trustee President MacPherson noted that this topic merited some discussion but that he did not think the Board approved the plan.

Trustee Palmerlee stated that when a private foundation was part of the budget for capital fundraising, it was necessary to work with the president and provost. He expressed his belief that this was appropriate.

President/CEO Blalock stated that some of the discussed changes could be made each year as new opportunities arose, such as the High Altitude Performance Center.

Establishment of a Strategic Fundraising Plan

Trustee John McKinley stated that it was nice to see the proposed priorities and observed that the one to two-year timeframe detailed with getting the strategic plan in place. He said that he also thought that it was important that the Board be involved in the establishment of the priorities, not necessarily in the determination of what they would be, but rather be a part of the early stage discussions in order to understand how they dovetail with the overall strategy. He also commented on the difference in materials. Trustee McKinley also recognized that the University was already a month into the fiscal year and that the Board would be hearing more about this topic later.

University President Nichols stated that she was trying to learn about all of this as well. She added that there were efforts to get the FY17 gifts to realize the available matching amounts, as the match was for a defined period of time, and it would be a shame to lose the matching funds. She noted that a priority in FY17 and FY18 would be to realize private support to the level of the matching funds. She added that the next page of the document showed the matching dollars that were still available. She commented that she wanted to make sure that the University did not enter the next session without those funds being matched.

President/CEO Blalock noted a figure of about \$11 million, adding that those were not the only funds that would be worked on, but that this was getting more into specifics.

University President Nichols stated that another fundraising opportunity was the engineering building. She explained that the state was paying for the building but that there was the opportunity to raise funds for the naming privileges. She continued that those funds could then form an endowment for engineering to build excellence. She added that figuring out the naming

opportunities and working with donors in order to create scholarships and endowed chairs would be a priority for her moving forward.

President/CEO Blalock noted that they had already started making trips to several areas and were making sure to take full advantage of the opportunities that this presented.

Trustee President MacPherson stated that there were two members with a close relationship with the UW Foundation. He then posed the question of if it would be purposeful for the Board to have these two members and another member form a committee to work with the UW Foundation.

President/CEO Blalock responded that something like that would work; Trustee Massie agreed.

Trustee Massie referred to page 47 in the packet and asked what the listed material was and if it was something that needed to be acted on at the current meeting.

President/CEO Blalock stated that he had shared the information with University President Nichols the other day and that they had decided to take that off the discussion topics.

Chair Brimmer-Kunz added that she liked the ideas that the Board of Trustees and the UW Foundation Board were proceeding and interacting with each other.

Trustee McKinley noted that his question did not pertain to the supplemental budget, but rather to the FY19-20 biennium. He explained that he had observed the impact on the fundraising from donors' excitement when matching funds were made available by the state for certain endowed chairs and scholarships. He added that this dovetailed with discussions the Board had had previously with members of the legislature. He asked if the UW Foundation had seen any noticeable differences in fundraising.

President/CEO Blalock replied that no one could imagine how UW would look today because of matching funds. He added that although they meant a great deal to the University, it needed to learn to live without matching funds. He emphasized that he did not want UW to have to depend on matching funds to be successful.

Maximum Use of Available Funding, Blalock

Trustee MacPherson stated that there were funds available that were not being used, which seemed wasteful. He asked if this could be addressed.

Chair Brimmer-Kunz stated that although President/CEO Blalock had been unable to attend all of her meetings, there was a good group working on this that included University President Nichols, Vice President Mai, and President/CEO Blalock. She noted that donors give for a specific purpose but this could be within the parameters of the matching funds. She also noted the deans' efforts in this matter and wished to convey to the Governor how much she appreciated his efforts as well.

Trustee Marsh commented that he understood the delay in the literacy center in 2015, as there was \$2.5 million not identified.

President/CEO Blalock stated that there had been a \$2.5 million gain and that now there was a need for \$2.5 million to complete the project.

Trustee Marsh noted his confusion from the distributed handout.

President/CEO Blalock stated that \$5 million had been designated for the project. He added that the \$2.5 million was accounted for, and there was still a remaining \$2.5 million to go. He referred to an important petroleum engineering meeting that would take place in September that was tied to half of that money. President/CEO Blalock discussed the reinvestment policy and expressed his appreciation that University President Nichols had been involved with that matter, as well as for what she was doing with Vice President Mai and the UW Foundation, putting teeth into the expendable account. He also noted the clarity of the plan with Provost Miller. He also noted that with University President Nichols, there would be investing into a strong investment pool, which would be the main endowment growth pool.

Trustee MacPherson congratulated President/CEO Blalock and the UW Foundation for reaching \$60 million and thanked them for all of their work.

AGENDA ITEM TITLE: **Enrollment – Should UW Grow Its Enrollment**, Axelson/Alexander

CHECK THE APPROPRIATE BOX(ES):

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

Vice President for Student Affairs Sara Axelson provided the Board with update on enrollment. She began by noting that the members of the Board had copies of her PowerPoint presentation included in their packet of materials. She stated that the questions that were posed regarding enrollment were “what is UW’s enrollment capacity?” and “how can UW grow?” Vice President Axelson added that there was a new approach to strategic enrollment planning, which includes where the University had been in the past five years of the recruitment of freshmen and transfer students. She noted that at that moment, there was a 56% college going rate or 5,400 graduates. She stated that that meant that UW was only attracting about 700 students, about 16%. Vice President Axelson noted that more non-resident students were needed. She added that Colorado was successful for the University, and she noted that that made sense when looking at its’ state’s tuition prices. Special Advisor Hagy and Practice Noel’s articulation work would attract more Wyoming college students. Vice President Axelson stated that there was a lot of work to be done to grow international student population from 800 to 1,000 students.

Associate Vice President for Undergraduate Education Anne Alexander asked if the Board had review the data shared with them in advance, or if she would present as if they had not reviewed the data. Trustee John MacPherson added that he assumed that the trustees had looked at the data, so the presentation could be made accordingly.

Associate Vice President Alexander reminded the Board that this retreat was an opportunity to think about things. She discussion UW’s faculty to student ratio and how it related to UW’s peers. She stated that it was important to remember keeping the institution nearly as free as possible, but to also keep in mind that the University needed to have enough money to operate.

Trustee MacPherson noted that the Board had spent two meetings discussing the cost of educating a student. He asked why the University would want more students, if there were not efficiencies in doing so.

Vice President Axelson referred Trustee MacPherson to slide #6 on the PowerPoint presentation. She reminded the Board that the number shown was the instructional costs, which was only one piece of what was being done when a student was added. She then proceeded to discuss attendance and things that were fixed costs and other costs that occurred when adding new students.

University President Laurie Nichols reminded the Board that instructional costs were \$14,000, but as new students come in, that instructional cost decreases. She added that the goal was to have instructional costs down to \$13,000 since UW had the capacity to have more students.

Vice President Alexander noted that it was a mechanical formula, and she proceeded to explain the formula to the Board.

Trustee John McKinley stated that the average tuition revenue per student, as shown on slide #57, was approximately \$4,560. The Board discussed the ideal tuition need to increase student enrollment until UW was at capacity.

Trustee Jeff Marsh asked for a raw number of the in-state students, to which Vice President Alexander responded could be found on page #7.

Trustee Michelle Sullivan asked if they had a sense of how many undergraduate students were paying non-resident tuition.

Vice President Axelson responded that non-resident submittal numbers got discounts or scholarship, but that this information would be provided to the Trustees.

Trustee McKinley stated that the UW website had all of the tuition and fees numbers. He added that the average revenue was below the in-state number due to substantial discounting.

Trustee MacPherson asked if education for out-of-state students for less than what they are paying as a result of the legislative appropriation.

Vice President Axelson replied that she would provide the Board with that data. She added that they were offsetting costs, and private dollars to offset cost were acceptable, but discounts needed to be reviewed.

Trustee MacPherson added that private dollars were fine, but they were not okay if they were Wyoming tax dollars. He stated that the focus at that moment was on the price elasticity study to attract non-resident students. He noted that UW has yet to be able to attract out of state students without this cost incentive.

Trustee Sullivan asked if the children of UW alumni were counted as non-resident students. Vice President Axelson replied that they were on a special rate and were not counted as resident students. She mentioned that rather they were considered in the non-resident mix.

Trustee Larry Gubbels asked if it was possible to raise non-resident tuition.

Vice President Axelson stated that that would be up to the Board. She noted that since out-of-state tuition is already four times the cost of resident tuition, it was important to be thoughtful about increases because it was harder to attract student with a higher rate.

Trustee Gubbels suggested that it would not be a problem as UW would still be cheaper than the in-state tuition prices of other states, to which Vice President Axelson responded that that price

included scholarship support though, so that was not necessarily true. She added that Board could have this discussion.

Trustee MacPherson stated that the practice of tuition waivers for non-residents was no longer in use and that UW should rely on scholarships.

Vice President Axelson noted that University President Nichols was clear that UW would be moving away from tuition discounting. She then continued to explain that the discounts given to high achieving students.

University President Nichols added that it was important to do less discounting and to use more scholarships.

Trustee Massie stated that it was a matter of how students were paying for their school. He noted that if UW had less out-of-state students attend, even if they attended at a higher price, it would not necessarily mean UW was saving money. Trustee Massie stated that UW was still losing tuition if students were not attend.

Vice President Axelson explained that 44% of the revenue was from the state, while 10% was from tuition. She added that the as 44% would be going down, UW would need to raise revenues to keep the same level. She noted that students should be paying for their education, but they should not be charged so much that they decide not to attend.

Trustee MacPherson stated that UW needed to find the right tuition rate, as he did not want the out of state students to costs UW money.

Trustee Marsh stated that in-state tuition at CSU was \$11,000, while out-of-state students paid \$14,000 for a full load. Vice President Axelson added that CSU had raised their tuition prices a lot in the past several years.

Trustee Dick Scarlett stated that his granddaughter was considering the University of Wyoming, but had recently toured several colleges in Colorado. Trustee Scarlett noted that the living conditions in Laramie were not on par with other schools, such as CSU and DU. He asked what they planned to do about that.

Vice President Axelson stated that this would be referenced later in the presentation. She noted that UW's residence halls did not compare to their competitors. She stated that modern residence halls were typically smaller, with six to seven floors and two rooms sharing a bathroom. Vice President Axelson noted that they were looking at what they could do going forward without spending the kinds of dollars they had the past spring. She added that the other buildings on campus were great, but the residence halls were not meeting the mark.

Trustee Scarlett stated that looking at a private enterprise and/or bonding may be an option.

University President Nichols noted that she had asked Vice President Axelson to look at the options and come back with a residence halls plan.

Vice President Axelson noted that another factor was what was on the website, commenting that there was a lack of information.

Associate Vice President Alexander stated that she had noticed the colleges stepping up in their respective roles, so that when a student is accepted, they feel welcomed.

Trustee Scarlett asked how important it was to reach out to the high school counselors.

Vice President Axelson noted that she had been working with Special Advisor Hagy on this, but she mentioned that this communication already occurred with different high schools, especially through getting faculty and University President Nichols to visit those schools. She stated that the "border bleed" was a large issue, as students tended to stay within 200 miles of their homes. She added that it was important to attract more Wyoming students.

Trustee McKinley mentioned that it was important to look at the timeline of when high school students were being talked to and when their decisions were being made, so that UW approached students before their final college decisions had already been made.

Vice President Axelson stated that students were not just contacted the May before the fall of their freshman year in college, but rather they are being worked with as sophomores and juniors as well. She noted that it was important to stress the need to have students visiting campus. Vice President Axelson added that another problem was the UW was not getting enough high-achieving students. She stated that 32,000 students inquired for fall 2016, but it took a big funnel to build yield. She added that they were doing a lot of outreach, but there needed to be more. Vice President Axelson noted that they were working with Huron Consulting to address this.

Trustee Wava Tully said that she thought that UW still did not have enough visibility to reach out to all of the state. She added that there was no guidance for UW, then guidance counselors changed. She then asked how the Outreach Program helped in securing students to choose UW.

Vice President Alexander noted that the Outreach Program focused on adjusting students in the communities they live in to becoming a distance college student. She stated that there had been a lot of discussion with Huron Consulting, University President Nichols, and Academic Affairs about outreach.

Trustee Tully stated that outreach program coordinators had time they could use.

University President Nichols noted that she had visited all of the community colleges and that she could not agree more. She added that she wanted to reshape how the Outreach Program personnel were used, allowing them to be more involved.

Trustee Sullivan noted that Wyoming had a larger issue that UW needed to be a part of, and that was that the state needed to create a college-going culture. She stated that in addition to helping people understand the importance of higher education, it was important for UW to partner with the Department of Education and community college mayors to address this issue.

Vice President Axelson noted that it was important for students to consider the option of being undeclared, as that allowed for more exploration in their areas of interest. Vice President Axelson stated that a lot of progress had been made with minimal resources. She then proceeded to note the efforts UW had been making in this area.

Vice President Alexander pointed out that the idea of growing enrollment capacities needed to be carefully considered. She added that graduation rates also needed to be reviewed when rethinking Outreach. She also noted that UW could be a lot better at advising by being more centralized and professionalized. There was further discussion on the number of students UW should have.

Provost Kate Miller stated that recruiting was the one area that she thought needed to see articulation with the community colleges. She added that she had seen a lot of good things, including having the scorecard on the web and the communication with the community colleges. She noted that she was convinced that the Wyoming transfer numbers would be changing tremendously due to UW's efforts. Provost Miller stated that Vice President Axelson was thinking of the many areas UW has to recruit. She added that raising capacities in classes to teach them in hybrid mode some online some not. Provost Miller added that the number one thing she had heard was that a large percent of online classes was being taken on campus students. She mentioned that her last point was retention. She stated that students who went to the student success center would not fail out of school and would have a higher GPA throughout. She added that she would like to work more with University President Nichols and Vice President Axelson through these issues.

Trustee McKinley mentioned that having certain key classes in a student's major at 8:00 a.m., would encourage classes to be more evening distributed throughout the day.

Provost Miller stated that was having discussions on this, as many classes were offered between 10:00 a.m.-2:00 p.m. each day. She noted that offering required classes at different hours would encourage the day to be used more fully.

AGENDA ITEM TITLE: **Professor of Practice Update**, Bostrom/Readdy

CHECK THE APPROPRIATE BOX(ES):

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

Trustee Bostrom stated that he had been working with Faculty Senator Tucker Readdy, and felt that they had developed a policy that the Faculty Senate as a whole may be comfortable with. Dean Pishko was asked about this matter when he presented the Joint Minerals committee. He respond that this item would acted on at the November meeting in order to allow time for Senator Readdy to do more internal work.

Trustee MacPherson noted that this would give Senator Readdy plenty of time.

AGENDA ITEM TITLE: **Diversity Program Update**, Nichols

CHECK THE APPROPRIATE BOX(ES):

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

University President Nichols stated that when UW President Emeritus Dick McGinity was in her position, there had been discussion about diversity and putting together a committee. This consisted of making plans for a committee and searching for a chief diversity officer. She noted that UW President Emeritus McGinity had former Provost and Vice President for Academic Affairs David Jones chair this committee. She added that she also knew that they had drafted a position description for the chief diversity officer. She explained that she had asked that these efforts be frozen as there were a couple high level administrative positions that needed to be continued with. One such position being the Director of Human Resources, and the other the Provost and Vice President of Academic Affairs. She continued that they had hired a Provost and would be finalizing the Director of HR next week. She noted that they had made the decision to not open chief diversity officer, as things had been too uncertain. University President Nichols commented that at that moment, there was major work ahead, but that she was committed to now moving forward with this position. She added that unless anyone felt different, the search for the chief diversity officer would convene in the fall, and that she would be allowing this position to open up and move into recruitment. She asked that if any Trustees felt differently, then to please let her know. She concluded by noting that she had seen a lot of people express interest in the matter, and was often asked about this position.

Trustee Sullivan asked if it made sense to have this work done with the strategic planning.

University President Nichols stated that this project could continue to be kept on hold another 6 months, and be opened in the coming spring rather than in the fall with the strategic plan.

Trustee Marsh expressed his preference for the second strategy because University President Nichols had a lot on her plate. He added that he also thought that this may help the process.

Trustee True commented that he really supported the concept of diversity that was implemented prior University President Nichols' administration. He did however suggest a serious look at the functionality of how this could be handled without another position. He was supportive of a new position but noted that the University was in a different world today than at the time of that

decision. He noted that he believed that the University should have prudence and at least ask the question of if these functions could be handled with the current staff. He concluded by suggesting a hold on the position, and consideration of if there was room for other areas to absorb these ideas and make them functional.

AGENDA ITEM TITLE: **Development of a Strategic Plan for UW**, Nichols

CHECK THE APPROPRIATE BOX(ES):

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

University President Nichols discussed the launching of the strategic planning effort. She referenced the draft for strategic planning process that was in the distributed packet. She then noted that Brian Schueler had develop a list of institutional peers as UW did not have defined set of peers. She added that this list had not been solidified. She explained that the peers were from a variety of college and that each college decided on their own peers, and emphasized that it was necessary to have defined set of peers. She explained that she had asked Mr. Schueler to develop a list of near peers and aspirational peers, expounding that aspirational peers were institutions that were a level above and that UW aspired to be more like. From there, she also asked Mr. Schueler to do some benchmarking for UW so it was possible to see how UW compared to other institutions.

Mr. Schueler stated that he was happy to be there and told the Board to please ask questions if they had any. He outlined his presentation which included the importance of peer institutions, the establishment of consistent parameters, his aid with benchmarking efforts, and ambitious but attainable goals for UW. He also discussed the measurement of the institution's progress towards its goals. He explained that he began with all 192 public schools, and found 19 different existing peer lists at UW. He then used the method utilized at South Dakota State University to select peer methods, such as enrollment. He also noted that he added some additional measures, which resulted in 11 metrics. From this, he explained, they were then able to put together a preliminary list of peers. He continued that the next step was gathering feedback from the community, which led to 12 different areas of metrics. All of the statistics were then added together to get a total of 43 scored metrics.

He noted that the list of peers were based on the measurement scores from all of the evaluated schools. He then shared the list of near peers and aspirational peers. He also noted two geographically far away institutions and shared why they were included. He commented on the institutions with similar scoring to UW, and shared further details on each group. Mr. Schueler then shared his observations on the peer institutions and their student costs, including costs for residents and nonresidents and room and board expenses. He noted that UW had a big advantage in terms of its median rates of undergraduate costs but was more even with peers at the graduate level. He summarized that as was to be expected, tuition for undergraduate and graduate education

at UW tended to be lower than its peers. Mr. Schueler then showed the two lines that demonstrated the peer averages, and explained the graph structure. He explained that the graph showed that UW's costs of room and board is roughly average, but that tuition and fees were lower. He detailed UW's overall costs compared to peers. He shared information on UW's tuition and fees, average federal loans, and student indebtedness, noting that UW was doing well in terms of student indebtedness. He made several more remarks regarding tuition.

Trustee Massie asked if the amount of federal loans was equal to student indebtedness. He added that this measure covered only federal loans, and that private loans were not included. He emphasized that this measure should be used as an estimate of student indebtedness, but that to know fully where student indebtedness was it would take more research. He acknowledged that this measure did provide a good idea of where UW stood in comparison.

Mr. Schueler stated that UW had the lowest retention rate of any of its peers. He added that it also had a low student to faculty ratio, and discussed instructional faculty specifically.

Trustee Massie commented on the notion of fix costs versus variable costs. He discussed which peer institutions had less student enrollment than UW and which had higher enrollment, noting that UW was not the smallest institution. He also referenced the data presented to the Board the previous day.

Trustee Sullivan asked if extension was included in the calculation of instructional costs per student.

University President Nichols stated that they had submitted the data to IPDES (Integrated Postsecondary Education Data System), which was very specific, and that it did not include extension.

Mr. Schueler discussed the calculation of metrics for various degree programs as not all majors were offered at each institution. He noted that the University of Wyoming's website offered 171 different majors. He discussed the classification of instructional programs, and the complexity of the 4-digit coding system, which was not as general as the two digit codes. He explained that UW could be classified with 27 different 2-digit codes, 125 4-digit codes, and 158 6-digit codes, but that the 4-digit codes was sufficient for the institution. He explained that when looking at amount of degrees, UW was roughly in same area as its peers, with a few institutions above and a large portion below. He noted that UW was not an outlier, but just a little high. He also noted than many aspirational peers were found have more degree offerings. He added that in the metric of instructional expense per student, UW did stand out as outlier but not strongly against the trend. He then discussed federal operational grants and contracts, and the trends between more degree

offerings and more research. He noted that these trends were much stronger at the aspirational peer level than the near peer level. Mr. Schueler then addressed the next area of total employees.

He presented a graph showing the total number of students compared to the total employment numbers, noting that UW was quite above the trend line. He added that bringing UW in line with the trend would mean a reduction 700 of employees or an increase in enrollment to 15,000 at UW. When looking at the student-faculty ratio as a whole in comparison to the total cost, Mr. Scheuler felt that UW was a winner in both areas, as it was on the lower end of student-faculty ratios and had a low cost, which was appealing to perspective students. He also noted that there was some room to move as increasing enrollment slightly would put UW by New Mexico State at around 17-18 students per faculty member, which was still in the competitive area of the graph. He acknowledged the existence of a slight correlation between higher student-faculty ratios and better retention but did not think that this was a causational relationship, which was different than expected. He noted that looking at graduation rates gave a similar result as well.

The next graphs presented by Mr. Schueler showed information on faculty and research grants. He noted that these were the figures that were federally reported, and may not encompass all figures for research, but that they can nonetheless act as a metric by which UW can compare itself to other schools. He noted that UW was just slightly below the trend line in this area. He noted that the graph also demonstrated that the amount of grants seemed to increase slightly as institutions got larger. The graph also compared this data to the amount of degrees offered. He added that the National Science Foundation had 4 different types of rankings and that UW's ranking was in top 23 and 24 percent, which was good. He also stated that it could be seen on the graph that UW was slightly below the trend when compared to graduate degrees and was slightly below in the NSF ranking in this category, although not by a significant amount. Mr. Schueler then discussed the amount of graduate degrees offered, stating that the graph showed UW was below average on both sides, but within the trend of both sets of peers.

The last analysis he presented was that the UW Foundation's total assets were larger than its peers. He noted that some larger institutions had larger foundations, but that this could be a misleading figure as these institutions had multiple campuses, and that these Foundations were for the entire system. He also noted the amount of Foundation experiences used to support programs, commenting that UW was above average and above in the total amount. He highlighted the NCAA Division I football schools and pointed out the tendency for these schools to have more money. For UW, he noted that there were several other influencing elements. Mr. Schueler then gave his summary observations. This consisted of his interpretation of UW as an inexpensive institution with higher than average number of transfer students, a higher than average number of degrees, and higher than average relative employment numbers. He felt that the most significant difference between UW and its peers was that it was overemployed. He expressed his belief that a reasonable employment balance would be a 4.44 students/employee ratio which could be achieved by

reducing the number of employees or increasing enrollment to a total of 14,000-15,000 students. The second major conclusion he made was the need to focus tuition increases on undergraduates and residents (areas in which there was more flexibility) in order to stay competitive. He added that there was less flexibility in graduate tuition rates. He added that if it was necessary to raise tuition, it was his opinion that it would be best to focus on these areas. The third element he summarized was the reduction of degree programs. His final suggestion was an investigation as to why the cost per student was so high. He thanked the Board for their time.

Trustee Sullivan thanked Mr. Schueler. She noted that many of the discussed institutions and peer institutions were in communities with larger populations or were in a more urban context than a rural state like Wyoming. She inquired as to peer institution's employment structure and use of contract employees, including the types of things they contracted out. She gave the example of UW having electricians on staff, which may not be the case at other institutions. She added that she would like to know if there were contract employees providing services at other institutions that wouldn't be visible in the statistics.

Mr. Schueler stated that he had not investigated this facet of employment. He noted that there appeared to be a decent amount of contracting out for room and board management and that a separate company seemed to be running that. He mentioned again though that he really did not have any hard data.

Trustee McKinley requested that the PowerPoint be provided to all of the trustees, as the handout only contained 4 of the graphs.

Trustee MacPherson discussed approving the peer institutions and communicating the presented information with the given peers. He added that if there is a set standard, variability can be reduced.

University President Nichols noted that what Trustee MacPherson had stated was exactly why this was done. She noted that Mr. Schueler had spent a month on this project, and that it was the deepest dive she had ever seen into these matters. She added that when she had previously been given lists of peers, 50-60 of the peers were not useable. She also noted the existence of 12 different lists by various colleges. She clarified that this would be the list of peers used going forward for all institutional analysis. She mentioned that a salary analysis had been done and that the University could share this with others, which would be quite telling. She reiterated her desire for this to be the institutional set of peers, and for it to be in the books permanently as such, at least as a benchmark.

Trustee Massie stated that this sounded great. He suggested using both sets of peers (aspirational and near). He added that one of reasons for this list was to see who UW was losing faculty too.

Trustee True asked if what was done could be used as a template that other units could use to select peers in their specific areas.

Mr. Scheuler stated that hypothetically it could be used for such purposes, although he not sure how to get data on specific departments, noting that he had used university wide data in his analysis. He reaffirmed that if similar data could be found then it could be something really easily replicated with almost any data set and without knowing a lot. He added that finding the data would be hardest part.

Chair Brimmer-Kunz made a request for an entire copy the presentation with all of the presented slides for the Foundation Board, as it would be invaluable for them.

University President Nichols stated that one could begin to see how to use this data purposefully and where the institutions goals should be. She emphasized the value in setting goals and metrics, especially as the University got into its strategic planning process. She added that this included determining what was a reasonable target and how to stay competitive peer group. She reiterated that this was a very helpful data set that could be put to use as work began on the strategic planning. She added that strategic planning could not be done until a good peer list was obtained.

University President Nichols requested that everyone turn to page 111 of the Board report and requested feedback on the presented information. She added that she had presented to the 20 people on the executive council and was currently getting feedback from them as well. While Deputy Secretary for the Board of Trustees, Shannon Sanchez, distributed the relevant materials to the Board, University President Nichols mentioned that the information was a peer set with metrics. She also noted that she would get the slide deck of the presentation to the Board as well.

University President Nichols noted that she wanted to start strategic planning at the beginning of September. She stated that the leadership team/council had put together the developing plan and process and that it needed to be tailored to fit the needs of the University. She then suggested that Provost Kate Miller serve as the chair. University President Nichols then stated that each of the groups ought to be called in for nominations, but she noted that she would ultimately name the group. She added that it was important to have a good mix of gender and diversity, with members for different colleges and academic disciplines. University President Nichols noted that she realized that the academic year was a very busy time. She added that she had done this same process at South Dakota State University twice, and the experience had been invaluable to her. She stated that she had learned a lot in her first time going through the process and had corrected her mistakes.

University President Nichols added that she had called the provosts at 20 universities and had conducted half-hour interviews with each of them discussing the strategic plans at their schools.

She then suggested holding a series of dialogues and listening sessions across a number of topics. She added that these topics had emerged from her own experience and other provosts' experience. She noted that it was important to talk about these things while putting a plan together.

Trustee John MacPherson began the discussion on the involvement of the Department of Athletics in the committee. He stated that the make-up of the committee did not represent Athletics' interest and asked if that would cause some problems.

Trustee Jeff Marsh noted that he agreed and that including the Department of Athletics was critical.

University President Nichols stated that she was not involved in the actual planning process. She added that she wanted the process to work, as she would become more involved in the formation of the plan. She noted that this process was to gather information. University President Nichols stated that they could add Director of the Department of Athletics Tom Burman as an ex-officio.

Trustee Mike Massie asked if this was a good time to offer his thoughts on the listening session topics. He added that he was at the University when it implemented its first academic plan was in the legislature and noted that it had had a positive impact on the legislature. He stated that there was some planning taking place at UW. Trustee Massie then added his comments on the process, stating that some questions had come up when he had thought about where UW was headed. He noted that some of the questions regarded what being a land grant meant to UW and what that meant in regards to undergraduate education. He then asked how history, political science, and art played into providing a basic education. Trustee Massie added that he was unsure what the areas of excellence would be. He stated that these discussions were important to the Wyoming economy and to the students. He asked if the capital facilities plan was included in item #11. He noted that there had been a breakdown in that area, and people in the community did not have a real feel as to how construction renovation tied into the academic plan. University President Nichols replied that yes, the overall plan for facilities was included in item #11.

Trustee Marsh stated that it made sense to incorporate someone from the Wyoming Business Council to be involved in the process, as it dealt with the specific charge to diversify the economy.

Trustee Massie noted that he would have concerns with identifying specific groups. He added that a business leader was perhaps a good option, but he had specific doubts about giving specifics. He stated that he preferred to look at the background and expertise of someone instead.

Trustee Michelle Sullivan recommended that the topic of innovation and economic development be the role of the University. She added that this issue looked different depending on the person's perspective, as well as where the person lives in the state.

Trustee Dave True noted that the trustees could put this under item #9. He stated that he also learned through another experience that it was important to define whether or not ex-officios were able to vote or not. He added that being an ex-officio only meant that that person served because of their office and did not necessarily signify whether they had a vote or not. Trustee True noted that it was also important to understand college meetings and that he would encourage the School of Energy Resources and the Haub School of Environment and Natural Resources be lifted from other categories and elevated into the college level. He stated that they were both a part of the institution, but their relationship was different. He noted that they should not leave these schools as afterthoughts.

Trustee Sullivan quoted Al Simson by saying "in Wyoming, everything is political except for politics. Politics is personal." She noted that she recognized that the politics of this process could not be ignored, but that this was an opportunity.

Trustee MacPherson stated that once the final draft was created, it would be brought back to the Board for approval. He noted that there would also be a final approval by the Board to adopt the plan.

University President Nichols stated that this was not the planning committee and that the campus leaders would be selected to make these decisions. She noted that the campus community would be invited to offer their perspectives. She added that the leadership team would be conducting one hour department and unit visits, She elaborated that these visits would be highly scheduled, and conducted on Fridays in order to keep the meetings contained ensure they were scheduled and completed. University President Nichols noted that either the Office of the President or the Office of the Provost would set those up. She then asked what hopes and dreams there was for the future and what barriers existed in reaching those. She noted that this was not business as usual, but rather there would be a specific focus on talks of the future. It was noted that really good minutes should be kept at these meetings, as the information shared was invaluable, and would really help create a shared strategic plan. The importance of hearing where people are at and what could be done to move the plan forward was also highlighted.

University President Nichols stated that there had also been college meetings in which colleges had been invited to discuss the strategic planning process. She added that this had been a good opportunity to introduce the conversation of strategic planning and to try to frame the process, which was important. She added that although this was an enriching experience, the notes coming from unit meetings would be even more valuable. She noted that it would be good gesture to talk about strategic planning and why it was important to UW. University President Nichols then discussed the 8 statewide meetings that had been facilitated with help from the UW Extension office. She explained that to these meetings, county commissions, UW alumni, and legislators had been invited. She added that these were conducted by region and that a team went out and held the

meetings. She noted that the meetings had varied in size, with the smallest attendance being 15 and the largest 100. She also mentioned that these had been conducted with almost the same framework as the other meetings, with an emphasis on what strategic planning was.

She then relayed to the Board that when these meetings were completed, there was a resulting 500 pages of notes which were then turned over to qualitative researchers on campus to reduce the data and discover the central themes. She added that a month had been spent on this portion of the process and that 20 themes were extracted from those notes. These 20 themes could be found in the presented materials. She explained that once the themes were established and the data was gathered, they could now start to craft a plan which was the point where she became much more active. She added that she felt that she did not need to be doing data gathering as the leadership team could handle it. There was also discussion of finding the Board goals and sub-goals and having a total of 30 metrics when all data collection was done. At that point, there would be a report every year on the metrics' progress. She stated that she had a draft plan to share with Board, and that the proposed timeline could be found on page 4 of the distributed materials. She added that work on the plan would occur in the upcoming spring semester, after which it would be shared with Board. She concluded by stating that the plan would go live on July 1, 2017.

Trustee President MacPherson wanted to make ensure that the Board could approve the final draft of the process for the September agenda.

Trustee Scarlett asked what the proposed budget was to cover this exercise. University President Nichols stated that there was not a budget for the on campus activities and that the people doing the scheduling had just worked on it. She noted that the statewide meetings had some cost, but that they had tried to schedule regional meetings together in order to send the team out to complete a few meetings in one trip. She added that these meetings had costed several thousand dollars.

Trustee Scarlett stated that he assumed the UW plane was being used so there would be a bigger budget expense to this. He added that he was in favor of these activities, but recognized the existence of the budget figure associated with them. University President Nichols stated that there was ample funding in the budget to cover this, and that the normal budget could support travel to do statewide meetings.

Friday, August 5, 2016

Business Meeting 9:00 a.m. to 10:00 a.m.

Platte Valley Community Center

Roll Call

Secretary Jeff Marsh took roll. Trustees participating: Mel Baldwin, Dave Bostrom, Larry Gubbels, John MacPherson, Jeff Marsh, Mike Massie, John McKinley, Dave Palmerlee, Dick Scarlett, Michelle Sullivan, Dave True, Wava Tully. Ex-officio Trustees: University President Laurie Nichols and ASUW President Michael Rotellini were in attendance. Governor Matt Mead, Wyoming Community College Commission Executive Director Jim Rose and Superintendent of Public Instruction Jillian Balow were not in attendance.

Approval of Board of Trustees Meeting Minutes

- May 2016 (regular meeting)
- June 15, 2016 (face-to-face; was conference call)

Approval of Executive Session Meeting Minutes

- May 2016 (regular meeting)
- June 15, 2016 (face-to-face; was conference call)
- July 13, 2016 (conference call)

Reports

ASUW

ASUW President Michael Rotellini provided the Board with updates on ASUW. He noted that ASUW had recently been working on the Pokes Vote Initiative and the Youth Voter's Summit for the coming October. ASUW President Rotellini explained that the initiative would help get colleges students to vote. He stated that executive and judicial members would be confirmed in the coming weeks and that ASUW was working on confirming appointments for university committees. He noted that overall he felt good about where ASUW was and where it was headed.

Staff Senate

Staff Senate President Gunnerson reported to the Board that Staff Senate was working on day-to-day things and trying to voice all of the problems. He then thanked University President Laurie Nichols and Vice President for Administration Bill Mai for all of their transparency. He noted that the campus was better because of that. Senate President Gunnerson added that the morale on campus was changing. He stated that he really appreciated Vice President Mai and his staff for their support.

Trustee MacPherson added that the Board appreciated him for the work he had been doing.

Faculty Senate

There was no Faculty Senate report.

Public Testimony

There was no public testimony to come before the Board.

Committee of the Whole

REGULAR BUSINESS

Board Committee Reports

[Note - committees of the Board were discussed during a regular work session of the meeting. Those listed below provided reports during the regular Business meeting.]

Trustee Standing Committees

Audit and Fiscal Integrity Committee

Jeff Marsh (Chair)

Trustee Jeff Marsh noted that the Audit and Fiscal committee did not meet, so there was no report.

Financial Management and Reporting Committee (“Financial Committee”)

Dave True (Chair)

Trustee Dave True noted that the committee had met earlier in the week and had gone through the highlights of the contracts for Oracle Construction and the Huron Consulting Group.

Facilities Contracting Committee (“Facilities Committee”)

John MacPherson (Chair)

Nothing to report.

Budget Committee

John McKinley (Chair)

Trustee John McKinley noted that the Budget Committee had met in late July and had discussed the supplemental budget. He stated that the budget committee would meet in the next week to discuss those same items. Trustee McKinley then added that there had been a language change involving large gifts, and that there was still a need to address the policy for small gifts. He noted that they had discussed the strategic enrollment plan and added that this would be discussed with the Board later. He stated that they also talked about the 167 budget supplemental request and noted that the fiscal impact was zero. He noted the need to use funds from the Casper facility to provide services to the pharmacy program at the Cheyenne office. Trustee McKinley added that they would provide a recommendation to the Office of the President.

Honorary Degrees and Awards Committee (“Honorary Degree Committee”)

University President Laurie Nichols (Chair)

University President Nichols had no report.

Trustee Massie stated that the current moment was a good time to clarify the committee. He explained that on the agenda was a Board committee comprised of four Board members. He added that there were two types of degrees: merit awards and a second type, which was confusing. He noted that the UW Regs talked about the Honorary Degree Committee of which University President Nichols was the non-voting chair. He continued that the Chair of the Faculty Senate worked with one of his committees to appoint three faculty members to join the four members of Board of Trustee to form this committee. He added that the committee would be meeting soon,

and that Deputy Secretary Sanchez would serve as the administrative liaison for the committee. He stated that the first meeting would be held in the early part of September, and that the materials to offer awards would be put out soon. He continued that the committee would meet in November and bring recommendations to the full Board for review. He reiterated that the process would be getting started soon, and that he just wanted to explain the differences.

Trustee President MacPherson expressed concerns with how nominations were made and suggested that there be a process or way those could be handled so that, in the event of a negative vote from Board, what could be an honor did not end up being a dishonor. He emphasized the need to address this, and asked the committee to give some thought to that part of the process.

Trustee Massie agreed, stating that he understood the circumstances Trustee President MacPherson was explaining. Trustee Massie also noted that this portion of the process was supposed to happen in executive session, but that the committee would certainly look at the matter.

Liaison to Other Boards

UW Alumni Association Board – Wava Tully

There was no report from Trustee Tully.

Foundation Board – Jeff Marsh & Dave Bostrom

Trustee Marsh stated that a Foundation Board meeting had been held in New York City in June. He explained that the Thursday events had been hosted by New York Life in their home office, which certainly helped from a cost standpoint. He also suggested that Chair Brimmer Kunz make several comments. Trustee Marsh added that there were 160 attendees at meeting, and that it was a good event. Trustee Bostrom thanked Trustee Marsh for putting together the event with New York Life, which was a great event at a great venue. He explained that this reflected the depth of support and how much the company liked Trustee Marsh. Trustee Bostrom then expressed his awe at the figure of \$60 million dollars. He noted that this was an expression of the partnership that existed between UW, the UW Board of Trustees, the Foundation, and the Foundation Board. He also observed that Chair Brimmer Kunz had been instrumental in keeping all focused on the partnership, and thanked her.

Chair Brimmer Kunz thanked Trustee Marsh for the venue. She shared that when they were in New York City, she visited with President/CEO Blalock and the rest of the Foundation Board. From these conversations it was determined that there was a goal to keep two meetings in Laramie and to dial down the money spent, considering the fiscal conditions. She noted that every dollar is important, and that at the spring meeting there would be a shift to try to focus more on potential large donors rather than the whole spectrum of donors so that the dollars spent were being well-invested. She added that the spring meeting would be an expensive event, but not quite as expensive as originally planned due to the budget crisis. She added that they had already achieved their budget cuts, and would be doing more with less.

Haub School of Environment & Natural Resources – Michelle Sullivan

Trustee Sullivan shared the news that Indy Burke, Dean of the Haub School, had accepted the position of Dean of the Yale School of Forestry & Environmental Studies. She added that this could be a great opportunity for partnership. She expressed that her greatest concern was making sure that this transition continued to strengthen the Haub School. She added that she had talked to the Haub School's Advisory Board on how to use this as a fundraising opportunity, and how the school could potentially do things differently with block grant funds and private money. Overall, she noted that there was a look at how best to fill that leadership. She commented that there was interest in doing national search but that there was a question of what that would look like under current conditions. She advocated for the Haub School as one of shining stars, growing programs, and strong leadership. She added that it was serving students in interesting ways and that the leadership team in the Haub School's Board of Advisors desired to keep it strong in the transition.

University President Nichols added that she had met with former Dean Burke and President/CEO Blalock at a number of meetings, and that there would be interim leadership for Haub School. University President Nichols also asked that whoever was in the interim position not be considered for big positions.

Provost Miller stated that she had had a lengthy conversation with former Dean Burke. She noted that the Haub School and its environmental and outreach activities deeply supported this area. From her conversation with former Dean Burke there were three names of people willing to be the interim leadership. She added that she was not sure how this person would be selected. She also expressed her intention to chair the search committee for this position, as she had expertise in this area. She noted that the search committee would start soon, and that this was a signal of the importance the Haub School to what it was doing. She explained that part of process would consist of looking with other deans at the whole environmental footprint. She articulated her desire to bring someone in that understand what all the moving parts would be. She noted that former Dean Burke had been making up for a lot of structural issue, and that some adjustment would be made as the search moved forward.

Trustee Scarlett asked if a search firm would be hired and how Provost Miller planned to reach out to candidates if a search firm was not used.

Provost Miller stated that the correspondence so far indicated that the preference was to not have a search firm. She planned to will meet with them and understand their thinking. She voiced her understanding of the value of a search firm's network, but added that these people had networks as well. If the group felt strongly about this she noted that she was dedicated to finding the time. She concluded that if it appeared that a search firm would work better, then that could be done, but that she would want to discuss it much more.

Trustee President MacPherson stated that a couple years prior there had been a committee of trustees that monitored the dean search process. He added that they did not get in weeds but wanted to make sure the Board stayed informed.

Provost Miller replied that there was already one trustee on the search committee and that she would see what that person would be willing to do.

Trustee President MacPherson stated that he did not want trustees on the committee, but just wanted to monitor the committee. Trustee Sullivan stated that she would serve this role on Board and on dean search committee.

Cowboy Joe Club– John McKinley

Trustee McKinley stated that there were positives and negatives regarding Athletics. He noted that he wanted everyone to understand that Athletics was one of the units on campus with a strong fundraising arm and an ability to attract private funding. He stated that the matching program had been beneficial. Trustee McKinley added that for FY16, there was a \$5 million match provided by the state, and he noted that the Cowboy Joe Club had raised this, so they had received the matching funds. He stated that beginning in FY17, the state matching funds for the year had been \$4 million. He added that they had just begun that comparison and that they fully expect to raise an excess of \$4 million to get all of the state matching funds. Trustee McKinley then went on to mention the Foundation. He stated that the timing of funds for the High Altitude Performance Center were slow in getting the ball rolling, but that as of the last week, the Foundation had raised \$23.65 million towards the \$24 million goal and that the excess amount was necessary for the construction as envisioned. He added that this had been a successful campaign. Trustee McKinley pointed out that the numbers the UW Foundation provided did not include the \$5 million from the Cowboy Joe Club, which would be in excess of their \$60 million. He then thanked the UW Foundation.

Energy Resources Council – Dave True

Trustee Dave True noted that thus far, there had been successful efforts in identifying the 12% reduction. He stated that that reduction was being met by replacing five positions in the School of Energy Resources, as well as reducing some funding for research support. He then noted that the legislature had also given \$2 million for carbon engineering research and added that the program was progressing rapidly. Trustee True stated that Deputy Director of Emerging Projects & Technology Richard Horner and School of Energy Resources Director Mark Northam were developing a partnership with private companies to continue research. He then discussed academics. He then informed the Board that there were 18 seniors on track to graduate next spring. He added that research and faculty had experienced a good half-year in the area of grants, obtaining new grants from private and public sources for a total of 2.75 million generated grant funding. Trustee True commented that Governor Mead also signed an MOU with Japanese Coal in a technology partnering endeavor with the Wyoming Business Council. He noted that Director Northam saw this as valuable relationship, as Japan's shutting down of their nuclear power plant drove the need for clean coal generation. Trustee True emphasized that this was a really beneficial relationship.

ITEMS FOR ACTION

1. Consultant for Arena Auditorium and McMurry High Altitude Performance Center Landscaping Master Plan

Vice President for Administration Bill Mai discussed the McMurry High Altitude Performance Center Landscaping Master Plan. He noted that they were in the process of looking for a firm to work on Phase II of the Arena Auditorium and the Rochelle Athletic Center addition. He stated that these were projects that were inadequately funded. He stated that he was seeking a contract with the Lime Green Association to create a master plan. He added that he would work with the Facilities Committee to get this done.

Trustee Massie expressed his appreciation for Vice President Mai's efforts to find more funds. Trustee MacPherson stated that a motion could be made.

Trustee Massie moved to approve to moving forward with the contract with the Lime Green Association. Trustee McKinley seconded.

Chair Brimmer-Kunz discussed a beautification fund. She noted that funds had been dedicated to Gateway, and that she didn't know the timeframe, but would check with Vice President for Financial Services Garman because some endowment income for the beautification of campus might go well with the timeframe. All trustees were in favor, the motion passed unanimously.

2. Arena Auditorium Phase II Bid

Vice President Mai stated that the contractor did not agree to the revised terms of contract, so the work was put back out for bid. He added that Construction Project Manager Matt Kibbon thought that the contract was too much. Vice President Mai then noted that 50,000 was put at risk, but that over \$1 million had been saved in the bid. He shared that the winning bidder was Sletten Construction from Cody. Vice President Mai expressed his wish for the Board to approve the contract with them.

Trustee McKinley moved that trustees accept the recommendation and allow the administration to move forward and finalize the contract with the new terms. Trustee Marsh seconded the motion.

Trustee Scarlett asked if this was this a bonded job.

Vice President Mai was unsure, but said that he would find out, although he did not think so. He noted that they had to provide some bonding. He added that it was a \$17 million total job and that the contract with them was for \$13 million. He reiterated that he would check and email his official findings.

Trustee Marsh stated that it was his understanding that they had bonding capacity.

Trustee Scarlett stated his belief that it should be bonded.

Trustee Gubbels asked if construction activities would start before basketball season.

Vice President Mai replied that the hope was to have everything wrapped up before first game of FY17. He called the Board's attention to page 4 of the handout that included additional information. He noted that the total contract was for \$13.3 million.

Trustee Scarlett responded that there was no need to report back, but that Vice President Mai should just make sure that the work was bonded.

Vice President Mai noted that Sletten Construction was a pretty big national company with an office located in Cody. All trustees were in favor; the motion passed unanimously.

3. BSL 3 – Authority to Negotiate Contract Amendment – Miller

Trustee President John MacPherson noted that the Trustees discussed this topic during its meeting with legislators. He stated that there was a request from the administration to enter into a contract amendment for an incinerator for the BSL-3 facility. Vice President for Administration Bill Mai noted that the administration would prepare an amendment to the contract for the incinerator. He added that the administration would work with the incinerator company, general contractor, and Attorney General's office for the reasons stated by the Attorney General's office. Trustee Massie moved to approve the request as presented; Trustee Bostrom seconded the motion which passed unanimously.

4. Financial System Vendor Contract Update – Mai

Trustee True stated that he had asked Vice President for Administration Bill Mai to make some comments regarding the contracts. Vice President Mai added that the contract with Huron Consulting Group was big. He stated that he had the contract, but he wanted it to be approved again. Trustee True moved to authorize Vice President Mai to enter into contract with Huron Consulting Group as specified with the entity. Trustee Dave Palmerlee seconded. All trustees were in favor; the motion passed unanimously.

5. Amendments to Regulations – Clarify College Department – Miller

University President Nichols noted that this item was not ready but that it would be on the August Board agenda. She stated that she had previously asked former Vice President and General Counsel Rick Miller to look at the UW Regulations to see what to do for the Haub School for Environment and Natural Resources to be recognized as an academic unit as it could confer degrees. University President Nichols added that as students could not currently graduate with a degree from the Haub School, but instead have two degrees instead. She continued that the Haub School had a of

couple degrees items to move forward to be recognized as an academic unit like a college and to be able to confer degrees. She stated that there were at least six UW Regulations that needed to be worked through to achieve this. She added that she also wanted Provost Kate Miller to be there for this discussion so they would come back to the matter.

Trustee MacPherson further clarified that this would have something to do with the action taken in accordance with the financial situation. He noted that needed to be covered.

New Business

Trustee McKinley noted that many things were coming to light in the recent times. He stated that one of those items was the AMK Ranch. He noted that the situation with the AMK Ranch included the relationship with the National Parks Service and the status for facility and infrastructure improvements encouraged by the National Parks Service. Trustee McKinley also noted the status of other facilities scattered around the state. He stated that he thought the University owned a cabin west of Laramie, but he did not personally know the status of the physical structure. He added that it was important to keep these facilities in good shape and not let them deteriorate. He noted that there was a modular at the AMK Ranch and that that did not send the right message. There was further discussion on which properties UW still owned.

Trustee MacPherson asked for a list of properties, as he noted that he was always surprised to see what the University owns. He asked that this list be reported on at the next meeting.

Trustee McKinley also asked that more information be reported to the Board at the September board meeting including, differed maintenance, leases, if the University owns the property, if maintenance was needed, and the use of the property. He added that he also thought that it would be good for the Board to understand the policy going forward with regard to use and integration of those programs with UW instead of leasing them out.

Trustee Dick Scarlett stated that there were important aspects of the terms of the lease. He noted that he was familiar with the AMK Ranch. He noted that there was a lot of maintenance the University was committed to and that needed to be done.

University President Nichols noted that her visit to the AMK Ranch in Jackson was very helpful, as she had the chance to see the property and hear about the maintenance needs. She stated that four to five million dollars was needed for maintenance, and that UW may not be able to renew the lease if they do not pay this.

Trustee MacPherson noted that he wished there was time on the agenda to bring up other items of importance. He stated that although there may be some hesitation he appreciated the matter being brought up. He added that if additional items were thought of, they should be brought up under new business.

Trustee Marsh stated that he had received an email from Kelly Greenwald stating that the SAREC open house would be held from 4:00 P.M.-6:00 P.M. on August 25 in Lingle, Wyoming.

Date of Next Meeting – August 24, 2016 (conference call)

It was noted that the next meeting would be on August 24, and that the following day was energy day on campus with UW football.

Trustee Dave Bostrom stated that he would not be able to make it to the meeting.

The Business Meeting adjourned at 9:22 a.m. and the Board had another work session before formally adjourning.

Adjournment

The meeting adjourned at 10:43 a.m.

Trustee McKinley stated that he made an observation early in the summer when the budget was approved. He noted that certain information would be provided to the trustees, including a summary of the use of the plan and an update on the actual budget expenditure as compared to the budget amount. He asked that this document be shared with the Trustees.

Deputy Secretary Sanchez noted that she would add it to the agenda and then would upload the information to the secure site as well.

Respectfully submitted,



Shannon Sanchez
Deputy Secretary, Board of Trustees



Laura Shevling
Senior Administrative Assistant