

**THE UNIVERSITY OF WYOMING**  
**MINUTES OF THE TRUSTEES**  
**Conference Call Meeting**  
**Wednesday, July 13, 2016**

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

**UNIVERSITY OF WYOMING  
MINUTES OF THE TRUSTEES**

**Wednesday, July 13, 2016; 8:00-9:30 a.m.  
Laramie, Wyoming**

**AGENDA ITEMS FOR DISCUSSION/APPROVAL**

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**THE UNIVERSITY OF WYOMING**  
**MINUTES OF THE BOARD OF TRUSTEES**  
**Wednesday, July 13, 2016**  
**Conference Call**  
**Old Main Boardroom**

The University of Wyoming Board of Trustees held a conference call on Wednesday, July 13, 2016. Trustee President John MacPherson called the meeting to order at 8:05 a.m. Deputy Secretary for the Board Shannon Sanchez took roll. Trustees participating included: Mel Baldwin, Dave Bostrom, Larry Gubbels, John MacPherson, Jeff Marsh, Mike Massie, John McKinley, Dick Scarlett, Michelle Sullivan, Dave True, and Wava Tully. Trustee Dave Palmerlee was not in attendance. Ex-officio Trustees UW President Laurie Nichols (in room), and ASUW President Michael Rotellini (in room), and Wyoming Community College Commission Director Jim (phone) were in attendance. State Superintendent for Public Instruction Jillian Balow was not in attendance; Chief Academic Officer Brent Bacon participated on her behalf. Ex-officio Trustees Governor Matt Mead was not in attendance; Policy Director Mary Kay Hill participated on his behalf. The trustees discussed various matters such as approval of the B-11 for Medical Education, revisions to UW Regulations, and updates regarding capital construction. The meeting adjourned at 10:16 a.m.

AGENDA ITEM TITLE: **Approval of B-11 for Medical Education – Casper Residency,**  
Asay

CHECK THE APPROPRIATE BOX(ES):

- Work Session  
 Education Session  
 Information Item  
 Other

Specify:

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MINUTES OF THE MEETING:

Special Advisor to the President for External Relations Meredith Asay noted that the Board of Trustees had received a written request for the Casper family medical residency program to increase budget authority for this biennium. She stated that this increase would come from clinic revenue. Advisor Asay noted that the budget was as follows: \$481,000 to purchase prescription drugs to stock the pharmacy, \$100,000 for the costs for the billing company that gets paid a percentage of the clinic's revenue. She stated that there was an additional amount for promotion/raises for two faculty who just received tenure. Advisor Asay noted that the Casper residency program had plenty of revenue to cover these increases, and they were only seeking approval to cover them. She stated that if the Board approved, it would go to the Governor's Office.

Trustee Dave True asked about the costs for the prescription drugs and pharmacy program. Advisor Asay explained that when the original cost analysis was done, the residencies did not have a lot of experience with the pharmacy program. She noted that since it had been a year and they had more experience, they now knew how much funding they needed. There was further discussion on the costs for the pharmacy, as well as what pharmacy clients were charged. Advisor Asay noted that the pharmacy's structure allowed it to purchase drugs at a reduced cost so clients could then purchase them at a reduced price. She further explained that if a client had insurance, they would be charged the full cost for the drug, which was not the price the residency had paid. Advisor Asay added that someone without insurance, however, would be charged a lower amount. She noted the residency was able to make money from the pharmacy program. Trustee True asked what happened to the revenues from the pharmacy. Advisor Asay responded that the revenues from the pharmacy went into the clinic revenue.

Trustee John McKinley asked if it made sense to recommend the approval with regards to the B-11 request. Advisor Asay replied that it did make sense. She noted that the funds were needed for the pharmacy and the clinic, and that there was plenty of clinical revenue. Advisor Asay stated that she did not have a problem recommending the approval of the request.

Trustee McKinley moved to approve the request; Trustee Mike Massie seconded with the understanding that the Board would approve the submission of the B-11 and the Governor would approve the transfer of funds. All were in favor; the motion passed unanimously.

AGENDA ITEM TITLE: **Approval of West Campus Satellite Energy Plant - Level II Plan,**  
Mai

CHECK THE APPROPRIATE BOX(ES):

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

Vice President for Administration Bill Mai updated the Board on the West Campus Satellite Energy Plant. He noted that the West Campus Satellite Energy Plant had been approved and that the firm that was selected had a lot of experience with the University and was chosen from several firms. Vice President Mai stated that the approval included negotiations and contracting for this firm.

Vice President Mai noted that \$1 million had been appropriated for this study and project from the legislature's 2016 session. He stated that he anticipated that about one-third of the funds would be spent on design and evaluation. Vice President Mai noted that the goal was to have tangible results by October when the budget was presented to the Governor's office.

Trustee Dave True said that he assumed there was enough of a difference between the selected firm and the runner-up firm, which was from Wyoming, to justify going out of state. Vice President Mai responded that yes, none of the Wyoming firms had had experience with this particular type of project.

Trustee Jeff Marsh moved to accept the motion; Trustee Michelle Sullivan seconded. All trustees were in favor; the motion passed unanimously.

AGENDA ITEM TITLE: **Adoption of revised UW Regulation 8-1 (tuition classification)**,  
Axelson

CHECK THE APPROPRIATE BOX(ES):

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

Vice President for Student Affairs Sara Axelson presented the Board with information on the adoption of revised UW Regulation 8-1. She noted that the University had great progress with UW regulation changes. Vice President Axelson stated that Trustees Mike Massie and Dave Bostrom had given critical recommendations to the budget committee, and she noted that she had worked closely with them. She added that the FAQ document that the Board previously approved was useful last semester, but that now that the UW Regulation was revised, the FAQ would no longer be needed. Vice President Axelson noted that the regulation changes included the focus group's analysis of the changes, and that it also included the ASUW President's and other students' feedback.

Vice President Axelson noted that she appreciated the intent of the trustees to make sure that students who were applying for residency were actually meeting the residency guidelines. She added that the focus group had been helpful. Vice President Axelson noted that changes included clarification on what it means to be financially independent, how graduates student's residency should be handled, and how to work with the community colleges.

Trustee Bostrom stated that he agreed with Vice President Axelson. He noted that the University had created clearer guidelines for students. Trustee Bostrom moved to approve the recommendation; Trustee Larry Gubbels seconded. All were in favor; the motion passed unanimously.

AGENDA ITEM TITLE: **President's Written Report on the Status of the Fiscal Plan,**  
Nichols

- Update/Response to the early retirement & separation incentive process

CHECK THE APPROPRIATE BOX(ES):

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

UW President Laurie Nichols gave the Board an update on the status of the fiscal plan. She began by recapping the FY17 budget reduction information. UW President Nichols reminded the Board that they had discussed the \$19.3 million budget reduction plan at the June Board of Trustees Meeting. She reminded the Board of the six areas that were being reduced. UW President Nichols began with the first area, the penny plan, which she noted was already taken out of the budget. She then mentioned the second item, the elimination of 70 vacancies, which gained \$5.2 million, and also noted that it was possible that more positions would need to be cut.

Trustee President John MacPherson asked UW President Nichols to hold as many of those positions as she could until UW was able to determine what direction it was headed.

Trustee John McKinley asked to UW President Nichols to clarify what the \$5.2 million savings included. UW President Nichols stated that it included salary and benefits, totaling \$5.2 million. She added that the third area of reductions was in standardizing the faculty workload to more teaching. UW President Nichols noted that included five courses per year, and seven per year for academic professional lecturers. She added that they might not be able to reach that goal, so the back-up plan was to eliminate more vacancies. UW President Nichols noted that the fourth area of reductions was to not allow part-time employees between .5-.99 FTE because UW had to pay benefits on these employees. She noted that these employees would be given the option to go full time and receive benefits or drop below .5 time and lose their benefits. UW President Nichols noted the savings would be from the fringe benefits, and would total around \$1.5 million. She noted that the final item of reductions was retirement incentives. UW President Nichols stated that they hoped to realize \$3 million this year and more in FY18. She asked Vice President and General Council Rick Miller to share further comments.

Vice President Miller stated that as of that moment, 41 employees were committed to retirement, and 18 to separation incentive, for a total of 59 employees. He stated that the next week a firm that UW had retained would be on campus for three days to offer counseling on retirement. Vice President Miller added that this would help people to understand the retirement process, and that UW was paying for this counseling itself. He noted that he was advised that some faculty members were not in a rush to retirement due to the timing of the retirement offering and their 9-

month appointment. Vice President Miller noted the last day to submit was August 5, so there was still time for people to accept this incentive. He stated that there was more of an opportunity for people to accept this, and the Board would receive an update at the August 2016 retreat.

Trustee McKinley commented on the retirement and separation savings for FY17, noting that he understood that UW would realize half of the total dollar of savings in FY17, and then the other half in FY18. He asked how standardized the workload was progressing. UW President Nichols replied that she was not sure and that she would need to have that discussion with Provost Kate Miller. She noted that the sense she got was that they were holding deans and department heads accountable for this implementation, or provide a justification as to why a faculty member was being released from the standard teaching load. Trustee McKinley asked if this required the deans and department heads to evaluate each faculty member or instructor to make a determination on whether that person would have a full or reduced load. UW President Nichols replied that that was the requirement. She added that they had created a workload document for each faculty member, and that Academic Affairs was waiting to get some of these documents back.

Trustee Dave True asked if the Board could have a more complete report at the August 2016 retreat, to which UW President Nichols responded that yes, they would be in a better position by the retreat to give the Board that information.

Trustee President MacPherson asked if he was correct to assume that none of the decisions would be permanent until new Provost Miller had the chance to look at the workloads. UW President Nichols said that Provost Miller might have more ideas on how to implement these changes in a more uniform manner once she arrives, as she had experience with standardization of workloads.

Trustee McKinley asked UW President Nichols to explain the interplay between the elimination of part-time positions and programs that would result in the necessity of teaching more full loads.

UW President Nichols explained that the people between .5- and .99 FTE were not all instructional. She stated that they were holding everyone in the category accountable. UW President Nichols noted that UW was not aware at this point if these people would go full time or go less than .5 FTE. She stated that some of these employees had resigned, so their positions were now counted among the vacancies.

Trustee Michelle Sullivan asked UW President Nichols to clarify that benefits were being eliminated, and not positions. UW President Nichols responded that yes, they were not eliminating the positions, but they were eliminating their benefit costs. She added that these positions could also go full-time, but the units would need to pay for their salaries. There was further discussion, and it was noted that employees below a .5 FTE would not receive benefits.

Trustee Mike Massie noted that he had been approached by an employee who was paid through section III fund who had an appointment between .5 and .99. He asked if the policy was only going to be applied for section I employee, or all employees. UW President Nichols answered that the policy pertained to section I and section II employees. Vice President for Research and Economic Development Bill Gern said that section III paid for salaries and benefits itself. He



noted that the policy did not apply to section III because it paid for all of the benefits for the employees, and those employees were covered with grant or contract dollars.

Trustee Massie noted that a student had contacted him and noted he was no longer able to graduate when anticipated due to changes in course offerings from the budget cuts. He asked if that the reduction would have impacts on course offerings and timing of student graduations.

UW President Nichols asked Trustee Massie to get her the name of the student, so she could properly follow-up. She noted that their intent was not to delay graduation, as they were trying to avoid the cancellation of classes. UW President Nichols explained that in some instances course electives would be cancelled due to budget reductions. She added, however, that she asked that students be placed in substitute courses if their courses were cancelled.

Trustee Larry Gubbels stated that there was a legal problem with employees in section III between .5 and .99 FTE being exempted from the policy. Vice President Miller responded that there was not a problem because section III employees' jobs would not change.

UW President Nichols stated that she would update the Board on the Financial Crisis Advisory Committee (FCAC). She stated that at the last Board of Trustees meeting in June 2016, the Board had been updated that UW Regulation 6-41 would be enacted, stating that UW was in a financial crisis. She noted that since that meeting, the FCAC committee had been formed, had met six times, and all of the protocol had been followed. She added that Dr. Steven Bieber had been named as the committee chair and that he and she met outside of the committee meetings to plan agendas.

UW President Nichols stated that Huron Consulting Group had attended the past meeting, and that Huron was working to evaluate UW and find inefficiencies and cost savings as part of their contract. She noted that the committee had agreed on an 11-week timeframe to develop and vet a plan, so the plan could use information gained from Huron Consulting Group's efforts. UW President Nichols added that the committee had approved two things. The first item the committee approved was to plan for a budget reduction of \$15 million in FY18, instead of the originally proposed \$10 million reduction in FY18. She noted the committee made this decision because it was not clear if UW would realize the full \$19 million in savings needed for FY17, and if the funds were realized, then there would be some flexibility in the budget.

UW President Nichols noted that the other decision the committee made was to extend the timeline by a month, and present the the final plan to the Trustees at the November 2016 Board meeting. She noted the committee wanted to make this change so that it could use information gained from Huron Consulting Group's review. UW President Nichols stated that she would like the campus vetting process to take place, give the campus time to look at the plan and respond to the committee, and then present the final plan to the Board.

Trustee President MacPherson noted that he wanted to come up with a plan that worked. He stated that he would endorse her concept of over allocation of deductions, rather than to come up short and go through the process again. Trustee President MacPherson noted that the Board wanted to be kept in the loop to know if they were meeting objectives and if there were any issues.

Trustee McKinley asked if there were certain budget reductions for FY18 that were required by the Governor's letter. UW President Nichols stated that if the full \$19 million savings was realized in FY17, UW still had a long way to go, as they needed to get to \$41 million in savings. She added that there still needed to be more cuts in FY18 to realize full reduction to the block grant. UW President Nichols mentioned that internal reallocation would occur and some vacancies would be put back into play. There was further discussion on the amount of funds to be reallocated and reduced from the budget.

AGENDA ITEM TITLE: **Report from Budget Committee FY18 Budget Process and the 2019-20 Budget Process**, McKinley

CHECK THE APPROPRIATE BOX(ES):

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

Trustee John McKinley presented the report from the budget committee to the Board. He stated that at the last meeting, the committee and Vice President for Administration Bill Mai had developed a tentative timeline for the budget. He noted that the initial discussion by the Board would be at the Trustee Retreat in August 2016, followed by a discussion of the FY18 budget at the Board meeting in November 2016. He added that there would be a follow-up with the Board and administration at the January 2017 meeting, and at the March 2017 meeting, a draft of the FY18 budget would be made available by the administration.

Vice President Mai noted that the budget committee would meet in April 2017 to discuss the draft budget, and that the Board would need to approve the final budget for FY18. He noted that he and Assistant to the Vice President Melanie Drever would provide a detailed budget timeline and process, with discussions beginning now and going through the next spring to mid-summer. Trustee Dave Bostrom asked Assistant Drever to send the full Board the flow charts from the presentation per Trustee John McKinley. She agreed.

AGENDA ITEM TITLE: **Supplemental Budget Discussion**, McKinley/Mai

CHECK THE APPROPRIATE BOX(ES):

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

Trustee McKinley began the discussion on the supplemental budget. He noted that the trustees' budget committee had met earlier in the month and discussed possible topics for the supplemental budget. Trustee McKinley stated that it was a full and lively discussion regarding the budget issues and what, if anything, should be put in the supplemental budget. He noted there were two items in the supplemental budget regarding language changes to the budget bill, as well as a request for strategic recruitment. Trustee McKinley added that there was discussion on possible matching funds that would focus on certain employees, faculty and staff retention. He stated that there was also discussion on several types of matching endowments. Trustee McKinley noted that the timeline for the supplemental budget was also discussed. He stated that a final version of the supplemental budget would be made available to the trustees by August 1. Trustee McKinley noted that there would be a trustees' budget committee meeting before the Trustee Retreat in August 2016, and at the retreat, the administration would discuss the supplemental budget to be submitted to the Governor between August 20 and 30, 2016.

Trustee John McKinley stated that the two language changes requested in the supplemental budget would not have a costs associated with them. He noted that the strategic enrollment request had a fiscal note of \$500,000.

Trustee Mike Massie asked if the capital construction request had been dealt with thus far. Trustee McKinley stated that he was unaware of any supplemental budget capital construction items. He noted that the current projects were the Arena Auditorium, the Rochelle Athletic Center, the College of Engineering, and the High Bay Research Facility. Vice President Mai stated that depending upon how the study of the Satellite Energy Plant came out, there might be an option to use the current building projects fund.

AGENDA ITEM TITLE: **Faculty Senate Bill 338 Recommending Modifications to UW Regulation 5-35**, Miller

CHECK THE APPROPRIATE BOX(ES):

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

Vice President and General Counsel Rick Miller presented information on Faculty Senate Bill 338 to the Board. He stated that Faculty Senate had recently passed legislation recommending changes to UW Regulation 5-35, noting that these changes would now move to UW President Nichols to review. Vice President Miller noted that UW President Nichols had reviewed the proposal and that she recommended the Board to adopt it. He added that the proposal dealt with faculty dispute resolutions, and it clarified the involvement of academic professionals, who were a part of academic work force, but treated differently under UW Regulations. Vice President Miller stated that this revision made this process available to academic professionals as well.

Trustee John MacPherson asked what affect those changes would have on the action as a result of the financial crisis, to which Vice President Miller replied that there would be none.

Trustee Dave Bostrom moved to approve the changes; Trustee Mike Massie seconded. All were in favor; the motion passed unanimously.

AGENDA ITEM TITLE: **Approval of Personnel**, Nichols/Jones

CHECK THE APPROPRIATE BOX(ES):

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

MINUTES OF THE MEETING:

UW President Laurie Nichols presented the approval of personnel to the Board. She noted that the first recommendation for approval was for the appointment of Provost Kate Miller. She shared Provost Miller's background with the Board and stated that her salary would be \$300,000.

Trustee President John MacPherson asked if the Board wanted to vote on each appointment individually or as a whole. The Board agreed to vote on them as a whole. UW President Nichols noted that the second change in personnel was a title change for Director of the School of Energy Resources Mark Northam and Director for the Haub School of Environment and Natural Resources Indy Burke. She added that there was no change in salary or duties to these two individuals, but rather they were just changing their titles. UW President Nichols stated that this would simply recognize the higher level of direction. Trustee Dave Bostrom moved to approve the motion; Trustee Wava Tully seconded. All were in favor; the motion passed unanimously.

AGENDA ITEM TITLE: **Discussion and acceptance or rejection of the conditions imposed by the Governor relating to the expansion of the Cheyenne residency into Laramie**, Mary Kay Hill

CHECK THE APPROPRIATE BOX(ES):

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

Policy Director to the Governor Mary Kay Hill began discussion on the expansion of the Cheyenne residency into Laramie. She noted that the Board had received a copy of the letter from the Governor [see attached document below]. Director Hill stated that a part of the University's medical education efforts had a unique budget number, 167, which included the funding for WWAMI, residencies, etc. She noted that UW served as more than the fiscal agent in relation to the family practice residencies. Director Hill noted that the Governor had received a request from College of Health Science Dean Joe Steiner and Dr. Kevin Murray in June in regards to expanding the Cheyenne residency into Laramie. She noted that there were questions that had come up about progress and responsibility and the legal liabilities. Director Hill stated that the Governor had the opportunity to review the proposal and had a meeting with Dr. Murray, Dean Steiner, and Special Advisor to the President for External Relations Meredith Asay, which she noted was very valuable. She stated that the Governor would support this application with clear understanding that responsibility for oversight of the residency would rest with UW and the Board. Director Hill noted that here had been some specific issues that the trustees had considered regarding the application. Director Hill stated that one of those issues was that all of the financial and legal responsibility was within the University's purview. She added that UW must inform the Governor and legislature that there would not be any general funds or revenue requests that would come from new facilities. Director Hill further noted that this residency would need to apply any recommendations that would come from the Department of Health's review of the Cheyenne and Casper clinics those to the Laramie facility as well. She noted that it was important for the Board to know where the responsibility and accountability rests.

Trustee President John MacPherson stated that he thought the Governor was explicit in the letter.

Trustee Dick Scarlett noted that he abstained from voting on this proposal in June since he did not think there was enough information at the time. He stated that after reviewing the Governor's letter, it was important for the Board to take a hard look at expanding the program. Trustee Scarlett and moved to rescind the decision made by the Board during the June 15, 2016, Board of Trustees meeting given the current financial crisis. Trustee John McKinley seconded.

Trustee Mike Massie noted that the Board needed some guidance on the legal issues, but he stated that given the program's history, the Governor's question was understandable. He stated that there would be no University funds to support the clinic, and that if the motion on the floor was passed, it would be the end of the Laramie clinic and miss a unique opportunity. Trustee Massie reminded the Board members that one of the other benefits of this was that it would open up possibilities for other federal funding for the other two clinics in Cheyenne and Casper that the Board had not had access to in over 30 years. He stated that in regards to WWAMI curriculum changes, students were spending 18 to 24 months in Laramie and clinical sites were difficult to come by. Trustee Massie added that the Laramie clinic would provide this as well.

Trustee McKinley asked Special Advisor to the President for External Relations Meredith Asay if she had looked at the issue in light of the Governor's letter, and if she had input from the administration on the topic.

Advisor Asay replied that she did not have specific input from the administration, but she asked UW President Nichols to weigh in. She noted that she would be happy to share her personal perspective. Advisor Asay noted that over the past year, the main responsibility was to work with Agency 167 to figure out why the Cheyenne clinic specifically was not meeting the projected revenue, as it was projected to fall short and would fall short this biennium. She stated that it had been identified why this had happened. Advisor Asay added that Casper's clinic was doing very well and continued to have its income go vastly over the authorized budget. She stated that adding a clinic at this time brought up the following concerns: 1) man power at administrative level. Advisor Asay noted that if UW chose to go forward with this grant, the Board would have to take a more active role in managing clinics, and they would no longer only report when they had problems. She stated that the Board of Trustees should keep in mind there would be an additional 9,000 patient encounters in Laramie.

Advisor Asay noted that Casper had 30,000 patient encounters, while Cheyenne had 20,000. She stated that that would mean looking at a lot of patient encounters if a new clinic was added. Advisor Asay noted that these clinics all had good people on their Board, and the boards were volunteer boards that make recommendations that then go to the Board of Trustees. She stated that if the Board did choose to expand this program, it was certain that more participation would be needed. Advisor Asay commented on the Governor's legal concerns and risk to the state. There was further discussion on risk to the state. She discussed the concern that the Department of Health study be completed in October, so timing grant is unfortunate. Advisor Asay said that missing this opportunity would be unfortunate, as Laramie could use this clinic, but she asked if the Board wanted only based policies depending on grant opportunities. She noted that these expansions were not planned, so she stated that it was important that the Board consider the risks. Advisor Asay stated that the Department of Health study would end in October and would have recommendations for governmental structures and operations for the existing clinics. Advisor Asay added that if another clinic was added, the Department of Health would need to be updated. She then asked Vice President and General Counsel Rick Miller to speak on the risks to the University.



Trustee McKinley asked if the Albany County Federally Qualified Healthcare Center (FQHC) would be different than the present ones, since the current Casper and Cheyenne were FQHC look alike.

Advisor Asay responded that she was not an FQHC expert, but she stated that they chose the FQHC look alike status for the following reasons. She noted that first it meant that the University would follow federal regulations similar to FQHC. Advisor Asay noted that this status allowed for an increase in reimbursement for Medicaid and Medicare, and accesses to graduate medical education reimbursement (GME), which the state did not have access to for 30 years.

Advisor Asay noted that the final benefit was that there was eligibility for funds that run FQHCs, as Cheyenne and Casper already had FQHC, so they did not want to compete with the others. She added that if this proposal was pursued, the FQHC would seek this in Albany County as well, as there was no competition for this grant in the county. She noted that this would help gain the FQHC status in Cheyenne and Casper, but then they would be competing with other FQHCs in Laramie and Natrona Counties.

Vice President Miller stated that putting in energy satellite facilities in Albany County was no different than adding a like amount of staff in Casper or Cheyenne. He added that UW was part of the state self-insurance program. Vice President Miller noted that the increase in liability would be due to an increase in exposure that would result from more providers practicing. He noted it would not matter if three new providers were added in Laramie or in Cheyenne. Vice President Miller noted this would be the same amount of increased risk. Given the Governor's conditions, the providers would all be UW employees. The Board discussed the process and liabilities.

Trustee Dick Scarlett asked if the cost of premiums went up as more exposure was added, to which Vice President Miller noted that no, the University opted in so that the University did not disclose what exposure was, but it did not pay a premium.

Trustee Scarlett asked if the state paid premiums, to which Vice President Miller responded no, it was self-insured with a risk pool.

Trustee Scarlett asked if that increased the state's exposure. Vice President Miller responded that yes, anytime another healthcare provider was added in the system, they needed to be covered.

Trustee McKinley noted that in the fourth paragraph of the Governor's letter, it was stated that any liability was the responsibility of the UW before the Board could support the application. He stated that the term "liability" really meant "legal liability." Trustee McKinley questioned how the University could ensure that legal liability was a responsibility when handled through the state risk pool and funds. He also asked how this satisfied the requirement from the Governor.

Vice President Miller noted that they could probably create some sort of an arrangement. He stated that an option would be to create an arrangement with the site that was separate, and then they would need to buy insurance and opt out. There was further discussion on this issues, and Director Hill responded that the bottom line was that these family practice centers were UW's

responsibility. She added that if the University considered the issues and were able to address them. Director Hill noted that she was not directing the Board to go out on the market and purchase insurance.

Trustee President MacPherson noted that his opinion was different from Trustee Massie's. He noted that he thought that UW was responsible for the health care units. Trustee President MacPherson stated that he thought that what the University was doing by setting these up was providing benefit to selected communities for healthcare. He added that after reading the Governor's letter, he questioned what they were assuming in terms of the facility's authorization. Trustee President MacPherson asked where they would draw the line in terms of which communities to do this in. He stated that he had his hands full with financial things and did not have the time to devote to this health care facility, as his obligation was to the University. Trustee President MacPherson noted that he supported the motion.

Trustee Massie noted that the administrative position had changed since the last meeting. He added that the only thing to consider was that these were educational clinics first, and not health care driven. Trustee Massie stated that 40% of the people trained in these clinics stayed in Wyoming and practiced throughout the state. He noted that the last figure he saw was that over 40 communities in Wyoming had doctors that had come through these programs. Trustee Massie stated that these benefits were statewide, but education was the first priority.

Trustee Massie noted that in order to train the residents, patients were needed. He stated that this was the first time he had heard of the Board's greater role with the residents. Trustee Massie added that he agreed with everyone else that that was problematic, and he was confused as to why it was that way. He said that he was disappointed by the comments, and he wanted to point out that these clinics were for education first, and healthcare second.

Trustee McKinley noted that in light of Advisor Asay's comments, this change could result in additional administration. He reminded the Board that the Governor's letter stated that UW could not get state funds for this center, so he asked if there had been any thought to how administrative costs could be covered.

UW President Nichols stated that no UW funds would be used to run the Laramie clinic, as the University did not have the funds and there would be no existing block grant to support it. She noted that she was on the fence about it, as she had had experience with residency programs before. UW President Nichols mentioned that the University had health care programs, including nursing and pharmacy, which she noted were both difficult to get clinic sites with. She stated that this would open my opportunity to glean clinic sites, the University could get some sites, and that was a win. UW President Nichols noted that there was more integration with the healthcare education. She commented that there were always opportunities to do a collaboration with the health care on campus.

Trustee Dave True stated that the grant that was being applied for was for a certain timeframe and specific dollar amount. He asked what the financial forecast of the Laramie facility was after that funding was gone.

Dean Steiner replied that the forecast was that there would be \$650,000 per year for two years, and that it was renewable every year after that. He noted that these FQHCs had been in existence for 50 years. Dean Steiner added that once funding is received, it would continue unless something catastrophic were to happen. He noted that they did view clinic as educational first, so the reason they were looking at two major communities was to provide educational activities for the students. Dean Steiner added that they had no intention of looking at other sites.

Trustee True asked if \$650,000 was adequate to run the clinic.

Dean Steiner replied that their projection was that it was enough money, as they had modeled projected costs on FQHCs in other places. He stated that had the ability to adjust the funding if the patient income was lower than expected, as they would just hire less people. Dean Steiner added that the revenues and expenses of the clinic were easy to adjust, but the expenses in Casper and Cheyenne were fixed.

Trustee True asked Vice President Miller if the Governor's comment in the fourth paragraph about liability meant that the University was out of the risk pool.

Vice President Miller replied that he thought the answer was no. He commented that what Director Hill had said was that the Governor did not intend to kick UW out of the state insurance program, to which Director Hill confirmed.

Trustee True stated that if the Board defeated the motion, the fact that the University would not modify the insurance needed to be made clear to the Governor.

Vice President Miller stated that they would not change anything about the operation of the current clinics, regardless of the outcome of the motion. He noted that there was always regular exposure that came with new employees.

Advisor Asay clarified that they would not be requesting additional administration. She noted that the duties would be covered through Cheyenne, and they would provide the administration. Advisor Asay also clarified that some grants could be eligible for FQHC that would not be in competition with other FQHC.

Trustee McKinley noted that he understood that it was self-funding and that the scope of the clinic could be reduced, but he asked where the additional money would come from if the expenditures become greater than the funding.

Dean Steiner responded that the clinics would operate under the 167 budget, and he mentioned that it was their intent to never have the issue of needing extra funding. He stated that if they needed more funding, the idea was that more money could come from other areas of the 167 budget. Dean Steiner added that they would need to pay attention and be certain not to run in the red on this clinic, as the only source of funding would be the 167 budget.

Trustee Michelle Sullivan asked if they could put as condition of the vote that this would not require UW funds, to which Trustee Massie responded yes. He stated that not asking UW for funding had been a part of the first motion.

Trustee Scarlett noted that as financial times were difficult, and many organizations were not able to meet their projections in the first few years. He stated that he was well aware that regardless of good intentions, there was a high probability that they would be over budget and have shortfall within the first year. Trustee Scarlett added that they needed to be careful and diligent.

Trustee True noted that he did see the clinic as an educational facility, more so than a health care services provider. He stated that it was the University's role to provide education to the extent that the Board was assured that this could operate in the black. Trustee True noted that he was supportive of the concept and would encourage the Board members to vote against the amendment. Trustee Dave Bostrom said that he agreed with Trustee True. He noted that the Board needed to look at this as an educational opportunity for the University that provided services to UW and was a part of the education mission and charge. Trustee Bostrom stated that they needed to do everything to support and grow medical education. He noted that he was against the motion.

Before the formal roll call vote, it was noted that a vote in favor of the motion would be to rescind the trustee's approval to apply for the grant, eliminating the possibility of a health center in Laramie. It was noted that a vote against the motion would be in support of the grant application and the possibility of a health center in Laramie. The roll call vote was as follows:

<b><u>Present?</u></b>	<b><u>Trustees</u></b>
No	Baldwin, Mel
No	Bostrom, Dave
absent	Gubbels, Larry
Aye	MacPherson, John
absent	Marsh, Jeff
No	Massie, Mike
Aye	McKinley, John
absent	Palmerlee, Dave
Aye	Scarlett, Dick
No	Sullivan, Michelle
No	True, Dave
aye	Tully, Wava

The motion did not pass.

Trustee McKinley moved that the grant application be made subject to all of the conditions set forth in the Governor's letter of July 11 and that Dean Steiner would report to the Board with regard to the status of the grant application and compliance with the conditions on a regular basis.

Trustee Sullivan seconded the motion with a friendly amendment, noting that the Board also receive report on this Department of Health study when it was released. Trustee McKinley agreed.

Deputy Secretary for the Board of Trustees Shannon Sanchez confirmed the motion. All were in favor.

AGENDA ITEM TITLE: **Arena Auditorium Phase II Bid Status Update**, Mai

CHECK THE APPROPRIATE BOX(ES):

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

MINUTES OF THE MEETING:

Vice President for Administration Bill Mai stated that his presentation was simply an update, and there was no action necessary. He stated that they had had eight bidders interested in the Arena Auditorium Phase II project. Vice President Mai added that July 26 was the date bids needed to be submitted. He noted that the item would be brought before the Board at the August Board of Trustees meeting and that it needed to be added to that meeting's agenda.

AGENDA ITEM TITLE: **BSL3 Update**, Miller [draft amendment (digester/incinerator issue)]

CHECK THE APPROPRIATE BOX(ES):

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

MINUTES OF THE MEETING:

Vice President and General Counsel Rick Miller provided the Board with an update on BSL3. He stated that work was underway. Vice President Miller added that he was drafting an amendment, as there was an issue with replacing the incinerator, replace it, or install digester, and this involved the city.

Vice President Miller noted that this was on the August agenda. He stated that there had been a delay in the project, but they would soon be going over authorization to enter into negotiation with the existing contractor. There was further discussion on the process.

Policy Director to the Governor Mary Kay Hill asked Vice President Miller to let her know when they were ready to begin.

Vice President Miller responded that there would be a motion in August.

AGENDA ITEM TITLE: **Financial System Vendor Negotiations Update**, Mai

CHECK THE APPROPRIATE BOX(ES):

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

MINUTES OF THE MEETING:

Vice President for Administration Bill Mai updated the Board on the financial system vendor negotiations. He noted that in the May or June Board of Trustees meeting, UW was granted authority to enter into negotiations with Oracle for software provider to replace systems. Vice President Mai added that the University had ended up with more price negotiations downward to the turn of \$500,000. He reminded the Board to recall that they had started with a decent price. Vice President Mai noted that he had met with Huron Consulting Group to work out major points they wanted to include in the contract, but he reminded the Board that nothing had been signed yet. He added that Oracle continued to negotiate in good faith and that they had been having good discussions.

Trustee President John MacPherson noted that it was important to return the matter to the Board for approval before the contract was finalized.

Vice President Mai stated he knew that the Board authorized them to enter into contract, but he was under the impression that they could proceed on their own afterward.

Trustee President MacPherson agreed that he thought Vice President Mai was correct, but noted that it might be a good idea to go back to the Board with the final contract in the end.

Vice President Mai said that he would be happy to report back to the Board with the final contract. He mentioned that he thought the timeline did not allow for that, but it was not a problem.

Trustee John McKinley asked if Vice President Mai intended to have the contract terms negotiation available at the August Board of Trustees Meeting, to which Vice President Mai responded that it was possible that it would be ready before that date.

Trustee President MacPherson asked if the contract terms negotiation could be put on the agenda for the August Board meeting, to which Vice President Mai replied that that was possible, and if it turned out to be more time sensitive, he would contact the Board.

Trustee Dave True noted that it was important to get the committee involved in the details. He added that Vice President Mai and he could visit with the committee on the phone to review those details. Vice President Mai agreed.



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

CHECK THE APPROPRIATE BOX(ES):

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

MINUTES OF THE MEETING:

Trustee Dave Bostrom provided the Board with an update on the Professor of Practice. He noted that he would address the topic in more detail the following month, as Dr. Tucker Readdy was out of the county. Trustee Bostrom stated that he hoped the Faculty Senate would agree to move forward and that it would be brought to the Board for approval when ready.

AGENDA ITEM TITLE: **Revisions to 2016 Trustee Meeting Schedule**, MacPherson

CHECK THE APPROPRIATE BOX(ES):

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

MINUTES OF THE MEETING:

Trustee President John MacPherson stated that the October meeting was originally going to be a conference call, but it had been suggested to change the meeting to in-person so the FCAC could report their findings. He noted, however, that the FCAC changed the timeline to meet with Board in November, meaning that the October meeting no longer needed to be in-person. Trustee President MacPherson asked UW President Nichols to give the Board a week to ten days in advance to review. He noted that the conference call was scheduled for August 10, and the retreat would be August 3-5. Trustee President MacPherson stated that some thought it should be moved to later in the month, possibly to August 17.

Trustee Dave True suggested the 24 of August, as it would create equal distance between the retreat and the September meeting.

Trustee President MacPherson stated that the Board would hold the meeting on August 24.

AGENDA ITEM TITLE: **Fall 2016 Enrollment Update**, Axelson

CHECK THE APPROPRIATE BOX(ES):

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

MINUTES OF THE MEETING:

Vice President for Student Affairs Sara Axelson updated the Board on enrollment. She noted that they had made progress, as they had been down 644 students for the fall semester and were now down 128 students, including the Laramie campus and outreach. Vice President Axelson stated that there were several other target initiatives they were trying to meet and that they would keep pursuing them. She noted that there was good support across the campus among the colleges, the Office of Admissions, and the Office of Financial Aid. She also thanked the trustees for calling the transfer students.

**Date of Next Meeting – Trustees’ Retreat** – August 3-5, 2016 in Saratoga, Wyoming

[Hold August 2 for possible committee meetings in advance of the retreat]

**Adjournment**

The meeting adjourned at 10:16 a.m.

Respectfully submitted,



Shannon Sanchez  
Deputy Secretary, Board of Trustees



Laura Shevling  
Senior Administrative Assistant

MATTHEW H. MEAD  
GOVERNOR



2323 Carey Avenue  
CHEYENNE, WY 82002

## Office of the Governor

July 11, 2016

Dr. Laurie Nichols, President  
University of Wyoming  
1000 E. University Avenue  
Laramie, WY 82071

Mr. John MacPherson, President  
University of Wyoming Board of Trustees  
1000 E. University Avenue  
Laramie, WY 82071

Dear President Nichols and President MacPherson,

The Educational Health Center of Wyoming operates in partnership with the University of Wyoming College of Health Sciences and has asked for my support of their application for a new "Federally Qualified Health Center" (FQHC) in Albany County. They also seek to improve opportunities for University of Wyoming students in health related studies.

The Educational Health Center, through the FQHC, would establish a third family practice residency facility in Wyoming. Given the complex history of these efforts in Wyoming, my support for the FQHC grant is conditional.

The University of Wyoming currently administers Family Practice Centers in Casper and Cheyenne. The direct line of authority becomes cloudy at times, but the University of Wyoming is responsible for the operation of both centers. If a third center is established in Laramie, the same line of responsibility would apply.

There is also potential for financial and legal liability stemming from the operation of a new clinic. The University of Wyoming must also warrant that there will never be a request for state funds to create or operate this clinic and that any liability is the responsibility of UW before I can support the application.

The Legislature directed the Department of Health (DOH) to review the residency centers in Casper and Cheyenne and to make recommendations regarding the most effective way to operate the centers. The new center must be subject to any recommendations implemented as a result of the DOH study.

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President Nichols and President MacPherson  
July 11, 2016  
Page 2

The application of July 17 is approaching. I will provide a letter of support for the application because of the timeline. If UW is not able to meet the conditions I have placed in this letter, the grant application should be withdrawn.

I look forward to hearing from you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matthew H. Mead", is written over a horizontal line.

Matthew H. Mead  
Governor

MHM:dh