

**THE UNIVERSITY OF WYOMING**

**MINUTES OF THE TRUSTEES**

**August 10, 2005**

**The Final Minutes can be found on the University of Wyoming Board of Trustees  
website at [www.uwyo.edu/trustees/meeting](http://www.uwyo.edu/trustees/meeting)**

**THE UNIVERSITY OF WYOMING  
MINUTES OF THE TRUSTEES**

**Wednesday, August 10, 2005  
3:00 – 5:00 p.m., Old Main Boardroom  
Conference Call**

**AGENDA**

Call to Order .....1

Roll Call .....1

2007-08 Legislative Budget Request .....1

Executive Session .....9

Adjournment .....10

### **Call to Order**

The meeting was called to order at 10:00 a.m. by Trustee President Judy Richards.

### **Roll Call**

Roll call was taken by Trustee Davis. The following were present by phone: Trustees Chuck Brown, Dick Davis, Taylor Haynes, Jim Neiman, Judy Richards, Peggy Rounds, and Tom Spicer. Lisa Parady-Skiles was present representing the Superintendent of Public Instruction, and Chris Boswell was present representing Governor Freudenthal. Vice President for Information Technology Robert Aylward was also present by phone.

Those present in the Boardroom of Old Main: Ed Oleske, Jay Fromkin, John Nutter, Sara Axelson, Beth Hardin, Phill Harris, Bill Gern, Ben Blalock, Jon Hughes, Tom Buchanan, Warren Lauer, Myron Allen, Maggie Murdock, Jim Steidtmann, Rollin Abernethy, Crystal Bennett, Shannon Sanchez, Cary Berry Smith and Nicole Ballenger.

### **Public Meeting**

#### **2007-08 Legislative Budget Request – President Buchanan**

Dr. Buchanan spoke about the budget request after noting those present in the Boardroom. The purpose of this discussion was to walk through the draft of the budget proposal to be taken to the state, due a week from this Friday. After today, Dr. Buchanan noted that the current draft will be modified and he plans to bring the final draft for approval at the Trustees' retreat based upon this discussion.

To begin the budget discussion, Dr. Buchanan reviewed the legislative interim studies currently underway. The budget included:

- The Hathaway scholarship program although the program still lacks a budget proposal for this year and won't have a bearing on this year's budget request.
- The faculty endowment interim study whose committee has met and will return with a report Oct. 1. This study has no direct bearing on this year's budget, and Dr. Buchanan will brief the Board on their work at the September Trustees' meeting.

- The proposal for the Energy Institute with a request for funding which will not be part of UW's request but will go to the legislature in the hope for independent legislation.
- The parking study is due December 1 and includes budget components. Vice President Harris will review the budget of the study for the Board although the core components are completed.
- The Teton School of Business planning is on schedule. Trustee Spicer asked about consultant's report, which is not due until August 22 and has not been shared yet.

Vice President Harris then spoke to the Board in more detail regarding the draft budget request. The component pieces included the following:

There is no longer a need for UW to make a separate request for general salary increases as they will be included in the standard budget and incorporate a 3.5% salary adjustment for each year. The state also made calculations for the increase in health insurance premiums, and worker's comp rates.

The next section of the budget Vice President Harris spoke about was the creation of a medical education program, requiring extraction of that funding from UW's block grant for WWAMI. This will create a new agency (#167) with three line items to separate out the medical costs, as well as clarify the family practice budgets for the legislature. New costs will be a total of \$8.6 million for WWAMI, Casper and Cheyenne (\$1.9 million; \$3.7 million, and \$3.0 million, respectively) and effect an immediate appropriation of restoration of \$780,000 that UW will pay under the contract for the CHCCW in Casper. This action will create operating budgets for the family practice centers of about \$3.5 million per year. The individual budgets will be defined for salaries and other items. Dr. Buchanan added the comment that these are biennial funding requests, and not annual requests.

The Academic Excellence budget item is for supporting the needs of UW by providing 19 faculty positions for UW to restore the lines that UW previously lost. Those positions encompass 16 different disciplines. In addition, Vice President Harris stated that the budget

request also adds \$2.9 million for senior faculty lines to improve salaries for senior faculty, and also allow for selection of new faculty members in positions higher than entry level.

UW has been in conversations during the last year to bolster support for the Wyoming State Vet Lab and discussing partial funding to create a departmental chair in wildlife and livestock diseases at a cost of approximately \$240,000. In addition, UW is asking for provision of a research director position for SAREC and support budget funding in the amount of \$424,000. There will be a request going to the legislature regarding employer paid benefits that are generally charged to the endowment for endowed positions, and UW is asking for additional funding support for the endowments as they grow and distributions come out.

Leadership Wyoming has an annual cost of \$30,000, and the budget proposal is for \$60,000 and to continue support for the program for the next two-year period.

Another large component of the budget is for Information Technology infrastructure funding in a variety of areas. The costs will be addressed in the budget request because of inadequate funding for about the last 20 years. Prioritization of the essential needs includes: \$1.1 million for data network funding, improved office process and research support for the institution at \$1 million as an on-going request; and support of two administrative systems (student system and main administrative system) that will be needed with the closure of FY2007. Due to the end of the debt service funding that goes into surplus from bonding operations, so ends the funding source for support of the administrative costs. The costs will not go away, and UW is aware that it will need an on-going support amount of \$1.5 million to continue subscriptions, and must maintain the subscriptions to benefit from all the updates and support.

In addition, IT has submitted a request for UW to provide a Microsoft suite for UW students on campus for the on-going cost of \$400,000; \$150,000 for on-going costs for UW's data backup system; and a one-time request of \$750,000 for new backup systems. The backup systems are not only for the University and will address UW's needs in the role of backing up information for the state of Wyoming as a remote data site. UW would also like to improve the

server area network with additional storage capacity that would prevent independent servers on campus being hacked by outside users and sensitive data being exposed from that. Mr. Harris said UW would like to move towards providing enough server storage to accommodate various needs on campus. There is a \$1 million one-time request to complete wireless access for points on campus to provide the broadest coverage possible and a proposal for a remote student lab system for \$1.2 million in one-time acquisition charges. There is also a request for \$450,000 for on-going costs to provide university students or others the ability to gain access to university computing facilities and laboratory worldwide.

Other items include support for the on-going costs of computer servers, \$2 million funding for library support that is specifically for electronic journals, etc. but does not address all of the issues for serials and journal subscriptions; \$600,000 for operational funds for the Wyoming Technology Business Center incubator to provide a director and services to help incubate and grow those services and \$2.5 million for educational equipment (currently addressed by PLUS budget). All of the technology needs will go toward academic excellence, with totals of \$19.1 million for the biennium in permanent funding, and about \$3.7 million in one-time funding.

Trustee Judy Richards had a question on UW backing up data for the state, that Vice President Aylward answered. He advised that UW went into a partnership with the state of Wyoming several years ago, and both entities purchased similar IBM equipment. The concept was to have backups off-site in the event a disaster occurred, and have the data located in a geographically separate location to allow for complete restoration of the systems, even if they were completely destroyed. It is a reciprocal agreement between UW and the state and is done on a nightly basis. She then said the legislature should hopefully want to support it with due to the reciprocity of the arrangement, and asked if the trustees should stress it is a partnership, and Vice President Aylward said yes.

Trustee Haynes asked about the 19 faculty positions and if they are all tenure-track. Mr. Harris said they are all tenure-track and the objective is put tenured faculty back into place. UW

took an average of about \$67,500 for new faculty, knowing that depending on discipline and college, some salaries will be higher and some lower. Academic Affairs is targeting where those specific pieces will go, and Vice President Myron Allen explained there has been a net loss in faculty members of about 16 positions, and one of the reasons is that faculty members that were leaving or retiring weren't leaving enough in aggregate to fund their replacements. There have also been enough enrollment increases in the College of Business and they will need three additional positions to meet their enrollment needs in addition to the positions they receive out of the 16. Trustee Haynes stated he would strongly support asking for 21 or 22 positions. Dr. Allen said there are 12 distinguished faculty positions built into the request for the School for Energy Resources. The target for the 19 positions targets areas such as business, education, and also some core areas of instruction that all undergraduates have to take (i.e., English, quantitative reasoning, and oral communication all associated with the university studies requirements) that require attention. Trustee Spicer asked how the positions will interact with those received through the faculty endowment and the Energy School. Vice President Myron Allen answered that there will be senior level positions funded through the faculty endowment or the Energy School, and he feels that the positions asked for would be senior level positions, and the 19 positions in the request would be mostly entry level positions and would aid in recruiting efforts as well. Trustee Spicer indicated his concern with providing the level of detail to the legislature that Mr. Harris has presented.

Vice President Harris said there will be a certain level of detail in the discussion for the legislature to identify the costs and benefits of the positions, and he hopes it will come back in the block grant for the Board to allocate the dollars for the positions. Trustee Rounds said that the legislators will modify the request anyway and to put everything on one chart as far as entry level, so as not to leave the impression that UW is trying to double dip on how the funding is broken out.

Dr. Buchanan noted the bulk of the request for additional faculty positions is to catch up with what was lost over the last eight years and simply brings UW back to where it was in the late 1990s. The greatest distinction is the proposal in the energy institute and the faculty

endowments will allow the university to move forward in areas with a net gain in faculty numbers. This is the workforce issue that will be discussed in September. Trustee Richards said she feels it is a compelling argument to place more upper-level instructors in the classroom. Trustee Neiman asked Trustee Rounds if legislators would wonder what would happen to the money from the positions that had been vacated. Trustee Rounds felt it was a very valid question, and Dr. Buchanan said that if there were three vacancies on one day, there would only be enough money to fill two of those vacancies. He further stated that the salary amounts of the retiring or departing faculty are insufficient to fill the vacancies as UW recruits for new faculty. UW then loses the opportunity to fill some of the vacancies due to inadequate funding and must shift instructional resources to rely more heavily on graduate students and temporary and/or part-time faculty. This request will help UW move the workforce back to where it ought to be and doesn't advance the interests of UW, but simply fixes some of the problems that have been manifest at UW for several years.

Vice President Harris then talked about the infrastructure pieces of the University budget that include:

- \$2.5 million for utilities due to the use and price of coal for UW Central Energy Plant, and long-term contracts that UW had with gas and electricity ending. The money is needed to sustain where UW is headed with these costs.
- \$.5 million for Athletics scholarship fund in on-going funding and a one-time request to fund some incentive packages for retention of coaches for \$750,000 and would possibly be utilized in deferred compensation.
- \$1 million request for parking operations regarding the parking structure and other issues related to the on-campus transportation system.
- \$2.5 million on-going request for maintenance and security, described in terms of necessary maintenance on systems. UW must have some increase in the basic operating budget for the Physical Plant and others to provide those services.
- Capital facilities level II planning will be completed within the next two weeks for the IT facility and a cost estimate from the external architect and cost estimator. Mr. Harris has included \$51.5 million in the request for the parking structure and IT

facility as placeholders. He further explained that it would be approximately \$34.3 million for an IT facility based on an internal estimate, and with the other estimate from the external architect, the proposal will be ready for presentation to the State Building Commission this fall.

- The parking consultant provided numbers to Vice President Hardin on costs for a parking structure and include a police station, resulting in a \$16.8 m estimate.
- Also worked on plans for an expansion for germination room at the Powell Seed Lab and UW has received the architect's drawings. The drawings are currently out for cost estimation with the original contractor and the estimate is for about \$150,000 for the addition.
- Proposed a \$10 million facilities matching program, of which \$4 million would be dedicated to Athletics (generating \$8 million when matched) for completing the costs of the structures identified in the Athletics Strategic Plan. In addition, \$6 million (generating \$12 million when matched) to be used in a variety of other campus facilities. Some of the conversations included discussion on facilities at Casper, and generally trying to earmark the \$10 million request for a facilities matching program.
- UW is also proposing that the legislature fund an additional \$15 million for continuation of the endowment matching program.

Trustee Davis asked what the governor's response was to the proposed budget and Dr. Buchanan said that he met with the governor and Mr. Chris Boswell the previous week, and he related it was a very positive and upbeat conversation. The governor did not make any comments about any of the other requests from other state agencies, it seemed that his reaction was positive. Dr. Buchanan also wanted to share another conversation he had with the governor with regard to the parking structure. He said it was clear to him and others that a parking structure on the UW campus will never be a high enough priority to trump academic needs. Governor Freudenthal and Mr. Boswell stated that it is a real problem, and one they would like to have addressed in a serious fashion, as well as this is the year to make the request. Dr. Buchanan also explained that the parking situation at UW was an independent issue from the academic building priorities, and is in response to a legislative request for the study. Other

outcomes that Dr. Buchanan explained to the Board included the fact that if a parking structure was to be built, UW would also have to build a facility for Information Technology after the razing of the Iverson Building. Members of the Board commented on their concerns about the greatest priorities for UW, and that UW's limited resources should be directed toward areas that have greater importance than the parking structure. Trustee Haynes suggested that all the trustees visit the subject of the parking structure with their regional legislators in a careful, repetitious manner to help them understand the prioritization of UW's needs.

President Buchanan then spoke further about a pair of budget items not specific to UW's budget request, but are related to UW funding and warrant explanation. The first topic was the enhanced oil recovery effort on campus. In the last biennium, the state appropriated \$2.4 million in non-recurring funds to the Enhanced Oil Recovery Commission (EORC). Those funds have been transferred to UW to our Enhanced Oil Recovery Institute. There will be separate legislation introduced this year to fund the EORC for the next biennium and is approximately \$3.5 million per year. If the legislation is introduced and passes, the EORC would be treated as a separate state agency, but funds would be transferred to UW and the EORI from the commission through a series of MOU's (memorandum of understanding).

The second item Dr. Buchanan spoke about was Western Interstate Commission for Higher Education (WICHE) funding, which is an appropriation for a non-UW entity, although the university administer the funds. UW will make a request for an increase in WICHE funds, and there are three WICHE commissioners, who are Dr. Buchanan, Klaus Hanson and Tex Boggs. Dr. Buchanan has visited with Professor Hanson and Mr. Boggs about the increase, in particular with an eye on the number of WICHE slots that UW is able to devote to dentistry and vet medicine. The WICHE budget has remained fairly constant and as the cost of attendance at other schools has increased, the number of placements that UW receives has diminished. Dr. Buchanan stated that it is time to ask for an increase in funding so that UW can provide as many slots for dentistry and veterinary medicine and some of the health sciences as have been provided in the past. To clarify, Dr. Buchanan said it is not a request for funding but is really a request to support the WICHE program at previous levels.

Trustees discussed the parking structure further and determined that they need to be sensitive to what the legislature and the executive level are saying to UW and the Board. The trustees want to convey that they are listening to the state government's concerns and will also be able to help the legislators understand the priorities of the institution.

Dr. Buchanan spoke briefly about the two items on the agenda that are real estate acquisitions and personnel items, and asked if the Board would be willing to go into Executive Session for discussion. Trustee Haynes moved to have the Board move into Executive Session; Trustee Rounds seconded. The motion carried.

#### **Executive Session (4:12 – 4:35 p.m.)**

#### **Public Session (resumed)**

The Board moved back into the public meeting. Trustee Rounds moved to approve the appointment for the interim vice president for student affairs; Trustee Davis seconded. The motion carried.

Trustee Brown moved to authorize proceeding with negotiations of acquisition of the Uni-Wyo property at purchase price at or above the listed price; Trustee Spicer seconded. Motion carried.

Trustee Haynes moved to authorize the UW staff to add the construction mitigation funds to the offer on the other property; Trustee Spicer seconded. Trustee Rounds asked for clarification, and thought it was just real estate acquisitions that the Board was going to move on, not the specific properties. Dr. Buchanan added that was his understanding also. Trustee Haynes moved to add the construction mitigation onto the negotiations as needed. Trustee Spicer agreed to the motion as the second. Motion carried.

Trustee Rounds asked Dr. Buchanan if the Board needed to amend the first motion on the first real estate acquisition. Dr. Buchanan told the Board that wasn't necessary.

Dr. Buchanan then asked Board to complete the AGB survey, and noted that his office will send out the retreat agenda in the next couple of days. Trustee Richards reiterated the need to have all Board members complete the survey, as it will frame the discussions at the retreat and input is needed from every Board member. The Board will hold a regular business meeting on Friday, August 19, 2005 between 1 and 5 p.m. at their retreat. The purpose of the Board meeting is to seek final budget authorization and engage in discussion and selection of the search committee firm for the presidential search. Conference call capabilities will be provided for the press.

**Adjournment**

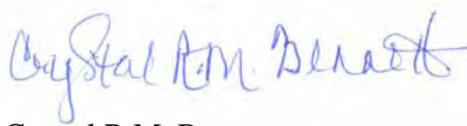
The meeting was adjourned at 5:00 p.m. with a motion from Trustee Haynes, and a second from Trustee Davis.

Respectfully submitted,



Shannon M. Sanchez

Deputy Secretary, Board of Trustees



Crystal R.M. Bennett

Assistant to the Vice President for Administration