UW Board of Trustees Budget Committee
Agenda
August 6, 2026, at 8:00 am – 10:00 am

Note: The Chairman reserves the right to go into Closed Session at any time.

Agenda #	Description	Page #
1.	**Consideration and Action:** FY2027-28 State Supplemental Exception Budget Requests for the 2027 Legislative Session	2 - 8
2.	**Consideration and Action**: Financial Assurances for CarbonSafe Project (Letters of Credit)	9 - 10
3.	**Information Only Item:** July 2026 vacancy report (Report is produced on August 5th)	Provided Separately

AGENDA ITEM TITLE: FY2027-28 State Supplemental Exception Budget Request, Schmid-Pizzato/Kean

SESSION TYPE:
☐ Work Session
☒ Information Session
☐ Other
☐ [Committee of the Whole – Items for Approval]

APPLIES TO STRATEGIC GOALS:
☒ Yes (select below):
- ☒ Institutional Excellence
- ☒ Student Success
- ☒ Service to the State
- ☒ Financial Growth and Stability

☐ No [Regular Business]

☒ *Attachments are provided with the narrative.*

EXECUTIVE SUMMARY:
The State of Wyoming uses a biennial budget process. The supplemental budget request focuses on the second year, FY2028, of the current biennium. Per instructions from the Governor's Office, "the supplemental budget process is reserved for emergencies, unforeseen circumstances, and to finish efforts to reform education finance and economic development."

Supplemental budget requests shall be submitted to the State Budget Department no later than Monday, August 31, 2026. A budget meeting with the Governor will be scheduled for a date to be determined between mid-September and October 2026.

PRIOR RELATED BOARD DISCUSSIONS/ACTIONS:
The Board approved FY2027-28 biennial budget requests on August 13, 2025. The Biennium Budget Committee met on June 3, 2026, to discuss potential supplemental budget requests, with further discussions amongst the Board of Trustees at the July 15, 2026, meeting in Evanston. The Biennium budget exception request shall be submitted to the State Budget Department no later than Monday, August 31, 2026.

WHY THIS ITEM IS BEFORE THE BOARD:
The Biennium Budget Committee is responsible for working with the University administration as it develops and submits the University's budget requests to the Governor as a state agency, including the 067 University of Wyoming operating budget.

ACTION REQUIRED AT THIS BOARD MEETING:
Approval of the FY2027-2028 biennium state supplemental exception budget request for the University of Wyoming, as provided in the supplemental materials.

PROPOSED MOTION:
I move to recommend to the full board authorization for Administration to submit the State Supplemental Exception Budget Request as presented and discussed during the August 6, 2026, Biennium Budget Committee meeting.

PRESIDENT'S RECOMMENDATION:
The President recommends approval.

PRIORITY #1 – Block Grant Cost Adjustment

	Object Code	Amount	Funding Source
1	0626 - Grant Payments	$18,600,000	100% General Fund
	Total	$18,600,000	100% General Fund

A. EXPLANATION OF REQUEST: In FY2021, the Wyoming State Legislature reduced the University of Wyoming's block grant state appropriation by $15,293,715 per year. The University absorbed that reduction. The state aid reduction did not occur in isolation: in the years that followed, inflation steadily eroded the purchasing power of the dollars that remained — most acutely in the University's non-compensation operating costs.

This analysis isolates non-compensation expenditures — professional service contracts, travel, technology and software licensing, materials, and general campus maintenance — separately from salaries and benefits, which are not included. In FY2021, UW's budgeted non-compensation operating expenses totaled $112,648,049 across Fund Classes 105 and 200. Funding transfers are excluded from this base: as they are internal transfers to and from operations, internal allocations, and transfers for debt service that vary widely from year to year and are not appropriate for inputs to a price-inflation calculation. The Commonfund Higher Education Price Index (HEPI), a specialized inflation measure for colleges and universities, shows cumulative inflation of 17.2% nationally and 18.3% for the Mountain region, which includes Wyoming, from FY2021 through FY2025 — the most recent published year. Applied to UW's FY2021 non-compensation base, that inflation represents approximately $20.6 million in lost purchasing power (Mountain region; $19.3 million using the national index). The legislature appropriated $2,000,000 per year for the University in Section 326 of the 2024 Budget Bill for enterprise inflation; therefore, the requested amount will be reduced by $2,000,000 making the request $18,600,000.

For K-12 school districts, the Legislature applies an annual External Cost Adjustment (ECA) to the education resource block grant model using four targeted cost indices — a Wyoming Comparable Wage Index for professional and non-professional labor, and the federal Producer Price Index for energy and educational materials — rather than the Consumer Price Index. This is the same index family, and nearly the same structure, that underlies the University's use of the Higher Education Price Index, which likewise relies on the Producer Price Index for supplies and utilities and separates them from compensation. The precedent is concrete, not merely conceptual: the Legislature has enacted sustained, cumulative non-personnel ECAs for K-12 reaching roughly 19 percent for educational materials and nearly 39 percent for energy by school year 2023-24, confirming the scale of non-compensation inflation in education. The University asks the State to extend to higher education the same inflation principle, and index-based method, it already applies to K-12. Higher education, by contrast, has no comparable mechanism, and the University of Wyoming has absorbed both a permanent FY2021 appropriation reduction and the compounding effect of inflation with no offsetting adjustment. Using the same calculation methodology, the ECA amount for the University would be an estimated $21.9 million.

Restoring the purchasing power of UW's non-compensation budget to its FY2021 level requires an estimated $20.6 million per year. This figure quantifies the accrued inflation on non-compensation operations since FY2021; it is a separate measure from restoring the original appropriation reduction, which in current dollars would cost $18,097,131. Because HEPI is published only through FY2025, the true erosion across the FY2026–FY2027 budget period is greater still. The University has established strategic partner programs through the Procurement Office that have produced some measurable efficiencies and value optimization; however, these savings do not come close to offsetting the cost increases being experienced. The University has also raised tuition and fees over the same period in an effort to maintain quality amid rising costs, but doing so shifts the financial strain onto students and families.

When funding fails to keep pace with rising costs, the University is forced into difficult trade-offs:

- Increasing tuition, fees, and total cost of attendance, which burdens students and may reduce access.
- Underinvesting in academic programs, which affects educational quality — for example: reducing software subscriptions to stay within budget; delaying necessary system updates and extending the life of outdated systems, compromising training relevance and realism; reducing the variety and quantity of lab-course materials; sharply cutting guest speakers and distinguished visitors across the year's lecture series; reducing student travel to conferences and events; and reducing the number of Graduate Assistantships offered.
- Reducing professional development, which affects faculty retention and innovation — for example: lower faculty participation in national conferences as travel costs rise, with travel constraints hindering research and professional growth.

These decisions erode the student experience and diminish UW's competitiveness in attracting top talent and delivering high-impact education. Underfunding today compounds costs tomorrow. Aligning institutional purchasing power with the actual cost of delivering a quality education is essential to keep UW accessible, competitive, and prepared to meet future challenges.

PRIORITY # 2 – Tuition and Fee Support for Undergraduate Students at the University of Wyoming who are enrolled members of the Eastern Shoshone Tribe or the Northern Arapaho Tribe

	Object Code	Amount	Funding Source
1	0626 - Grant Payments	$4,000,000	100% General Fund
	Total	$4,000,000	100% General Fund

A. EXPLANATION OF REQUEST:

In 2025, the University of Wyoming Board of Trustees created a fund to provide scholarships to help support undergraduate students at the University of Wyoming who are enrolled members of the Eastern Shoshone Tribe or the Northern Arapaho Tribe. This includes all new first-time students, new transfer students, and continuing students who are pursuing an undergraduate degree at UW who meet the following criteria:

-- Be an enrolled member of the Eastern Shoshone or Northern Arapaho tribe.

-- Be a Wyoming resident and have graduated from a Wyoming high school.

-- Be in good academic standing.

-- Be enrolled as a full-time student.

-- Complete the Free Application for Federal Student Aid (FAFSA) annually.

The scholarship may be renewed for up to eight semesters for new first-year students, six semesters for transfer students and based on academic level for continuing students, or until completion of the first bachelor's degree, whichever comes first. Renewal is contingent on continuous full-time enrollment of 12 credit hours each fall and spring semester; successful completion of 24 credit hours each academic year; maintaining a 2.0 UW cumulative grade-point average; annual completion of the Free Application for Federal Student Aid (FAFSA); and annual completion of the scholarship application in WyoScholarships. Once it's first distributed, a student has six academic years to receive the scholarship benefits.

The newly created fund does not have a sufficient endowment balance to generate enough expendable income to fund the program moving forward. Efforts are being made to grow the endowment however, this process will take time. Therefore, the University is requesting $4,000,000 in one-time funds to increase the endowment fund balance to generate more expendable income and fully fund the program on an ongoing basis.

PRIORITY # 3 - Matching Funds

	Object Code	Amount	Funding Source
1	0626 - Grant Payments	$20,000,000	100% General Fund
	Total	$20,000,000	100% General Fund

A. EXPLANATION OF REQUEST:

The Wyoming state matching program began more than 20 years ago with the intent of incentivizing major gifts to the University of Wyoming. It was expanded from matching endowments to athletics facilities and then to academic facilities. The overwhelming success of the program is a testament to the dedicated investment of the state leadership and the enthusiastic commitment of UW supporters and has provided more than $227 million in matching funds to the university which includes more than 700 matched endowments and facilities funds. The program encourages private support of Wyoming's university by doubling donors' gifts. However, the impact of the program is beyond measure and ripples through generations. Thanks to the state's investment, the University of Wyoming endowment is approaching a billion dollars—far surpassing our sister schools in the Mountain West and approaching that of much larger institutions. The university is requesting an additional matching pool of $20 million for the FY2027-2028 biennium for an extension of the University Endowment Challenge Program in accordance with W.S. 21-16-901. This request follows the recent success of matching $10,000,000 in FY2025-2026 matched to $20,000,000 through the establishment of 42 new student success funds and 13 new Faculty Excellence Funds.

CAPITAL CONSTRUCTION BUDGET NARRATIVE

1. Capital Construction Request

University of Wyoming, High Bay Research Facility – Thermo Fisher Scientific Research Laboratory – Partial Renovation – Level III Design and Construction

A. EXPLANATION OF REQUEST:

Center of Innovation for Flow Through Porous Media is requesting funding for the renovation of ~7,500sf of the High Bay Research Facility to accommodate scientific research equipment recently donated to the Center. Proposed equipment includes; industrial robotic CT scanners, ovens, microscopes, and related support equipment. Accommodating the equipment in the proposed space will require upgrading the building's electrical infrastructure, generator and uninterruptable power supply systems. This existing air handler will be upsized or supplemented with an additional air handling unit to accommodate the increased cooling loads.

B. REQUEST BY OBJECT CODE, FUNDING AMOUNT, & FUND SOURCE:

	Object Code	Amount	Funding Source
1	0701.01 – Remodeling	$6,774,777	1001 General Fund
2	0701.11 – Furniture	$200,000	1001 General Fund
3	0701.13 – Architectural and Engineering Services	$636,687	1001 General Fund
4	0701.14 - Relocation Costs	$125,000	1001 General Fund
5	0703.03 - Advertising	$5,000	1001 General Fund
	Total	$7,741,464	100% 1001 General Fund

C. PERFORMANCE JUSTIFICATION:

The proposed project supports Goal 2 and Goal 5 as defined in the University of Wyoming 2023+ Strategic Plan by supporting world-class research to achieve institutional excellence. The project will allow the University to leverage important corporate partnerships by providing space for private investments into state-of-the-art research equipment. These additional public and private investments will allow the University to attract top tier researchers to provide additional research capacity to further support the state's energy sector.

STATE CONSTRUCTION DEPARTMENT (SCD) RECOMMENDATION

The SCD recommends approval/denial…….in office use

STATE BUILDING COMMISSION (SBC) RECOMMENDATION

The SBC recommends approval/denial ……..in office use

AGENDA ITEM TITLE: **Financial Assurances for CarbonSAFE Project,** Kean

SESSION TYPE:
☐ Work Session
☐ Information Session
☒ Other
☐ [Committee of the Whole – Items for Approval]

APPLIES TO STRATEGIC GOALS:
☐ Yes (select below):
- ☐ Institutional Excellence
- ☐ Student Success
- ☐ Service to the State
- ☐ Financial Growth and Stability

☒ No [Regular Business]

☐ *Attachments are provided with the narrative.*

EXECUTIVE SUMMARY:

The University of Wyoming, through its School of Energy Resources, is leading a carbon capture & storage research project known as Wyoming CarbonSAFE that is largely funded by the U.S. Department of Energy. As part of this project, in 2021 the University applied for and obtained from the Wyoming Department of Environmental Quality (DEQ) two permits to drill two Class I Underground Injection Control (UIC) wells adjacent to Basin Electric Power Cooperative's coal-fired Dry Fork Station in Gillette, Wyoming. The University is the permittee under both permits.

In order to obtain those two Class I UIC permits, DEQ required the University, as permittee, to post and thereafter maintain financial assurance to cover the estimated costs of plugging, abandoning and conducting related activities (hereinafter "P&A'ing") each of the two wells. In order to satisfy this requirement, in July 2021 the University of Wyoming executed two letters of credit for $210,000 for each of the two wells (for a total amount of $420,000). The Board of Trustees approved these letters of credit in June 2021. The letters of credit were amended in May 2023, July 2024, and May 2025 based on updated costs. SER successfully completed the current phase of geologic research using the two wells and both wells remain in compliance with their respective Class I UIC permits and are able to support additional applied research in the future.

The two Class I UIC permits also require the University, as permittee, to submit updated P&A'ing cost estimates annually to ensure that the posted letters of credit are financially adequate. If those cost estimates exceed the amount of the posted letters of credit, DEQ has authority to require the University to post additional financial assurance to cover the shortfall.

Based on this year's review, the estimated plug and abandon costs for both wells together is approximately $490,000. (Per well amounts are $240,379 for UW PRB#1 and $242,735 for UW PRB #2.) Cost estimates are based on quotes from companies in the area.DEQ notified the University of Wyoming in May 2024 that the letters of credit must be updated to the new estimated plug and abandon costs. It should be noted that substantially all the costs incurred for plugging and abandoning the wells will be covered by the Department of Energy funding. The updated letter of credit amounts are expected to be $245,000 for UW PRB#1 and $245,000 for UW PRB#2.

To facilitate a timely execution of this financial assurance, University administration is requesting Board approval for the execution of any necessary documents needed to meet the DEQ requirements for financial assurance.

PRIOR RELATED BOARD DISCUSSIONS/ACTIONS:
The original letters of credit were approved at the June 16, 2021 Board of Trustees meeting, under the agenda item, Financial Assurances for Carbon SAFE Project.

WHY THIS ITEM IS BEFORE THE BOARD:
UW Regulation 7-7 governs Investment and Management of University Funds.

ACTION REQUIRED AT THIS BOARD MEETING:
Board approval or disapproval for administration to increase the amount of the letters of credit with First Interstate Bank and sign any necessary documents to provide the required financial assurances to the Wyoming DEQ in relation to the Class 1 drilling permits for the Wyoming CarbonSAFE project operated by University of Wyoming.

PROPOSED MOTION:
I move to recommend to the full board administration is authorized to sign any necessary documents to provide the required financial assurances to the Wyoming DEQ in relation to the two Class 1 drilling permits.

PRESIDENT’S RECOMMENDATION:
The President recommends approval.