

Official Minutes
Board of Regents
Meeting of the Full Board
November 6, 2013
Anchorage, Alaska

Regents Present:

Patricia Jacobson, Chair
Kirk Wickersham, Vice Chair
Jyotsna Heckman, Treasurer
Dale Anderson
Timothy Brady
Fuller A. Cowell (attended via audio)
Courtney Enright
Kenneth Fisher
Mary K. Hughes (attended via audio)
Gloria O'Neill

Patrick K. Gamble, Chief Executive Officer and President, University of Alaska

Regent Absent:

Michael Powers, Secretary

Others Present:

Tom Case, Chancellor, University of Alaska Anchorage
Brian Rogers, Chancellor, University of Alaska Fairbanks
Michael Hostina, General Counsel
Carla Beam, Vice President for University Relations
Ashok Roy, Vice President of Finance & Administration and Chief Financial Officer
Dana Thomas, Vice President for Academic Affairs
Kit Duke, Chief Facilities Officer & Associate Vice President, Facilities and Land Management
Michelle Rizk, Associate Vice President, Budget
Kate Ripley, Director, Public Affairs
Brandi Berg, Executive Officer, Board of Regents
Barbara Nilsen Assistant, Board of Regents

I. Call to Order

Chair Jacobson called the meeting to order at 9:00 a.m. on Wednesday, November 6, 2013.

II. Adoption of Agenda

Regent Wickersham moved, seconded by Regent Anderson and passed with Regents Anderson, Brady, Cowell, Enright, Fisher, Heckman, Hughes, Wickersham and Jacobson voting in favor that:

PASSED AS AMENDED (amendment noted by *)
"The Board of Regents adopts the agenda as presented."

- I. Call to Order**
- II. Adoption of Agenda**
- III. Governance Report**
- IV. Public Testimony**
- V. Approval of Tuition Rates for Academic Year 2015**
- VI. Approval of the University of Alaska FY15 Operating Budget Request**
- *VI.A. Executive Session (added)**
- VII. Approval of the University of Alaska FY15 Capital Budget Request**
- VIII. Approval of the University of Alaska 10-Year Capital Improvement Plan FY15-FY24**
- IX. Approval of Revisions to the Industrial Security Resolution**
- X. Board of Regents' Comments**
- XI. Adjourn**

This motion is effective November 6, 2013."

III. Governance Report

Carey Brown, Staff Alliance chair, thanked the board for allowing governance the opportunity to participate in the meeting; noted in response to the work life survey conducted by the alliance a resolution was presented to President Gamble advocating for bullying training across the university system and revising Regents' Policy to address bullying concerns; said an outreach effort is underway at the campuses promoting a smoke-free and tobacco-free learning environment, stated appreciation for including staff in Shaping Alaska's Future dialogue and noted systemwide practices are being reviewed to ensure and promote a diverse hiring process at the university.

Robert Boeckmann, Faculty Alliance chair, said work is being done to resolve a setback that has occurred in establishing common English placement scores at the university; stated an effort to develop policy regarding distance delivery of science labs is underway; noted participation in the October 31 Shaping Alaska's Future meeting and looks forward to future faculty involvement regarding the initiative.

Shauna Thornton, Coalition of Student Leaders speaker, noted the majority of students support the extremely conservative tuition percentage increase; said students prefer a flat-rate fee structure; noted preparation for the student legislative summit and this year's

theme: Education Equals Bright Ideas for Alaska; said efforts are underway to redefine the coalition's constitution and bylaws and noted an increase in Facebook membership and participation amongst the students.

IV. Public Testimony

Abigail Carter, UAA student, asked the board to support the occupational therapy program and the Area Health Education Center (AHEC) budget; spoke about her experience at AHEC, how it offered her the opportunity to give back to her community and boosted her confidence as a student.

Jarmyn Kramlich, United Students of UAS president, noted appreciation for the effort put forth by the administration to provide time for open discussions with students regarding the proposed tuition increase and thanked President Gamble and the Board of Regents for their service to the university.

Drew Lemish, Union of Students of UAA president, spoke in support of the tuition increase; noted November 22 has been declared the first-ever smoke-free day at UAA and stated student government efforts are ongoing to establish a smoke-free environment at UAA.

Caity-Ann Stigon, UAA Resident Hall Association president, stated students at UAA are interested in learning more about tuition and what the increase supports.

V. Approval of Tuition Rates for Academic Year 2015

Reference 1

Note for the record: Regent Enright is a student at the UAF School of Management, and Regents Fisher and Heckman both have students attending the University of Alaska. All three regents reported conflicts with the tuition rates motion. Because the tuition rate motion is a university-wide issue that equally affects all students, Chair Jacobson determined that any benefits to Regents Enright, Fisher and Heckman were indirect and therefore not substantial and material as prohibited by the Ethics Act.

Regent O'Neill moved, seconded by Regent Enright and passed with Regents Brady, Cowell, Enright, Heckman, Hughes, O'Neill, Wickersham and Jacobson voting in favor and Regents Anderson and Fisher voting in opposition that:

PASSED

"The Board of Regents approves tuition rates for Academic Year 2015 as presented. This motion is effective November 6, 2013."

POLICY CITATION

Regents' Policy 05.10.01 states: "Recognizing that state general fund support is not sufficient to pay the full cost of education and that students have a responsibility to contribute to the cost of their higher education, tuition and student fees will be established to the extent practicable in accordance with the following objectives: (1) to

provide for essential support to the university’s instructional programs; (2) to make higher education accessible to Alaskans who have the interest, dedication, and ability to learn; and (3) to maintain tuition and student fees at levels which are competitive with similarly situated programs of other western states. Tuition revenues will be used primarily to maintain and expand the educational opportunities provided to students, to preserve and improve the quality of existing programs and support services, to respond to enrollment trends, and to implement new programs.”

RATIONALE/RECOMMENDATION

In September 2012, the board confirmed for academic year (AY) 2014 a 2 percent increase for undergraduate, graduate and non-resident graduate tuition. In addition, the board approved a 4 percent increase to non-resident undergraduate tuition. The AY14 increase was one of the smallest tuition increases in over a decade at UA. This was made possible because of belt tightening and other cost savings measures employed throughout the university, such as a hiring delay of up to 90 days on all open positions. While these and other fiscal practices will continue, the need to offset increasing fixed costs and to help maintain the quality of UA’s programs and services requires a tuition increase. After careful consideration of the university system budget requirements from among the chancellors, staff, and university community, the president proposed the following tuition increases:

- for undergraduate resident (100-400) level courses a \$6.00 per credit increase;
- for graduate resident (500-600) level courses a \$12.00 per credit increase;
- for undergraduate non-resident (100-400) level a \$12.00 per credit increase and
- for graduate non-resident (500-600) level courses a \$12.00 per credit increase.

Reference 1 reflects the previously approved AY2014 tuition rates and the proposed increases for AY2015.

The Board of Regents reserves the right to revise tuition rates per Regents’ Policy 05.10.060.E.

	AY2014	AY2015
Lower Division:		
PWSCC	\$145	\$152
Kodiak	\$147	\$153
All Other	\$168	\$174
Upper Division	\$204	\$210
Graduate	\$391	\$403
Nonresident Undergraduate Surcharge	\$432	\$444
Nonresident Graduate Surcharge	\$408	\$420

VI. Approval of the University of Alaska FY15 Operating Budget Request Reference 2

Regent Enright moved, seconded by Regent Heckman and passed with Regents Anderson, Brady, Cowell, Enright, Heckman, Hughes, O’Neill, Wickersham and Jacobson voting in favor and Regent Fisher voting in opposition that:

PASSED

“The Board of Regents approves the FY15 operating budget request in accordance with the plan as presented. This motion is effective November 6, 2013.”

POLICY CITATION

Regents' Policy 05.01.01.A. – Budget Policy, states: "The budget of the university represents an annual operating plan stated in fiscal terms. All budgetary requests shall be adopted by the board prior to submittal to the Office of the Governor or the legislature."

RATIONALE/RECOMMENDATION

Associate Vice President Rizk provided an in-depth review of UA’s FY15 Operating Budget Request. During the presentation, changes from the previous drafts were discussed. Reference 2 provides details for the proposed FY15 Operating Budget Request.

***VI.A. Executive Session (added)**

Regent Heckman moved, seconded by Regent Wickersham and passed with Regents Anderson, Brady, Cowell, Enright, Fisher, Heckman, Hughes, O’Neill, Wickersham and Jacobson voting in favor that:

PASSED

“The Board of Regents goes into executive session to discuss matters the immediate knowledge of which would have an adverse effect on the finances of the university related to the UAF Heat and Power Plant. This motion is effective November 6, 2013.”

The Board of Regents goes into executive session at 12:50 p.m. Alaska Time in accordance with AS 44.62.310. The session will include members of the Board of Regents, President Gamble, General Counsel Hostina, and such other university staff members as the president may designate and will last approximately 15 minutes.

The Board of Regents concluded an executive session at 1:20 p.m. Alaska Time in accordance with AS 44.62.310 to discuss matters the immediate knowledge of which would have an adverse effect on the finances of the university related to the UAF Heat and Power Plant. The session included members of the Board of Regents, President Gamble, General Counsel Hostina, and such other university staff members as the president designated and lasted approximately 30 minutes.

VII. Approval of the University of Alaska FY15 Capital Budget Request Reference 3

Regent Anderson moved, seconded by Regent Brady and passed with Regents Brady, Cowell, Fisher, Heckman, Hughes, O'Neill, Wickersham and Jacobson voting in favor that:

PASSED

“The Board of Regents approves the FY15 capital budget request in accordance with the plan as presented. This motion is effective November 6, 2013.”

POLICY CITATION

Regents' Policy 05.01.010.A. – Budget Policy, states: "The budget of the university represents an annual operating plan stated in fiscal terms. All budgetary requests shall be adopted by the board prior to submittal to the Office of the Governor or the legislature."

RATIONALE/RECOMMENDATION

Associate Vice Presidents Rizk and Duke provided an in-depth review of UA's FY15 Capital Budget Request. During the presentation, changes from the previous drafts were discussed. Reference 3 provides details of the proposed FY15 capital budget request.

VIII. Approval of the University of Alaska 10-Year Capital Improvement Plan FY15-FY24 Reference 3

Regent O'Neill moved, seconded by Regent Heckman and passed with Regents Brady, Cowell, Enright, Fisher, Heckman, Hughes, O'Neill, Wickersham and Jacobson voting in favor that:

PASSED

“The Board of Regents approves the 10-Year Capital Improvement Plan for FY15-FY24 as presented. This motion is effective November 6, 2013.”

POLICY CITATION

Regents' Policy 05.12.032 - Budget Policy, states:

A. “Annually, within the capital budget process, each MAU will prepare and update a 6-year capital plan proposal. The MAU 6-year capital plan proposals, which are developed based upon approved strategic, academic and other planning assumptions, will be consolidated into a systemwide 6-year capital plan in accordance with guidelines approved by the board and procedures established by the chief finance officer. The systemwide 6-year capital plan will be presented to regents' committees responsible for facilities and budgeting for review and comment prior to submission to the full board for approval. Once the 6-year capital plan is approved, the MAU 6-year capital plans shall consist of those projects in the sequence and with the funding sources as identified in the board-approved 6-year capital plan.

B. The 6-year capital plans shall be reviewed and updated each year as part of the capital budget submission process. Year one of the approved systemwide 6-year capital plan, exclusive of any operating leases and other property or facilities funded from current operating funds, shall become the university's capital budget request for the next capital appropriation cycle.

C. Each MAU shall include as part of its budget submittal such information regarding reportable leased facilities as may be requested by the chief finance officer."

RATIONALE AND RECOMMENDATION

The scope of the 6-year capital plan was extended to include a 10-year period in order to display additional information that is congruent with the 10-year fiscal plan submitted to the State of Alaska.

Associate Vice Presidents Rizk and Duke presented, reviewed, and discussed the proposed 10-year capital improvement plan which clearly demonstrates that the deferred maintenance (DM) and renewal & repurposing is, and will continue to be, the highest priority until the backlog of DM is reduced to a reasonable level. Reference 3 provides details of the proposed 10-year capital improvement plan.

IX. Approval of Revisions to the Industrial Security Resolution

Regent O'Neill moved, seconded by Regent Fisher and passed with Regents Brady, Cowell, Enright, Fisher, Heckman, Hughes, O'Neill, Wickersham and Jacobson voting in favor that:

PASSED

"The Board of Regents approves the Industrial Security Resolution as revised to reflect a change in university administration, and authorizes the chair and secretary of the board to sign the resolution. This motion is effective November 6, 2013."

RATIONALE/RECOMMENDATION

The president and selected members of the university administration are routinely designated by the Board of Regents to handle any duties and responsibilities relating to classified information in connection with contracts with the Department of Defense and other federal agencies. These individuals are given an extensive security screening and are the only members of the administration, including the Board of Regents, to have access to classified information.

The university has received similar security clearances since the mid-1950s. Execution of the resolution allows regents and other members of the administration to be exempted from security clearance procedures.

The resolution is identical to resolutions previously passed except for changes to university administration which includes adding a primary and a secondary facility security officer at the University of Alaska Fairbanks.

X. Board of Regents' Comments

Regent Wickersham stated it is the board's responsibility to be good stewards of the university, to carry UA's message to the legislature and the public thus allowing the governor and the legislature to do what is best for state of Alaska; noted if UA takes care of the students, everything else will take of itself and congratulated administration on the excellent Shaping Alaska's Future work session noting five board members attended.

Regent Heckman thanked staff and administration for preparing the budget information in the context of the Strategic Direction Initiatives; noted appreciation for the format in which the presentations were done and stated it was a good meeting.

Regent O'Neill stated this was her first year approving the budgets noting it was an interesting process; concurred with Regent Wickersham regarding being good ambassadors for the university system as it relates to the overall success of the budget planning process; is looking forward to Shaping Alaska's Future and to further defining the board's role in planning for the challenges and opportunities ahead.

Regent Fisher stated with all the national attention on the Arctic it is an opportunity for UA to highlight the research efforts at Toolik Field; noted during the December meeting he would like a broader discussion regarding revising the employee education benefits policy using the savings of such to reduce student tuition and debt; said as chair of the audit committee, the UAF heat and power plant is the university's number one risk and stated a preference for adding deferred maintenance and repurposing into the operating budget.

Regent Enright thanked administration for putting forth a thoughtful and carefully crafted budget; thanked Chancellor Case for hosting the meeting; is interested in seeing diverse options for tuition proposals that may assist in accomplishing some of the Shaping Alaska's Future goals and suggested board members tour the UAF heat and power plant in Fairbanks either before or after the December meeting.

Regent Hughes said Regent O'Neill summed up her thoughts regarding being good ambassadors for the university and apologized for not being able to attend the meeting in person.

Regent Cowell thanked Chair Jacobson for a productive meeting; noted this meeting was the first time he has attended a full board meeting electronically; said the technology worked amazingly well and the addition of web-streaming is a wonderful option.

Regent Jacobson thanked Chancellor Case and administration for all the preparation that made the meeting a success and noted she met with former Regent Marrs who sends his regards to the board.

President Gamble thanked the board for their support regarding the FY15 budget; noted the importance in finding the right level of information for board members that keeps them informed without going too deeply into the day-to-day efforts of the administration;

invited board members to attend the August budget planning meeting to get more involved, to see the details and to watch the process administration uses to formulate the budget information before the proposed budget comes to the board for approval.

Chancellor Rogers said he would schedule a tour of the UAF heat and power plant for board members in December; thanked Chancellor Case and staff for hosting the meeting and noted a video of Vice Chancellor Pitney's trip to the Arctic will be highlighted at the December meeting.

Chancellor Case stated it is always a pleasure to host the board meetings and would communicate the board's hospitality appreciation to staff; thanked the statewide team for their efforts in setting up the meeting; noted an Alaska Scholars event which was attended by 300 future UA students and the importance of engaging students in conversations about the advantages of continuing their education; said the Shaping Alaska's Future process has been fruitful thus far and is providing an enriched opportunity for the three universities to work together.

Provost Caulfield introduced Interim Vice Chancellor for Administrative Services Michael Ciri; said the leadership training session offered on October 31 was well attended and very valuable; noted the Shaping Alaska's Future conversations are productive and said there are many good ideas being shared with the creation of the effect statements.

Interim Vice Chancellor Ciri noted excitement about the UAS campus renovation projects; said food service at UAS is being reviewed particularly with the opening of the freshman housing complex; stated the dining services contract with NANA will not be renewed next fiscal year and noted effective July 1, 2014, UAS will be responsible for food services on campus and catering with be outsourced to local businesses.

XI. Adjourn

Chair Jacobson adjourned the meeting at 2:07 p.m. on Wednesday, November 6, 2013.