

**Official Minutes  
Board of Regents  
Emergency Meeting of the Full Board Agenda  
June 23, 2015  
AUDIO CONFERENCE**

## **1. Individuals Present and Opening Items**

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Regents Present:

Jyotsna Heckman, Chair  
Michael Powers, Vice Chair  
Gloria O'Neill, Treasurer  
John Davies  
Mary K. Hughes  
Lisa Parker  
Andy Teuber

Regents Absent:

Dale Anderson  
Sheri Buretta  
Courtney Enright  
Kenneth Fisher, Secretary

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

Others Present:

Rick Caulfield, Chancellor, University of Alaska Southeast  
Brian Rogers, Chancellor, University of Alaska Fairbanks  
William Spindle, Vice Chancellor for Administrative Services, University of Alaska Anchorage  
Michael Hostina, General Counsel  
Ashok Roy, Vice President of Finance & Administration and Chief Financial Officer  
Karl Kowalski, Chief Information Technology Officer  
Michelle Rizk, Chief Strategy, Planning and Budget Officer  
Kate Wattum, Assistant Director, Public Affairs  
Brandi Berg, Executive Officer, Board of Regents

### **A. Call to Order**

Chair Heckman called the meeting to order at 1:04 p.m. on Tuesday, June 23, 2015.

### **B. Adoption of Agenda**

**PASSED**

**"The Board of Regents adopts the agenda as presented. This motion is effective June 23, 2015."**

Motion by John Davies, second by Gloria R O'Neill.

Final Resolution: Motion Carries

Yea: John Davies, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Lisa M Parker, Michael K Powers, Andy Teuber

## **2. Approval Items**

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### **A. Acceptance of the FY2016 Operating Budget Appropriation and Approval**

## of Distribution Plan

### **PASSED**

**"The operating budget passed by the Legislature, including an unallocated reduction, is anticipated to be signed by the governor. The Board of Regents accepts the FY2016 Operating Budget Appropriation as presented. This motion is effective June 23, 2015."**

Motion by John Davies, second by Michael K Powers.

Final Resolution: Motion Carries

Yea: John Davies, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Lisa M Parker, Michael K Powers, Andy Teuber

### **PASSED**

**"The operating budget passed by the Legislature, including an unallocated reduction, is anticipated to be signed by the governor. The Board of Regents approves the FY2016 Operating Budget Distribution Plan as presented and gives the president the authority to distribute the unallocated reduction provided for in the state budget once the university's portion has been determined. This motion is effective June 23, 2015."**

Motion by John Davies, second by Gloria R O'Neill.

Final Resolution: Motion Carries

Yea: John Davies, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Lisa M Parker, Michael K Powers, Andy Teuber

### **POLICY CITATION**

Regents' Policy 05.01.04 – Acceptance of State Appropriations states, "The board must accept state appropriations to the university before any expenditure may be made against the appropriation."

### **RATIONALE AND RECOMMENDATION**

Chief Strategy, Planning and Budget Officer Rizk presented a summary of the FY2016 operating budget appropriation and discussed funding distribution implications.

The regular session operating bills (HB72 & 73) have been signed by the governor. The second special session operating bill (HB2001) was passed by the Legislature on June 11, 2015, but as of June 18, 2015 the bill has not been transmitted to the governor. The information below assumes the operating bill (HB2001) will be signed by the governor.

The Board of Regents requested a \$973.3 million (\$390.9 million in state and \$582.4 million in non-state funding) operating budget for the University of Alaska in FY2016. Final legislation decreased UA's overall operating budget state appropriation by \$14.8 million (4.0%) from \$370.6 million to \$355.8 million. The \$14.8 million net decrease includes a general fund reduction of \$26.4 million, a \$10.1 million one-time increment for compensation, and increments for a few specific programs. Although the legislation included one-time funding for pay raises for all state and university union and non-represented employees, it also included an unallocated reduction equal to the amount of those raises (\$29.8 million). It is unknown at this time how much of the \$29.8 million unallocated reduction, to be apportioned at the governor's discretion, will be passed on to UA.

## B. Acceptance of the FY2016 Capital Budget Appropriation and Approval of Distribution Plan

### **PASSED**

**"The capital budget having passed the Legislature and the governor not being expected to change the amount appropriated to the university, the Board of Regents accepts the FY2016 Capital Budget Appropriation as presented. This motion is effective June 23, 2015."**

Motion by Lisa M Parker, second by Michael K Powers.

Final Resolution: Motion Carries

Yea: John Davies, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Lisa M Parker, Michael K Powers, Andy Teuber

### **PASSED**

**"The capital budget having passed the Legislature and the governor not being expected to change the**

**amount appropriated to the university, the Board of Regents approves the FY2016 Capital Budget Distribution Plan as presented. This motion is effective June 23, 2015."**

Motion by Andy Teuber, second by Gloria R O'Neill.

Final Resolution: Motion Carries

Yea: John Davies, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Lisa M Parker, Michael K Powers, Andy Teuber

#### POLICY CITATION

Regents' Policy 05.01.04 – Acceptance of State Appropriations states, "The board must accept state appropriations to the university before any expenditure may be made against the appropriation."

#### RATIONALE AND RECOMMENDATION

Chief Strategy, Planning and Budget Officer Rizk presented a summary of the FY2016 capital budget appropriation and discussed capital funding distribution implications.

The capital bill (SB26) was passed by the Legislature on April 27, 2015, but as of June 18, 2015, the bill has not been transmitted to the governor. The information below assumes the capital bill will be signed by the governor.

The university's capital budget request totaled \$128.1 million with \$98.6 million requested from state funding and \$29.5 million requested from non-state funding. Of the \$50.0 million requested by the Board of Regents for its number one priority, deferred maintenance (DM) and renewal & repurposing (R&R), the Legislature appropriated \$3.0 million. Funding will address the critical priority projects at UAA, UAF and UAS.

UAF received state funding of \$1.86 million in the FY16 Operating Budget for the Alaska Center for Unmanned Aircraft Systems Integration (ACUASI). A portion of this funding will go toward the \$5.0 million capital request for this program. The Legislature did not include funding to continue work on the UAF Engineering Building, which leaves UAF short \$36.3 million to finish construction.

The administration requested that the board accept the capital appropriation and approve the distribution as presented. The project budgets are estimated and project descriptions begin on page 5 of the reference document. As the exact project scope and costs become known, project approval will be obtained from the appropriate authority in accordance with Board of Regents' Policy. If a subsequent transfer of funding between projects or to a new project is requested, the chief strategy, planning and budget officer shall determine the level of approval required, based on the size and nature of the transfer, in accordance with Board of Regents' Policy.

## 3. Adjourn

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### A. Adjourn

Chair Heckman adjourned the meeting at 1:55 p.m. on Tuesday, June 23, 2015.