

**Official Minutes
Board of Regents
Special Meeting of the Full Board
June 19, 2019
Fairbanks, Alaska**

1. Individuals Present and Opening Items

Regents Present:

John Davies, Chair
Sheri Buretta, Vice Chair
Lisa Parker, Treasurer
John Bania
Cachet Garrett
Darroll R. Hargraves
Mary K. Hughes

Regents Absent:

Dale Anderson, Secretary
Gloria O'Neill
Karen Perdue
Andy Teuber

James R. Johnsen, Chief Executive Officer and President, University of Alaska

Others Present:

Rick Caulfield, Chancellor, University of Alaska Southeast
Cathy Sandeen, Chancellor, University of Alaska Anchorage
Daniel M. White, Chancellor, University of Alaska Fairbanks
Michael Hostina, General Counsel
Myron Dosch, Chief Financial Officer
Paul Layer, Vice President for Academics, Students and Research
Michelle Rizk, Vice President for University Relations and Chief Strategy, Planning and Budget Officer
Roberta Graham, Associate Vice President of Public Affairs
Mark Kondrak, Chief Information Technology Officer
Keli Hite McGee, Chief Human Resources Officer
Brandi Berg, Executive Officer, Board of Regents

A. Call to Order

Chair Davies called the meeting to order at 9:00 a.m. on Wednesday, June 19, 2019.

B. Adoption of Agenda

PASSED

"The Board of Regents adopts the agenda as presented. This motion is effective June 19, 2019."

Motion by Cachet Garrett, second by Lisa M Parker.

Final Resolution: Motion Carries

Voting in favor: John Bania, Sheri Buretta, John Davies, Cachet Garrett, Darroll R Hargraves, Mary K Hughes, Lisa M Parker

2. Budget Discussion and Approval Item

A. Budget Discussion

President Johnsen provided an update on advocacy efforts; reviewed the contingency budget planning process regarding the four potential budget scenarios and the possible effects of a significant budget reduction; said if the governor does not approve an operating budget by July 1, 2019 it may be necessary to begin suspending operations that are not deemed mission-critical and furloughing employees affected by the reduced or suspended operations.

B. Acceptance of the FY20 Operating Budget Appropriation and Approval of Distribution Plan

POSTPONED

"The Board of Regents accepts the FY20 Operating Budget Appropriation as presented. This motion is effective June 19, 2019."

POSTPONED

"The Board of Regents approves the FY20 Operating Budget Distribution Plan as presented. This motion is effective June 19, 2019."

POLICY CITATION

Regents' Policy 05.01.040 – 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

The Board of Regents requested a \$917.9 million (\$358.5 million in state and \$559.4 million in non-state funding) operating budget for the University of Alaska in FY20. On Monday, June 10, 2019, the Legislature passed the FY20 Operating Budget bills (HB39 & HB40). The bills are awaiting transmittal to the governor for his consideration.

The Legislature's final FY20 funding level for UA is \$322 million unrestricted general funds in two appropriations. This funding constitutes a \$5 million (1.5 percent) reduction over the current year. The Legislature also adopted intent language encouraging the Board of Regents to study transitioning UA into a single accredited institution, and providing additional focus on the Educators Rising program, which recruits Alaska high school students to consider careers in education.

As of Wednesday, June 19, 2019, the governor had not signed an operating budget.

C. Acceptance of the FY20 Capital Budget Appropriation and Approval of Distribution Plan

POSTPONED

"The Board of Regents accepts the FY20 Capital Budget Appropriation as presented. This motion is effective June 19, 2019."

POSTPONED

"The Board of Regents approves the FY20 Capital Budget Distribution Plan as presented. This motion is effective June 19, 2019."

POLICY CITATION

Regents' Policy 05.01.040 – 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

The Board of Regents' capital budget request totaled \$57 million in state funding. \$50 million for facilities deferred maintenance (DM)/Renewal & Repurposing (R&R); \$5 million for sustaining USArray capabilities in Alaska; and \$2 million for digital fabrication laboratories.

On Wednesday, May 8, 2019, the Senate passed an FY20 capital budget (SB19) which includes \$10 million in DM/RR funding for the University of Alaska. On Tuesday, June 11, 2019, the House Finance Committee passed an FY20 capital budget bill which also includes \$10 million for UA, \$7.5 million in DM/R&R funding and \$2.5 million for the USArray project.

As of Wednesday, June 19, 2019, the Legislature had not passed a capital budget.

D. Approval to Apply Internal Contingency Funds and/or Receive Advances from the Office of Management and Budget

PASSED

"The Board of Regents authorizes the president to apply internal contingency funds, and/or receive advances from the Office of Management and Budget, in anticipation of the university's appropriation for FY20 and to expend those and other university funds as the president determines necessary to:

- 1) avoid immediate threats to public health or safety and comply with legal mandates;**
- 2) avoid severe impacts on public health and welfare and economic stability, including for constitutionally mandated core services such as teaching, research, and service, and any support, administrative, or legal services necessary to fulfill these functions; and**
- 3) maintain reduced services and defer expenditures in other areas as the president deems appropriate.**

This motion is effective June 19, 2019."

Motion by Darroll R Hargraves, second by Cachet Garrett.

Final Resolution: Motion Carries

Voting in favor: John Bania, Sheri Buretta, John Davies, Cachet Garrett, Darroll R Hargraves, Mary K Hughes, Lisa M Parker

RATIONALE AND RECOMMENDATION

Regents' Policy 05.01.040 requires that the Board of Regents accept state appropriations to the university before any expenditure may be made against the appropriation.

However, it is possible that the Legislature will not have passed or that the governor will not have signed an operating budget appropriation before July 1, 2019, the start of Fiscal Year 2020. Consistent with direction from the Governor's Office of Management and Budget and legal guidance from the Alaska Department of Law and the University's General Counsel, the university has sought an advance on its unrestricted general fund appropriation in order to continue constitutionally and legally mandated functions.

In addition, to avoid disrupting activities that generate significant research and contractual revenue during the summer, the university also plans to continue certain self-supporting activities using university receipts not deposited in the state treasury rather than state general fund monies.

3. Adjourn

A. Adjourn

Chair Davies adjourned the meeting at 9:46 a.m. on Wednesday, June 19, 2019.