

**Official Minutes
Board of Regents
Special Meeting of the Full Board
July 30, 2019
Anchorage, Alaska**

1. Individuals Present and Opening Items

Regents Present:

John Davies, Chair
Sheri Buretta, Vice Chair
Dale Anderson, Secretary
Lisa Parker, Treasurer
John Bania
Cachet Garrett
Darroll R. Hargraves
Mary K. Hughes
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
Robert 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
Maria Williams, Faculty Alliance Chair
Alex Jorgensen, Union of Students of the University of Alaska Anchorage

A. Call to Order

Chair Davies called the meeting to order at 9:04 a.m. on Tuesday, July 30, 2019.

B. Adoption of Agenda

PASSED AS AMENDED (amendment noted by *)

"The Board of Regents adopts the agenda as amended. This motion is effective July 30, 2019."

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

Final Resolution: Motion Carries

Voting in favor: John Bania, Sheri Buretta, John Davies, Cachet Garrett, Darroll R Hargraves, Mary K Hughes, Gloria R O'Neill, Lisa M Parker, Karen Perdue, Andy Teuber

Not Present at Vote: Dale G Anderson

***1.1. Opening Comments** (added)

Senator Gary Stevens thanked the board for its service; noted appreciation for the challenges facing the board and the university and advised the board to follow its authority provided in the Alaska Constitution.

Senator Tom Begich stated the board has its own constitutional duty noting it is not the role of government to intervene in the decisions of the university; encouraged the board to keep its constitutional mandate in mind when

making decisions for the university; stated the board is profoundly important to the future of the State of Alaska; said the Legislature supports the board's choices and asked the board to craft a university of which the state can be proud.

Alex Jorgensen, Union of Students of the University of Alaska Anchorage speaker of the assembly, thanked the board for the opportunity to speak; noted he is speaking on behalf of student government leadership across the university system; said students understand the tough financial situation, understand the university will look different going forward and do not know the right answers to the situation; stated what is known is including students in the decision-making process will lead to the best outcomes possible and said students want to be heard and involved in the restructuring process.

Maria Williams, Faculty Alliance chair, thanked the board for its advocacy in higher education; thanked Chancellors Sandeen, Caulfield and White, and their Faculty Senate presidents, senior faculty and senior administrators for coming together in a true shared governance fashion to discuss, share and analyze the future of the UA system and three separately accredited universities; urged the board to listen to the chancellors' report regarding the option to consider a consortium model that would maintain separate accreditations; said as Faculty Alliance chair, her greatest focus is on maintaining the accreditation that each of the three universities have worked so hard, noting the three separately accredited institutions are a reflection of the diversity of the state and a sign of its strength and stated student success will always be the number one lens that faculty use to examine proposed changes and is certainly on the radar as the UA system moves toward establishing a new model or structure.

Chair Davies said the Board of Regents' Task Force on University Structure met on July 12, 2019, is preparing an interim report and he has asked the Task Force to cancel future meetings; stated he is appointing a Board of Regents' Subcommittee on Restructuring UA that would act as a sounding board for the president moving forward with the development of restructuring options, chaired by Regent Hughes with members comprised of Regents Anderson, Bania, Garrett, Perdue, and Teuber.

General Counsel Hostina stated the Alaska Constitution explicitly requires that the Board of Regents manage the university and the constitution establishes the university as a separate constitutional corporation; said minutes from the Constitutional Convention show that the university was intentionally excluded from the executive branch of government by the framers of the constitution to insulate it from politics; stated according to constitutional mandate and law; the board determines expenditures subject to appropriations, and the policies, programs and functions of the university and said while the governor's proposal eliminates funding for research, many of the research functions are authorized or mandated by law, some examples include the earthquake and volcanic assessment project and a state semiologist, the Institute of Marine Science, the Alaska State Climate Center and a state climatologist, the Institute for Circumpolar Health Studies, the Cooperative Extension Service, a Mineral Industry Research Laboratory, the Alaska Native Language Center and the Kodiak Seafood and Marine Science Center.

President Johnsen acknowledged and thanked the distinguished and dedicated members of leadership attending the meeting including legislators, the board, faculty, staff and students; said UA's resources have been cut five out of the last six years and its autonomy is being threatened by prescriptive budget directions from outside the university; reflected on the Strategic Pathways (SP) process, which helped UA become leaner as it sought to strengthen its service to Alaskans, noting the SP planning process involved community leaders, faculty, staff and student in over 150 worksite meetings; said UA's strategic goals, economic development, workforce development, research, educational attainment and cost-effectiveness are more about the state needs and less about UA; shared the research-based, ambitious, and innovative 2040 vision of what UA can be for the state, if not the nation and the world; said focus is on UA's student experience represented by investments in student advising, scholarships and online programs and systems that expand student access; stated in this unprecedented 41 percent reduction and fiscal crisis, administration seeks strategic guidance from the board regarding how to reorganize itself, either by reducing its current structure of three separately accredited universities with statewide governance and administrative services or a simplified structure, both in administration and academics, with a single accreditation; said the board's assessment of the nature and depth of the crisis determines the appropriate response, using an analogy to decide, is the house on fire or is the toast burning; expressed the governor's intent to dramatically decrease state support and the severity of cuts threatens UA's ability to operate through the end of this fiscal year; said the current structure lends itself to duplicative administration and competition and encouraged the board to identify, from its perspective, the critical interests that must be addressed and the extent to which structural option addresses its fiduciary and leadership duty.

2. Budget Discussion

A. Budget Discussion

President Johnsen began the budget discussion stating no matter which structural model (three accredited universities or a single accredited university) is selected, it must increase share of budget on academics and student services, maximize access to UA programs and services for students across Alaska (face-to-face and online), reduce

administrative costs and provide a seamless student experience, including a single application, common courses, common curriculum and GERs, billing and transcripts.

The board engaged in an in-depth conversation discussing its fiduciary responsibilities, UA values and prioritizing areas of importance which include simplifying access, a seamless student experience, student success through strong support services, access for Alaska's people in rural areas, integration of teaching and research, scholarship, maximizing dollars spent on the student experience and less on administration, ensuring the next generation has a strong state university, providing education for enhancement, enrichment and public service, opportunities for research and its long-term investment for Alaska and the world, and increasing student outcomes.

***2.1. Approval to Develop a Revised Organizational Structure for the University of Alaska** (added)

Motion by Mary K Hughes, second by Dale G Anderson

MOTION

"The Board of Regents, pursuant to its duty to govern the University of Alaska in the best interest of the state, authorizes the president—with interim oversight from a Regents' subcommittee to be appointed by the Chair—to implement the following steps toward increasing the share of resources devoted to academics and student services by developing a revised organizational structure for the University of Alaska:

1. reducing administrative costs immediately through consolidation and standardization of processes in "back office" functional areas including but not limited to information technology, finance, university relations, and procurement;
2. preparing a strategic approach to combining duplicative academic colleges and schools, consolidating research institutes, and enhanced integration of community campuses—for review and approval by the Board at its meeting on September 12-13, 2019.
3. preparing to transition to a single institutional accreditation over the 2019-2020 academic year; and
4. consulting through the above steps with student, faculty, and staff governance groups.

This motion is effective July 30, 2019."

The board discussed the motion noting it preceded the opportunity to hear from the chancellors and to allow further consideration of the two structural options (three accredited universities or a single accredited university).

Motion to table agenda item 2.1.

TABLED

"The Board of Regents, pursuant to its duty to govern the University of Alaska in the best interest of the state, authorizes the president—with interim oversight from a Regents' subcommittee to be appointed by the Chair—to implement the following steps toward increasing the share of resources devoted to academics and student services by developing a revised organizational structure for the University of Alaska:

- 1. reducing administrative costs immediately through consolidation and standardization of processes in "back office" functional areas including but not limited to information technology, finance, university relations, and procurement;**
- 2. preparing a strategic approach to combining duplicative academic colleges and schools, consolidating research institutes, and enhanced integration of community campuses—for review and approval by the Board at its meeting on September 12-13, 2019.**
- 3. preparing to transition to a single institutional accreditation over the 2019-2020 academic year; and**
- 4. consulting through the above steps with student, faculty, and staff governance groups.**

This motion is effective July 30, 2019."

Motion by Andy Teuber, second by Lisa M Parker

Final Resolution: Motion Carries

Voting in favor: John Bania, Sheri Buretta, John Davies, Cachet Garrett, Darroll R Hargraves, Gloria R O'Neill, Lisa M Parker, Andy Teuber

Voting in opposition: Dale G Anderson, Mary K Hughes, Karen Perdue

***2.2. Approval to Extend the Time Frame for the July 30, 2019 Meeting** (added)

PASSED

"The Board of Regents approves extending the time frame for the July 30, 2019 meeting to 4:00 p.m. This

motion is effective July 30, 2019.”

Motion by Gloria R O'Neill, second by Karen Perdue

Final Resolution: Motion Carries

Voting in favor: John Bania, John Davies, Cachet Garrett, Darroll R Hargraves, Mary K Hughes, Gloria R O'Neill, Lisa M Parker, Karen Perdue, Andy Teuber

Voting in opposition: Dale G Anderson

Not Present at vote: Sheri Burette

The discussion continued. Chancellors Sandeen, Caulfield, and White spoke to the respective budget reductions and how each campus would allocate its proportional reductions; the chancellors also presented a UA Consortium – Three University Model, noting one size does not fit all; reviewed the shared mission of an engaged university, the core commitments, the broad collaboration with executive staff, governance and faculty; shared the benefits and risks; highlighted academic collaboration while also significantly reducing administration; noted the consortium model would leverage strong regional support from donors, maintain continuity of accreditation, respond effectively to place-based non-traditional students in each regional area and be less disruptive to students.

The board engaged in an in-depth discussion with chancellors indicating the difficult decisions brought forth by the \$136M budget reduction requires change and action while preserving student access and success and robust programs; mentioned support for the consortium model, noting the model still includes middle management, does not differ much from the current structure and may not adapt quick enough to meet the significant reductions and noted there was some skepticism to the newly stated cooperative collaboration among the campuses.

President Johnsen reviewed the proportional cuts necessary at the statewide office; presented the single university model noting the reduced and simplified administration; said there would be a single college for each major field of study and programs would be provided throughout the state with intentional local presence; compared the operating budgets of the two structural options, mentioning a single university model would allow more resources directed toward academics and student services; assured the board he has been in contact with the Northwest Commission on Colleges and Universities (NWCCU) and stated the NWCCU has expressed it will assist UA with the expedited accreditation changes that would be required.

The board held an in-depth discussion regarding the structural options and again discussed its fiduciary responsibilities and noted some concern that the single university structural change could take a number of years to implement. After information provided by Mr. Barnhill, State of Alaska Office of Management and Budget policy director, regarding the governor's two-year glide path approach, the board noted there could be an opportunity to postpone the structural changes and allow the campuses to apply the proportional reductions. However, the board also referenced the importance of allowing the president to deeply explore and present a plan regarding the single university model noting NWCCU's willingness to work with UA.

***2.3. Approval to Direct the President to Work on a Consortium Model and a One University Model (added)**

Motion by Lisa M Parker, second by Cachet Garrett

MOTION

“The Board of Regents directs the president to work in connection with the chancellors and governance organizations on the consortium model while also working to develop a plan to consider the one university model. This motion is effective July 30, 2019.”

Motion to table agenda item 2.3.

TABLED

“The Board of Regents directs the president to work in connection with the chancellors and governance organizations on the consortium model while also working to develop a plan to consider the one university model. This motion is effective July 30, 2019.”

Motion by Andy Teuber, second by Karen Perdue

Voting in favor: Dale G Anderson, John Bania, John Davies, Darroll R Hargraves, Mary K Hughes, Gloria R O'Neill, Karen Perdue, Andy Teuber

Voting in opposition: Cachet Garrett, Lisa M Parker

Not Present at vote: Sheri Burette

Motion to remove agenda item 2.1. from the table by Mary K Hughes, second by Karen Perdue

Voting in favor: Dale G Anderson, John Bania, John Davies, Cachet Garrett, Darroll R Hargraves, Mary K Hughes, Gloria R O'Neill, Lisa M Parker, Karen Perdue, Andy Teuber
 Not Present at vote: Sheri Buretta

Motion to amend agenda item 2.1. by Andy Teuber, second by Karen Perdue to add to number 3. following the word preparing "a plan for Board approval"

Voting in favor: Dale G Anderson, John Bania, John Davies, Darroll R Hargraves, Mary K Hughes, Gloria R O'Neill, Karen Perdue, Andy Teuber

Voting in opposition: Cachet Garrett, Lisa M Parker

Not Present at vote: Sheri Buretta

2.1. Approval to Develop a Revised Organizational Structure for the University of Alaska

PASSED AS AMENDED

"The Board of Regents, pursuant to its duty to govern the University of Alaska in the best interest of the state, authorizes the president—with interim oversight from a Regents' subcommittee to be appointed by the Chair—to implement the following steps toward increasing the share of resources devoted to academics and student services by developing a revised organizational structure for the University of Alaska:

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- 2. preparing a strategic approach to combining duplicative academic colleges and schools, consolidating research institutes, and enhanced integration of community campuses—for review and approval by the Board at its meeting on September 12-13, 2019.**
- 3. preparing a plan for Board approval to transition to a single institutional accreditation over the 2019-2020 academic year; and**
- 4. consulting through the above steps with student, faculty, and staff governance groups.**

This motion is effective July 30, 2019."

Motion by Andy Teuber, second by Karen Perdue

Voting in favor: Dale G Anderson, John Bania, Sheri Buretta, John Davies, Mary K Hughes, Gloria R O'Neill, Karen Perdue, Andy Teuber

Voting in opposition: Cachet Garrett, Darroll R Hargraves, Lisa M Parker

***B. Approval to Develop a Plan for the Distribution of the Budget Reductions**
 (no action taken)

3. State of Alaska Office of Management and Budget Presentation

Governor Dunleavy expressed via audio his sincere desire to work with the board on reforming the University of Alaska system in the face of difficult, but long overdue budgetary changes. He highlighted ongoing work and discussions between his administration and the university toward a multi-year, step down approach that focuses the university's direction, lowers its overhead and administrative costs, and increases academic outcomes.

Mr. Barnhill, State of Alaska Office of Management and Budget (OMB) policy director, acknowledged the university's difficult situation, stated respect for the board's authority and provided an overview of its proposed budget for the University of Alaska.

The board engaged in a discussion with Mr. Barnhill, noting concern for the term proviso at the bottom of OMB's proposed budget; said the \$136M reduction is too deep; noted the two appropriations are not optimal to manage; stated extreme concern for the mandated reduction to research and noted the phased 2-year approach is less destructive to UA.

4. Adjourn

A. Adjourn

Chair Davies thanked the board for extending the time frame of the meeting to discuss these important issues, to engage in these difficult discussions and to provide direction to President Johnsen, noting the direction given will provide a focus for future discussions regarding the university's structure and adjourned the meeting at 3:40 p.m. on Tuesday, July 30, 2019.