

**Official Minutes
Board of Regents
Emergency Meeting of the Full Board
August 20, 2019
Fairbanks, Alaska**

1. Individual Present and Opening Items

Regents Present:

John Davies, Chair
Dale Anderson, Secretary
Lisa Parker, Treasurer
John Bania
Cachet Garrett
Darroll R. Hargraves
Mary K. Hughes
Gloria O'Neill
Karen Perdue
Andy Teuber

Regent Absent:

Sheri Buretta, Vice Chair

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
Anupma Prakash, Provost, University of Alaska Fairbanks
Michael Hostina, General Counsel
Myron Dosch, Chief Financial Officer
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 10:01 a.m. on Tuesday, August 20, 2019.

B. Adoption of Agenda

PASSED

"The Board of Regents adopts the agenda as presented. This motion is effective August 20, 2019."

Motion by Karen Perdue, second by Lisa M Parker.

Final Resolution: Motion Carries

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

2. Approval to Terminate the July 22, 2019 Declaration of Financial Exigency

A. Approval to Terminate the July 22, 2019 Declaration of Financial Exigency

PASSED

"The Board of Regents terminates the July 22, 2019 Declaration of Financial Exigency, effective August 19, 2019. This motion is effective August 20, 2019."

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

Final Resolution: Motion Carries

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

RATIONALE

The July 22, 2019, declaration of financial exigency was based on specific findings by the Board of Regents that the operating budget then in effect, with a reduction of \$136 million in state funding, would have a material adverse effect on university (UA) operations and require cost reductions of approximately \$200 million.

On Monday, August 19, 2019, Governor Dunleavy signed into law a revised operating budget with a \$25 million reduction in state funding for UA. Given the change in the circumstances on which the board's findings were based, the board should revisit the findings in the July 22, 2019 declaration.

Projected expenses will still exceed projected revenues in FY20, and may well have a material adverse effect on UA operations. In the absence of a declaration of exigency, significant reductions in force will require far more process and up to a year of notice. Thus, a renewed declaration of exigency based on current circumstances may well be warranted down the road as UA implements the revised budget scenario.

The board discussed terminating financial exigency (FE) noting the \$70M budget reduction over the next three years will still require rigorous effort to manage the university; said subject to how the necessary \$70M reduction is achieved, FE could be considered during the next two fiscal years and is looking forward to future deliberate conversations regarding the management of the reduction with a focused effort on student success.

President Johnsen stated no action was taken under financial exigency and said the universities and the administration are reducing expenses through freezing travel, restricting hiring, reducing adjunct and term faculty contracts, limiting purchasing and pursuing revenue from selling and leasing its facilities.

3. Adjourn

A. Adjourn

Chair Davies adjourned the meeting at 10:16 a.m. on Tuesday, August 20, 2019.