University of Alaska
Board of Regents’ Meeting
April 12-13, 2012
Ward Building
Kenai River Campus
Soldotna, Alaska

MEETING SCHEDULE AND ACTIVITIES

Times for board meetings are subject to modifications within the April 12-13, 2012 timeframe.

Thursday, April 12, 2012

9:00 a.m. – 10:00 a.m. The Full Board will meet in Room 109 in executive session.

10:00 a.m. – 11:00 a.m. The Full Board will hear Public Testimony. The board chair will announce when public testimony is closed.

11:00 a.m. – 1:00 p.m. The Full Board will hear the President’s Report, Governance Reports and a presentation from Kenai Peninsula College. Lunch will be provided to regents and participants.

1:00 p.m. – 2:00 p.m. The Full Board will continue with business items.

2:00 p.m. – 4:00 p.m. Academic and Student Affairs Committee will meet in Room 109.

2:00 p.m. – 4:00 p.m. Facilities and Land Management Committee will meet in Room 107.

4:00 p.m. – 5:00 p.m. The Full Board will tour the Kenai River Campus.

5:00 p.m. – 5:20 p.m. The Full Board will attend a groundbreaking ceremony for the Career & Technical Education Center and student housing.

5:20 p.m. – 5:30 p.m. The Full Board will attend an unveiling of a plaque in the Brockel Building to honor Kenai Peninsula College’s founding director Clayton Brockel.

5:30 p.m. – 7:00 p.m. Board members and staff will attend a community reception at the Kenai River Campus Riverview Commons.

Friday, April 13, 2012

8:00 a.m. – 9:00 a.m. The Audit Committee will meet in Room 109.
9:00 a.m. – 10:00 a.m. The Full Board will hear Public Testimony. The board chair will announce when public testimony is closed.

10:00 a.m. – 3:00 p.m. The Full Board will continue with its agenda of reports and action items. Lunch will be provided at 11:30 a.m. for regents and the Kenai Peninsula College Council.

3:00 p.m. Adjourn

To contact members of the Board of Regents or participating staff during the meeting, please call (907) 450-8000 or email sybor@alaska.edu.
P01.01.010. University of Alaska Mission Statement.
The University of Alaska inspires learning, and advances and disseminates knowledge through teaching, research, and public service, emphasizing the North and its diverse peoples. (10-06-00)

P01.01.020. University of Alaska Anchorage Mission Statement.
The mission of the University of Alaska Anchorage is to discover and disseminate knowledge through teaching, research, engagement, and creative expression.

Located in Anchorage and on community campuses in Southcentral Alaska, UAA is committed to serving the higher education needs of the state, its communities, and its diverse peoples.

The University of Alaska Anchorage is an open access university with academic programs leading to occupational endorsements; undergraduate and graduate certificates; and associate, baccalaureate, and graduate degrees in a rich, diverse, and inclusive environment. (09-18-07)

P01.01.030. University of Alaska Fairbanks Mission Statement.
The University of Alaska Fairbanks, the nation’s northernmost Land, Sea and Space Grant university and international research center, advances and disseminates knowledge through teaching, research and public service with an emphasis on Alaska, the circumpolar North and their diverse peoples. UAF – America’s Arctic University – promotes academic excellence, student success and lifelong learning. (06-08-06)

P01.01.040. University of Alaska Southeast Mission Statement.
The mission of the University of Alaska Southeast is student learning enhanced by faculty scholarship, undergraduate research and creative activities, community engagement, and the cultures and environment of Southeast Alaska. (06-03-11)

P01.01.050. Prince William Sound Community College Mission Statement.
Prince William Sound Community College applies innovative and sustainable practices in providing accessibility, student success, effective teaching and learning, and community engagement. (09-23-11)
Agenda
Board of Regents
Meeting of the Full Board
April 12-13, 2012
Room 109 Ward Building
Kenai River Campus
Soldotna, Alaska

Times for meetings are subject to modifications within the April 12-13, 2012 timeframe.

Thursday, April 12, 2012

I. Call to Order [Scheduled for 9:00 a.m.]

II. Adoption of Agenda

MOTION
"The Board of Regents adopts the agenda as presented.

I. Call to Order
II. Adoption of Agenda
III. Approval of Minutes
IV. Executive Session
V. Public Testimony
VI. President’s Report
VII. Governance Report
VIII. Presentation from the Kenai Peninsula College
IX. Approval of Resolution of Appreciation for Robert Martin, Jr.
X. First Review of Bylaw Revisions
XI. Presentation on UA Mining Initiative
XII. Human Resources Report
XIII. Planning and Development Issues
   A. UA Foundation Report
   B. Development Report
XIV. Legislative Update
XV. Technology Presentation
XVI. Approval of Point MacKenzie Material Sale Development Plan
XVII. Approval of Revision to the Industrial Security Resolution
XVIII. Consent Agenda
   A. Academic and Student Affairs Committee
      1. Approval of Bachelor of Arts in Special Education at the University of Alaska Southeast
      2. Approval of Master of Arts in Teaching in Special Education at the University of Alaska Southeast
      3. Approval of Associate of Applied Sciences in Medical Diagnostic Sonography at the University of Alaska Anchorage
      4. Approval of Deletion of the Associate of Applied Sciences in Paralegal Studies at the University of Alaska Southeast
5. Approval of Deletion of the Bachelor of Science in Information Systems at the University of Alaska Southeast

XIX. Old Business Items
XX. New Business and Committee Reports
   A. Academic and Student Affairs Committee
   B. Audit Committee
   C. Facilities and Land Management Committee
XXI. Alaska Commission on Postsecondary Education Report
XXII. UA Athletics Report
XXIII. Future Agenda Items
XXIV. Board of Regents’ Comments
XXV. Adjourn

This motion is effective April 12, 2012."

III. Approval of Minutes

MOTION
"The Board of Regents approves the minutes of its regular meeting of February 15-16, 2012 as presented. This motion is effective April 12, 2012."

MOTION
"The Board of Regents approves the minutes of its special meeting of February 24, 2012 as presented. This motion is effective April 12, 2012."

MOTION
"The Board of Regents approves the minutes of its special meeting of March 9, 2012 as presented. This motion is effective April 12, 2012."

IV. Executive Session

MOTION
"The Board of Regents goes into executive session at _________ Alaska Time in accordance with the provisions of 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 a material sale, matters that could affect the reputation or character of a person or persons related to personnel and to receive legal advice from counsel. 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 _______. This motion is effective April 12, 2012."

(To be announced at conclusion of executive session)
The Board of Regents concluded an executive session at _____ Alaska Time in accordance with AS 44.62.310 discussing matters the immediate knowledge of which would have an adverse effect on the finances of the university, matters that could affect the reputation or character of a
person or persons related to personnel and receiving legal advice from counsel. The session included members of the Board of Regents, President Gamble, General Counsel Hostina, and other university staff members designated by the president and lasted approximately ______ hour(s).

V. **Public Testimony**  
* [Scheduled for 10:00 a.m.]

Public testimony will be heard at approximately 10:00 a.m. on Thursday, April 12, 2012. Comments are limited to three minutes per individual. Written comments are accepted and will be distributed to the Board of Regents and President Gamble by the Board of Regents’ Officer following the meeting. The chair will determine when public testimony is closed.

VI. **President's Report**  
* [Scheduled for 11:00 a.m.]

VII. **Governance Report**  
* [Scheduled for 11:15 a.m.]

Representatives from the Faculty Alliance, Staff Alliance, Coalition of Student Leaders and System Governance Council will report on issues of importance to the faculty, staff and students at the University of Alaska. Representatives are:

Juella Sparks, Staff Alliance Chair  
Daniel Monteith, Faculty Alliance Chair  
Nicholas Pennington, Coalition of Student Leaders Speaker  
Joe Hayes, System Governance Council Chair

VIII. **Presentation from the Kenai Peninsula College**  
* [Scheduled for 12:00 p.m.]

Representatives from the Kenai Peninsula College will present information regarding programs and services provided to the Southcentral communities by faculty, staff and students at the Kenai Peninsula College.

IX. **Approval of Resolution of Appreciation for Robert Martin, Jr.**  
* [Scheduled for 1:00 p.m.]

The President recommends that:

**MOTION**
"The Board of Regents approves the resolution of appreciation for Robert Martin, Jr. This motion is effective April 12, 2012."

WHEREAS, Robert “Bob” Martin, Jr. has served the University of Alaska with distinction and humility ever since his appointment to the Board of Regents by former Gov. Frank Murkowski in January 2005; and
WHEREAS, Bob Martin served on numerous committees of the board during his tenure, including the Facilities & Land Management, Finance & Audit, and Human Resources committees;

WHEREAS, Bob Martin most recently served as Vice Chair of the Board; and

WHEREAS, Bob Martin graduated from the University of Alaska in 1969 with a degree in electrical engineering; and

WHEREAS, Bob Martin was born in Kake and raised in Kake and Juneau, and considers himself a Southeast boy at heart, even claiming to love the rain; and

WHEREAS, Bob Martin has had a productive professional career, including serving as chair of the Alaska Energy Authority and Goldbelt Inc.’s Board of Directors; Director of the Southeast Region for the Alaska Department of Transportation and Public Facilities; 14 years in the utility industry, serving as general manager of both Tlingit Haida REA and Chugach Electric. He also served as regional roads engineer for the Alaska Bureau of Indian Affairs and vice president of corporate development for Sealaska Corp; and

WHEREAS, Bob Martin’s civic life has been an active one as well, including his staunch support for building a road to Juneau. In one guest opinion printed in the Juneau Empire in 2002, Bob’s characteristic humor was in full display with this ending quote arguing in favor of the road: “Let my people go!”; and

WHEREAS, Bob Martin’s contributions to various organizations are too numerous to list, but a few of the notable ones include being a member and past president of the Alaska Native Brotherhood Camp No. 70; a past president of the Northwest Public Power Association; and serving as a member of the Denali Commission’s Energy Advisory Board; and

WHEREAS, Bob Martin’s reputation for hard work and dedication started young. As a student, he made the national “Who’s Who in American Students” list. After graduating from the university, he served in the U.S. Army as a captain, and won an Army Commendation Medal for service in a classified security program overseas; and

WHEREAS, the Juneau Chamber of Commerce honored Bob as Citizen of the Year in 2008. Kathy Kolkhorst Ruddy, a past president of the chamber, summed up Bob’s character well when she said at the time, “He has the heart of a public servant”; and

WHEREAS, Bob Martin is an appropriately proud and knowledgeable historian and storyteller, particularly when it comes to his Tlingit heritage and family lineage; and

WHEREAS, Bob Martin is devoted to his family; he treasures his wife Ginny and their daughters Hilary and Danielle.
NOW THEREFORE, BE IT RESOLVED that the Board of Regents of the University of Alaska officially recognizes and thanks the service of Robert “Bob” Martin, Jr. to not only the University of Alaska and its students, but to the Southeast Alaska region and the state as a whole. He will be sincerely missed; and

BE IT FURTHER RESOLVED that this resolution be appropriately engrossed and conveyed to Robert “Bob” Martin, Jr. with a copy incorporated into the official minutes of the April 12-13, 2012, meeting of the Board of Regents.

X. First Review of Bylaw Revisions

Reference 1

BL19 of the Board of Regents’ Bylaws requires every five years the university administration report to the board on the status of the bylaws, making such recommendations as to revisions, additions and/or deletions as appear appropriate.

Reference 1 includes a mark up of the recommended revisions to the Board of Regents’ Bylaws. These recommendations are a result of a review by university administration. This is a first reading to allow regents to review and comment on the proposed revisions.

XI. Presentation on UA Mining Initiative

References 2, 3, & 4

Associate Vice President Villa will introduce Fred Parady, Executive Director of the Alaska Miners Association, and David Stone, Alaska Department of Labor and Workforce Development Deputy Commissioner, who will discuss current status and projected activity related to the mining industry in Alaska including the workforce projections and opportunities for the university in education and training.

Friday, April 13, 2012

V. Public Testimony (continued) [Scheduled for 9:00 a.m.]

Public testimony will be heard at approximately 9:00 a.m. on Friday, April 13, 2012. Comments are limited to three minutes per individual. Written comments are accepted and will be distributed to the Board of Regents and President Gamble by the Board of Regents’ Officer following the meeting. The chair will determine when public testimony is closed.

XII. Human Resources Report [Scheduled for 10:00 a.m.]

Donald Smith, Interim Chief Human Resources Officer, will update the board regarding human resources issues.
XIII. **Planning and Development Issues**  

A. **UA Foundation Report**

Vice President Carla Beam along with UA Foundation Board of Trustees Chair Jo Michalski will provide an update on UA Foundation activity.

B. **Development Report**

Vice President Carla Beam will update the board on development activities at the University of Alaska.

XIV. **Legislative Update**

Associate Vice President Christensen will provide an update regarding the status of legislation concerning the University of Alaska.

XV. **Technology Presentation**

CITO Kowalski will give a presentation on eTextbooks.

XVI. **Approval of Point MacKenzie Material Sale Development Plan**

The President recommends that:

**MOTION**

“The Board reauthorizes the 2008 Point MacKenzie Development Plan and authorizes UA Land Management to respond to the current offer for material extraction in excess of 100,000 cubic yards as presented and accept future qualified offers. This motion is effective April 13, 2012.”

**POLICY CITATION**

Regents’ Policy 05.11.020.B. defines a “development plan” as a “brief, general description of a development project, to include location, type of development, approximate acreage, and property map.” A “development project” includes “material extraction for commercial purpose.”

Regents’ Policy 05.11.060.B.2.c. states the board shall approve development plans that consist of material extractions that are anticipated to result in the sale of 100,000 cubic yards or more of material from a new source.
RATIONALE AND RECOMMENDATION

In accordance with Regents’ Policy 05.11.042, UA Land Management prepared, advertised and circulated for comment the Point MacKenzie Development Plan in 2008 prior to the competitive land and resource sale. It has since been in over-the-counter status. The Development Plan identifies four parcels of University investment property for development as material extraction sites. The Point MacKenzie Development Plan was sent to all legislators and legislative information offices, and over 160 municipalities. Public notices soliciting comments on the Development Plan were published in accordance with Regents’ Policy. No public comments were received by UA Land Management regarding the Development Plan.

Recently Land Management received a proposal for material extraction from Point MacKenzie Parcel, MS.PM.0003, which is located within the Mat-Su Borough port district approximately one mile northwest of the port near the end of Point MacKenzie Road. It is well suited for material extraction, given its close proximity to other material extraction operations and other compatible industrial, military and commercial uses. The land is zoned GU-1, the least restrictive zoning in the Mat-Su Borough. It is generally higher terrain than the road and property to the west, and portions of the parcel are covered with spruce, birch and aspen trees.

The related Point MacKenzie Material Disposal Plan for all four parcels has been included in the University’s land/material sale program (subject to requisite approvals) since September 2004. Offerors are now required to submit offers to purchase Material from the University in accordance with the University’s 2011 Over-the-Counter Material Sale Terms and Conditions.

Reauthorization at this meeting of the Development Plan approved by the Board of Regents in September 2008 will allow UA Land Management to respond to the current offer and accept offers in the future from qualified individuals or entities interested in purchasing material from the Parcel, pursuant to the University’s Over-the-Counter Material Sale Terms and Conditions and Material Sale Agreement. Further, Land Management seeks approval via this motion to contract for sale of greater than 100,000 CY of material from the parcels.

XVII. Approval of Revision to the Industrial Security Resolution

The President recommends that:

MOTION
"The Board of Regents approves the Industrial Security Resolution as revised to reflect a change in the members of the Board of Regents and authorizes the Chair and Secretary of the Board to sign the resolution. This motion is effective April 13, 2012."

Full Board Agenda: Page 7 of 10
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
members of the Board of Regents.

XVIII. Consent Agenda

MOTION
“The Board of Regents approves the consent agenda as presented. This motion is
effective April 13, 2012.”

A. Academic and Student Affairs Committee

1. Approval of Bachelor of Arts in Special Education at the University of
   Alaska Southeast Reference 7

MOTION
"The Board of Regents approves the Bachelor of Arts in Special Education
at the University of Alaska Southeast. This motion is effective April 13,
2012."

2. Approval of Master of Arts in Teaching in Special Education at the
   University of Alaska Southeast Reference 8

MOTION
"The Board of Regents approves the Master of Arts in Teaching in Special
Education at the University of Alaska Southeast. This motion is effective
April 13, 2012."
3. **Approval of Associate of Applied Sciences in Medical Diagnostic Sonography at the University of Alaska Anchorage**  
   Reference 9

   **MOTION**  
   "The Board of Regents approves the Associate of Applied Sciences in Medical Diagnostic Sonography at the University of Alaska Anchorage. This motion is effective April 13, 2012."

4. **Approval of Deletion of the Associate of Applied Sciences in Paralegal Studies at the University of Alaska Southeast**  
   Reference 10

   **MOTION**  
   "The Board of Regents approves the deletion of the Associate of Applied Sciences in Paralegal Studies at the University of Alaska Southeast. This motion is effective April 13, 2012."

5. **Approval of Deletion of the Bachelor of Science in Information Systems at the University of Alaska Southeast**  
   Reference 11

   **MOTION**  
   "The Board of Regents approves the deletion of the Bachelor of Science in Information Systems at the University of Alaska Southeast. This motion is effective April 13, 2012."

XIX. **Old Business Items**

XX. **New Business and Committee Reports**

   A. **Academic and Student Affairs Committee**

   B. **Audit Committee**

   C. **Facilities and Land Management Committee**

XXI. **Alaska Commission on Postsecondary Education Report**

   A report will be given by members representing the Board of Regents on the Alaska Commission on Postsecondary Education.

XXII. **UA Athletics Report**

   A report will be given by Regent Freitag, the Board of Regents’ representative for UA Athletics.
XXIII. Future Agenda Items

XXIV. Board of Regents’ Comments

XXV. Adjourn
I. Call to Order

II. Adoption of Agenda

MOTION "The Academic and Student Affairs Committee adopts the agenda as presented.

III. Full Board Consent Agenda

A. Approval of Bachelor of Arts in Special Education at the University of Alaska Southeast
B. Approval of Master of Arts in Teaching in Special Education at the University of Alaska Southeast
C. Approval of Associate of Applied Sciences in Medical Diagnostic Sonography at the University of Alaska Anchorage
D. Approval of Deletion of the Associate of Applied Sciences in Paralegal Studies at the University of Alaska Southeast
E. Approval of Deletion of the Bachelor of Science in Information Systems at the University of Alaska Southeast

IV. Ongoing Issues

A. Workforce Report on Fisheries and University Partnerships
B. Report on General Education Requirements
C. Report on Three-Year Degree Options
D. Discussion of Program Review Guidelines

V. New Business

VI. Future Agenda Items

VII. Adjourn

This motion is effective April 12, 2012."
III. Full Board Consent Agenda

A. Approval of Bachelor of Arts in Special Education at the University of Alaska Southeast

The President recommends that:

MOTION
"The Academic and Student Affairs Committee recommends the Board of Regents approve the Bachelor of Arts in Special Education at the University of Alaska Southeast. This motion is effective April 12, 2012."

POLICY CITATION
Regents' Policy 10.04.020 – Degree and Certificate Program Approval, states "All academic and certificate program additions, deletions, major revisions, and offerings of existing programs outside the State of Alaska will be approved by the Board of Regents." (02-16-96)

RATIONALE AND RECOMMENDATION
Reference 7 contains the rationale for the approval of this program. Provost Caulfield will review the proposal with members of the committee.

B. Approval of Master of Arts in Teaching in Special Education at the University of Alaska Southeast

The President recommends that:

MOTION
"The Academic and Student Affairs Committee recommends the Board of Regents approve the Master of Arts in Teaching in Special Education at the University of Alaska Southeast. This motion is effective April 12, 2012."

POLICY CITATION
Regents' Policy 10.04.020 – Degree and Certificate Program Approval, states "All academic and certificate program additions, deletions, major revisions, and offerings of existing programs outside the State of Alaska will be approved by the Board of Regents." (02-16-96)

RATIONALE AND RECOMMENDATION
Reference 8 contains the rationale for the approval of this program. Provost Caulfield will review the proposal with members of the committee.
C. Approval of Associate of Applied Arts in Medical Diagnostic Sonography at the University of Alaska Anchorage

The President recommends that:

**MOTION**
"The Academic and Student Affairs Committee recommends the Board of Regents approve the Associate of Applied Arts in Medical Diagnostic Sonography at the University of Alaska Anchorage. This motion is effective April 12, 2012."

**POLICY CITATION**
Regents' Policy 10.04.020 – Degree and Certificate Program Approval, states "All academic and certificate program additions, deletions, major revisions, and offerings of existing programs outside the State of Alaska will be approved by the Board of Regents." (02-16-96)

**RATIONALE AND RECOMMENDATION**
Reference 9 contains the rationale for the approval of this program. Provost Driscoll will review the proposal with members of the committee.

D. Approval of Deletion of the Associate of Applied Sciences in Paralegal Studies at the University of Alaska Southeast

The President recommends that:

**MOTION**
"The Academic and Student Affairs Committee recommends the Board of Regents approve the deletion of the Associate of Applied Sciences in Paralegal Studies at the University of Alaska Southeast. This motion is effective April 12, 2012."

**POLICY CITATION**
Regents' Policy 10.04.020 – Degree and Certificate Program Approval, states "All academic and certificate program additions, deletions, major revisions, and offerings of existing programs outside the State of Alaska will be approved by the Board of Regents." (02-16-96)

**RATIONALE AND RECOMMENDATION**
Reference 10 contains the rationale for the deletion of this program. Provost Caulfield will review the proposal with members of the committee.

E. Approval of Deletion of the Bachelor of Science in Information Systems at the University of Alaska Southeast

Reference 11
The President recommends that:

**MOTION**
"The Academic and Student Affairs Committee recommends the Board of Regents approve the deletion of the Bachelor of Science in Information Systems at the University of Alaska Southeast. This motion is effective April 12, 2012."

**POLICY CITATION**
Regents' Policy 10.04.020 – Degree and Certificate Program Approval, states "All academic and certificate program additions, deletions, major revisions, and offerings of existing programs outside the State of Alaska will be approved by the Board of Regents." (02-16-96)

**RATIONALE AND RECOMMENDATION**
Reference 11 contains the rationale for the deletion of this program. Provost Caulfield will review the proposal with members of the committee.

**IV. Ongoing Issues**

A. **Workforce Report on Fisheries and University Partnerships**

Associate Vice President Villa will provide a report.

B. **Report on General Education Requirements**

The provosts will provide a report on general education requirements.

C. **Report on Three-Year Degree Options**

The provosts will provide a status report on the potential for three-year degree options.

D. **Discussion of Program Review Guidelines**

Vice President Julius and the provosts will continue the discussion on program review guidelines with the committee.

**V. New Business**

**VI. Future Agenda Items**

**VII. Adjourn**
Agenda
Board of Regents
Facilities and Land Management Committee
Thursday, April 12, 2012, *2:00 p.m. – 4:00 p.m.
Room 107 Ward Building
Kenai River Campus
Soldotna, Alaska

*Times for meetings are subject to modifications within the April 12-13, 2012 timeframe.

Committee Members:
Carl Marrs, Committee Chair
Kirk Wickersham, Committee Vice Chair
Dale Anderson
Timothy Brady
Mary K. Hughes
Patricia Jacobson, Board Chair

I. Call to Order

II. Adoption of Agenda

MOTION
"The Facilities and Land Management Committee adopts the agenda as presented.
I. Call to Order
II. Adoption of Agenda
III. New Business
   A. Formal Project Approval for University of Alaska Fairbanks Kuskokwim Campus HVAC Upgrades
   B. Schematic Design Approval for University of Alaska Anchorage Matanuska-Susitna College Valley Center for Arts and Learning

IV. Ongoing Issues
   A. UAS Campus Master Plan Status
   B. UA Engineering Facilities Status
   C. UAF College of Rural and Community Development Master Plans Update
   D. UAF Campus-wide Student Housing and Dining Development Status
   E. UAF Combined Heat and Power Plant Replacement Status
   F. AHFC Energy Audits Status
   G. Construction in Progress
   H. Approvals by the Chair of the Facilities and Land Management Committee and the Chief Finance Officer

I. IT Report

V. Future Agenda Items

VI. Adjourn

This motion is effective April 12, 2012."
III. New Business

A. Formal Project Approval for University of Alaska Fairbanks Kuskokwim Campus HVAC Upgrades

The President recommends that:

MOTION
“The Facilities and Land Management Committee approves the Formal Project Approval request for the University of Alaska Fairbanks Kuskokwim Campus HVAC Upgrade as presented in compliance with the campus master plan, and authorizes the university administration to proceed through Schematic Design not to exceed a total project cost of $4,000,000. This motion is effective April 12, 2012.”

POLICY CITATION
In accordance with Regents’ Policy 05.12.042, Formal Project Approval (FPA) represents approval of the Project including the program justification and need, scope, the Total Project Cost (TPC), and funding plan for the project. It also represents authorization to complete the development of the project through the schematic design, targeting the approved scope and budget, unless otherwise designated by the approval authority.

An FPA is required for all projects with an estimated TPC in excess of $2.5 million in order for that project’s inclusion of construction funding to be included in the university’s capital budget request, unless otherwise approved by the Board.

The level of approval required shall be based upon TPC as follows:

TPC > $2 million but ≤ $4 million will require approval by the Facilities and Land Management Committee (F&LMC).

RATIONALE AND RECOMMENDATION

Background
In 2004, UAF completed a Facilities Audit of the Kuskokwim Campus facilities. The audit determined that most of the facilities in Bethel required extensive revitalization and code work to maintain current and future academic programs. The master plan for the campus also recognized the importance of renovating the buildings. Critical needs include boiler replacements, and bringing the HVAC system up to current code.
Major renovations and code upgrades are needed on over 50,000 square feet of space. The FY12 project will fund renovations in the main campus buildings (Phase 1, Maggie Lind and Voc-tech Buildings) and possibly Sackett Hall.

**Project Scope**
Work will generally include new electrical distribution, corrected plumbing systems, and installation of code compliant ventilation systems.

**Variance Report**
None

**Proposed Total Project Cost and Funding Source(s)**

<table>
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<tr>
<th>Source of Funding</th>
<th>Fund/Org</th>
<th>Amount</th>
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<tr>
<td>FY12 Series Q Bond</td>
<td>514512-50216</td>
<td>$4,000,000</td>
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**Estimated Annual Maintenance and Operating Costs (O&M)**
The annual maintenance amount will decrease, due to the new HVAC system installation. The annual operating cost of the HVAC system is expected to increase. This is due to the assumption that with the increased code compliant air flows, the energy usage of the facilities will actually increase. Installation of the new HVAC system will dramatically increase the supply of fresh air and also provide a substantial increase in user comfort within the facilities. Currently, the existing air system is shut down due to operating issues.

**Consultant**
The consultant selection is in progress.

**Other Cost Considerations**
None

**Backfill Plan**
N/A

**Schedule for Completion**

**DESIGN & AWARD**
- Formal Project Approval, presented: April 12, 2012
- Consultant Selection: May 2012
- Schematic Design Approval: September 2012
- Construction Documents: December 2012
- Advertise and Bid: January 2012

**CONSTRUCTION**
- Start of Construction: April 2013
- Date of Substantial Completion: April 2014
- Date of Beneficial Occupancy: May 2014
Procurement Method for Construction
Traditional design-bid-build method of construction will be used for this project.

Affirmation
This project complies with Regents’ Policy and the rural campus master plan.

Action Requested
Approval to develop the project documents through schematic design.

Supporting Documents
- One Page Budget
- Kuskokwim Campus Mechanical Rooms Floor Plan

B. Schematic Design Approval for University of Alaska Matanuska-Susitna College
Valley Center for Arts and Learning

The President recommends that:

MOTION
“The Facilities and Land Management Committee approves the Schematic Design Approval request for the University of Alaska Anchorage Matanuska-Susitna College as presented in compliance with the campus master plan, and authorizes the University administration to complete construction bid documents to bid and award a contract within the approved budget, and to proceed to completion of project construction not to exceed a Total Project Cost of $20,000,000. This motion is effective April 12, 2012.”

POLICY CITATION
In accordance with Regents’ Policy 05.12.043, Schematic Design Approval (SDA) represents approval of the location of the facility, its relationship to other facilities, the functional relationship of interior areas, the basic design including construction materials, mechanical, electrical, technology infrastructure, and telecommunications systems, and any other changes to the project since Formal Project Approval.

Unless otherwise designated by the approval authority or a material change in the project is subsequently identified, SDA also represents approval of the proposed cost of the next phase(s) of the project and authorization to complete the Construction Documents process, to bid and award a contract within the approved budget, and to proceed to completion of project construction.

For the Schematic Design Approval, if there has been no material change in the project since the Formal Project Approval, approval levels shall be as follows:
TPC > $4 million will require approval by the Facilities and Land Management Committee (F&LMC).

RATIONALE AND RECOMMENDATION

The Matanuska-Susitna College (MSC) has demonstrated a need for a large space for lecture series and classes, a student life program, an expanded music and theater program, performances, convocations and community partnered events. The existing facilities do not adequately meet the current needs of the campus. The Valley Center for Arts and Learning will address the campus needs, university goals, and fulfill the public square mission of the campus.

The MSC campus is currently limited to gatherings of 120 people in the cafeteria, which itself is not ideally suited for lectures, presentations or guest speakers. The campus has needs to address larger groups of faculty, staff and students for orientation, training and lectures. The new center will address the needs of the campus and goals addressed in the academic master plan, the strategic plan and campus master plan.

Project Scope
The project will design and construct a new facility that will address the stated needs of the campus. The building will be a separate facility immediately adjacent to the main campus. The building will provide a music classroom, drama lab, instrument storage, display areas, gathering/studying spaces and a theater with seating for 500 people for lectures, public gatherings and conferences.

Variance Report
None

Proposed Total Project Cost and Funding Source(s)
FY11 GO Bond $20,000,000

Estimated Annual Maintenance and Operating Costs (O&M)
Maintenance and Repair $210,000
Custodial $27,000
Grounds $21,000
Administration $21,000
Utilities $78,000
Total $357,000

Consultant(s)
Kumin and Associates, Inc.

Other Cost Considerations
Income earned will offset cost of technical staff to operate facility.
Backfill Plan
None

Schedule for Completion
DESIGN
- Conceptual Design: August 2011
- Formal Project Approval: November 2, 2011
- Schematic Design: April 2012
- Schematic Design Approval, presented: April 12, 2012
- Construction Documents: January 2013

BID & AWARD
- Advertise and Bid: January 2013
- Construction Contract Award: February 2013

CONSTRUCTION
- Start of Construction: May 2013
- Date of Beneficial Occupancy: December 2014

Procurement Method for Construction
Design-Bid-Build

Affirmation
This project complies with Regents’ Policy, the campus master plan and the project agreement.

Action Requested
Approval to complete the project construction documents, bid and award project in accordance with total project budget.

Supporting Document
Project Budget
Schematic Design Drawings (Floor Plans, Elevations, Site Plan)

IV. Ongoing Issues
A. UAS Campus Master Plan Status

UAS met with the consultants during the week of March 5, 2012, to review the schedule and goals, gain familiarization with the campus, and to gather data. The consultants anticipate having the first materials available for UAS’ internal review prior to the June 2012 board meeting.

UAS anticipates presenting the draft Campus Master Plan at the September 2012 board meeting and the final Campus Master Plan for adoption at the December 2012 board meeting.
B. **UA Engineering Facilities Status**

**Background**

UAA and UAF are proceeding with concept and schematic design development as authorized by the Board of Regents. A joint advocacy document is being used to inform legislators and others. The UAA and UAF Engineering Advisory Boards are joining their efforts to support these projects.

The project schedules below are based on receipt of full funding in FY13 and will be altered as appropriate for the FY13 budget outcome before the June 2012 board meeting.

**Procurement Methods**

Both campuses intend to seek chief procurement officer approval to utilize a Construction Manager at Risk project delivery method. The administration for both campuses believes many advantages are available through a CMAR relationship and that this stage in design is where important benefits will be realized. Both projects are on schedule for the Schematic Design submittal at the June 2012 meeting.

**UAA Engineering Facility Project Update**

Design workshops are in progress. The draft traffic study is being reviewed, and four sites are being evaluated for the parking structure. UAA is periodically updating the joint UAA/UAF Engineering Advisory Board. Schematic Design is scheduled to be complete in May 2012, and SDA will be requested at the June 2012 meeting.

**Milestones**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Livingston Sloan Architects Design Contract</td>
<td>September 2011</td>
</tr>
<tr>
<td>Amended Formal Project Approval</td>
<td>September 2011</td>
</tr>
<tr>
<td>Design Update</td>
<td>April 2012</td>
</tr>
<tr>
<td>Schematic Design Approval, as appropriate</td>
<td>June 2012</td>
</tr>
<tr>
<td>Final Design Complete</td>
<td>February 2013</td>
</tr>
<tr>
<td>Start of New Construction</td>
<td>April 2013</td>
</tr>
<tr>
<td>Date of Beneficial Occupancy</td>
<td>May 2015</td>
</tr>
<tr>
<td>Start of Renovations of Existing Facilities</td>
<td>May 2015</td>
</tr>
<tr>
<td>Date of Beneficial Occupancy Existing Facilities</td>
<td>June 2016</td>
</tr>
</tbody>
</table>

**UAF Engineering Facility Update**

UAF and ECI/Hyer/NBBJ are proceeding with the project Schematic Design. The consultant has prepared an initial concepts and narratives package for campus review.
### Milestones

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECI/Hyer-NBBJ Design Contract</td>
<td>May 2011</td>
</tr>
<tr>
<td>Amended Formal Project Approval</td>
<td>September 2011</td>
</tr>
<tr>
<td>Design Update</td>
<td>April 2012</td>
</tr>
<tr>
<td>Schematic Design Approval, as appropriate</td>
<td>June 2012</td>
</tr>
<tr>
<td>Final Design Complete</td>
<td>March 2013</td>
</tr>
<tr>
<td>Construction Start-Up</td>
<td>April 2013</td>
</tr>
<tr>
<td>Construction Complete</td>
<td>August 2015</td>
</tr>
</tbody>
</table>

### C. UAF College of Rural and Community Development Master Plans Update

#### Background

A Master Planning Policy (05.12.030) was implemented in September 2008 requiring that campus master plans be reviewed and updated on a 5- to 7-year cycle. UAF is in the process of updating the 2006 College of Rural and Community Development (CRCD) Master Plans for the Bristol Bay, Northwest, Kuskokwim, Interior Aleutians, and Chukchi campuses and the UAF Community and Technical College to meet this requirement.

#### Status of CRCD Master Plan Update Efforts

UAF Design and Construction and their consultants met with the CRCD Campuses for the development of the first draft document. All of the first drafts have been reviewed and commented on, corrected/updated. The final draft versions will be presented to the Board of Regents.

PDF versions of the documents are available at the following link: [http://webshare.alaska.edu/2012MasterPlan/](http://webshare.alaska.edu/2012MasterPlan/)

#### CRCD Master Plan Updates 2011-12 Milestones

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appointment of steering committees for each campus</td>
<td>March 2011</td>
</tr>
<tr>
<td>Contract with consultants</td>
<td>March 2011</td>
</tr>
<tr>
<td>Initial visits to campuses</td>
<td>May-August 2011</td>
</tr>
<tr>
<td>Consultants prepare first draft versions, review with Users</td>
<td>August-October 2011</td>
</tr>
<tr>
<td>Consultants complete final draft of Master Plans</td>
<td>November 2011</td>
</tr>
<tr>
<td>Internal review by CRCD and Chancellor’s staff</td>
<td>November-December 2011</td>
</tr>
<tr>
<td>Consultants incorporate review comments</td>
<td>January 2012</td>
</tr>
<tr>
<td>CRCD Master Plan information report to the BoR</td>
<td>February 16-17, 2012</td>
</tr>
<tr>
<td>Presentation of final draft CRCD Master Plan to BoR</td>
<td>April 12-13, 2012</td>
</tr>
<tr>
<td>Consultants revise Master Plan per BoR comments, if required</td>
<td>May 1, 2012</td>
</tr>
<tr>
<td>BoR adoption of CRCD Master Plan Updates</td>
<td>June 7-8, 2012</td>
</tr>
</tbody>
</table>

### D. UAF Campus-wide Student Housing and Dining Development Status

Responses to the Request for Proposals were received from development teams on January 17, 2012. The proposals included conceptual designs and financial packages for the new housing and dining developments. Additionally, the
submittals included proposed housing master plans to help guide UAF through the process of developing both the proper mix and quantity of housing to support UAF’s long term mission. Both teams proposed a mix of suite style units and apartments, all with single occupancy bedrooms.

A Notice of Intent to Award has been sent to the preferred development team, Lorig Associates. GHEMM Inc. is the primary contractor; also working on the project is The National Development Council, Perkins and Will Architects, and Design Alaska Engineers. Currently, Lorig and UAF are negotiating the Planning and Pre-Development Agreement. Once signed, the agreement will allow the team to finalize the design and financial arrangements of the project. It is anticipated that a final design and Guaranteed Maximum Price (GMP) will be agreed upon by October 2012.

The current schedule for the development is:
Negotiate the Pre-Development Agreement February-April 2012
Complete Design and GMP May-October 2012
Sign Lease Agreement November 2012
Begin Construction May 2013
Housing Facility Complete August 2014
Dining Facility Complete August 2014

E. UAF Combined Heat and Power Plant Replacement Status

Project Update
Stanley Consultants, Inc. and SLR, Inc. have been selected for preliminary engineering and permitting for the UAF Combined Heat and Power Plant Replacement project. Work is progressing toward a scheduled completion of June 2012 for preliminary engineering. Once preliminary engineering is complete, an air emissions permit application can be submitted as early as September 2012. Under the most optimistic assumptions, an air permit could be obtained as early as April 2013. There are many variables in the permitting timeline and updates will be provided periodically.

The other key deliverable will be a cost estimate. The estimate will provide a basis for a funding request.

Background
At the direction of the vice chancellor for administrative services, a working group was established in early 2010 to re-evaluate the 2006 recommendations and consider new options. The circumstances and economics for coal, natural gas, and other alternative fuels have changed since 2006, and it is prudent to revisit the plan in light of current conditions.
The 2006 UDP consultant, GLHN, was hired to evaluate multiple options at a high level order of magnitude, and then to perform a detailed evaluation of two or three viable options. The process included solicitation of input from industry, public, and the campus. Ten alternatives were evaluated and were narrowed to two options: a coal/biomass boiler and a natural gas turbine with heat recovery for heat.

A detailed evaluation which included an independent peer review was completed and a recommendation for a solid fuel (biomass/coal) Circulating Fluidized Bed Boiler was forwarded to Chancellor Rogers for approval. A major concern for evaluating natural gas options is to determine when adequate quantities may be available in Fairbanks and what the price may be. Another factor will be evaluating the risk associated with long-term price volatility. The risk of permitting a coal/biomass facility is also being evaluated.

The preferred result of this work group is a recommendation that prepares UAF to efficiently and reliably heat and power the UAF campus for the next 40 years. Chancellor Rogers approved the recommendation for a solid fuel (coal/biomass) Circulating Fluidized Bed Boiler.

**FY12 Funding and Construction Plans**

The FY12 R&R appropriation contains three items related to UAF Utilities:

- Critical Electrical Distribution Renewal Phase 1C.
  - Connects GVEA and UAF generators - $8.5M plus $5.25M bond funding.
  - Three critical items - $0.9M plus $1.0M bond funding.
- Atkinson Heating Plant Boiler and Turbine Replacement.
  - Design and permitting for $180.0 to $200.0M project - $3.0M.

The Atkinson Heating Plant Critical Utilities Revitalization project will upgrade needed items even if the new boilers and turbine are installed. Many components of the existing plant will be needed for redundancy in order to provide reliable power, heat and other utilities to the UAF campus.

**Highlights from Revitalization Work in Progress**

- Water Treatment Plant Aeration Basin replacement contract is 90% complete with completion expected May 2012.
- Replacement of a few select tubes in Boilers 1 and 2 is scheduled for May 2012.
- The bid for the replacement of the deaerator tank, feedwater heater and key high pressure valves is expected in May 2012. The work will be completed by November 1, 2012, and will require a campus steam shutdown (one day) to install key valves.
F. AHFC Energy Audits Status

The three MAUs are nearing completion of the UA Facilities Investment Grade Energy Audits being performed through the use of State of Alaska Energy Grants received from AHFC. Originally scheduled to be complete in March, AHFC has granted the university a one month extension. This extension will allow each MAU to thoroughly verify the means and methods used by the consultants to determine the project costs and proposed paybacks of the Energy Efficiency Measures (EEM) proposed in the audits. System-wide, the audits have generated a list of possible projects with a payback on investments ranging from 7 to 15 years. Typical projects being recommended are lighting upgrades, fine tuning of digital controls, and upgrades to various mechanical system components.

Individually, the campus project breakdowns are as follows:

<table>
<thead>
<tr>
<th>Campus</th>
<th>Project Cost</th>
<th>Payback</th>
<th>Energy Savings</th>
<th># of Buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAF-Main</td>
<td>$7.0M</td>
<td>12 years</td>
<td>$575,000/yr</td>
<td>14</td>
</tr>
<tr>
<td>UAF-Rural</td>
<td>$1.1M</td>
<td>7.5 years</td>
<td>$140,000/yr</td>
<td>12</td>
</tr>
<tr>
<td>UAA-Main</td>
<td>**</td>
<td>15 years</td>
<td>$30,000/yr</td>
<td>2</td>
</tr>
<tr>
<td>UAA-Rural</td>
<td>**</td>
<td>15 years</td>
<td>$185,000/yr</td>
<td>20</td>
</tr>
<tr>
<td>UAS-Juneau</td>
<td>**</td>
<td>15 years</td>
<td>$31,000/yr</td>
<td>5</td>
</tr>
<tr>
<td>UAS-Ketchikan</td>
<td>**</td>
<td>15 years</td>
<td>$7,000/yr</td>
<td>2</td>
</tr>
</tbody>
</table>

**UAA and UAS have not received the estimates to perform the EEM at the time of publishing this narrative.

UAA Rural campuses include: Kodiak, Prince William Sound, Mat-Su, Kenai and Homer.

UAF Rural campuses include: Seward Marine Center, Palmer Ag Farm, Kuskokwim, Chukchi, and Kodiak FITC.

G. Construction in Progress

Reference 14

Kit Duke, AVP Facilities and Land Management, and campus facilities representatives will answer questions regarding the status report on active construction projects approved by the Board of Regents. This is an information and discussion item; no action is required.
H. Approvals by the Chair of Facilities and Land Management Committee and the Chief Finance Officer

Regents’ Policy 05.12.047 delegates Project Change Approval to the Chair of the FLMC under certain conditions. Projects granted PCA by the Chair are reported in this section. Based on that policy, the following project was given PCA by the Chair:

UAF Life Sciences Research and Teaching Facility, (2010100 LFRF) TPC $88.6M (Project increase of $303,000) on 2/21/12.

Schematic Design Approval for projects that are phased as a part of the FLMC FPA approval and receive SDA under the limits for approval as delegated to the Chief Finance Officer are reported in this section. The following projects were given SDA at the CFO level:

UAF Patty Ice Arena Roof, (2012037 PIRFR) TPC $1.5M on 2/7/12.

UAF Atkins Power Plant Renewal – Phase 2 (2012032 BARN2) TPC $1.9M on 2/10/12.

Regents’ Policy 05.12.047 delegates Project Change Approval to the Chief Finance Officer under certain conditions. Projects granted PCA by the CFO are reported in this section. Based on that policy, the following project was given PCA by the CFO:

UAF Arctic Health CANHR Health Clinic (2010128 AHCHC) TPC $3.7M (Funding sources were changes, no change in TPC) on 2/10/12.

I. IT Report

Karl Kowalski, Chief Technology Officer will update the committee on the Smarter Planet Summit, IT security, IT Policy and Law workshop, and the emergency alert system.

V. Future Agenda Items

VI. Adjourn
I. **Call to Order**

II. **Adoption of Agenda**

**MOTION**

"The Audit Committee adopts the agenda as presented.

I. Call to Order
II. Adoption of Agenda
III. Executive Session with Internal Audit Director
IV. New Business
   A. Approval of Modification to the FY12 Annual Audit Plan and Internal Audit Status Report
V. Ongoing Issues
   A. Report on Final Audit Reports Issued
   B. External Audit Status Report
   C. Overview of Follow-up Auditing
   D. Annual Audit Plan Development
VI. Future Agenda Items
VII. Adjourn

This motion is effective April 13, 2012."

III. **Executive Session with Internal Audit Director**

**MOTION**

"The Audit Committee of the Board of Regents goes into executive session at ________ Alaska Time in accordance with the provisions of AS 44.62.310 to discuss matters the immediate knowledge of which would have an adverse effect on the finances of the university and which would affect the reputation or character of a person or persons. The session will include members of the Board of Regents, Internal Audit Director Pittman, General Counsel Hostina, and such other university staff members as the Audit Chair may designate and will last approximately ____ hour(s). Thus, the open session of the Audit Committee of the
Board of Regents will resume in this room at approximately ____ Alaska Time. This motion is effective April 13, 2012."

(To be announced at the conclusion of executive session:)

The Audit Committee of the Board of Regents concluded an executive session at _____ a.m. Alaska Time in accordance with AS 44.62.310 discussing matters where the immediate knowledge of which would have an adverse effect on the finances of the university and which would affect the reputation or character of a person or persons. The session included members of the Board of Regents, Internal Audit Director Pittman, General Counsel Hostina, and other university staff designated by the Audit Committee Chair and lasted approximately ______ hour(s).

IV. New Business

A. Approval of Modification to the FY12 Annual Audit Plan and Internal Audit Status Report

The President recommends that:

MOTION
“The Board of Regents’ Audit Committee approves the modification to the annual audit plan for fiscal year 2012 as presented. This motion is effective April 13, 2012.”

POLICY CITATION
Regents’ Policy 05.03.016 states: The director of internal audit, in conjunction with the regents’ external auditors, shall annually present a complete audit plan for the university to the board’s audit committee for review and approval.

Significant changes to the audit plan after approval should be discussed with the audit committee.

RATIONALE AND RECOMMENDATION
Nichole Pittman, director of Internal Audit, will present to the Audit Committee a request for modification to the annual audit plan for FY12 and review the Internal Audit Status Report.

V. Ongoing Business

A. Report on Final Audit Reports Issued

Nichole Pittman, director of Internal Audit, will review with the Audit Committee, the final audit reports issued since the last Audit Committee meeting
and answer any questions members of the committee may have. This is an information item; no action is necessary.

B. **External Audit Status Report**  
   Reference 17

Nichole Pittman, director of Internal Audit, will review with the Audit Committee, the External Audit Status Report and answer any questions members of the committee may have. This is an information item; no action is necessary.

C. **Overview of Follow-up Auditing**  
   Reference 18

Nichole Pittman, director of Internal Audit, will review with the Audit Committee the status of follow-up auditing and answer any questions members of the committee may have. This is an information item; no action is necessary.

D. **Annual Audit Plan Development**  
   Reference 19

Nichole Pittman, director of Internal Audit, will review with the Audit Committee the process for developing the annual audit plan, including how the plan is updated throughout the year as risks change, and answer any questions members of the committee may have. This is an information item; no action is necessary.

VI. **Future Agenda Items**

VII. **Adjourn**
Unofficial Minutes
Board of Regents
Meeting of the Full Board
February 15-16, 2012
Fairbanks, Alaska

Regents Present:
Patricia Jacobson, Chair
Kirk Wickersham, Secretary
Jyotsna Heckman, Treasurer
Timothy C. Brady
Fuller A. Cowell
Mari Freitag
Kenneth Fisher
Mary K. Hughes
Michael Powers

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

Regents Absent
Carl Marrs

Others Present:
Tom Case, Chancellor, University of Alaska Anchorage
Brian D. Rogers, Chancellor, University of Alaska Fairbanks
John Pugh, Chancellor, University of Alaska Southeast
Michael Hostina, General Counsel
Carla Beam, Vice President for University Relations
Daniel J. Julius, Vice President for Academic Affairs and Research
Myron Dosch, Controller
Karl Kowalski, Chief Information Technology Officer
Kit Duke, Associate Vice President, Facilities
Michelle Rizk, Associate Vice President, Budget
Kate Ripley, Director, Public Affairs
Brandi Berg, Executive Officer, Board of Regents
Jennifer Mahler, Assistant, Board of Regents

I. Call to Order

Chair Jacobson called the meeting to order at 8:00 a.m. on Wednesday, February 15, 2012.

II. Adoption of Agenda

Regent Wickersham moved, seconded by Regent Cowell and passed with Regents Brady Cowell, Fisher, Freitag, Heckman, Hughes, Powers, Wickersham, and Jacobson voting in favor that:
PASSED AS AMENDED (amendments noted by *)

"The Board of Regents adopts the agenda as presented.
I. Call to Order
II. Adoption of Agenda
III. Approval of Minutes
IV. Executive Session
V. President’s Report
VI. Governance Report
VII. Public Testimony

VIII. Approval of Naming of Ridge on the University of Alaska Fairbanks Campus—Troth Yeddha’ (removed from agenda)

IX. Report on UA Metrics
X. Approval of Resolution of Appreciation for Patricia Ivey
XI. Approval of Resolution of Appreciation for Jeannie Phillips
XII. Presentation from the University of Alaska Fairbanks
XIII. Human Resources Issues
XIV. Planning and Development Issues
A. UA Foundation Report
B. Development Report

XV. Consent Agenda
A. Academic and Student Affairs Committee
   1. Approval of Certificate in Bakery and Pastry Arts at the University of Alaska Fairbanks
B. Facilities and Land Management Committee
   1. Formal Project Approval for the University of Alaska Fairbanks Critical Electrical Distribution Renewal Phase 2

XVI. New Business and Committee Reports
A. Academic and Student Affairs Committee
B. Audit Committee
C. Facilities and Land Management Committee

*XVII. Election of a Board of Regents’ Officer (added to agenda)
*XVIII. Approval of Revision to the Corporate Authority (added to agenda)

XIX. Approval of Revisions to the Industrial Security Resolution
XX. UA Athletics Report
*XXI. Alaska Commission on Postsecondary Education Report (added to agenda)
XXII. Future Agenda Items
XXIII. Board of Regents' Comments
XXIV. Adjourn

This motion is effective February 15, 2012."

III. Approval of Minutes

Regent Cowell moved, seconded by Regent Heckman and passed with no objection that:
"The Board of Regents approves the minutes of its regular meeting of December 8-9, 2011 as presented. This motion is effective February 15, 2012."

Regent Cowell moved, seconded by Regent Heckman and passed with no objection that:

"The Board of Regents approves the minutes of its board retreat of January 25-26, 2012 as presented. This motion is effective February 15, 2012."

IV. Executive Session

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

"The Board of Regents goes into executive session at 8:04 a.m. Alaska Time in accordance with the provisions of 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 litigation, labor, a land acquisition, and matters that could affect the reputation or character of a person or persons related to personnel. 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 1 hour and 15 minutes. This motion is effective February 15, 2012."

The Board of Regents concluded an executive session at 9:44 a.m. Alaska Time in accordance with AS 44.62.310 discussing matters the immediate knowledge of which would have an adverse effect on the finances of the university and matters that could affect the reputation or character of a person or persons related to personnel. The session included members of the Board of Regents, President Gamble, General Counsel Hostina, and other university staff members designated by the president and lasted approximately 1 hour and 34 minutes.

V. President’s Report

President Gamble stated Regent Martin’s element of culture and storytelling style of business he brought to the board will be greatly missed by staff and chancellors; updated the board regarding the Strategic Direction initiative and the pending tobacco policy.

VI. Governance Report

Juella Sparks, Staff Alliance Chair, recognized and thanked Pat Ivey for her contributions, knowledge and guidance provided to governance leaders over the years and wished her well in retirement; spoke regarding participation in strategic direction
internal listening sessions; ongoing benefits and compensation discussions; input on policy and regulation review; proposed changes to the employee education benefit; gathering feedback on the proposed tobacco policy; and the review and update to governance bylaws and constitution.

Daniel Monteith, Faculty Alliance Chair, reported on the eLab Taskforce faculty meeting regarding the review process for general education and core learning outcomes in the area of natural sciences; work with SAC regarding policy and regulations review; meeting with Coalition of Student Leaders regarding the Stay on Track campaign; acknowledged and thanked Regent Martin in the Tlingit language; and thanked Pat Ivey for her cooperation with faculty and her service to the university.

Nicholas Pennington, Coalition of Student Leaders Speaker, reported on the Coalition of Student Leaders retreat in Juneau; students advocating for the university; meeting with the governor and lieutenant governor regarding the student advising item in the university’s budget; and recognized Pat Ivey for her leadership and guidance provided to governance leaders.

VII. Public Testimony

Abel Bult Ito, president of United Academics, spoke about the University of Alaska being an educational powerhouse, an institution of higher education as well as offering training for workforce development and the importance of referring to the University of Alaska System as an educational institution when talking with Alaska State legislators.

Karolina Pavic, UAF student, spoke in support of developing a veterinary school and the importance of establishing a partnership with Colorado State University.

Sam Herreid, UAF student, spoke about the funding opportunities offered by the UAF Center for Global Change and Arctic System Research and shared information about his undergraduate research project regarding glacial melt in the Alaska Range.

Sean Lee, UAF graduate student, spoke about his experience at the Coalition of Student Leaders retreat in Juneau; the importance of engaging students to support the university; and his support for the engineering facility at UAF.

Christopher Clement, UAF student and representative of the newly formed UAF Pre-Vet Club, spoke in support of the 2+2 veterinary program with Colorado State University and thanked the board for their support thus far regarding the partnership.

Don Gray, president of the Friends of the University of Alaska Museum of the North, spoke in support of the university’s operating budget and the need for a fine arts curator and collection manager at the museum.
VIII. Approval of Naming of Ridge on the University of Alaska Fairbanks Campus—Troth Yeddha’ (removed from agenda)

IX. Report on UA Metrics

President Gamble reported the collection of metrics and measures is ongoing; defining the types of metrics will include analysis from the Strategic Direction listening sessions and other research to determine measures that are meaningful to the university and the state in terms of educational quality. Associate Vice President Gwen Gruenig reported on the history and the process regarding performance measures.

X. Approval of Resolution of Appreciation for Patricia Ivey

Regent Hughes moved, seconded by Regent Cowell, and passed with no objection that:

PASSED
"The Board of Regents approves the resolution of appreciation for Patricia Ivey. This motion is effective February 15, 2012."

WHEREAS, Pat Ivey first came to work at the University of Alaska over 36 years ago, in 1975, at the Cooperative Extension Service at UAF. She became the head of the UA Governance Office in 1984; and

WHEREAS, the System Governance Office was created by Board of Regents’ Policy 03.01.01 to allow faculty, staff and students across the system an opportunity to participate in the decision-making process and advocate on behalf of the university; and

WHEREAS, governance groups under Pat Ivey’s guidance have included the Faculty Alliance, Staff Alliance, Coalition of Student Leaders and the System Governance Council. Members of these groups are leaders of governance groups at their respective Major Administrative Units (MAUs); and

WHEREAS, Pat Ivey has served as Northern Regions vice president for Alaska chapter of the National Federation of Press Women; worked with National Geographic; received grants from Reader’s Digest and the Alaska Humanities Forum; and

WHEREAS, Pat Ivey in April of 1990 received a university award in recognition of demonstrated leadership in promoting minority employment; and

WHEREAS, the Coalition of Student Leaders approved a citation for Pat Ivey in 1994, noting that Pat worked “with a certain determination to make the Coalition of Student Leaders a reality in the University of Alaska System”; and

WHEREAS, the Coalition of Student Leaders named Pat Ivey “Most Valuable Staff Member” in April 2005; and
WHEREAS, the students aren’t the only ones to notice Pat’s efforts. Pat received certificates of appreciation for “exceptional service” from the University of Alaska Faculty Alliance in 1997 and 1998; and

WHEREAS, Faculty Alliance also presented Pat Ivey with a special recognition award in June 2007 “for over 20 years of outstanding service and dedication to the System Governance office”; and

WHEREAS, the Statewide Administration Assembly has long appreciated Pat, presenting her with an award in June 1988 for outstanding service, citing her exceptional efforts to research “major issues tended to improve employee relations, morale, efficiency and welfare.” The award notes Pat’s “energy, intelligence, research, communication skills and outstanding efforts”; and

WHEREAS, Pat Ivey, in 2003, received the relatively new “Make Students Count” award by then-President Mark Hamilton, an award that goes to employees specifically for their efforts to empower students; and

WHEREAS, Pat announced her retirement Jan. 31, 2012, by noting, with her typical self-deprecating humor, that “governance deserves a dedicated whippersnapper younger and snappier than me to serve you all and help move the university forward into a new era.”

NOW THEREFORE, BE IT RESOLVED that the University of Alaska Board of Regents officially recognizes the dedication of Pat Ivey in her 36-plus years of service, and wishes her good luck in enjoying her children, grandchildren and great-grandchild in her much deserved retirement.

BE IT FURTHER RESOLVED that this resolution be appropriately engrossed and conveyed to Pat Ivey, with a copy to be incorporated in the Feb. 15-16, 2012, official minutes of the Board of Regents.

XI. Approval of Resolution of Appreciation for Jeannie D. Phillips

Regent Wickersham moved, seconded by Regent Fisher, and passed with no objection that:

PASSED
"The Board of Regents approves the resolution of appreciation for Jeannie D. Phillips. This motion is effective February 15, 2012."

WHEREAS, Jeannie D. Phillips’ dedication to the University of Alaska can be traced throughout her entire adult life; and

WHEREAS, Jeannie D. Phillips initially came to the University of Alaska as a student, graduating from Kodiak Community College in 1980. She was hired as a clerk
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...steno...er for KUAC in 1981; relocated to System Human Resources in 1983, Academic Affairs in 1985, and finally became Executive Officer to the Board of Regents in 1991; and

WHEREAS, from 1991 to February 2012, she has managed the Board of Regents’ office with skill, grace, good humor, flexibility and humility. For 21 years, Jeannie has handled all logistics, dealt with delayed or cancelled airline flights, hotels and car rental agencies. She’s hauled binders, reams of papers and, more recently, eight cases of audio-visual equipment to each and every meeting; and

WHEREAS, over these years Jeannie D. Phillips has worked with 67 regents and attended more than 250 board meetings; and

WHEREAS, Jeannie D. Phillips has worked with six University presidents including Jay Barton, Donald O’Dowd, Jerome Komisar, Mark R. Hamilton and Patrick Gamble; and 10 board chairs including Robert F. Williams, Sharon D. Gagnon, Michael P. Kelly, Michael J. Burns, Chancy Croft, Brian D. Rogers, Mary K. Hughes, Cynthia Henry, Fuller A. Cowell and Patricia Jacobson; and

WHEREAS, while working full time for UA, Jeannie and her husband Jerry raised two children, Jay and Jill, yet she still found time to volunteer in her community and in her profession, including serving 15 years on the Board Professionals with the Association of Governing Boards, on the Spirit of Alaska Federal Credit Union board, and as an active member of the Alaska Chapter of the Daughters of the American Revolution; and

WHEREAS, Jeannie D. Phillips’ most recent accomplishment has been initiating and overseeing the transition to “paperless” board meetings, following the digitization of the Board of Regents’ minutes; and

WHEREAS, she has a special interest in the history of the university and enjoys collecting and showcasing University of Alaska memorabilia; and

WHEREAS, Jeannie D. Phillips retired from her position as Executive Officer to the Board of Regents on February 1 to accept a part-time position at the University of Alaska Fairbanks; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents of the University of Alaska takes official recognition of Jeannie’s outstanding service and extends to her this statement of appreciation for her contributions to higher education at the University of Alaska and in the State of Alaska, the University of Alaska;
BE IT FURTHER RESOLVED that this resolution be appropriately engrossed and conveyed to Jeannie D. Phillips with a copy incorporated in the official minutes of the February 15-16, 2012, meeting of the Board of Regents.

XII. Presentation from the University of Alaska Fairbanks

Dan White, Director of the Institute of Northern Engineering and Associate Vice Chancellor for Research and Adam Krynicki, Intellectual Property Specialist presented information on Intellectual Property and Commercialization. Michelle Hebert, Director of Sustainability presented information on Review of Infrastructure, Sustainability and Energy (RISE). Greg Walker, Range Manager, Poker Flat Research Range presented information on the unmanned aircraft’s assistance in providing support to the Nome winter fuel delivery.

XIII. Human Resources Issues

Erika Van Flein, Director of Benefits updated the board regarding human resources issues.

XIV. Planning and Development Issues

A. UA Foundation Report

Jo Michalski, Chair UA Foundation, joined via video to report on activities of the UA Foundation Board of Trustees. Vice President Carla Beam, in her capacity as UA Foundation President, updated the board on foundation projects and activities.

B. Development Report Reference 1

Vice President Carl Beam updated the board on development activities at the University of Alaska.

XV. Consent Agenda

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

PASSED
"The Board of Regents approves the consent agenda as presented. This motion is effective February 16, 2012."
A. Academic and Student Affairs Committee

1. Approval of Certificate in Bakery and Pastry Arts at the University of Alaska Fairbanks Reference 2

PASSED
“The Board of Regents approves Certificate in Bakery & Pastry Arts at the University of Alaska Fairbanks. This motion is effective February 16, 2012.”

B. Facilities and Land Management Committee

1. Formal Project Approval for the University of Alaska Fairbanks Critical Electrical Distribution Renewal Phase 2 Reference 3

PASSED
“The Board of Regents approves the Formal Project Approval request for the University of Alaska Fairbanks Critical Electrical Distribution Renewal, Phase 2 as presented in compliance with the campus master plan, and authorizes the university administration to proceed through Schematic Design not to exceed a total project cost of $24,250,000. This motion is effective February 16, 2012.”

XVI. New Business and Committee Reports

A. Academic and Student Affairs Committee

In addition to the action item, the committee also heard reports on “Complete College America” criteria, SB241, eLearning Task Force, transfer of credits, academic outcome measures, program review guidelines and the i3 grant.

Future agenda items include continued discussion regarding program review, general education assessment and 3-year degree program options.

B. Audit Committee

In addition to a presentation regarding the risk assessment of the UAF Heat and Power Plant, reports were heard on final audit report update, internal audit update, external audit update and the Quality Assurance Review report.
C. Facilities and Land Management Committee

1. Project Change Approval Request for UAA KPC Career & Technical Education Center

The Facilities and Land Management Committee approved the following motion:

PASSED
“The Board of Regents’ Facilities and Land Management Committee approves the Project Change Approval request for the University of Alaska Anchorage Kenai Campus Career & Technical Education Center as presented and authorizes the university administration to proceed not to exceed a total project cost of $15,250,000. This motion is effective February 15, 2012.”

2. Committee Report

In addition to action items, the committee heard reports on the FY13 re-appropriation request for FY07 and FY08 WWAMI capital fund balance, financial status report on UAA Integrated Science Building and UAA Health Sciences Building, update on UA engineering facilities, AHFC energy audits, deferred maintenance spending, UAF student housing and dining, CRCD master plans, construction in progress and approvals by the chair of the Facilities and Land Management Committee and the chief finance officer.

Karl Kowalski, Chief Information Technology Officer, gave a report on IT issues. Security issues were discussed and the board affirmed its belief that the right things are being done to correct deficiencies given the available resources and complexities involved, its support of the CITO in this effort; and offered support and assistance to complete this effort.

D. Authorization to Purchase Hangar Facility Located at the Fairbanks International Airport and to Enter into a Long-Term Land Lease with the State of Alaska

At the December 9, 2011 meeting of the Board of Regents, the following motion was approved:

PASSED
“The Board of Regents authorizes the chief finance officer or designee to execute any and all documents necessary to purchase the hangar facility located on Lot 1B at the Fairbanks International Airport, and to enter into a long-term lease with the State of Alaska, Department of Transportation for use of the land
associated with the hangar. The chief finance officer or designee is further authorized to fund the purchase of the hangar facility and associated facility upgrades utilizing working capital. This motion is effective December 9, 2011.”

Since that time, the conditions in the purchase agreement for the original site under consideration were not met. However, another site has become available which suits the needs of the university. The university administration requests that the December 9, 2011 motion be amended to strike the words “on Lot 1B” to allow the administration to pursue this alternative.

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

PASSED
“The Board of Regents moves to amend the motion approved on December 9, 2011 regarding ‘Authorization to Purchase Hangar Facility Located at the Fairbanks International Airport and to Enter into a Long-Term Land Lease with the State of Alaska,’ to read:

“The Board of Regents authorizes the chief finance officer or designee to execute any and all documents necessary to purchase a hangar facility located at the Fairbanks International Airport, and to enter into a long-term lease with the State of Alaska, Department of Transportation for use of the land associated with the hangar. The chief finance officer or designee is further authorized to fund the purchase of the hangar facility and associated facility upgrades utilizing working capital. This motion is effective February 16, 2012.”

This motion is effective February 16, 2012.”

XVII. Election of a Board of Regents’ Officer

Due to the resignation of Regent Robert Martin, Jr., Vice Chair of the Board of Regents on February 10, 2012 and in accordance with Board of Regents’ Bylaws, an officer of the board shall be elected by a simple majority vote.

PASSED
"The Board of Regents elects Carl Marrs as vice chair of the Board of Regents. This motion is effective February 16, 2012."
XVIII. Approval of Revisions to the Corporate Authority

Regent Cowell moved, seconded by Regent Powers, and passed with no objection that:

PASSED
"The Board of Regents approves the Corporate Authority Resolution, as revised to reflect a change in title of an officer resulting from the Board of Regents' election and authorizes the Chair and Secretary of the Board of Regents to sign the resolution. This motion is effective February 16, 2012."

The Board of Regents regularly passes a resolution specifying certain university officers as being authorized to execute investment and banking transactions for the University of Alaska. Because of changes in officers of the board a current resolution is necessary in order to execute timely investment and banking transactions.

XIX. Approval of Revisions to Industrial Security Resolution

Regent Wickersham moved, seconded by Regent Heckman, and passed with no objection that:

PASSED
"The Board of Regents approves the Industrial Security Resolution as revised to reflect changes in university administration and officers of the board, and authorizes the Chair and Secretary of the Board to sign the resolution. This motion is effective February 16, 2012."

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 and a board member.
XX. **UA Athletics Report**

Regent Mari Freitag reviewed the following:

**UAF**

The Nanook men's Nordic skiing team captured their third Central Collegiate Skiing Association (CCSA) title in program history. It was the team's first conference championship since 2006. They also won in 2004.

In addition, junior Tyler Kornfield earned his first individual conference championship title after racing his way to a first place finish in the men's 20-kilometer mass start classic race.

The Nanook women's swim team finished in 4th place out of 13 schools (see below) competing at the Pacific Collegiate Swimming and Diving Conference (PCSC) Championships.

Freshman Margot Adams became just the second Alaska swimmer in program history to capture an individual title at the PCSC Championships by winning the 100 butterfly.

The women's swim team also accomplished something that had never done before as the 800 freestyle relay tandem set the program's first-ever NCAA 'A' cut time in a relay event. The team of freshmen Danielle Lyons (Prince Albert, Saskatchewan/St. Mary's), Gabi Summers (Cheyenne, Wyo./Central) and Margot Adams (Anchorage, Alaska/Alaska School) and sophomore Bente Heller (Hamburg, Germany/Albrecht Thzer Gymnasium) set a new varsity record with a time of seven minutes, 30.47 seconds to finish second at the PCSC Championships. That mark automatically qualifies the foursome for the NCAA Division II Championships next month.

**UAA**

1. Men’s Basketball is ranked #17 in the National poll.

2. Women’s Basketball ranked #12 in the National poll.

3. Both teams will qualify for the GNAC and the NCAA West Region tournaments.

4. The Seawolf athletic department was ranked #13 in the Directors Cup at the conclusion of the fall athletic seasons.

5. Marko Cheseto is still improving and is attending class on a full time basis.

6. The average GPA for all athletes was 3.17 at the conclusion of the fall semester.
7. The Seawolf Women’s Basketball team will be honored by the Alaska Sports Hall of Fame as the “PRIDE OF ALASKA” on Feb.28th during a ceremony at the Anchorage Museum

XXI. Alaska Commission on Postsecondary Education Report

Regent Wickersham reported ACPE approved a business plan for new school programs; received a presentation from a charter college; and heard a report from ACPE’s attorney regarding student loans. Regent Jacobson reported Bruce Schultz, UAA Vice Chancellor of Student Affairs, gave a presentation regarding Map Works and Diane Barrans, Commission Director, reported on the Alaska Performance Scholarship. The next meeting of ACPE will be held on April 3, 2012 in Juneau.

XXII. Future Agenda Items

Future agenda items will include an eTextbook presentation and an overview of the role of a board member.

XXIII. Board of Regents' Comments

Regent Fisher appreciated the presentation from UAF regarding the Heat and Power Plant; and is looking forward to reports on the general education requirements, 3-yr degree programs, program review and the reallocation of money from suspended or deleted programs in upcoming Academic and Student Affairs Committee meetings.

Regent Cowell mentioned a big change has occurred in that the board, the administration and the students are all speaking with one voice when referring to issues of importance to the university. It is a welcomed change and thanked everyone for doing so. He reminded board members of the importance to participate in providing support to the university by giving to the UA Foundation.

Regent Freitag attended the internal listing sessions for students at UAF and provided pizza to entice students to attend the session; traveled to Juneau for the Coalition of Student Leaders retreat; whole-heartedly thanked Pat Ivey for her impact to the governance office; commented that posters for the transfer of credit campaign have been distributed to the campuses; and thanked Chancellor Rogers for the ACEP event.

Regent Powers stated his appreciation for the behind the scenes effort that goes into planning the meeting and the special features during lunch.

Regent Hughes commented on her appreciation for Regent Martin; admired his Tlingit traditions and his friendship; thanked him for his service to the university and his excellent board work.
Regent Heckman recognized Regent Martin and the cultural aspect he brought to the board; commented on the ACEP event and the many partnerships involved in the project, and her enjoyment of the lunch presentation.

Regents Wickersham commented on the beauty of the ACEP building; congratulated UAF for constructing the center and stated how important the services of the program are for the state; remembered Regent Martin and that he will miss working with him.

Regent Jacobson reported she attended the community campuses spring conference and Fairbanks listening sessions; congratulated UAF regarding accreditation; thanked UAF for the hospitality, presentations and reception; attended the presentation of SB241 to the legislature and thanked Regent Powers and staff for the excellent work on the presentation; reminded regents to sign up for commencements; sent her thoughts and prayers to Regent Martin; and thanked staff for the meeting preparation efforts.

President Gamble thanked the board for support and guidance from this meeting, chancellors and staff for activities during the meeting, and collaborative efforts of staff on working toward managed outcomes and metrics.

Chancellors Case congratulated Chancellor Rogers for the great hospitality and the exciting initiatives happening at UAF; appreciation of the regents’ support for innovation and commercialization of research; offered respect to Pat Ivey, Jeannie Phillips and Regent Martin; spoke of the progress being made by UAA skier Marko Cheseto; saluted UAA student athletes for maintaining 3.17 overall GPA; invited regents to attend the Governor’s Cup hockey games; and reported that in celebration of civil rights month, UAA has had a series of activities commemorating civil rights.

Chancellor Rogers thanked President Gamble for instituting the bi-weekly system highlights as a means to keep regents’ informed; echoed Chancellor Case’s salute to athletes; reported that UAF athletes have outstanding GPAs and a higher graduation rate than other students; and offered a tour of the Life Sciences Building and the Heat and Power Plant following the meeting.

Chancellor Pugh thanked Chancellor Rogers for hosting the meeting, the ACEP event and the center’s efforts to assist the needs of the entire state; reported 12 UAS students and UAS faculty are spending the semester in Cuba with the faculty rotating through each month; invited regents to an open house for the underground mine training center; and thanked Pat Ivey, Jeannie Phillips and Regent Martin for their service to the university.

XXIV. Adjourn

Chair Jacobson adjourned the meeting at 11:31 a.m. on Thursday, February 16, 2012.
Regents Present:
Patty Jacobson, Chair
Carl Marrs, Vice Chair
Jyotsna Heckman, Treasurer
Timothy C. Brady
Fuller A. Cowell
Mari Freitag
Mary K. Hughes
Michael Powers

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

Regents Absent:
Kirk Wickersham, Secretary
Kenneth Fisher

Other Present:
Myron Dosch, Controller
Michael Hostina, General Counsel
Brandi Berg, Executive Officer, Board of Regents

I. Call to Order
Chair Jacobson called the meeting to order at 11:03 a.m. on Friday, February 24, 2012.

II. Adoption of Agenda
Regent Powers moved, seconded by Regent Cowell and passed with no objection that:

PASSED
"The Board of Regents adopts the agenda as presented.

I. Call to Order
II. Adoption of Agenda
III. Authorization of Sale of General Revenue Refunding Bond 2012 Series R
IV. Adjourn

This motion is effective February 24, 2012."
III. Authorization of Sale of General Revenue Refunding Bond 2012 Series R

Regent Marrs moved, seconded by Regent Powers and passed with Regents Brady, Cowell, Freitag, Heckman, Hughes, Marrs, Powers and Jacobson voting in favor that:

PASSED
"The Board of Regents adopts the bond resolution for University of Alaska General Revenue Refunding Bonds 2012 Series R as presented. This motion is effective February 24, 2012."

POLICY CITATION
In accordance with Regents’ Policy 05.04 – “Debt and Credit” specifies the guidelines for debt issuances and requires that all debt issuances for refunding debt must be approved by the Board of Regents.

RATIONALE AND RECOMMENDATION
Myron Dosch, controller, reported on the proposed sale of the Series R general revenue refunding bonds. The resolution authorizes the issuance and sale of the bonds. By approval of the above motion, the resolution is adopted.

This refunding opportunity arises because tax exempt interest rates are at historically low levels. As a result, management wishes to refund certain maturities of the 2002 Series K, 2003 Series L and 2004 Series M general revenue bonds in order to achieve debt service savings.


Per Alaska Statute 14.40.257, the State of Alaska provides debt service reimbursement annually to the university for the UAA University Center and UAS Joint Readiness Center projects, originally financed in 2002 Series K. Accordingly, upon issuance of the proposed refunding bonds, the state will enjoy a portion of the overall savings.
A summary of the estimated debt service savings by benefitting party is provided below:

**Summary of Estimated Savings**

<table>
<thead>
<tr>
<th></th>
<th>State</th>
<th>UAA</th>
<th>UAF</th>
<th>UAS</th>
<th>LGTF(a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Annual</td>
<td>$190,610</td>
<td>$4,546</td>
<td>$141,510</td>
<td>$31,910</td>
<td>$10,699</td>
</tr>
<tr>
<td>Average Annual after 2017(b)</td>
<td>$194,488</td>
<td>$5,542</td>
<td>$165,204</td>
<td>$38,888</td>
<td>$16,519</td>
</tr>
<tr>
<td>Total over life of debt</td>
<td>$3,049,763</td>
<td>$77,277</td>
<td>$2,361,798</td>
<td>$542,472</td>
<td>$117,684</td>
</tr>
<tr>
<td>Present Value</td>
<td>$2,365,281</td>
<td>$58,730</td>
<td>$1,796,860</td>
<td>$412,370</td>
<td>$89,430</td>
</tr>
<tr>
<td>Present Value as % of proceeds</td>
<td>15.3%</td>
<td>10.7%</td>
<td>11.5%</td>
<td>10.0%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Savings through fiscal year</td>
<td>2028</td>
<td>2029</td>
<td>2031</td>
<td>2029</td>
<td>2023</td>
</tr>
</tbody>
</table>

(a) LGTF – The Land Grant Trust Fund endowment that originally purchased the University Lake Building
(b) Certain bonds maturing in 2013 to 2016 are not planned to be refunded as savings are marginal. As a result, savings beginning in 2017 are substantially higher.

Bond issuance costs, including underwriting discount and fees for financial advisor, bond counsel, trustee, escrow services and rating agencies are estimated at $451,800 or 1.5 percent of bond principal. These costs are reflected in the total savings figures presented in the table above.

Upon approval of the bond sale by the board, the Series R bonds are expected to be sold competitively on February 29, 2012 with a closing date of March 14, 2012.

There are a significant number of standard bond sale documents. These documents include:


This refunding is supported by an analysis of current market conditions that suggest the refunding is favorable. Market conditions could change by the time of the sale leading to the possibility of postponing the sale or canceling it altogether. The estimated savings could be more or less favorable than presented herein depending on market conditions on the sale date.
UNIVERSITY OF ALASKA BOARD OF REGENTS

RESOLUTION OF THE BOARD OF REGENTS OF THE UNIVERSITY OF ALASKA AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED $38,000,000 PRINCIPAL AMOUNT OF UNIVERSITY OF ALASKA GENERAL REVENUE REFUNDING BONDS, 2012 SERIES R; AUTHORIZING THE OFFERING OF THE BONDS AT PUBLIC SALE; APPROVING THE FORM OF A SUPPLEMENTAL INDENTURE, A PRELIMINARY OFFICIAL STATEMENT, A NOTICE OF SALE FOR THE BONDS; AND AUTHORIZING AND APPROVING RELATED MATTERS.

WHEREAS, the University of Alaska (the "University") is authorized pursuant to Alaska Statutes Chapter 14.40, as amended (the "Act") to issue revenue bonds to pay the cost of acquiring, constructing, or equipping one or more projects that the Board of Regents (the "Board") of the University determines is necessary; and

WHEREAS, there are now outstanding revenue bonds of the University entitled "General Revenue Bonds, 2002 Series K," General Revenue Bonds, 2003 Series L," and "General Revenue Bonds, 2004 Series M" (collectively, the "Outstanding Bonds"); and

WHEREAS, after due consideration it appears to the Board that it is advisable for the University to provide for the refunding of the Outstanding Bonds, or a portion thereof, as further described herein (the "Refunded Bonds") by the issuance of general revenue refunding bonds to effect a savings in debt service; and

WHEREAS, the University intends to issue its General Revenue Refunding Bonds, 2012 Series R, in a principal amount not to exceed $38,000,000 (the "Bonds") for the purpose of (i) providing funds to redeem and refund the Refunded Bonds, and (ii) paying the costs of issuing the Bonds authorized herein; and

WHEREAS, the Bonds will be issued under and pursuant to, and are being secured by, a Trust Indenture dated as of June 1, 1992, as amended (the "Master Indenture"), and a Fifteenth Supplemental Indenture (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture"), which shall be in substantially the form presented to and made part of the records of this meeting; and

WHEREAS, there has been presented to this meeting the form of a Preliminary Official Statement for use in connection with the public offering of the Bonds; and

WHEREAS, the Bonds are to be offered at public sale, and there has been presented to this meeting the form of a Notice of Sale (the "Notice of Sale") for use in connection with the public offering of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF ALASKA AS FOLLOWS:

Section 1. The issuance of the Bonds in an amount not to exceed the aggregate principal amount of $38,000,000 is hereby authorized and approved, provided the realization of the herein defined Savings Target. Savings Target for purposes of this Resolution means a dollar amount equal to at least three percent (3%) of the outstanding Refunded Bonds, i.e., the present value of (i) the aggregate debt service on the Refunded Bonds minus (ii) the aggregate debt service on the Bonds, taking into account all costs of

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issuance on the Bonds, minus contributions to the refunding from other sources, shall be at least three percent (3%) of the outstanding principal of the Refunded Bonds.

Section 2. The President, the acting Vice President for Finance and Administration and Chief Financial Officer, the Controller, and the Associate Vice President for Budget (collectively, the "Authorized Officers") are, and each of them is, hereby authorized to cause the Bonds to be sold at public sale on a date no later than 120 days from the date of approval of this Resolution, subject to the terms and conditions of this Resolution and the Notice of Sale referred to below.

Section 3. The form and content of the Notice of Sale, in all respects, is hereby authorized, approved, and confirmed with such changes as the Authorized Officers consider necessary or appropriate. The Authorized Officers are, and each of them is, hereby authorized to offer the Bonds at public sale by the University subject to the terms and conditions of the Notice of Sale and this Resolution.

All bids for the sale of the Bonds will be submitted in their entirety on the Grant Street Group's MuniAuction website pursuant to the Notice of Sale. The bidders will be given the option to secure municipal bond insurance for all or a portion of the Bonds.

Section 4. The Authorized Officers are, and each of them is, hereby authorized to issue the Bonds in an aggregate principal amount determined by such Authorized Officers as the amount necessary to redeem the Refunded Bonds, or a portion thereof, as described in Exhibit B to the Supplemental Indenture, subject to the limitations set forth herein at Section 1. Provided, however, the terms of this Resolution do not require the Authorized Officers to redeem any or all of the Refunded Bonds.

Section 5. The Authorized Officers are, and each of them is, hereby authorized to call for redemption of the Refunded Bonds, or a portion thereof, on the first available date or dates on which such Refunded Bonds may be redeemed.

Section 6. The form and content of the Supplemental Indenture are hereby, in all respects authorized, approved, and confirmed, and the Authorized Officers are hereby, in all respects severally authorized, empowered, and directed to execute and deliver the Supplemental Indenture for and on behalf of the University to the Trustee named therein for the security of the Bonds, including necessary counterparts, in substantially the form now before this meeting, but with such changes, modifications, additions, and deletions therein as shall to them seem necessary, desirable, or appropriate, the execution thereof to constitute conclusive evidence of their approval of any and all changes, modifications, additions, or deletions thereto from the form, and after the execution and delivery of the Supplemental Indenture, the Authorized Officers are, and each of them is, hereby authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary or convenient to carry out and comply with the provisions of the Supplemental Indenture as executed.

The form and content of the Bond as set forth in the Supplemental Indenture is hereby, in all respects, authorized, approved, and confirmed subject to appropriate insertions and revisions as the Authorized Officers consider necessary or appropriate.

Section 7. The form and content of the Preliminary Official Statement are hereby in all respects authorized, approved and confirmed. The Authorized Officers are, and each of them is, hereby authorized, empowered, and directed to approve the final form of a Preliminary Official Statement and to declare such final form as "deemed final"
by the University for purposes of Rule 15c2-12 of the Securities and Exchange Commission (17 CFR 240.15c2-12) (the "Rule") and to approve the final form of the Official Statement. The final form of the Preliminary Official Statement and the Official Statement shall be in substantially the same form as the Preliminary Official Statement presented to and as a part of the records of this meeting, and with such changes as the Authorized Officers consider necessary or appropriate to fully disclose to the purchasers of the Bonds all material information relating thereto. The distribution of the Preliminary Official Statement and the Official Statement, as each is completed by the Authorized Officers, to prospective purchasers and the use thereof by the purchasers in connection with the offering of the Bonds is hereby ratified, confirmed, and approved.

Section 8. The Authorized Officers are, and each of them is, hereby authorized, following the selection of the winning bidder for the Bonds to deliver the Bonds to the Trustee for authentication under the Indenture, and, upon authentication and receipt of the balance of the purchase price of the Bonds, to deliver to the Trustee a written order in the name of the University directing the Trustee to deliver the Bonds, to or upon the order, of the respective purchasers thereof and to receive the proceeds of sale of the Bonds and give a written receipt therefore on behalf of the University, to apply said proceeds and the other moneys required to be transferred or deposited in accordance with the terms of the Indenture and in such manner as is required to cause the conditions precedent to the issuance of the Bonds to be complied with, and to do and perform or cause to be done and performed, for and on behalf of the University, all acts and things that constitute conditions precedent to the authentication and delivery of the Bonds or that are otherwise required to be done and performed by or on behalf of the University prior to or simultaneously with the delivery of the Bonds.

Section 9. The Authorized Officers are, and each of them is, hereby authorized, empowered, and directed to enter a "continuing disclosure undertaking" pursuant to the Rule.

Section 10. The Authorized Officers are, and each of them is, hereby authorized to execute all documents, including an escrow agreement, and to take any action necessary or desirable to carry out the provisions of this Resolution and to effectuate the issuance and delivery of the Bonds and the redemption of the Refunded Bonds.

Section 11. This Resolution shall take effect immediately upon approval by the Board.

IV. Adjourn

Chair Jacobson adjourned the meeting at 11:12 a.m. on Friday, February 24, 2012.
Regents Present:
Patricia Jacobson, Chair
Carl Marrs, Vice Chair
Kirk Wickersham, Secretary
Jyotsna Heckman, Treasurer
Fuller A. Cowell
Kenneth Fisher
Mari Freitag
Mary K. Hughes
Michael Powers

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

Regents Absent:
Timothy C. Brady

Other Present:
Brian D. Rogers, Chancellor, University of Alaska Fairbanks
Michael Hostina, General Counsel
Ardith Lynch, Associate General Counsel
Chris Christensen, Associate Vice President, State Relations
Kate Ripley, Director, Public Affairs
Brandi Berg, Executive Officer, Board of Regents

I. Call to Order

Chair Jacobson called the meeting to order at 11:04 a.m. on Friday, March 9, 2012.

II. Adoption of Agenda

Regent Powers moved, seconded by Regent Cowell and passed with no objection that:

PASSED
"The Board of Regents adopts the agenda as presented.

I. Call to Order
II. Adoption of Agenda
III. Proposed Alternative Amendments to the Bylaws of the Board of Regents
   A. Alternative 1
B. Alternative 2

IV. Resolution Regarding Referral for Possible Impeachment

V. Adjourn

This motion is effective March 9, 2012."

III. Proposed Alternative Amendments to the Bylaws of the Board of Regents

For the record the Board of Regents did not discuss or take any action on Alternative 1; instead, action was taken on Alternative 2.

A. Alternative 1 – MOTION

"The Board of Regents adopts Alternative 1 of the proposed amendments to the Bylaws of the Board of Regents, establishing new Bylaw 20 to read as follows. This motion is effective March 9, 2012."

(Alternative 1) BL20. Referral of a Regent for Possible Impeachment

A. Upon a simple majority vote of the whole board finding that it is in the best interests of the university to do so, the board may refer a regent to the senate with a recommendation that the senate consider impeachment of the regent.

B. Grounds for referral may include:

1. A criminal complaint, presentment, information, indictment or conviction involving a felony in any jurisdiction;

2. An information, formal criminal charges or conviction of a misdemeanor involving dishonesty, breach of trust, or the University of Alaska;

3. A probable cause determination of a knowing ethics violation under AS 39.52 that results in an accusation under consideration by the personnel board, or a recommendation of removal from office under AS 39.52.410(b)(3);

4. Circumstances indicating: conduct that necessarily brings the university into disrepute; material, repeated and documented neglect of duty; or a regent’s inability to serve for an extended period;

5. Judicial proceedings involving or an adjudication of incompetence;

6. Proceedings before a professional or occupational licensing body involving misconduct that is related to the regent’s ability to serve as a regent; or
7. Failure to possess the qualifications of a regent under AS 14.40.130.

C. The following process shall be followed in considering a motion to refer for possible impeachment. Consistent with AS 44.62.310(d)(5), the Open Meetings Act does not apply and all meetings regarding a possible referral shall be conducted in executive session. The process shall maintain confidentiality consistent with the circumstances and the requirements of the review:

1. Any member may request an executive session to discuss appointment of a review committee;

2. The board may consider a motion to appoint a review committee. If a simple majority of the whole board approves the motion:
   a. The chair shall appoint a review committee of not less than three members and provide written notice to the affected member of the makeup of the committee and the stated grounds for possible referral;
   b. The review committee shall gather information relevant to the stated grounds for referral, offer the affected member an opportunity to comment on the information gathered, and make a written report of its review, findings and recommendation to the secretary of the board. The report shall be confidential unless a referral for impeachment is made, at which point any further release shall be made in accordance with this bylaw and applicable law. The secretary shall immediately distribute the report to all members of the board, including the affected member.

3. The chair shall schedule a meeting to consider the report, to occur at least 14 calendar days after distribution. The board shall consider information the affected member provides in response to the report that is relevant to the issue of referral and consistent with the question before the board.

4. The board shall consider whether it is in the best interests of the university to refer the affected member for possible impeachment.
   a. In accordance with AS 39.52.120(a)(4), Roberts Rules of Order and this bylaw, the affected member may not participate in the vote, but is considered an active member for purposes of the required majority.

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5. If the motion passes by the required majority the secretary immediately shall transmit the motion, the report and any written response or materials provided by the affected member to the president of the senate.

a. The board shall reconvene in public session and the motion shall be entered in the official minutes of the board.

Regent Cowell moved, seconded by Regent Marrs and passed with Regents Cowell, Freitag, Heckman, Hughes, Marrs, Powers, Wickersham and Jacobson voting in favor, and Regent Fisher voting in opposition that:

B. Alternative 2 - PASSED
"The Board of Regents adopts Alternative 2 of the proposed amendments to the Bylaws of the Board of Regents, establishing new Bylaw 20 to read as follows.

BL20. Referral of a Regent for Possible Impeachment

A. Upon a simple majority vote of the whole board finding that it is in the best interests of the university to do so, the board may refer a regent to the senate with a recommendation that the senate consider impeachment of the regent.

B. Grounds for referral may include:

1. A criminal complaint, presentment, information, indictment or conviction involving a felony in any jurisdiction;

2. An information, formal criminal charges or conviction of a misdemeanor involving dishonesty, breach of trust, or the University of Alaska;

3. A probable cause determination of a knowing ethics violation under AS 39.52 that results in an accusation under consideration by the personnel board, or a recommendation of removal from office under AS 39.52.410(b)(3);

4. Circumstances indicating: conduct that necessarily brings the university into disrepute; material, repeated and documented neglect of duty; or a regent’s inability to serve for an extended period;

5. Judicial proceedings involving or an adjudication of incompetence;
6. A formal allegation or charge, or a final decision, by a professional or occupational licensing body, alleging or finding a violation of the relevant licensing statutes or regulations that is related to the regent's ability or fitness to serve as a regent; or

7. Failure to possess the qualifications of a regent under AS 14.40.130.

C. The following process shall be followed in considering a motion to refer for possible impeachment. Consistent with AS 44.62.310(d)(5), the Open Meetings Act does not apply and all meetings regarding a possible referral shall be conducted in executive session. The process shall maintain confidentiality consistent with the circumstances and the requirements of the review:

1. Any member may request an executive session to discuss appointment of a review committee;

2. The board may consider a motion to appoint a review committee. If a simple majority of the whole board approves the motion:

   a. The chair shall appoint a review committee of not less than three members and provide written notice to the affected member of the makeup of the committee and the stated grounds for possible referral;

   b. The review committee shall gather information relevant to the stated grounds for referral, offer the affected member an opportunity to comment on the information gathered, and make a written report of its review, findings and recommendation to the secretary of the board. The report shall be confidential unless a referral for impeachment is made, at which point any further release shall be made in accordance with this bylaw and applicable law. The secretary shall immediately distribute the report to all members of the board, including the affected member.

3. The chair shall schedule a meeting to consider the report, to occur at least 14 calendar days after distribution. The board shall consider information the affected member provides in response to the report that is relevant to the issue of referral and consistent with the question before the board.
4. The board shall consider whether it is in the best interests of the university to refer the affected member for possible impeachment.

   a. In accordance with AS 39.52.120(a)(4), Roberts Rules of Order and this bylaw, the affected member may not participate in the vote, but is considered an active member for purposes of the required majority.

5. If the motion passes by the required majority the secretary immediately shall transmit the motion, the report and any written response or materials provided by the affected member to the president of the senate.

   a. The board shall reconvene in public session and the motion shall be entered in the official minutes of the board.

This motion is effective March 9, 2012."

IV. Resolution Regarding Referral for Possible Impeachment

Regent Marrs moved, seconded by Regent Powers and passed with Regents Cowell, Freitag, Heckman, Hughes, Marrs, Powers, Wickersham and Jacobson voting in favor, and Regent Fisher voting in opposition that:

PASSED
"The Board of Regents adopts the following resolution regarding adoption of Bylaw 20 of the Board of Regents. This motion is effective March 9, 2012."

WHEREAS Article VII, Section 3 of the Alaska Constitution creates the Board of Regents and provides for appointment of regents by the governor, subject to confirmation by a majority of the members of the legislature; and

WHEREAS Article II, Section 20 authorizes impeachment and removal from office of all civil officers, including members of the Board of Regents; and

WHEREAS the proceedings of the constitutional convention make clear that the framers intended to insulate the University of Alaska and the Board of Regents from politics, including action by the governor; and

WHEREAS those same proceedings and the Alaska Supreme Court have made clear that the university is not a principal department of the executive branch, and thus is not subject to Article III, Section 26 which authorizes removal of members of certain executive branch boards or commissions “as provided by law;” and
WHEREAS Article VII, Section 3 of the Alaska Constitution does not provide for removal of regents by the governor or in accordance with law, as is the case with a board or commission at the head of a principle department in the executive branch;

WHEREAS the Board of Regents lacks the constitutional authority to remove regents who have been duly appointed by the governor and approved by the legislature; and

WHEREAS suspension or removal of a regent by means other than those specified in the constitution is likely to lead to legal challenges by the affected and any newly appointed member, disruption of the board and legal uncertainty for the university.

NOW THEREFORE the Board of Regents adopts Bylaw 20 to provide for referral of regents for possible impeachment.

V. **Adjourn**

Chair Jacobson adjourned the meeting at 11:33 a.m. on Friday, March 9, 2012.
BL01. Name, Authority, and Seal.

A. Name.

The official name of the Board of Regents will be the Board of Regents of the University of Alaska. In these bylaws, the term “board” means the Board of Regents of the University of Alaska.

B. Constitutional Authority.

1. The University of Alaska is established by the Constitution of the State of Alaska, Article VII, Section 2, which provides:

   The University of Alaska is hereby established as the state university and constituted a body corporate. It shall have title to all real and personal property now or hereafter set aside for or conveyed to it. Its property shall be administered and disposed of according to law.

2. The Board of Regents and its authority over the University of Alaska is established by the Constitution of the State of Alaska, Article VII, Section 3, which provides:

   The University of Alaska shall be governed by a board of regents. The regents shall be appointed by the governor, subject to confirmation by a majority of the members of the legislature in joint session. The board shall, in accordance with law, formulate policy and appoint the president of the university. He shall be the executive officer of the board.

C. Statutory Authority.

Statutory provisions related to the authority of the Board of Regents over the University of Alaska are contained in AS 14.40.

D. Corporate Seal.

The corporate seal of the University of Alaska will contain an inner circle and an outer circle. The outer circle will contain the name "University of Alaska" and the inner circle will contain the words "corporate seal," and the year "1917" signifying the founding of the University of Alaska.

(02-07-07)


**BL02. Appointment, Term of Office, Compensation and Orientation.**

A. Appointment of Regents.
Regents will be selected, appointed, and will hold office in the manner provided by law. For purposes of determining the qualifications for office of the student regent appointed pursuant to AS 14.40.150(b), "full-time student" as used in AS 14.40.130(e) means a student enrolled in at least 12 units, or 9 units if admitted as a graduate student. Unless otherwise disqualified for academic or disciplinary reasons, a person who has met the standard of "full-time student" ceases to be a student only upon failing to enroll as a full-time student at the university by the end of the last applicable late registration deadline for two consecutive semesters. For purposes of the preceding sentence, "semester" includes the fall, spring, or summer semester, summer session, or summer term.

B. Term of Office.
The term of office for a regent other than the student regent appointed pursuant to AS 14.40.150(b) is eight years as provided by AS 14.40.140. The term of office begins on the first Monday in February of the year in which the appointment is made. The term of office for the student regent appointed pursuant to AS 14.40.150(b) is two years and begins on June 1 of the year in which the appointment is made as provided by AS 14.40.150(b). Regents serve for the length of their term, until resignation, or until a replacement has been named by the governor.

C. Compensation.
Regents receive no compensation for their service. Regents will receive per diem and reimbursement for travel actual transportation expenses for attendance at board meetings or for other university purposes approved by the board chair. Each regent may elect on an annual basis to receive meals and lodging expense reimbursement in accordance with board travel policy and university regulation; or to receive a per diem allowance as established by the board travel policy and university regulation for each day or portion of a day spent in an actual meeting, or on authorized official business incident to duties as a regent, in accordance with AS 39.20. The board elected to be reimbursed the same as all university employees in 2009. These revisions clarify reimbursement practice.

D. Orientation.
Each regent will be informed of the powers and responsibilities of members of the board by the board chair and the university president within a reasonable time following the regent's appointment.

(02-07-07)

**BL03. Duties of the Board of Regents.**

The board will be responsible for the governance of the university as provided by the Constitution of the State of Alaska and the laws enacted pursuant thereto. The board may annually review the performance of the board and set annual goals. A failure to perform an annual review is an internal matter and does not affect the validity of any action.

(02-07-07)

*Moves phrase from BL08.D – Annual Meeting.*
BL04. Officers.
The officers of the board will be chair, vice chair, secretary, and treasurer. The board may establish or abolish from time to time such offices and positions as may be appropriate to perform the functions of the board. (02-07-07)

BL05. Officer Election, Term of Office, Removal from Office, and Vacancies.

A. Election.
   At the annual meeting of the board, the officers of the board will be elected by a simple majority vote. Voting may be by secret ballot. Nominations will be taken from the floor.

B. Term of Office.
   The officers of the board will serve a 1-year term of office or until a successor is elected. A regent may not hold office as chair for more than three full consecutive terms.

C. Removal from Office.
   An officer of the board may be removed from the office by a simple majority vote of the whole board at any regular or special meeting.

D. Vacancies.
   Upon completion of service of a regent holding office, the office becomes vacant. A vacancy created by death, resignation, expiration of the term of appointment or otherwise may be filled at the same meeting, or the next regular or special meeting of the board. A person elected to fill a vacancy serves the remainder of the term of the office vacated. (02-07-07)

BL06. Duties and Powers of Board Officers.

A. Chair.
   The board chair will preside at all meetings of the board; will establish and eliminate committees of the board as appropriate; will appoint the chairs and members of all committees of the board unless otherwise specified in these bylaws; will assign individual regents to external boards and commissions; will sign requisitions as provided in AS 14.40.290(a); and will perform such other duties as may be provided by these bylaws or by law. All decisions of the chair are subject to the will of the board. The chair will be entitled to vote in all matters.

B. Vice Chair.
   The vice chair will, in the case of the vacancy, absence, incapacity, or resignation of the chair, perform the duties of the chair until the chair returns or is replaced in the manner provided by these bylaws.

C. Secretary.
   The secretary will cause to be kept minutes of the meetings of the board; will attend to the serving of all notices required by these bylaws after consultation with the board chair and the university president; will attend to such correspondence as may be assigned; will
perform all duties incidental to the office of secretary; and will sign requisitions as provided by AS 14.40.290(a).

D. Treasurer.
The treasurer will be the custodian of the funds and securities of the university, and will deposit the same in the name of the university in such bank or banks as the board may designate. The treasurer will pay out money under the direction of the board, and will exhibit the records at any time to any person authorized to inspect the same. The treasurer will give a bond for the faithful performance of duties in such sum as the board may prescribe, the premiums to be paid from the funds of the university.

E. Secretary or Treasurer Pro Tem.
In the absence of the secretary or treasurer, the chair may appoint a regent to serve as secretary pro tem or treasurer pro tem who will have all authority of the secretary or treasurer. The appointments may be terminated by a majority vote of the board.

F. Delegation of Powers.
In case of the absence of any officer of the board, or for any other reason that the board may deem sufficient, the board, by majority vote, may delegate the powers or duties of such officer to any member of the board.

(04-08-11)

BL07. Committees of the Board of Regents.

A. Scope.
The committees of the board will study problems in the areas assigned to them and advise the board as to appropriate policy changes and action. Each committee will keep informed with respect to the manner in which the policies of the board are being administered in its assigned area. Unless otherwise specifically directed by action of the board, all committees will be advisory to the board. Committees will be established and eliminated by the board chair, subject to the will of the board. Decisions of committees may be overruled by action of the board.

B. Composition.
Unless committee composition is otherwise provided by these bylaws, committees will consist of not less than three, nor more than five regents appointed by the chair with the chair serving as an ex-officio member of each committee.

C. Committee Chair.
The board chair will appoint and may remove the chair of each committee, subject to the will of the board, unless otherwise specified in these bylaws.

Clarifies committee chair appointments.

D. Term.
The 1-year term of all committee appointees will expire concurrently with the term of the officers of the board.
E. Specially Designated Committee Members.
The chair of each committee may designate any regent who is present at a committee meeting, but is not a regular member of that committee, to serve as a special member of the committee in the event that a regular member is absent from the meeting. Specially designated committee members will enjoy all the rights and privileges of regularly appointed committee members for the duration of the scheduled meeting, including the right to vote.

F. Audit Committee.
The Audit Committee is established as a standing committee of the board. The committee shall be responsible for advising the board on matters relating to stewardship of University finances and assets, for oversight of internal and external audit functions, and for ascertaining the existence and adequacy of accounting and internal control systems and safeguards over University assets. The committee shall recommend to the board the selection of the University's external auditors.

G. Audit Committee Charter.
1. The primary function of the Audit Committee is to assist the board in fulfilling its oversight responsibilities relating to: the university's financial statements, systems of internal control, compliance with legal and regulatory requirements, and the independence and performance of the external and internal audit functions. The committee shall maintain free and open communication among the committee, independent auditors, the internal auditors and management of the university.

2. Members shall be independent of management of the university and its component units and related organizations, and be free of any financial or personal relationship that would impair such independence. If possible, a majority of members shall be financially literate and at least one member shall be a financial expert. “Financial literacy” means being able to read and understand fundamental financial statements. “Financial expert” means a person who has one or more of the following: an understanding of generally accepted accounting principles and financial statements, experience applying such principles, experience preparing or auditing financial statements, experience with internal controls, and an understanding of audit committee functions.

3. Management is directly responsible for the preparation, presentation, and integrity of the university’s financial statements and for the appropriateness of the accounting principles and reporting practices used by the university. The committee is responsible for overseeing management’s efforts to meet those responsibilities in a reasonable and appropriate manner. The principal duties and responsibilities of the committee include:

   a. the appointment, compensation, oversight, and retention of the independent external auditor; the external auditor shall report directly to the committee;
b. the approval of all audit and non-audit services provided by the external auditor; pre-approval authority may be delegated to the committee chair, subject to later ratification by the committee;

c. appropriate rotation of the lead external audit partner on the audit engagements;

d. providing sufficient opportunity for the external auditors, the internal auditor, and the general counsel to each meet privately with the committee;

e. inquiring of management and the external auditor about the effectiveness of the university’s system of internal controls;

f. inquiring of management, the independent auditors and the internal auditors about: the appropriateness of the university’s accounting principles, the consistency in the application of those principles, the degree of aggressiveness or conservatism used in applying those principles;

g. inquiring of management, the external auditors and the internal auditors about the clarity and completeness of the financial statements and related disclosures, including the appropriateness of any significant changes in accounting principles;

h. reviewing with management and the independent external auditor all matters required to be communicated to the committee under generally accepted auditing standards, including communications under Statement of Auditing Standards No. 61 "Communications with Audit Committee", as amended; reviewing and approving the annual financial statements of the university and the audit report on Federal Awards as required by OMB Circular A-133, also known as the single audit; the report on the single audit is completed at a later date than the university’s financial statements;

i. reviewing periodic reports from the internal auditor regarding all audit activities at the university;

j. reviewing, as needed, the internal audit charter and audit protocols under P05.03.010 – 05.03.018 and making recommendations to the board regarding changes and enhancements;

k. maintaining adequate policies and procedures for addressing complaints regarding accounting controls and reports of financial fraud;

l. reviewing briefings from the internal auditor, general counsel, or management on financial fraud situations and/or whistleblower complaints;
m. the development and monitoring of the university’s conflict of interest policies, principles of employee conduct, and fraud policy; and

n. reporting the results of the committee’s activities to the board.

H. Special Committees.
The board chair may appoint such special committees with such membership and responsibilities as the chair may determine.

(04-08-11)

**BL08. Meetings of the Board of Regents and Committees.**

A. Open Meetings and Voting.
Meetings of the board and its committees are subject to the Alaska Open Meetings Act will be open to the public as required by AS 44.62.310. The board will provide adequate facilities for members of the public to attend board meetings. During public session of the full board, any vote may be taken by roll call at the discretion of the chair. Roll call votes will not be used in committee meetings except those conducted by teleconference.

*Voting methods are being moved to G. Quorum. Changed from citation to title in case the citation changes.*

B. Executive Sessions.
To the full extent allowed and pursuant to procedures provided by AS 44.62.310, the board or a committee of the board may go into executive session upon majority vote. Voice votes are authorized on all motions made during executive sessions. At any time during executive session, without regard to how the regent voted, a motion to reconsider the motion to go into executive session may be made by any regent, and discussed by the board or committee in executive session. If the board makes findings during an executive session, the findings will be made a part of the record of the proceedings and will be open to inspection by the public at reasonable times.

C. Meeting Dates.
The date and location of regular or special meetings of the board will be fixed by the board from time to time. Special and emergency meetings may also be called by the board chair, university president, or at the written request of any three regents, provided that notice as required by these bylaws is given.

D. Annual Meeting.
The Annual Meeting of the board shall be the last regular meeting of the calendar year. The board shall elect its officers at the annual meeting. At the annual meeting, the board shall review its performance and set its goals for the upcoming year.

*Traditionally, the board conducts a performance review and sets goals at the retreat or other special meeting, not at the annual meeting. Bylaw 3 addresses performance review.*
E. Notice of Meetings.

1. In accordance with AS 14.40.160(b), thirty days public notice will be provided for regular meetings of the board. Ten days public notice will be provided for special meetings of the board. Emergency meetings may be called without public notice.

2. Notice of all board meetings will be given to each regent and will specify the time and place of the meeting. Unless all regents are present, action taken at a special or emergency meeting must be directly related to the purpose of the meeting as noticed to regents. Notice will be deemed given, whether or not such notice is actually received, by means of any of the following methods:
   a. mailing written notice by the United States Postal Service postage prepaid to the last known address of the regent at least 96 hours prior to the time of meeting;
   b. attempting to give verbal notice by telephoning the business, cell phone or residence of the regent at the last known telephone number of the regent and leaving a message notifying the regent of the meeting; or leaving a message to return the call, and, if the call is returned, notifying the regent of the meeting;
   c. providing written notice by facsimile transmission to the last known facsimile telephone number of the regent; or
   d. mailing notice by electronic mail receipt requested to the last known email address of the regent.

   Adds cell phones to approved notification list and eliminates need to have an electronic mail receipt requested when sending to an email.

F. Disputes Concerning Notice.
The board has the final determination of all disputes concerning the giving of notice.

G. Quorum and Voting.
No business may be transacted at any meeting of the board unless at least six regents are present, either participating in person or by remote conferencing (audio or video). There will be no proxy permitted. There is no quorum requirement for committee meetings. Official action of the board requires the affirmative vote of the majority of the whole board. During public session of the full board, any vote may be taken by roll call at the discretion of the chair. Except for organizational matters, roll call votes must be taken when regents participate via remote conferencing. Roll call votes will not normally be used in committee meetings except those conducted by teleconference.

Clarifies that a regent is considered present if participating via teleconference – this is allowed by state law. Moves voting procedures for roll call votes to this section so that all voting protocols are together. AS 14.40.200 provides that “Quorum. Corporate business may not be transacted at any meeting of the Board of Regents unless at least six regents are present, the majority of the whole board to approve the same.”
H. Rules of Order.
When not in conflict with any of the provisions of these bylaws or other law, the latest revision of *Robert's Rules of Order* will constitute the rules of parliamentary procedure applicable to all meetings of the board.

I. Unanimous Consent.
In meetings of the board or its subcommittees that are not held by teleconference, the chair may elect to seek unanimous consent, in which case, the following process shall be used. The chair shall ask if there is any objection to unanimous consent to a motion or action. If no regent objects, all regents present at the time shall be counted and recorded as voting to approve the action or motion. In such event, the chair should announce that there was no objection so all regents present will be counted as voting in favor of the action or motion. If any regent present objects to unanimous consent or requests another method of voting, a roll call vote or other appropriate method of voting shall be used.

J. Agenda.

1. An advance agenda for committee and full board meetings will be prepared by the president *after consultation with the officers of the board* as approved by the officers of the board, and distributed along with relevant supporting papers, reports, or other communications or exhibits pertaining to agenda items so that it is received by each regent at least seven days prior to any meeting of the board. The 7-day requirement may be waived by the chair of the board at the request of the president. The provisions of this paragraph are for guidance in preparation for meetings and do not affect the validity of actions of the board.

*Reflects current practice. Technically, this bylaw currently requires that a meeting be called and action taken by the officers to approve the advance agenda.*

2. The first order of business at any meeting of the board will be the adoption of the agenda for the meeting. At that time, an item of business may be added to or deleted from the agenda upon a majority vote of the board or committee members present. After the agenda has been adopted by the board or committee, changes can be made upon a two-thirds vote of the members present. Unless all regents are present, action taken at a special or emergency meeting must be directly related to the purpose of the meeting as noticed to regents.

*Added to reinforce that business may not be added to a special or emergency meeting after notice has been given.*

3. The board, its committees, and subcommittees, may conduct public forums or hearings without a formal agenda for the forums or hearings, provided that such meetings are properly noticed in accordance with these bylaws.

K. Effective Date of Actions.
Board action will be effective at the time of the action, unless otherwise specified in the motion.

(02-07-07)
**BL09. Public Testimony.**

Subject to the will of a majority of the board, the chair may offer an opportunity for public testimony at regular meetings upon such terms as deemed appropriate and may limit the amount of time allocated to any particular individual or issue.  

(02-07-07)

**BL10. Presentations.**

The board may allow presentations by individuals or groups external or internal to the university. Persons or groups not having submitted a timely request in advance of the meeting to make a presentation at a board meeting may be recognized from the floor at the sole discretion of the chair. The chair may limit the length of any presentation.  

(02-07-07)

**BL11. Minutes; Public Inspection.**

A. The minutes of full board meetings will record the action taken on motions or resolutions and, once approved, will be the official record of board actions. The minutes will reflect at least the statement of the problem considered, pertinent recommendations, action taken by the board, and the result of the vote. The minutes will reflect how each regent voted. Separate minutes will not be prepared for proceedings of executive sessions and committee meetings.

B. The approved minutes of the board and other records of public sessions of the board will be available for public inspection under reasonable rules during regular office hours. Minutes shall be retained indefinitely in printed form.  

(02-07-07)

**BL12. University President.**

In accordance with Article VII, Section 3, of the Alaska Constitution, the board will appoint the president by a majority vote of the whole board and fix the president's compensation. The board may annually review the performance of the president. A failure to conduct a performance review is an internal matter and does not affect the validity of any action.  

(02-07-07)

**BL13. Indemnification.**

The board will defend, indemnify, and hold harmless board members and officers, university officers and employees, and members of advisory bodies and councils established by policy or regulation from any and all liability or damage arising out of acts on behalf of the board and the university performed within the course or scope of their official duties.  

(02-07-07)

The board may adopt, amend, or repeal policies. Action by the board to adopt or amend a policy of the board may be taken at any regular, special, or emergency meeting by a simple majority vote of the whole board, but any proposed policy or policy proposed for amendment must appear in the advance agenda of the meeting.

(02-07-07)

AS 14.40.200 requires that for any action of the board to be valid, there must be a majority (6 votes) of the whole board.


The board will maintain its bylaws and policies in the form of a compiled manual entitled "Regents' Bylaws and Policy," which will be made available for public inspection.

(02-07-07)


The president is authorized to adopt regulations consistent with bylaws and policies of the board and maintain them in the form of a compiled manual entitled "University Regulations," which will be made available for public inspection. The lack of a regulation anticipated in policy is an internal matter and does not create a right of action for any purpose.

(02-07-07)

BL17. Actions by the Board of Regents; Ratification; Objections.

A. The board at any meeting may take action by motion that is consistent with these bylaws, even if inconsistent with adopted policy.

B. Requirements of these bylaws may be waived at any time by unanimous consent of all regents who are not disqualified from acting on the matter. Actions of the board in violation of these bylaws may be ratified by a majority vote at a meeting of the board at least three days following notice of the action to all regents.

C. Objections to proceedings or action taken during meetings must be made as soon as reasonably possible and the right of a regent to object may be waived by action of that regent which is inconsistent with the objection.

(02-07-07)


If provisions conflict, the following order of priority will apply:

1. Bylaws
2. Regents’ Policy
3. University Regulation

(02-07-07)
BL19. Amendment and Review of Bylaws.

A. Bylaws may be amended by a majority vote of the whole board at any regular or special meeting. Any proposed amendment, however, must be filed with the secretary of the board at least 14 days prior to the meeting at which the proposed bylaw or amendment to these bylaws will be acted upon, and a copy of the proposed bylaw or amendment to these bylaws will immediately be transmitted by the secretary to each member of the board. A proposed amendment filed and noticed timely may be further amended by a two-thirds majority vote of the whole board at the regular or special meeting specified in the notice.

B. The filing and notice provisions of this section may be waived by unanimous consent of all regents.

C. Every five years, the university administration will report to the board on the status of the bylaws, making such recommendations as to revisions, additions and/or deletions as appear appropriate.

(02-07-07)

BL20. Referral of a Regent for Possible Impeachment

A. Upon a simple majority vote of the whole board finding that it is in the best interests of the university to do so, the board may refer a regent to the senate with a recommendation that the senate consider impeachment of the regent.

B. Grounds for referral may include:

1. A criminal complaint, presentment, information, indictment or conviction involving a felony in any jurisdiction;

2. An information, formal criminal charges or conviction of a misdemeanor involving dishonesty, breach of trust, or the University of Alaska;

3. A probable cause determination of a knowing ethics violation under AS 39.52 that results in an accusation under consideration by the personnel board, or a recommendation of removal from office under AS 39.52.410(b)(3);

4. Circumstances indicating: conduct that necessarily brings the university into disrepute; material, repeated and documented neglect of duty; or a regent’s inability to serve for an extended period;

5. Judicial proceedings involving or an adjudication of incompetence;

6. A formal allegation or charge, or a final decision, by a professional or occupational licensing body, alleging or finding a violation of the relevant licensing statutes or regulations that is related to the regent's ability or fitness to serve as a regent; or
7. Failure to possess the qualifications of a regent under AS 14.40.130.

C. The following process shall be followed in considering a motion to refer for possible impeachment. Consistent with AS 44.62.310(d)(5), the Open Meetings Act does not apply and all meetings regarding a possible referral shall be conducted in executive session. The process shall maintain confidentiality consistent with the circumstances and the requirements of the review:

1. Any member may request an executive session to discuss appointment of a review committee;

2. The board may consider a motion to appoint a review committee. If a simple majority of the whole board approves the motion:

   a. The chair shall appoint a review committee of not less than three members and provide written notice to the affected member of the makeup of the committee and the stated grounds for possible referral;

   b. The review committee shall gather information relevant to the stated grounds for referral, offer the affected member an opportunity to comment on the information gathered, and make a written report of its review, findings and recommendation to the secretary of the board. The report shall be confidential unless a referral for impeachment is made, at which point any further release shall be made in accordance with this bylaw and applicable law. The secretary shall immediately distribute the report to all members of the board, including the affected member.

3. The chair shall schedule a meeting to consider the report, to occur at least 14 calendar days after distribution. The board shall consider information the affected member provides in response to the report that is relevant to the issue of referral and consistent with the question before the board.

4. The board shall consider whether it is in the best interests of the university to refer the affected member for possible impeachment.

   a. In accordance with AS 39.52.120(a)(4), *Roberts Rules of Order* and this bylaw, the affected member may not participate in the vote, but is considered an active member for purposes of the required majority.
5. If the motion passes by the required majority the secretary immediately shall transmit the motion, the report and any written response or materials provided by the affected member to the president of the senate.

a. The board shall reconvene in public session and the motion shall be entered in the official minutes of the board.

(03-09-12)
Mining is a growing force in Alaska’s economy providing jobs for thousands of Alaskans and millions of dollars of personal income throughout Alaska. Alaska’s mining industry includes exploration, mine development, and mineral production. Alaska’s mines produce zinc, lead, gold, silver, coal, as well as construction materials, such as sand, gravel, and rock.

In 2011, Alaska’s mining industry provided:

- **4,500 direct** mining jobs in Alaska.
- **9,000 total** direct and indirect jobs attributed to Alaska mining industry.
- **$620 million** in total direct and indirect payroll.
- Some of Alaska’s highest paying jobs with an estimated average annual wage of **$100,000**, over twice the state average for all sectors of the economy.
- **$17 million** in local government revenue through property taxes and payments in lieu of taxes.

**2011 Economic Benefits**

**Exploration**
- **$300 million** spent on exploration, up 13% from 2010.
- **60 exploration projects** spending more than $100,000, of which **30 projects spent more than $1 million**.
- **$2.8 billion** spent on exploration since 1981.

**Development**
- **$175 million** spent on mine construction, down 40% from 2010.

**Production**
- **$3.8 billion** in gross mineral production value from Red Dog, Greens Creek, Fort Knox, Pogo, Kensington, and Usibelli Coal mines, placer mines, and rock, sand, and gravel operations, up 16% from 2010.
- More than **200 placer mines** produced **70,000 ounces** of gold, as well as platinum.
- **$80 million** in production value from more than 120 active rock quarries, and sand and gravel operations.
- Export value of **$1.3 billion**, or 31% of Alaska’s total exports (2010).
Usibelli Coal Mine
Coal
- Alaska’s only operating coal mine, exporting half of its production in 2011
- Fuels 40% of Interior Alaska’s electricity
- Founded in 1943
- 138 employees in 2011

Greens Creek Mine
Silver, zinc, gold, and lead
- Among the world’s top 10 silver producers
- Largest Southeast Alaska for-profit employer, in terms of payroll
- Largest payer of property tax in the City & Borough of Juneau
- Discovered in 1975, producing from 1989 to 1993, and continuously since 1996
- 355 employees in 2011

Red Dog Operations
Zinc, lead, and silver
- One of the world’s largest zinc concentrate producers
- Only taxpayer in the Northwest Arctic Borough
- Discovered in 1968, producing since 1989
- 620 employees (including 130 contractors) in 2011

Fort Knox Mine
Gold
- Alaska’s largest surface gold mine
- Largest single property taxpayer in the Fairbanks North Star Borough
- Discovered in 1984, producing since 1996
- 500 employees in 2011

Pogo Mine
Gold
- Discovered in 1994, producing since 2006
- 312 full-time employees and 150 full-time contractors in 2011
- Paid more than $51 million in wages in 2011
- Capital spending exceeded $11 million in 2011

Kensington
Gold
- 2011 marked the first full year of production
- Expect nearly 90,000 ounces of gold in 2011
- Adding infrastructure to provide long-term, sustainable production
- 230 employees in 2011

Nixon Fork
Gold and copper
- Discovered in 1917, intermittent production since 1920s
- Production suspended in 2007, re-opened in 2011
- 100 jobs in 2011
Chuitna
Coal
- Currently in the permitting process
- 300-350 expected production jobs

Wishbone Hill
Coal
- First mined in 1916
- Project feasibility study completed in November 2011
- 75-125 potential production jobs

Donlin Gold
Gold
- Discovered in 1988, continued exploration since 1995
- Permitting process expected to start in 2012
- 87% Calista shareholder hire at its camp operation
- Up to 1,400 potential production jobs, depending on the production timeline

Livengood
Gold
- Placer mining began in 1914, lode deposit discovered in 2007
- Pre-feasibility Study expected by June 2012
- Approximately 500 potential production jobs

Niblack
Gold, silver, copper, and zinc
- Ongoing exploration for more than 10 years
- $26 million invested since 2009
- 200-300 potential production jobs

Pebble Project
Copper, gold, and molybdenum
- Discovered in 1987, ongoing exploration and environmental studies since 2002
- Over $400 million invested through 2010
- 800-1,000 potential production jobs
Strengthening Local Economies and Communities

Mining companies strengthen Alaska’s local economies by employing Alaska residents from more than 120 Alaska communities located in 26 out of 29 Alaska boroughs or census areas. The industry also purchases supplies and services from hundreds of Alaska businesses.

These mining companies are also a significant source of stable revenue for local governments, as well as significant state government revenue. In 2011, Alaska’s mining industry paid:

An estimated total of **$17.2 million to local governments**, including:

- $8.9 million in payment in lieu of taxes (PILT) by Red Dog to the Northwest Arctic Borough.
- $5.6 million in property taxes paid by Fort Knox to the Fairbanks North Star Borough.
- $1.4 million in property taxes paid by Greens Creek to the City and Borough of Juneau.
- $1.2 million in property taxes paid by Kensington to the City and Borough of Juneau.
- Tax payments to other local governments, including Denali Borough, City of Nome and others.
- Mining industry employees also pay local property and sales taxes.

Mining companies paid an estimated **$148 million to state government** in royalties, rents, fees, and taxes, up 170% from 2010.

The mining industry also paid **$70.1 million in other state government-related revenues**, including:

- $28 million to the Alaska Railroad Corporation – $21 million for moving coal and $7 million for moving sand and gravel.
- $41.1 million to Alaska Industrial Development & Export Authority for the use of state-owned facilities (DeLong Mountain Regional Transportation System and Skagway Ore Terminal).

Partnering with Alaska Native Corporations

All Alaska Native corporations benefited from mining industry activity – in 7(i) and (j) royalty sharing payments, in jobs for shareholders, or through business partnerships.

- $169.9 million in net proceeds from Red Dog Operations to NANA and distributed $82.0 million to other Alaska Native regional and village corporations.
- 56% of the 550 year-round jobs at Red Dog are filled by NANA shareholders, including Teck Cominco, NANA Lynden and NANA Management Services jobs.
- Calista Corporation anticipates $2 million in royalties and other revenue for mineral agreements, including lode exploration, placer gold production, and construction material sales.
- Calista shareholders, descendants and spouses predominantly fill the exploration camp jobs at Donlin Gold.

Many Alaska Native corporations have taken the opportunity to develop businesses that serve the mining sector, including: NANA Regional Corporation, Calista Corporation, The Kuskokwim Corporation, Central Council Tlingit & Haida Indian Tribes of Alaska, Goldbelt, Inc., Kake Tribal Corporation, Klukwan, Inc., Prince of Wales Tribal Enterprise Consortium, Iliamna Development Corporation, Pedro Bay Corporation, Alaska Peninsula Corporation, Kijik Corporation, Igiugig Native Corporation, Tenalian Incorporated, and Tyonek Native Corporation.

Every Alaska Native region has some form of mining potential, ranging from gravel operations to gold, silver, copper, nickel, lead, zinc, platinum, tungsten, manganese, rare earth minerals, jade, limestone, and coal deposits. Several Alaska Native corporations, such as NANA Regional Corporation, Calista Corporation, The Aleut Corporation, Sealaska Corporation, CIRI, Doyon Ltd., Ahtna Inc. and Arctic Slope Regional Corporation, are actively evaluating the mining potential in their regions.
Alaska Mining Industry

Workforce Projections
Alaska Mines Manpower Projections

Disclaimer: All estimates are by S.Borell and not provided by the companies listed.

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* From McDowell Summary dated January 2011 and includes contractors
The Economic Impacts of Alaska’s Mining Industry

PREPARED FOR
Alaska Miners Association

PREPARED BY
McDowell Group
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Executive Summary

The purpose of this study is to measure the economic impact of Alaska’s mining industry, which includes exploration activity, mine development and mineral production. The industry produces zinc, lead, copper, gold, silver, coal, as well as construction materials, including rock, sand and gravel. The role of Alaska’s mining industry in the state’s economy has grown substantially over the past 10 years. In fact, Alaska’s hard-rock mining industry employs more full-time, year-round workers today than at any time over the past 50 years. New discoveries coupled with high metal prices have pushed investment in exploration and mine development to record levels. More important than this, however, is the economic benefit this growth offers Alaska and Alaskans. This study examines the direct, indirect, and induced economic impacts of the mining industry in 2010, with some references to 2011. Key findings are summarized below.

Mining Industry Expenditures

Exploration

- Mineral exploration expenditures in Alaska in 2010 totaled approximately $264.4 million. Since 1981, $2.3 billion has been spent in Alaska on mineral exploration programs.

- In 2010, there were 81 significant exploration projects in Alaska, including 34 with expenditures each over $1 million. Just over half of 2010 exploration expenditures (52 percent) were made in Southwest Alaska. The preliminary estimate for 2011 is $300 million.

- Exploration occurred throughout Alaska, though most of the expenditures were focused on six advanced exploration projects: Chuitna (coal), Wishbone Hill (coal), Donlin (gold), Pebble (copper, gold, and molybdenum), Livengood (gold), and Niblack (copper, gold, zinc and silver).

Development

- In 2010, mine development investment in 25 different projects in Alaska totaled an estimated $293.3 million. Significant development expenditures were noted at Red Dog Operations, Fort Knox, Pogo, Rock Creek, Greens Creek, and Kensington mines, and the Chuitna Coal project. Kensington Mine had the most development expenditures in 2010.

- In 2010, 77 percent of the development expenditures were made on gold mining ventures.

- Since 1981, mining companies have invested $2.9 billion on development of Alaska mining projects.

- The preliminary estimate for 2011 development spending is $175 million.
Operations (Production)

- In 2010, Alaska had six major mines in operation, along with at least 227 much smaller, mostly gold placer mines. Greens Creek, Red Dog Operations, Fort Knox, Pogo, and Kensington are Alaska’s five major metal mines. Usibelli Coal Mine is Alaska’s only operating coal mine. In 2011, Nixon Fork Mine (gold and copper) came back into production, with the mill starting up in July. Alaska’s gross mineral production value was $3.1 billion in 2010.

- The preliminary estimate for 2011 gross production value is $3.6 billion.

- In 2010, 227 placer gold mines in Alaska produced 69,318 ounces of gold. Just over half of Alaska’s active placer mines are located in the Eastern Interior region. In 2010, the two largest placer mines accounted for 42 percent of all placer production.

- A total of 121 sand and gravel operations, located throughout Alaska, reported activity in 2010.

- In 2010, $1.3 billion worth of minerals were exported to world markets, representing 31 percent of Alaska’s total exports of $4.2 billion.

Mining Industry Employment

- Direct mining industry employment in Alaska averaged approximately 4,100 jobs in 2010, accounting for $297.4 million in total annual personal income. This includes workers engaged in production (metals, coal and construction materials), exploration activities, or mine development during 2010. This employment also includes self-employed miners (often found in placer mines).

- Including direct, indirect and induced employment, Alaska’s mining industry accounted for approximately 8,200 jobs and $565 million in annual personal income in 2010.

- According to Alaska Department of Labor and Workforce Development, Alaska’s metal mines reported annual average employment of 2,000 workers in 2010. These workers had an average annual wage of $100,140 in 2010, more than double the state’s all-sector average wage of $47,700.

- Half of Alaska’s mining jobs are with gold or silver projects and 20 percent work on base metal ventures. The remaining workforce is found in poly-metallic projects (13 percent), sand and gravel (11 percent), coal (5 percent), recreational mining (1 percent), and rock and peat (both under 1 percent.)

Employment Outlook

- Several advanced exploration projects have potential to dramatically increase Alaska’s mining employment over the next several years:
  - Chuitna Coal project on the west side of Cook Inlet will likely create 300 to 350 jobs.
  - Wishbone Hill Coal project will likely employ 100 workers once in production.
Livengood Gold project, just north of Fairbanks, will likely create 500 mining jobs.

Donlin Gold project in Southwest Alaska will likely result in 1,000 jobs during mine operations.

Niblack Project in Southeast Alaska will likely create 200 or more jobs.

Pebble Project in Southwest Alaska would require an operations labor force of 800-1,000.

**Alaska Resident and Rural Alaskan Hire**

- Mining industry employees live in 26 out of Alaska’s 29 borough and census areas and in at least 120 Alaska communities:
  - Red Dog Operations’ employees live in Anchorage, as well as within the Northwest Arctic region villages of Ambler, Buckland, Deering, Kiana, Kivalina, Kobuk, Kotzebue, Noatak, Noorvik, Selawik, and Shungnak.
  - Donlin Gold employs residents from several Yukon-Kuskokwim communities, where wage paying jobs are scarce.
  - Nearly half (44 percent) of all Pebble Limited Partnership employees live in Southwest Alaska communities, including Iliamna, Newhalen, Kokhanok, Togiak, and others located elsewhere in the Lake & Peninsula, and Bristol Bay boroughs.
  - Of Greeks Creek Mine employees living in Alaska, two-thirds live in Juneau, while the remaining third live in other rural Southeast Alaska communities and elsewhere in Alaska. Kensington Mine also employs workers that reside throughout the Southeast region.
  - Pogo Mine employees reside in 26 Alaska communities.
  - All of Usibelli Coal and Fort Knox workers reside in Alaska.

- According to the Alaska Department of Labor and Workforce Development, 71 percent of mining industry jobs were held by Alaska residents in 2009 (most current information available). While lower than the private sector industry state average resident hire of 78 percent, the industry still has a higher resident participation rates than other key Alaska industries.

- Many of the employment opportunities are high skill jobs for which there are not yet sufficient available resident workers.

- Because of rotation schedules and remote camp operations, many in the industry reside in different boroughs or census areas than where they work. These types of operations allow employees to live in all regions of Alaska, including Alaska’s rural regions where few if any other employment opportunities are available.

- The mining industry supports training and workforce development, offering transferable (and often highly marketable) skills in a rapidly growing industry in Alaska and worldwide.
Purchases of Goods and Services

Production Spending

- Alaska’s six producing mines in 2010 spent approximately $620 million in support of their operations, of which approximately 70 percent ($500 million) was spent with Alaska vendors providing a wide variety of goods and services.

- Approximately 600 Alaska vendors supplied goods and services to Alaska’s operating mines.
  - Of the producing mines’ top Alaska vendors, it is estimated that about one-third of the total Alaska spending on goods and services was made with wholesale and retail trade businesses (32 percent), followed by utilities (power) (18 percent), fuel (16 percent), construction firms (15 percent), and transportation firms (13 percent).

Exploration Spending

- Approximately 500 Alaska-based vendors supplied goods and services to Alaska’s advanced exploration projects.
  - Professional services made up almost one-third of that in-state spending (31 percent), followed by services (15 percent), transportation (13 percent), and drilling firms (10 percent).

Mining Payments to Local and State Government

Local Government

- Mining companies are the most significant taxpayers in the Northwest Arctic Borough, Fairbanks North Star Borough, Denali Borough, City & Borough of Juneau, and the City of Nome. In 2010, local government tax payments totaled an estimated $14 million, including:
  - Fort Knox paid $4.7 million in property taxes to the Fairbanks North Star Borough, making the mine the largest single property taxpayer in the Borough.
  - Greens Creek Mine paid $1.4 million and Kensington paid $670,000 in property taxes to the City & Borough of Juneau. These two mines are the two largest private property tax payers in the City & Borough of Juneau.
  - Red Dog Operations paid $6.7 million in payment in lieu of taxes (PILT) to the Northwest Arctic Borough and is the Borough’s single most important source of revenue. The Borough has no sales tax or property tax revenues. Since 1989, Red Dog Operations has contributed more than $94 million in PILT payments to the Northwest Arctic Borough.
  - Usibelli Coal Mine pays taxes to the Fairbanks North Star Borough, Matanuska-Susitna Borough, and Denali Borough.
  - Alaska Gold Company paid just over $48,000 in real property taxes to the City of Nome.
In certain jurisdictions, mining companies pay sales taxes on their local purchases of goods and services. For example in Juneau, one mine, Greens Creek Mine paid an estimated $277,320 in sales taxes in 2010.

Most local governments also receive payments, such as property taxes, where there is production of locally-owned or leased rock quarries, and sand and gravel pits.

**State Government**

- The mining industry pays a wide variety of taxes, rent, royalties and fees to the State of Alaska, including $43.3 million in mining license fees in 2010. In total, the mining industry paid the State of Alaska $54.9 million in rents, royalties, and fees in 2010.

- A portion of Alaska’s mining industry rents and royalty payments are earned on behalf of the Alaska Permanent Fund. If state leases were issued on or before December 1, 1979, 25 percent of these payments are earned for the Permanent Fund; after December 1, 1979, these earnings grow to 50 percent. In 2010, the Permanent Fund earned $5.4 million from the mining industry and $6.8 million was earned in 2011.

- Mining-related activity is an important source of revenue for the Alaska Railroad Corporation. In 2010, the railroad earned approximately $17.9 million from movement of coal destined for Alaska or export markets (14 percent of the railroad’s total operating revenue). The railroad also earned $7.3 million (or 5.7 percent of total revenue) moving rock, sand, and gravel.

- In FY2010, the mining industry paid $29.3 million to the Alaska Industrial Development and Export Authority for use of the DeLong Mountain Regional Transportation System and the Skagway Ore Terminal.

- In 2010, the mining industry paid $1 million to the Alaska Mental Health Trust for rents and royalty payments, and construction materials sales on Trust lands.

**Mining Industry Partnerships with ANCSA Corporations**

Alaska’s Native corporations generally benefit from Alaska’s mining industry, in the form of jobs for shareholders, business partnerships, and all benefit through 7(i) and 7(j) royalty sharing payments.

**Business Development Opportunities**

- Two NANA subsidiaries – NMS and NANA Lynden Logistics – play major roles in Red Dog Operations. Other subsidiaries, including NANA/Major Drilling, DOWL HKM, NANA Oilfield Services, NMS Security, NANA WorleyParsons, NANA/Pacific, NMS Training Systems, and NMS Staffing all provide services to Red Dog Operations and others in Alaska’s mining industry.

- Chuilista Services, a subsidiary of Calista Corporation, was created to participate in the opportunity to provide camp structures, equipment and personnel in support of the Donlin Gold exploration program.
• Coeur Alaska works with Central Council Tlinglit & Haida Indian Tribes of Alaska and the Berners Bay Consortium, which includes Goldbelt, Inc., Kake Tribal Corporation, and Klukwan, Inc., to provide training, employment and contracting opportunities for Alaska Natives at Kensington Mine.

• Through POWTEC, Heatherdale Resources has trained and employed some 36 local people over the past three years at its Niblack exploration project.

• Pebble Limited Partnership works directly with several village corporations, including Iliamna Development Corporation (IDC), a wholly owned for-profit subsidiary of Iliamna Natives Limited. IDC provides Pebble Limited Partnership with site support services, including food services, housekeeping, transportation, waste disposal (incinerator) and other services, as well as leased space and buildings.

**Alaska Native and Shareholder Hire**

• At Red Dog Operations, 56 percent of the year-round jobs are filled by NANA shareholders, including jobs with Teck Alaska, NANA Lynden and NMS.

• In 2010, 83 percent of the onsite jobs at Donlin Gold were filled by Calista shareholders.

• Since 2005, Calista Corporation has employed from 12 to 16 shareholders and local residents, including up to four interns, to staff exploration on its Nyac exploration project.

**Royalty Payments**

• ANCSA corporations are mandated to annually redistribute among all 12 regional corporations 70 percent of net revenue earned on subsurface developments of their lands. These regional corporations then distribute payments to their respective village corporations.

  o As part of a lease agreement, Red Dog Operations pays a net smelter return royalty to NANA, which totaled $146.3 million in FY2010. Of the 2010 royalty payment, NANA redistributed $82 million to the other 11 ANCSA corporations.

  o Since 1989, NANA has received more than $596 million in proceeds from Red Dog Operations, of which $341 million has been distributed to the other ANCSA corporations in 7(i) payments. Half of these 7(i) payments were then redistributed to each village corporation in the form of a 7(j) payment.

  o While some royalties have already been paid to Calista Corporation (and lease payments to The Kuskokwim Corporation), the long-term benefit for Calista Corporation will come from royalties once Donlin Gold is in operation.

**ANCSA Mining Potential**

• Most of Alaska’s ANCSA corporations are evaluating the mineral potential of their lands, ranging from gravel operations to gold, silver, copper, nickel, lead, zinc, platinum, tungsten, manganese, strategic minerals, jade, limestone, and coal deposits.
Other Measures of Economic Impact

- Mining offers additional benefits to the Alaska economy, including:
  - Development of workforce skills that are often transferable to sectors of the economy other than mining.
  - Direct support for student performance (scholarships and internships) and endowments for faculty and research at the University of Alaska.
  - Public and private infrastructure investment that has broad benefit beyond the primary use of a mining venture.

Alaska’s Mineral Endowment and the Future of Mining in Alaska

- Although Alaska is effectively unexplored, there are 7,200 known mineral occurrences, not including coal or industrial/construction materials deposits. With this resource potential, and with exploration expenditures in the state totaling $1.3 billion between 2006 and 2010, the mining industry clearly sees a bright future in Alaska. Further, with strong base and precious metals prices, international market conditions are right for further growth in Alaska’s mining industry, thus bringing even greater economic benefit to Alaskans.

- With 44 million acres of privately-held land, much of which was selected for its mineral potential, ANCSA corporations and their shareholders will play a key role in future development of the mining industry in Alaska.
Summary of the Mining Industry’s Statewide Economic Impact, 2010

<table>
<thead>
<tr>
<th>Direct Employment and Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct mining industry employment in Alaska</td>
</tr>
<tr>
<td>Direct mining industry payroll in Alaska</td>
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</table>

<table>
<thead>
<tr>
<th>Total Employment and Payroll (direct, indirect and induced)</th>
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</thead>
<tbody>
<tr>
<td>Total employment attributable to the Alaska mining industry</td>
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<tr>
<td>Total payroll attributable to the Alaska mining industry</td>
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<table>
<thead>
<tr>
<th>Investment</th>
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<tbody>
<tr>
<td>Total exploration investment in Alaska, 1981-2010</td>
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<tr>
<td>Exploration expenditures</td>
</tr>
<tr>
<td>Development expenditures</td>
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<table>
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<tr>
<th>Government Revenue</th>
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<tbody>
<tr>
<td>Payments to state government</td>
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<tr>
<td>Rents, royalties, taxes</td>
</tr>
<tr>
<td>Facilities use fees to AIDEA</td>
</tr>
<tr>
<td>Mining commodity movement to AKRR</td>
</tr>
<tr>
<td>Payments to local governments</td>
</tr>
<tr>
<td>Payments to Native (ANCSA) corporations</td>
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<tr>
<td>Payments to Alaska Mental Health Trust</td>
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</tbody>
</table>

Map of Alaska’s Mining Activity
Introduction

Purpose

Alaska’s mining industry is not well understood in terms of its local, regional and statewide economic impact. While the industry has a long history in Alaska, and currently plays a critical role in several local and regional economies around the State, modern mining is a small and developing industry relative to Alaska’s major private sector basic industries of oil, seafood, and tourism. The purpose of this study is to describe Alaska’s mining industry, its various components and activities, and its impact on Alaska’s economy. The study also provides a basis for better understanding of the tremendous future that mining may provide.

Scope

To conduct the analysis, McDowell Group made direct inquiries to Alaska’s major mining players (including exploration companies), requesting data on employment, spending, resident hire, shareholder hire, vendor spending, payments to local and state governments, and other activities. Data was also compiled from various public sources, including Alaska departments of Labor and Workforce Development (DOLWD), Natural Resources (DNR), Commerce, Community and Economic Development (DCCED), and the federal Bureau of Economic Analysis (BEA).

This report begins with an overview of the mining industry, including a description of the mining cycle, from exploration through reclamation. A summary of Alaska’s mine production activity and advanced exploration projects is also provided.

There is no one public source of data regarding mining employment and payroll. This report also addresses the strengths and deficiencies of the Bureau of Economic Analysis, Alaska Department of Labor and Workforce Development, and Department of Natural Resources, Division of Geology and Geophysical Survey employment data. McDowell Group also provides employment (annual average and W2 tax form data) and payroll information reported directly by the mining companies. A discussion of multiplier effects is presented with estimates of how Alaska’s mining industry indirectly affects employment and payroll statewide.

Other measures of economic impacts are discussed, including the industry’s payments to local and regional governments, state government, and to Alaska Native corporations.

The economic impact analysis is based on 2010 data; however, some preliminary 2011 information is also presented.
The mining industry, and the minerals and metals it produces, are an essential component of the average American’s way of life. According to the Mineral Information Institute, nearly 5.9 billion tons of minerals and energy fuels had to be produced in 2010 to supply the needs of the U.S., averaging 38,052 pounds of minerals per year for each American.\(^1\) For instance, based on statistics from the U.S. Geological Survey, each year every American used:

- 8,509 pounds of stone to make roads, buildings, bridges, and other construction uses
- 5,599 pounds of sand and gravel to make concrete, asphalt, roads, blocks, and bricks
- 12 pounds of copper in buildings, electrical and electronic parts, plumbing, and transportation
- 11 pounds of lead for transportation, batteries, electrical, communications, and TV screens
- 6 pounds of zinc to make paint, rubber, skin creams, rust resistant metals, and for use in nutrition and health care; and,
- 6,792 pounds of coal to produce energy.\(^2\)

Mining is more than just extracting mineral resources from the earth; it involves reconnaissance exploration, prospect assessment, advanced exploration, pre-development engineering and environmental research, mine construction, production, final reclamation and post-reclamation monitoring. This chapter describes the various phases of the mining “cycle” of activity and some Alaska projects in each phase of this cycle.

The beginning of the mining cycle is exploration, or more specifically, reconnaissance exploration – typically a regional program aimed at defining areas that may be prospective for a specific mineral, and then discovering previously unrecognized mineral deposits with economic potential.

Following discovery comes more focused exploration, sometimes termed target exploration or advanced exploration. This is a process where the deposit is sampled to determine grade and tonnage and the feasibility of profitable mining. It is this stage of mineral resource development that is the most complex. Dozens of constantly changing economic, financial and technical forces influence mine feasibility. Low grades, small tonnages, metallurgical recovery, infrastructure or high costs may mean that a deposit never advances beyond the assessment stage, or it may sit idle for many years until rising metal prices or technological advances help turn the project into a profitable venture.

Many mineral prospects are drilled and sampled, but only one in a thousand ever becomes a mine. For those few prospects where detailed sampling indicates profit potential, the next step is mine permitting followed by mine development (construction). This is when the ore body is prepared for mining, an ore processing mill is constructed and the support infrastructure is developed. In large-scale mine development projects, hundreds of millions of dollars, sometimes billions of dollars, are invested and hundreds of workers employed over a period of several years as the mine is readied for production.

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Because mineral deposits are finite resources, mining companies are constantly active at all the different stages of the mineral cycle: performing reconnaissance exploration in many areas, drilling and sampling a prospect in another area, perhaps developing a new mine in yet another. Long before one deposit is depleted and the mine closes, the successful mining company is prepared to begin production at other deposits. This is the mineral cycle.

Following is a more detailed description of mineral exploration, mine development and production, with information on Alaska projects at various stages of the mineral cycle.

**Reconnaissance Exploration and Advanced Exploration**

Mineral exploration has become increasingly sophisticated in recent years, with reconnaissance exploration programs often beginning with analysis of satellite or high altitude aerial photographs covering broad areas. Depending on the target minerals, airborne geophysical surveys are employed over large tracts of land. Geochemistry plays an important role in mineral exploration today. Chemical analysis of stream sediment and soil samples allow mining companies to preliminarily test mineral potential without actually sampling the underlying bedrock.

With discovery comes the sometimes lengthy and costly process of determining if a prospect can be profitably and safely mined. Drilling, sampling, engineering, metallurgical analysis, financial analysis, and baseline environmental analysis are all part of the effort to determine if profitable and environmentally responsible mining is possible. Modern mines are designed from the start to prepare for ultimate closure.

Ore grade, tonnage, and mineral/metal prices are critical in determining mine feasibility. But so are costs: the cost of preparing the ore body for mining, building a mill (concentrator), mining a ton of ore, and crushing, grinding, and refining a product from that ton of ore. Inherent in all these costs are labor, electric power, shipping supplies to the mine site, tax burdens, acquiring the necessary permits to develop a mine, and the cost to reclaim the mine after closing down production.

**Exploration in Alaska**

Each year, millions of dollars are spent in Alaska searching for and evaluating mineral deposits. According to the State of Alaska’s Division of Geological and Geophysical Surveys (DGGS), exploration expenditures in Alaska in 2010 totaled approximately $264.4 million. Since 1981, mining and exploration companies have spent $2.3 billion in Alaska on mineral exploration programs.

In 2010, there were 81 significant exploration projects in Alaska, including 34 projects each with expenditures for the year of over $1 million. Most of this exploration funding came from Canadian and other international sources. Mining ventures explored for gold, copper, nickel, silver, lead, zinc, platinum, diamonds, molybdenum, and coal (as well as construction minerals).
Increased exploration expenditures in Alaska generally followed worldwide trends. With the increase in mineral commodity prices in 2010, there was expanded venture capital available for mineral exploration. As exploration heated up in 2010, supply shortages in available helicopters, drill rigs, other equipment, and professional support were noted. These trends have continued into 2011 with exploration expenditures reaching $300 million.

**Exploration Expenditures in Alaska, 2000 – 2010 ($million)**


**Exploration Expenditures in Alaska, by Region, 2010**

Exploration occurred throughout Alaska, though most of the expenditures were focused on six advanced exploration projects:

- Chuitna Coal, a coal project currently in the permitting process stage, located in Southcentral Alaska
- Wishbone Hill, a coal project currently in the feasibility study state, located in Southcentral Alaska
- Donlin Gold project located in Southwest Alaska
- Pebble copper-gold-molybdenum porphyry project in Southwest Alaska
- Livengood gold project located in Interior Alaska
- Niblack volcanogenic massive sulfide poly-metallic project in Southeast Alaska

CHUITNA (COAL)

PacRim Coal LP is developing the Chuitna Coal Project, located 45 miles west of Anchorage on the western side of Cook Inlet. The project targets development of 300 million tons of sub-bituminous coal (though the area’s coal fields contain an estimated 1 billion tons of sub-bituminous coal). A supplemental environmental impact statement is under review. The current project design includes a minimum 25-year mine life with a production rate of up to 12 million metric tons a year, employing 300 to 350 workers.3

WISHBONE HILL (COAL)

The Wishbone Hill area, located near Sutton, has a long history of coal mining dating back to the early 1900s. Usibelli Coal Mine (UCM) has worked to develop Wishbone Hill since 1997 and has maintained all necessary permits and leases. In 2010, UCM initiated a feasibility study (completed in November 2011), including a study of the construction of an exploration trail to the property, limited confirmation drilling and sampling, analysis of transportation options, updates to project permits, and gathering of environmental information. The study is based on 6 million tons of reserves identified in Mine Areas 1 and 2, with 500,000 tons produced annually for approximately 12 years. Depending on the results of the study, the earliest the mine could be operational is 2012.4

According to a study produced by the University of Alaska Anchorage, approximately 93 new direct jobs will be created during the mine’s operation with a total employment impact of 145 direct, indirect, and induced jobs and a total payroll of $7.8 million.5

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DONLIN GOLD

The Donlin Gold Project is a joint venture between NovaGold and Barrick Gold Corporation. The advanced gold exploration project is located approximately 280 miles by air from Anchorage in Southwest Alaska, about 12 miles north of the Kuskokwim River near the small community of Crooked Creek. The Donlin Gold property is under lease agreements with Calista Corporation for the sub-surface rights and The Kuskokwim Corporation for the surface rights. In 2010, there was an average of about 28 workers employed on the project. Should the mine be developed, preliminary estimates for Donlin Gold’s operations could total 1,000 jobs. A mine life of 27 years is anticipated. Donlin Gold has the potential to become one of the world’s largest gold-producing mines.6

In 2010, approximately $43 million was spent on completing studies, including an assessment of the potential to bring natural gas to the project. Feasibility analyses have been completed, and pending board approval, the permitting process could be initiated for the Donlin Gold project by April 2012. The permitting process will likely take at least three years. Once the permits are in hand, construction is expected to take four years and $6.7 billion, including $834 million for a natural gas pipeline from Cook Inlet to the mine.

PEBBLE PROJECT (COPPER-GOLD-MOLYBDENUM)

Since 2002, more than $400 million has been spent on the Pebble Project in southwestern Alaska to study a potential world-class copper deposit, carry out baseline environmental and socio-economic studies, and perform geotechnical work and project engineering. Northern Dynasty Minerals and Anglo-American PLC (which operate in Alaska as the Pebble Limited Partnership) own the Pebble Project. Approximately $132 million of this investment has been made in environmental and socioeconomic research and analysis. In 2010, Pebble Limited Partnership spent $73 million to advance the project. Studies are currently underway to determine feasible operating models, investment requirements, and potential labor needs. Should mine development prove feasible, a capital investment of several billion dollars would be required. Estimates suggest an operating labor force of 800-1,000 workers would be required.

The project is already having a substantial economic impact in Alaska and in the Bristol Bay and Lake & Peninsula regions. A number of Alaskans were employed in some capacity on the project, ranging from scientific and engineering services to camp support personnel. On average, Pebble Limited Partnership directly employed 40 people in 2010. Approximately 496 individuals from more than 50 different companies worked on the project in 2010. Of the total 2010 workforce, 74 percent were Alaskans, including 134 people from 17 local Bristol Bay/Lake & Peninsula communities.8

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6 McDowell Group estimates.
8 Pebble Limited Partnership email correspondence.
LIVENGOOD (GOLD)

The Livengood gold deposit is located 70 miles north of Fairbanks. The property has been prospected, explored and placer mined by several companies and private individuals since the first discovery in 1914. In 2006, International Tower Hills acquired the property from Anglo Gold. Drilling programs since 2007 have expanded the deposit to become one of the largest new discoveries of gold in Alaska. Approximately 4.9 million ounces of gold are indicated or inferred.\(^9\) It is expected that more ounces will be defined by further drilling.

In 2009, baseline environmental studies began, including studies of surface water quality, stream fauna, fish tissue chemistry, and wetlands delineation. In June 2010, pre-feasibility studies were initiated. These studies are expected to be completed by early 2012.\(^10\) If the mine is developed, 500 production jobs are expected.

NIBLACK (COPPER-GOLD-ZINC-SILVER-LEAD)

The Niblack deposit supported historic underground mining operations from 1905 to 1908, producing about 20,000 tons of ore. Active exploration began again in the 1970s, with ramped up activity in 2005 when Niblack Mining Company acquired the historic gold producer, which is located 27 miles southwest of Ketchikan on Prince of Wales Island. In 2008, CBR Gold Corporation acquired the property and in 2009, Heatherdale Resources Ltd. (an affiliate of Hunter Dickinson) attained the right to retain a 51 percent interest by expending $15 million and an option to acquire up to a 70 percent interest by spending an additional $10 million and completing a feasibility study.\(^11\) Before Heatherdale’s involvement, prior operators spent $41 million on the property. Since 2009, Heatherdale has spent $27 million (about $1.2 million each month), and drilled an additional 185,000 feet to develop a new resource estimate. Heatherdale recently negotiated a 100 percent friendly acquisition of its joint venture partner.

According to the most recent estimates, the Niblack deposit contains 4.1 million tons of indicated resource containing 103 million pounds of copper, 308,000 ounces of gold, 207 million pounds of zinc, and 5.1 million ounces of silver. Resource estimates also include another 2.5 million tons of inferred resource containing 67 million pounds of copper, 142,000 ounces of gold, 126 million pounds of zinc, and 2.1 million ounces of silver.\(^12\)

Currently, the on-site infrastructure includes 1.5 miles of road, 3,300 feet of underground development, a water treatment plant, and a dock and barge camp. In 2011, two drill rigs were operating year-round. Thirty-six employees (including contractors) live on-site, with 17,000 person-days accumulated since August 2009. As of August 2011, 73 percent of Niblack’s hires were Alaskan.\(^13\) Preliminary economic assessments indicate Niblack may have a minimum 10-year mine life.

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\(^9\) Resource estimation summary April 2011 (at 0.3g/t gold cutoff). http://www.ithmines.com/project/livengood_alaska/.

\(^10\) Approximately $37.5 million is expected to be spent in 2011 for the continuation of exploration, definition and condemnation drilling and for technical studies to produce the pre-feasibility study. http://www.ithmines.com/project/livengood_alaska/.

\(^11\) http://www.cbrgoldcorp.com/project_areas/united_states/niblack/.

\(^12\) http://www.heatherdaleresources.com/hdr/Home.asp.

\(^13\) Patrick Smith, Heatherdale Resources, presentation to RDC of Alaska conference, November 17, 2011.
OTHER EXPLORATION PROJECTS

Significant spending (more than $1 million) on exploration was made on a number of other projects in 2010 and 2011, including Whistler Project (Kiska Metals Corporation), MAN Project (Pure Nickel Inc.), Chisna Project (Ocean Park Ventures), Kugruk Project (TintinaGold Resources, Inc.), Palmer Project (Constantine Metal Resources Ltd.), Lucky Shot (Harmony Cold Corporation), Bokan Mountain (Ucore Rare Metals Inc.), 40 Mile Project (Full Metal Minerals), Tetlin (Contango ORE Company), Bluff Project (Millrock Resources Inc.), Ambler Project (NovaGold Resources), Vinasale Project (Freegold Ventures), Raintree West Project (Kiska Metals Corporation), Council Project (Millrock Resources Inc.), Kelley Creek (Cedar Mountain Exploration), and Big Chunk (Northern Dynasty Minerals Limited). Information is provided below on a selected group of exploration projects and the nature of their activity during the 2010 exploration season. Most of these projects had activity in both 2010 and 2011.

Exploration Activity, by Selected Alaska Projects, 2010

<table>
<thead>
<tr>
<th>Project/Deposit</th>
<th>Company</th>
<th>Nature of Work</th>
<th>Camp</th>
<th>Workers</th>
<th>Season</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chisna</td>
<td>Corvus Gold</td>
<td>Drilling, geophysics, surface mapping</td>
<td>Yes</td>
<td>30</td>
<td>May-September</td>
</tr>
<tr>
<td>Ambler*</td>
<td>NovaGold Resources</td>
<td>Fieldwork &amp; drilling</td>
<td>Yes</td>
<td>18</td>
<td>June-September</td>
</tr>
<tr>
<td>Golden Summit*</td>
<td>Freegold Ventures</td>
<td>Geophysical</td>
<td>No</td>
<td>10</td>
<td>May-October</td>
</tr>
<tr>
<td>Groundhog*</td>
<td>Kennicott Exploration</td>
<td>Ground geophysical, geologic mapping</td>
<td>No</td>
<td>12</td>
<td>July-August</td>
</tr>
<tr>
<td>Palmer</td>
<td>Constantine Metal Resources</td>
<td>Diamond drilling, geophysical survey (surface &amp; down holes)</td>
<td>No</td>
<td>20-25</td>
<td>May-Mid September</td>
</tr>
<tr>
<td>MAN*</td>
<td>Pure Nickel</td>
<td>Drilling &amp; geophysical</td>
<td>Yes</td>
<td>25</td>
<td>June-mid-September</td>
</tr>
<tr>
<td>Bokan Mountain*</td>
<td>Ucore Rare Metals</td>
<td>Drilling, geological mapping, underground permitting</td>
<td>Yes</td>
<td>20-40</td>
<td>Late July-October</td>
</tr>
<tr>
<td>40 Mile/Rolling Thunder/Tanacross*</td>
<td>Full Metal Minerals</td>
<td>Drilling &amp; surface exploration (mapping, sampling)</td>
<td>Yes</td>
<td>22</td>
<td>May-September</td>
</tr>
<tr>
<td>Whistler*</td>
<td>Kiska Metals Corporation</td>
<td>Geophysics, drilling</td>
<td>Yes</td>
<td>50</td>
<td>March-October</td>
</tr>
<tr>
<td>Unga*</td>
<td>Full Metal Minerals</td>
<td>Drilling &amp; surface exploration (mapping, sampling)</td>
<td>Yes</td>
<td>15</td>
<td>May-September</td>
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<tr>
<td>Circle*</td>
<td>Full Metal Minerals</td>
<td>Drilling &amp; surface exploration (mapping, sampling)</td>
<td>Yes</td>
<td>9</td>
<td>May-September</td>
</tr>
<tr>
<td>Pyramid*</td>
<td>Full Metal Minerals/ Antofagasta</td>
<td>Drilling &amp; surface exploration (mapping, sampling)</td>
<td>Yes</td>
<td>24</td>
<td>May-September</td>
</tr>
<tr>
<td>Bluff*/Estelle*/Humble*/Moosehorn*/Council*/Uncle Sam*/MonteCristo*/Revelation*/Napoleon*/40 Mile*</td>
<td>Millrock Resources</td>
<td>Prospecting, geological surveying, geochemical surveying, geophysical surveying, diamond drilling</td>
<td>Yes (Bluff/Council/Monte Cristo/Revelation)</td>
<td>30</td>
<td>May-October</td>
</tr>
</tbody>
</table>

* Indicates there was also exploration activity in 2011.
Source: Individual exploration company data.
Mine Development and Construction

Millions of dollars spent on regional exploration and millions more spent on assessing a handful of prospects may finally identify a mineral property that can be profitably mined. Ten or more years may elapse between discovery and development, but 15 years is more typical (for example, the Greens Creek Mine near Juneau was discovered in 1975, and went on-line in 1989.) Some prospects see decades of intermittent assessment work, conducted by a succession of different owners, before final development occurs. New technology, expanded reserves, new mining models, and changing market conditions often help turn once uneconomic deposits into successful mines.

The process of mine construction involves the building of a mill or concentrating plant – a facility to separate the valuable metals from the surrounding rock. These facilities typically include mechanical (crushing, grinding, gravity separation) and/or chemical processes to separate the metals from the rock. In some cases a “concentrate” is produced, which is shipped to a smelter where final processing occurs and a metal product is generated. The Greens Creek Mine, for example, produces three types of concentrates containing silver, gold, zinc, and lead. These concentrates are shipped to several smelters around the world for final processing. Other mines produce a final or near-final metal product on site.

The mine construction effort also includes support facilities, which may involve transportation infrastructure (roads, docks, or airstrips, depending on the location of the mine), tailing disposal facilities, power generating plants if no outside power source is available, and office and lab structures for the mine’s managers, engineers, and geologists. For remote mines, facilities are required to house and feed the mine’s workforce.

Mine development includes the process of preparing the ore body for mining: for underground mines, driving tunnels from the surface (adits), sinking shafts, driving access and ventilation raises, and accessing ore blocks with crosscuts and other tunnels. For surface mines, development may include stripping overburden and removing overlying waste rock. Mine development expenditures also include the purchase of mining equipment such as drills, loaders, trucks, etc.

Major mine development can be very costly and even more so in Alaska, where climate, lack of infrastructure and vast distances pose special challenges. For example, nearly a billion dollars have been invested in initial and subsequent development of the Red Dog mine, including the transportation infrastructure. Half a billion has been invested in the Fort Knox Mine, near Fairbanks.

Mine development often continues after production has begun. Developing additional ore bodies, expanding mill facilities, and other investments may be made to enhance or prolong mine operations.
Alaska Mine Development Projects

In 2010, mine development investment in Alaska totaled an estimated $293.3 million. Twenty-five projects reported development expenditures in 2010. Significant development expenditures were noted at Red Dog Operations, Fort Knox, Pogo, Rock Creek, Greens Creek, and Kensington mines and the Chuitna Coal project. Kensington Mine was the largest development project in 2010. Placer mines across Alaska also reported maintenance and development expenditures. Examples of other major capital projects include:

- Red Dog Operations – $20 million for tailings dams and $22 million on other sustaining capital projects.
- Fort Knox – $88 million to complete construction of the second stage of its heap leach facility and start construction on the third stage, complete a new access road, completed construction of its maintenance shop, excavation of the tailings dam, improvements to the mill, and reclamation work at True North.
- Pogo – Improvements to the all season access road, demolition of the old exploration camp and construction of a new core shack and other mine improvements.
- Greens Creek – $16 million to rehabilitate, replace, and enhance surface and underground equipment and infrastructure.

Investment in mine development in Alaska can be variable year to year, depending on if a new mine is being constructed, or if most investment is related to enhancements at existing mines. Since 1982, mining companies have invested $4.3 billion on development of Alaska mining projects. The preliminary estimate for 2011 development spending in Alaska is $175 million.

Mine Development Expenditures in Alaska, 2000 – 2010 ($million)

![Graph showing mine development expenditures in Alaska, 2000–2010 (in $million)].

Source: Special Report 65, Alaska’s Mineral Industry, DGGS/DCCED.

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14 Special Report 65, Alaska’s Mineral Industry, DGGS/DCCED.
15 Ibid.
In 2010, 77 percent of the development expenditures were made on gold operations (see figure below).

Mine Development Expenditures in Alaska, by Commodity, 2010 ($million)

- Gemstones $0.2 (<1%)
- Coal and Peat $9.0 (3%)
- Base Metals $42.0 (14%)
- Polymetallics $16.3 (6%)
- Precious Metals $225.8 (77%)

Source: Special Report 65, Alaska’s Mineral Industry, DGGS/DCCED.

Production (Mine Operations)

With mine development and construction complete, production can begin. The production phase of the mineral cycle can last from a few years to several decades, depending on production rates, the size of the ore body and market conditions. The life of a mine can be longer or shorter than anticipated. Increasing metal prices, improved technology, lower costs of production factors such as fuel or electric power can all add years to the life of a mine. Conversely, technical difficulties, falling metal prices, or increasing production costs can force temporary closure or prematurely end the life of a mine.

Operating Mines in Alaska

Zinc accounts for close to half of mineral production value in the state (42 percent in 2010). Gold ranks second in terms of production value (36 percent of the total in 2010), while lead and silver production each accounted for about 9 percent of the total Alaska minerals production value. All metals combined accounted for 95 percent ($3.0 billion) of the total value of mineral production in 2010. Including non-metal mining, the gross production value of Alaska’s mining industry in 2010 was $3.1 billion. The preliminary estimate for 2011 is $3.6 billion.
Mining Production Value in Alaska, by Commodity, 2010 ($million)

Source: Special Report 65, Alaska’s Mineral Industry, DGGS/DCCED.

These estimates of the value of Alaska mineral production are based on global prices for refined metal products. The value of Alaska’s production as it leaves the state is lower, because much of metal is contained in concentrates rather than a refined form. Export data provides a partial measure (not all of Alaska’s precious metal production is exported) of the value of Alaska mineral production as it leaves Alaska.

In 2010, $1.3 billion worth of minerals were exported to world markets, representing 31 percent of Alaska’s total exports of $4.2 billion.\(^{16}\)

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\(^{16}\) International Trade Administration, U.S. Department of Commerce.
In 2010, Alaska had six major mines in operation, along with another 200 much smaller, mostly gold placer mines. Greens Creek, Red Dog Operations, Fort Knox, Pogo and Kensington are Alaska’s five major metal mines. Usibelli Coal Mine is Alaska’s only operating coal mine.

**Metal Mines**

**Greens Creek Mine**

Greens Creek is an underground silver, gold, lead, and zinc mine located on Admiralty Island, 15 miles southwest of Juneau. The Greens Creek mill produces three separate concentrates, which are shipped to various smelters around the world for further processing. The mine has sufficient reserves for at least ten more years of operations. Since the mine began operating in February of 1989, Greens Creek has defined new reserves each year to replace those mined. Most mine employees live in Juneau and commute via boat and bus to the mine on a daily basis. The Greens Creek Mine, owned by Hecla Mining Company, employed an annual average of 338 workers with total estimated annual payroll of $32.7 million in 2010.

In 2009, Greens Creek was the U.S.’s 20th largest gold mine, sixth largest producer of lead, and second largest producer of zinc and silver. ¹⁷

**Red Dog Operations**

Red Dog Operations is an open-pit zinc, lead, and silver mine located 90 miles north of Kotzebue and 55 miles inland from the Chukchi Sea. It is the world’s largest zinc producer, both in terms of reserves and annual zinc production. Red Dog Operations is owned and operated by Teck Resources, and is located on property owned by NANA Regional Corporation. Red Dog Operations directly employs an average of 471 year-round workers (not including contractors), with approximately $35.8 million in total annual wages. In 2010, Red Dog began mining the Aqqaluk deposit which is adjacent to and adjoins the main deposit, extending the mine’s proven and probable reserves and its mine life to 2031.

Construction of Red Dog Operations began in 1986 with production commencing December 1989. The mine required construction of a 60-mile access road from a port site on the Chukchi Sea. While ore is mined year-round, the concentrate produced is stored for shipment at the port and shipped during the summer months when waters are ice-free and navigable. Red Dog Operations is the most capital-intensive mining project in Alaska with original construction costs and subsequent investments totaling more than $550 million, plus an additional $265 million invested by Alaska Industrial Development and Export Authority (AIDEA) in the road and port. ¹⁸

In 2009, Red Dog Operations was the U.S.’s top producing mine for silver, zinc, and lead. ¹⁹ According to NANA Regional Corporation, Red Dog’s production represented 73 percent of US zinc production in 2010 and 4.4 percent of global zinc production. ²⁰

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¹⁷ Email correspondence, Brenda Applegate, AIDEA, December 5, 2011.
¹⁹ PowerPoint presentation by Lance Miller, NANA to the Resource Development Council of Alaska, October 20, 2011.
During the 2010 shipping season (ending in October), Red Dog Operations shipped 1.1 million tons of zinc concentrate and 259,043 tons of lead concentrates.\textsuperscript{21} Teck expects Red Dog Operation’s 2011 production to be approximately 612,000 tons of zinc concentrate and 94,000 tons of lead in concentrate. Approximately two-thirds of the mill feed will be from the Aqqaluk deposit.\textsuperscript{22}

\textit{Fort Knox}

Fairbanks Gold Mining Inc. (a wholly-owned subsidiary of Kinross Gold Corporation) operates the Fort Knox Mine, which opened in 1996. Fort Knox is an open-pit gold mine located about 24 miles northeast of Fairbanks. It is Alaska’s second largest gold mining operation in terms of annual gold production. Fort Knox has proven and probable reserves sufficient to feed the mill until 2015.

Construction of the Fort Knox Mine and mill was completed at a total cost of approximately $375 million. Since initial mine development, over half a billion dollars has been invested in the mining project. In 2010, Fort Knox spent over $88 million on completion of their heap leach, carbon-in-column plant, a new mobile maintenance shop and new equipment.\textsuperscript{23} Fort Knox had an annual average direct employment of 502 workers in 2010, making it the fifth largest private sector employer and the tenth largest employer overall in the Fairbanks North Star Borough (FNSB). In 2009, Fort Knox was the U.S.’s eight largest gold mine in terms of output.\textsuperscript{24} In 2010, Fort Knox reached the 5 millionth ounce of gold production.

All Fort Knox employees live in the FNSB with total payroll at $45.3 million in 2010. Fort Knox spent $171.4 million with approximately 400 private sector vendors in Alaska, representing 62 percent of its total spending on goods and services (both in and outside Alaska) in 2010.\textsuperscript{25} In a recent study by McDowell Group, it was estimated that Fort Knox Mine-related direct and indirect employment statewide totaled 1,050 jobs in 2010 with a total payroll of $86 million.

\textit{Pogo Gold Mine}

Pogo Mine is an underground gold operation about 90 miles southeast of Fairbanks in the Delta Junction area. The Pogo deposit was discovered in 1994, with production starting in 2006 following an investment in mine development of over $350 million. In 2009, the mine reached a production milestone of one million ounces of gold. Sumitomo Metal Mining Co. Ltd. and Sumitomo Corporation purchased Teck Resources Ltd.’s 40 percent interest in the Pogo Gold Mine in 2009. Sumitomo Mining now owns 85 percent and Sumitomo Corporation owns 15 percent of Pogo. The mine employed an annual average of 311 workers paying $36 million in wages and salaries in 2010.

Pogo was the seventh largest gold mine in the U.S. in 2009.\textsuperscript{26}

\textsuperscript{21} Special Report 65, Alaska’s Mineral Industry, DGGS/DCCED.
\textsuperscript{22} Ibid.
\textsuperscript{23} Email correspondence with Lorna Shaw, Fort Knox Mine (September 28, 2011).
\textsuperscript{25} McDowell Group, Socioeconomic Impacts of the Fort Knox Mine, October 2011.
\textsuperscript{26} Ibid.
**Kensington Mine**

Coeur Alaska, a subsidiary of Coeur d’Alene Mines Corporation, operates the Kensington Gold Mine, located about 45 miles north of Juneau in Southeast Alaska. Juneau is the principal service and supply center for the underground mine and home to most of the operation’s labor force. The company started developing the mine in 2005 and after permitting-related delays started production in July 2010. The mine employed an annual average of 148 workers (not including contractors) with a payroll of $15 million in wages and salaries in 2010. After the mine ramps up to full production, it expects to employ 200 full-time, year-round workers. Coeur’s total investment in the Kensington project through 2010 is more than $330 million. In 2010, capital expenditures at Kensington were $93 million. Kensington has an anticipated mine life of ten years with potential for defining additional reserves.

In the fall of 2011, Coeur d’Alene Mines announced it will reduce ore production at the Kensington gold mine by up to 50 percent for six months to allow for new construction that will improve efficiency and consistent performance at the mine. Projects that are planned include completing the underground paste backfill plant, conducting more definition and exploration drilling, and completing the construction of several surface facilities such as a new dormitory and dining facilities.

**Nixon Fork Mine**

Mystery Creek Resources, a subsidiary of Fire River Gold Corporation, reopened the underground Nixon Fork Gold Mine, near McGrath. Production started in July 2011 and will be at full production levels by the end of 2011. Mining and development activities are at full capacity, which includes 90 on-site employees. A $3 million surface drill exploration program will occur on the 11,000 acre Nixon Fork property in 2012 and will serve to expand the current resource and identify additional mining targets.

Previous owners included Nevada Goldfields Inc. (1993-1999) and St. Andrew Goldfields Ltd. (2003-2008). Between 2004 and 2008, St. Andrew Goldfields Ltd. spent more than $50 million on upgrades to the processing facilities. In 2009, Fire River Gold Corporation purchased the mine for $3 million. Fire River Gold plans on producing 50,000 ounces of gold per year. Currently, the mine life is approximately four years.

**PLACER MINING**

“Placer mining” is defined as a type of mining that removes valuable minerals such as gold, platinum, and precious stones from unconsolidated detrital material. Placer deposits are formed when the host rock is eroded over millions of years, and minerals are transported and concentrated by rivers and streams.

Archeological records have shown that Alaska Natives were the earliest miners in Alaska, extracting copper, marble and other materials. But placer mining is the oldest form of mining by Western inhabitants in Alaska. The first placer coal was mined on the Kenai Peninsula during the later 1840s and 1850s by the Russians. The earliest gold prospectors were also the Russians who discovered gold at Hope and on the Russian River in 1849.

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The first significant discovery of placer gold was near Juneau with later discoveries along the Yukon River near Rampart, Fortymile River, and Circle. At the turn of the 20th century, placer deposits were discovered at Nome and Fairbanks. With the introduction of large-scale cold water thawing, hydraulic stripping, and mechanized excavation, Alaska became a leading gold producing state with a yield of nearly 750,000 ounces of gold in 1940, most of which came from placer mines.

However, gold mining was shut down during World War II by Presidential Order. After the war, the industry failed to recover due to rising operating costs and fixed gold prices. Most placer mining was discontinued by the 1960s. With the lifting of gold ownership restrictions and abandoning of a fixed price in the 1970s, gold production rose dramatically. By 1982, there were more than 500 placer mines statewide (including recreational mines) producing 174,900 ounces of gold worth $70 million.

The fluctuation of gold prices continues to affect the level of gold placer production in Alaska. For instance, gold prices saw a marked improvement in the late 1970s peaking at over $800 per ounce in 1980, followed by a gradual but fluctuating decline to $256 per ounce in 2001. With the fall in prices, the number of operating family-run placer mines dropped to 42. However, for the past several years, the price of gold has steadily improved, averaging $1,224.53 per ounce by 2010.29 By that year, it was estimated there were 227 placer gold mines in Alaska producing a total of 69,318 ounces of gold (compared to 234 mines operating in 2009.)30 Just over half of the state’s active placer mines (120 placer operations) are located in the Eastern Interior region. In 2010, the two largest placer mines accounted for 42 percent of all placer production.

**ALASKA’S NON-METAL MINES**

**Usibelli Coal Mine**

Usibelli Coal Mine, operating continuously since 1943, is located in Interior Alaska near the community of Healy and is Alaska’s only operating coal mine. The mine produced an all-time high of 2 million tons of coal in 2010, with much of that production used to generate about 40 percent of Interior Alaska’s electricity from six power plants. Half of Usibelli’s coal production is exported to overseas markets, primarily South Korea, setting a record 1.1 million tons of coal exported in 2011. The mine employed 127 workers in 2010 and 138 workers in 2011.

**Rock, Sand and Gravel**

Rock, sand and gravel deposits are being mined in most Alaska communities, supporting road, airstrip, and other commercial, industrial, and residential construction projects throughout Alaska. Some of the operations are quite small, ranging from small gravel pits serving village communities to large quarries and gravel pits found closer to the larger population centers along the Alaska Railbelt. For instance, some of the larger gravel pit operations are found in Anchorage, Palmer, Wasilla, and Fairbanks.

Annual rock, sand and gravel production is often a reflection of trends within the construction market. For example, production dipped in the mid-1980s and mid-1990s, and peaked in the late 1990s, reflecting booms and declines in Alaska’s housing, industrial and commercial construction markets.

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It was estimated that 7.0 million tons of sand and gravel was processed in 2010. With an estimated average value of $6.85 per ton, the total value of sand and gravel production was $48 million. There were 121 sand and gravel operations reporting activity in 2010; it is difficult to know a complete count as many of the operations are small and infrequently operated.

Rock production in Alaska in 2010 was estimated to be greater than 0.3 million tons. This includes shot rock, crushed stone, D-1, riprap, and modest quantities of ornamental stone. With an estimated unit value of $14.38 per ton, the total value was estimated to be at least $4.3 million in 2010.

**RECREATIONAL MINING**

“Recreational mining” is defined as amateur, casual, short-term mining for placer gold using non-mechanized equipment, such as a gold pan or a small, backpackable sluice box, metal detector or rocker-box. In specific areas, small suction dredges and/or metal detectors may be used. It is typically conducted on private and public properties designated for such purposes and may involve a fee. Recreational mining opportunities are expanding rapidly and are documented throughout most of Alaska. Generally, after paying the state mining license tax, the visiting miners are allowed to keep the gold they find or participate in a venture where recovered gold is split equally amongst the participants.

Recreational mining operations range from gold-panning activities attracting several thousand tourists spending $15 and a few hours to find some gold flakes to operations where a few hundred people spend as much as $2,750 per week (including equipment, room and board) for as long as two months looking for more significant rewards for their efforts.

Based upon interviews with recreational mine operators, at least 800 people traveled to Alaska to primarily participate in recreational mining, amounting to at least 1,000 miner-weeks of annual recreational mining at the remote pay-to-mine camps. Several thousand miner-weeks are also estimated to occur at highway accessible sites near Anchorage and Fairbanks. No attempt has been made to estimate the number of recreational miners visiting Federal and State designated gold panning areas, but it is likely to exceed the number visiting commercial sites.

Though no specific data is available, the total economic impact of recreational mining in Alaska likely exceeds several million dollars, including payments to private owners and spending on transportation, accommodations, food, services and supplies.

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31 *Special Report 65, Alaska’s Mineral Industry*, DGGS/DCCED.
32 Ibid.
33 The Recreational Miners Association website at www.recminer.com includes information for 17 recreational mining sites in Alaska. Several of these are free sites located on State and Federal lands withdrawn from mineral entry (claim staking) and available for recreational use while the others are commercial locations located on private property or permitted mining claims that charge for the right to mine.
Mine Closure and Reclamation

Mine reclamation is the process of returning an area to a physically and chemically stable condition and converting mined or otherwise industrially developed land to some other useful function. In remote areas, the goal is most often to create productive ecosystems. In more urbanized areas, the goal might be to convert land to other industrial, commercial or recreational uses. The process of mine reclamation can include grading and stabilizing the landscape, placing topsoil, and generating re-vegetation. Mine reclamation can also involve long-term commitments by mining companies to monitor environmental conditions in the reclaimed areas. Occupations commonly employed during reclamation include: engineers, arborists, horticulturalists, biologists, landscape architects, heavy equipment operators, and various construction trades.

Reclamation occurs at all phases of a mine’s life, including the exploration, development, operational, and closure phases.

Below are some Alaska examples of reclamation in each of these phases.

Exploration Reclamation

All exploration work at the Pebble Project is supported by helicopter. Before drilling begins, a wooden platform is put in place to put the drill on. The helicopter sets the drill rig on the wooden platform. After drilling is complete, the helicopter removes the drilling rig and reclamation of each drill site begins.

Below is a side-by-side before and after photo of reclamation of an exploratory drill hole at Pebble Project. The photo on the left shows a drill site shortly after the drilling rig was lifted off and the reclamation crew completed its initial work. The photo on the right shows the same site after reclamation has begun.

Pebble Project Drilling Activity Reclamation—Before (left) and After (right)

Source: Pebble Limited Partnership.
CONTEMPORANEOUS RECLAMATION

Often reclamation occurs contemporaneously while the mine is in operation. For example, at the Usibelli Coal Mine near Healy, re-contouring and replanting of mined-out areas is an on-going, routine part of the operations of the mine. Another example is reclamation of Valdez Creek at the Denali Mine. Back in the 1980s and early 1990s, Cambior USA conducted surface mining operations with contemporaneous reclamation of the mined area, encompassing an area approximately 2 miles long, 1,200 feet wide, and 180-300 feet deep. Valdez Creek was diverted around the mine area in a channel designed to allow passage of grayling. Reclamation included immediate backfilling of the mined area as mining progressed, contouring surface to as close as possible original grade and elevation, construction of stream channels, and re-vegetation of the affected areas. With regulatory approval, the final pit area was converted to a lake. The lake now provides wetlands and deep pool habitat that did not exist before operation of the mine. Final reclamation was completed one year after mining ceased.

CLOSURE RECLAMATION

Mine closure involves reclamation. For example, Fairbanks Gold Mining, Inc. terminated production at its True North Mine near Fairbanks in 2004. A decision was reached in 2009 to not continue with any additional mining at the property. Final reclamation of the site began in the summer of 2009. By the end of 2010, 148.6 acres were graded, 52 acres had growth media placement and 269.5 acres were scarified, seeded and fertilized.

True North Reclamation, Aerial Seeding


34 Bureau of Land Management, Case File CF AA078902.
Employment and Payroll in Alaska’s Mining Industry

This section provides analysis of Alaska’s mining industry employment and payroll effects, based on three categories:

- **Direct** employment and payroll, including employees of mining and exploration companies
- **Indirect** employment and payroll, including employees of businesses which provide goods and services to mining and exploration companies
- **Induced** employment and payroll, including jobs and income created when mine workers spend their payroll dollars.

The mining industry directly or indirectly creates thousands of jobs and millions of dollars in payroll throughout the Alaska economy. These jobs and payroll occur in the following sectors of the mining industry:

- **Production**
  - Metals
  - Coal
  - Construction materials (rock, sand, gravel)
- **Exploration**
- **Development**
- **Other** (self-employed placer miners, recreational mine operators, etc.)

In addition to jobs in these key segments of the industry, mining also indirectly creates employment and income in the state as mining-related businesses and their employees purchase goods and services in Alaska. This analysis of employment and payroll in Alaska’s mining industry begins with an overview of available employment data for the industry. Following that is an analysis of the indirect impacts of the mining industry.

### Direct Employment and Payroll

**Published Sources of Employment and Payroll Data**

There are three sources of mining industry employment data for Alaska: the U.S. Bureau of Economic Analysis (BEA), the Alaska Department of Labor and Workforce Development (DOLWD) and an annual report jointly produced by the state Division of Geological and Geophysical Surveys (DGGS) and the Department of Commerce, Community and Economic Development (DCCED). These various sources’ estimates on mining employment and payroll are presented below.
The Bureau of Economic Analysis (BEA) report indicates that in 2010, 4,078 full and part-time workers were employed in Alaska’s mining industry. Bureau of Economic Analysis data also shows that mining industry labor income totaled $279.4 million in 2010. This employment includes workers engaged in production (metals, coal, and construction materials) and mining company employees engaged in exploration and mine development. This data also includes sole-proprietors and self-employed, such as those commonly found in placer mining.

This employment count does not include numerous contract workers employed in camp support services, transportation, certain professional services, construction of mine facility development projects, or public sector employees whose work is primarily connected to the mining sector (such as positions at Alaska Department of Natural Resources.)

According to BEA data, mining industry employment jumped 40 percent between 2006 and 2007. Employment held steady in 2008 and then dropped 5 percent in 2009. This decline was not unexpected; the global recession significantly constrained exploration around the world (including Alaska) and declining base metal prices pressured mines to cut costs wherever possible. By 2010, the industry had recovered with employment at its highest level in over 40 years, close to doubling mining employment in 2004 (BEA data is only available back to 1969.)

Full and Part-time Private Employment in Alaska’s Mining Industry, 2002 to 2010

Except for a slight dip in 2009 (commensurate with a corresponding decline in employment), personal income has steadily increased at a faster rate than employment. By 2010, total annual personal income has more than doubled since 2004. On average, including full-time and part-time private sector workers and self-employed in the mining sector, the personal income per worker in 2010 was $68,514.
**Total Annual Personal Income in Alaska’s Mining Industry, 2002 to 2010, $Millions**

![Bar chart showing total annual personal income in Alaska's mining industry from 2002 to 2010.]

Source: Bureau of Economic Analysis.

**ALASKA DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT (DOLWD)**

DOLWD compiles wage and salary employment data from Quarterly Contribution Reports, which all Alaska employers are required to submit for purposes of calculating employment security taxes. These reports provide a count of all workers employed each month, as well as their total quarterly wages. In the DOLWD data, there is no distinction between full-time and part-time employment.

DOLWD categorizes employment according to the North American Industry Classification System (NAICS). Industry sectors that encompass the mining industry include:

- Coal
- Metal Ore
  - Metal ores mining
  - Gold ore and silver ore mining
  - Lead ore and zinc ore mining
  - All other metal ore mining
- Non-metallic Mineral, Quarrying
  - Crushed and broken limestone mining and quarrying
  - Other crushed and broken stone mining and quarrying
  - Construction sand and gravel mining
  - All other non-metallic mineral mining
- Mining Support Activities
Mining-related activity falls into several other NAICS categories as well, though it is combined with non-mining employment. This includes the professional services sector, where a number of mineral exploration firms are classified. These firms typically work under contract for mining companies, therefore their employment could be considered indirect.

Some of the types of businesses and professionals engaged in exploration projects include:

- Geological exploration services
- Drilling services
- Camp support services
- Helicopter support services
- Construction services
- Scientific and other professional research services

Of these services, DOLWD provides mining specific data only for drilling services. However, even this is only a partial measure as some drilling jobs are included in the construction sector.

There is also other direct mining industry employment that is not captured at all in DOLWD data. Notably, DOLWD data does not include self-employed “proprietors.” In the mining industry this could include small-scale placer mining operations. It could also include any individual working under contract, such as an exploration geologist.

According to DOLWD data, metal mining employed an average of 1,968 wage and salary workers in 2010, compared to 1,767 workers during 2009, an increase of 11 percent. Alaska’s metal mining industry generates some of the highest paying jobs in Alaska, with an average annual wage of $100,140 in 2010, more than double the state average of $47,700 for all sectors of the economy. Only the oil industry generates higher annual wages than the mining industry in Alaska. Including coal mining and non-metallic mineral mining or quarrying activity, mining employment in 2010 averaged 2,256 employees with an average annual wage of $96,859.

Below is a graph showing the seasonality influence of Alaska’s monthly mining activity (largely associated with exploration) on total employment.
Monthly Employment in Alaska’s Mining Industry, 2010

[Bar chart showing monthly employment from January to December, with peak employment in July at 2,545 jobs and trough in January at 1,861 jobs.]

Source: Department of Labor and Workforce Development.

DIVISION OF GEOLOGICAL AND GEOPHYSICAL SURVEYS AND DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT (DGGS/DCCED)

DGGS/DCCED provides a broader measure of mining industry employment in Alaska. In its report, Alaska’s Mineral Industry 2010, DGGS/DCCED estimated mining industry employment at 3,872 full-time equivalent jobs, an increase of 592 jobs (or 18 percent) from the 2009 total of 3,280. This estimate includes both direct and some indirect employment, as conventionally defined. It is based on survey data collected from approximately 160 businesses, agencies, and individuals in Alaska that are engaged in some aspect of mining in the state.

The DGGS/DCCED estimate includes production employment such as that reported by DOLWD as well as a broad range of contract employment in drilling, camp support, and other professional and trade services. The DGGS/DCCED estimate also includes construction materials handling employment that is likely captured by DOLWD in the construction sector rather than in the mining sector. Finally, it includes the smaller operations, including many placer operations, which do not report employment to DOLWD.

The best comprehensive estimate available for exploration program employment in Alaska is provided by DGGS. In 2010, DGGS estimated 520 annual average, full-time equivalent jobs in exploration. Though data is not available, peak employment is clearly much higher as most exploration activity occurs during the summer.

The chart below shows DGGS/DCCED’s breakout of employment by exploration, development, and production categories.

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36 Special Report 65, Alaska’s Mineral Industry, DGGS/DCCED.
DGGS/DCCED also provides a breakout of mining employment by production sector (estimating 2,815 total production employment in 2010.) Gold and silver mining represents the largest source of production employment followed by base metals and then poly-metallic mining.
Total Direct Mining-Related Employment

As discussed above, there are three sources of employment data for Alaska’s mining industry. Of the three, BEA data offers the most complete account of direct mining activity employment, as it also includes self-employed workers.

As such, in 2010, it is estimated there were about 4,100 private sector workers directly employed in Alaska’s mining sector with a direct payroll impact of $297.4 million.

Other Mining-Related Employment

There are a wide variety of other jobs indirectly linked to Alaska’s mining industry: for example, regulatory and research jobs in state and federal government that directly serve the mining industry. These include jobs with the US Bureau of Land Management, the US Geological Survey, and the USDA Forest Service. In State government, there are personnel within the Department of Natural Resources tasked with conducting mining industry-related research. The University of Alaska’s Mineral Industry Research Laboratory conducts basic and applied research to facilitate the development of Alaska’s mineral and energy resources. The UAF College of Engineering and Mines through the Department of Mining and Geological Engineering also supports Alaska’s mining industry. Mining industry-related employment in Alaska also includes jobs at mine training centers such the Mining and Petroleum Training Services in Juneau and Fairbanks. In this study, these jobs are assumed to be included in the mining industry’s indirect employment, which is discussed below.

Indirect Benefits of Mining for Alaska’s Business Sector

This section describes how Alaska businesses, other than mining companies, benefit from mining activity in the state. In-state spending with Alaska firms by mining companies in support of their mining and mine development projects is one way hundreds of Alaska businesses benefit from mining activity. Partnerships and other relationships with Alaska corporations that own mineral property rights are other important avenues for funneling the economic benefits of mining to Alaska businesses and therefore to individual Alaskans.

Purchases of Goods and Services in Support of Mining

PRODUCING MINE SPENDING

Alaska’s six largest mines (Usibelli, Greens Creek, Red Dog, Fort Knox, Pogo, and Kensington) spent an estimated $620 million in 2010.37 This amount varies year-to-year, depending on the level of capital investment (including construction activity) at each mine. Approximately 70 percent ($500 million) of these goods and purchase were made with approximately 600 Alaska businesses and organizations on a broad variety of goods, services and charitable contributions.

Of the producing mines’ top Alaska vendors, it is estimated that about one-third of the total Alaska spending on goods and services was made with wholesale and retail trade businesses (32 percent), followed by utilities (power) (18 percent), fuel (16 percent), construction (15 percent), and transportation firms (13 percent).

37 A seventh mining operation, Nixon Fork, restarted its mill in July 2011.
ADVANCED EXPLORATION SPENDING

Alaska’s advanced exploration projects purchased goods and services from approximately 500 Alaska-based vendors, many of which did not necessarily provide goods or services to the producing mines. Professional services (such as engineering, environmental services, consulting, etc.) made up almost one-third of that in-state spending (31 percent), followed by services (15 percent, such as camp support services), transportation (helicopter support, marine and air transportation) (13 percent), and drilling and mine support firms (10 percent).

Indirect and Induced Employment and Payroll

Multiplier Effects

The direct employment figures above do not include all of the jobs in Alaska that are linked to mining. The non-payroll spending by mining companies and employees creates additional economic activity in Alaska, sometimes described as the “multiplier effect.” Mining-related spending flows through the Alaska economy in a variety of ways, creating additional spending, employment and payroll. For example:

- **As described above, mining companies collectively purchase several hundred million dollars worth of goods and services** from hundreds of Alaska businesses located throughout the state. Regional centers such as Anchorage, Fairbanks and Juneau provide many of the goods and services that can be provided in-state, but businesses in smaller communities also benefit from local purchases, especially in support of remote exploration programs.

  The multiplier effect of mining purchasing in Alaska is not as high, however, as in other regions of the U.S. The multiplier effect is greater when the spending made locally is made for goods that are also locally (or regionally) produced. In Alaska, there are few manufacturers of goods used in the mining sector. In comparison, a similar mine spending the same amount in California will have larger multiplier effect, because more goods purchased are locally or regionally produced.

- **Mining creates jobs for other Alaska residents.** Mining provides a stable source of employment, particularly in producing mines, and considerably higher wage rates than the average job in Alaska. With higher wages and more disposable income, spending by mining employees creates more induced activity than most other sectors in Alaska (only the oil and gas industry pays a higher average salary.)

- **Royalties paid to regional ANCSA corporations** provide a remarkable example of how mining can benefit every area of the state. In 2010, $146.3 million in royalties were paid to NANA Corporation for its ownership interest in Red Dog Operations, of which $82 million was redistributed to all other Alaska Native regional and village corporations through the provisions of the Alaska Native Claims Settlement Act\(^{38}\), with half of this going to the regional corporation under Section 7(i) and half to the village corporations under 7(j).

\(^{38}\) NANA Annual Report 2010
• **Tax revenue paid to the State of Alaska** supports state government activity throughout the state, including payroll for state workers, and program support (such as education funding). The mining industry paid approximately $43.3 million in mining license tax to the State of Alaska in 2010 (all state revenues from the mining industry are described in detail later in this report). The Mining License Tax is a mining-specific tax not paid by other industries.

• **Taxes paid to local governments** are an important source of revenues for several jurisdictions in Alaska. In 2010, approximately $14.2 million in local government revenue was generated through property tax payments and payments in lieu of taxes made by Alaska’s mining industry. Fort Knox paid $4.7 million in property taxes to the Fairbanks North Star Borough, making it the Borough’s largest single property tax payer. Greens Creek Mine, which paid $1.4 million in property taxes to the City & Borough of Juneau, is the largest property tax payer in the Borough. Red Dog Operations’ payment in lieu of taxes (PILT) to the Northwest Arctic Borough totaled $6.7 million, by far the single largest source of revenue for the Borough. These payments support local government jobs, payroll and public services in the communities closest to the mining operations.

• **Infrastructure development** has supported communities and economies statewide. The Fort Knox Mine offers a specific example of how infrastructure benefits extend well beyond the mining industry. Because the Fort Knox Mine is a major purchaser of Golden Valley Electric Association (GVEA) power, other GVEA customers enjoy lower electric power rates. Earlier research by GVEA estimated a savings of 7 percent for residential consumers and 10 percent for commercial consumers because of the large steady base load from the miners. Lower cost power frees up household spending for local purchase of other goods and services.

All of these factors together mean that the mining industry has significant multiplier effects throughout the Alaska economy.

Input-output models provide industry multipliers. IMPLAN™, a widely-used input-output model for analyzing the economic impact of industrial and commercial development projects, provides statewide multipliers for several mining and mining-related sectors, as illustrated in the following table.

### IMPLAN™ Employment and Payroll Multipliers for the Alaska Mining Industry

<table>
<thead>
<tr>
<th>Sector</th>
<th>Employment Multiplier</th>
<th>Payroll Multiplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal mining</td>
<td>1.74</td>
<td>1.72</td>
</tr>
<tr>
<td>Lead and zinc mining</td>
<td>1.94</td>
<td>1.96</td>
</tr>
<tr>
<td>Gold and silver mining</td>
<td>2.10</td>
<td>1.93</td>
</tr>
<tr>
<td>Rock quarrying</td>
<td>1.92</td>
<td>1.92</td>
</tr>
<tr>
<td>Sand and gravel mining</td>
<td>1.47</td>
<td>1.70</td>
</tr>
<tr>
<td>Construction of industrial buildings</td>
<td>1.63</td>
<td>1.41</td>
</tr>
</tbody>
</table>
For example, an employment multiplier of 1.74 means that for every coal mining job in the economy, 0.74 of an additional job is created in the state. Similarly, for every coal mining payroll dollar, with a multiplier of 1.72, an additional $0.72 in payroll is generated in the support sector. These multipliers should be considered conservative, as published IMPLAN™ data does not capture all the economic effects of mining in Alaska, such as Red Dog’s royalty payments to NANA, which are widely distributed throughout the state.

Other components of the mining industry have somewhat lower multipliers. For example, mining of sand and gravel has an employment multiplier of 1.47. Seasonal exploration programs may also have lower multipliers than producing mines, as the proportion of non-residents in the labor force is likely to be higher than in producing mines.

Some states have significantly higher mining industry multipliers than Alaska; however those states have businesses that produce the materials consumed in mining, such as explosives, chemical reagents used in ore processing, and other supplies, materials and equipment.

Total Employment and Payroll Effects

If an average employment multiplier of 2.0 is assumed (slightly lower than the metal mining multiplier, to account for lower multipliers in construction materials mining), total direct and indirect mining industry employment in Alaska included approximately 8,200 jobs. With a labor income multiplier of 1.9, total direct, indirect and induced labor income in 2010 was approximately $565.1 million.

Economic Output

Economic output – a measure of total spending – is another indicator of the total economic impact of mining in Alaska. The total value of mineral production in Alaska was $3.1 billion in 2010. However this estimate of value overstates economic impact in Alaska because it is based on refined commodity prices, not the value of the concentrates that are produced by and exported from Red Dog Operations and Greens Creek, for example. In terms of economic impacts, a more relevant measure of the value of Alaska mineral production would be the value of concentrates that are produced by Alaska mines, plus the value of dore gold bars produced in Alaska and exported for further refining, and the value of construction materials (sand, gravel and rock) produced and used in Alaska. Though this kind of measure is not available from any published sources, a proxy value is if the export value of concentrates and gold are exported from Alaska.

In 2010, Alaska’s producing mines spent approximately $620 million on goods and services to support their operations, $457 million in labor costs (payroll plus the costs of benefits and other loading factors), and $314 million in royalties and taxes. The total value of Alaska mineral production therefore was $1.4 billion in 2010. Applying an Alaska output multiplier of 1.6 to this total indicates in-state economic activity of approximately $2.2 billion.
Alaska Resident Employment

Alaska Resident Hire in the Mining Industry

According to DOLWD, in 2009 (the most recently published data available), the percent of nonresident workers in the metal mining industry was 29 percent. This figure includes only reported metal mining employment and does not include mine development, exploration, coal or unreported construction materials employment.

<table>
<thead>
<tr>
<th>Alaska Nonresident Workers, by Selected Industry, 2009</th>
<th>Percent Alaska Nonresident Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seafood Processing</td>
<td>75%</td>
</tr>
<tr>
<td>Accommodations and Food Services</td>
<td>41</td>
</tr>
<tr>
<td>Oil and gas support</td>
<td>30</td>
</tr>
<tr>
<td>Metal Mining</td>
<td>29</td>
</tr>
<tr>
<td>Oil and gas extraction</td>
<td>23</td>
</tr>
<tr>
<td><strong>All private sector industries</strong></td>
<td><strong>22%</strong></td>
</tr>
<tr>
<td><strong>All industries</strong></td>
<td><strong>19%</strong></td>
</tr>
</tbody>
</table>

Source: DOLWD

DOLWD’s methodology for calculating workforce residency is based on Permanent Fund Dividend (PFD) applications, which produces a conservative estimate of “resident” employment. A new resident to Alaska must reside in the state for a full calendar year before he or she is eligible to apply for a PFD. A new Alaska resident who arrived in the state in March of 2010, for example would not be eligible to apply for a PFD until the 2012 application period. As a result, this person could actually reside in Alaska for nearly two years before being recorded as an Alaska resident. New hires from outside Alaska and intra-company transfers, therefore, may actually reside in Alaska (as indicated in W2 tax form data), but not yet be identified as a resident by DOLWD.

Based on 2010 W2 data provided by the producing mines, Alaska’s largest mining employers have high percentages of residents in their workforces, particularly the long-established mines. For example, in 2010, 100 percent of the Usibelli Coal Mine and Fort Knox Gold Mine workforce were Alaska residents. Newer mines (such as Kensington and Pogo) or mines with recent workforce expansion (i.e., Greens Creek) have comparatively higher non-resident participation because the lack of skilled in-state miners requires that they draw skilled workers from outside the state.
Important Source of Jobs for Rural Alaskans

Alaska’s mining industry supports mostly year-round jobs for residents from more than 120 communities throughout Alaska, half of which are found in rural Alaska (off the road system) where few other jobs are available.

In 2009, DOLWD was able to identify mine workers living in 26 of Alaska’s 29 boroughs and census areas. However, if one were to include gravel operations and rock quarries (that are found throughout Alaska), undoubtedly mining supports workers living in all areas of the state. Because of rotation schedules and camp setups, many mine workers reside in areas different from where they work.

According to Red Dog Operations, in 2010, 169 of their Alaska resident workers lived in Anchorage. The remaining 113 Alaska resident workers lived in Northwest Arctic Borough communities, including Ambler, Buckland, Deering, Kiana, Kivalina, Kobuk, Kotzebue, Noatak, Noorvik, Selawik, and Shungnak. These figures do not include contractors working at Red Dog, including those that are NANA subsidiaries.

Donlin Gold has a similar impact on small rural communities, employing residents from several Yukon-Kuskokwim communities, including Aniak, Kalskag, Crooked Creek, Sleetmute, Stony River, Bethel, Russian Mission, Akiachak, Mountain Village, Lime, Pilot Station, Nunapitchuk, Scammon Bay, and Tuluksak.

In 2010, 80 percent of Pebble Limited Partnership’s workers were Alaskans. Forty-four percent of all workers lived within the Southwest Alaska region, including the communities of Iliamna, Newhalen, Kokhanok, Togiak, and others located elsewhere in the Lake & Peninsula and Bristol Bay boroughs.

While most of Greens Creek Mine Alaska employees reside in Juneau, other Alaska employees live in other rural communities, including Angoon, Coffman Cove, Craig, Gustavus, and Hoonah. Along with Greens Creek employee locales, Kensington Mine also employs people from Kake, Angoon, and Metlakatla.

Pogo Mine employees live in 26 different Alaska communities, from as near to the mine as Delta Junction to as far as Petersburg.

A map of Alaska follows; the orange dots denote communities where mining sector employees live.

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40 Data provided by Hecla Greens Creek Mine.
41 Data provided by Kensington Mine.
42 Data provided by Pogo Mine.
Map of Alaska, Communities Where Mining Employees Live

Source: McDowell Group
The mining industry has a broad range of economic impacts in addition to jobs and income. The industry generates revenue for state and local governments, as well as for public and private landowners and business interests. It offers training and skill development for Alaskans to gain careers that can have lifetime benefits within the industry and in other sectors of the economy. Mining helps build infrastructure that can support communities and other industries. These and other benefits are described below.

The potential for the mining industry to generate revenues for state and local governments depends to a large degree on the location of the mine and the tax structure in local jurisdictions. The table below outlines the land ownership and local jurisdiction for Alaska’s largest producing mines and potential mines.

### Largest Producing Mines and Selected Advanced Exploration Projects

**State and Local Government Tax Obligations**

<table>
<thead>
<tr>
<th>Mine/Project</th>
<th>Land Owner</th>
<th>Subject to Mining License Tax</th>
<th>Subject to State Royalty</th>
<th>Local Tax Jurisdiction</th>
<th>Subject to Local Tax or PILT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Producing Mines</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Usibelli Coal</td>
<td>State</td>
<td>Yes</td>
<td>Yes</td>
<td>Denali Borough</td>
<td>Yes</td>
</tr>
<tr>
<td>Greens Creek</td>
<td>Private</td>
<td>Yes</td>
<td>No</td>
<td>City &amp; Borough of Juneau</td>
<td>Yes</td>
</tr>
<tr>
<td>Red Dog Operations</td>
<td>Private</td>
<td>Yes</td>
<td>No</td>
<td>Northwest Arctic Borough</td>
<td>Yes</td>
</tr>
<tr>
<td>Fort Knox</td>
<td>State/Mental Health Trust</td>
<td>Yes</td>
<td>Yes</td>
<td>Fairbanks North Star Borough</td>
<td>Yes</td>
</tr>
<tr>
<td>Pogo</td>
<td>State</td>
<td>Yes</td>
<td>Yes</td>
<td>None</td>
<td>No</td>
</tr>
<tr>
<td>Kensington</td>
<td>Private/Federal</td>
<td>Yes</td>
<td>Yes</td>
<td>City &amp; Borough of Juneau</td>
<td>Yes</td>
</tr>
<tr>
<td>Nixon Fork</td>
<td>Federal</td>
<td>Yes</td>
<td>No</td>
<td>None</td>
<td>No</td>
</tr>
<tr>
<td><strong>Advanced Exploration Projects (Projected Obligations)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chuitna Coal Project</td>
<td>State/Mental Health Trust/Private/Borough</td>
<td>Yes</td>
<td>Yes</td>
<td>Kenai Peninsula Borough</td>
<td>Yes</td>
</tr>
<tr>
<td>Wishbone Hill</td>
<td>State/Mental Health Trust/Private</td>
<td>Yes</td>
<td>Yes</td>
<td>Mat-Su Borough</td>
<td>Yes</td>
</tr>
<tr>
<td>Donlin Gold</td>
<td>Private</td>
<td>Yes</td>
<td>No</td>
<td>None</td>
<td>No</td>
</tr>
<tr>
<td>Livengood</td>
<td>Federal/State/Mental Health Trust</td>
<td>Yes</td>
<td>Yes</td>
<td>None</td>
<td>No</td>
</tr>
<tr>
<td>Pebble Project</td>
<td>State</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Niblack</td>
<td>State/Federal</td>
<td>Yes</td>
<td>Yes</td>
<td>None</td>
<td>No</td>
</tr>
</tbody>
</table>
While most mining projects pay either a property tax or a payment in lieu of taxes to a local government, most are on private or federal land and therefore not subject to state royalty payments. As described above, in addition to state royalties and property tax payments, a number of other fees and taxes are imposed on the mining industry. This includes mining license fees, annual mining claim rentals, severance taxes on coal produced from state land, severance taxes on gravel production, and other miscellaneous fees. Of course, mining firms also pay corporate income taxes to the State of Alaska.

State of Alaska Payments

The mining industry generates revenues to the State of Alaska through a number of mechanisms, such as license fees, rental, royalties, material sales, and other fees. These revenues are described below.

Mining License Tax

The state collected $43,338,119 in mining license tax in 2010. This is a tax on the net income of all mining property in the state irrespective of land ownership status, capping at 7 percent, less exploration and other credits. Except for sand and gravel operations, new mining operations are exempt from the mining license tax for a period of 3.5 years after production begins. The Alaska Department of Revenue forecasts mining license taxes to reach $48.5 million in FY2012. This is a tax imposed only on mining.

Annual Claim Rental

In FY2010, the mining industry paid $7,201,705 in annual claim rentals.

The Annual Rental law (AS 38.05.211) requires locators and holders of State mining locations to pay an annual cash rental. The requirement applies to mining claims, leasehold mining leases, offshore mining leases and prospecting sites on state land. For all traditional mining claims (40 acres), the annual rental amount is $35 per year for the first five years, $70 per year for the second five years, and $170 per year thereafter. For quarter section mining claim (160 acres), the annual rental amount is $140 per year for the first five years, $280 per year for the second five years, and $680 per year thereafter. For all leases, the annual rent is $.88 per acre per year for the first five years, $1.75 per acre for the second five years, and $4.25 per acre per year thereafter. It is noted that an acre is approximately 208 by 208 feet. For prospecting sites, there is a one-time upfront requirement of $255, which covers the two-year term of the site.

Production Royalty

In FY2010, the production royalty payment from minerals on state land was $1,299,554.

The Production Royalty law (AS 38.05.212) requires holders of state mining locations to pay a production royalty on all revenues received from minerals produced on state land. The production royalty is 3 percent of net income as determined under the Mining License Tax Law (AS 43.65), and regulations (15 AAC 65). A production royalty return must be filed and all required royalty payments must be made by anyone:

1) Owning, leasing, and operating a mining property
2) Owning a mining property and receiving lease fees, royalty payments based on production, or a combination of lease fees and royalty payments from the property

3) Leasing a mining property from another person and operating the property and

4) Possessing a mineral interest, whether an economic or production interest, in a producing property, including royalty, receiving lease fees, working or operating interests, net profits, overriding royalties, carried interests in, and production payments.

**Annual Labor**

The FY2010 payment in lieu of annual labor from mining and exploration companies was $157,848.

The payment in lieu of annual labor is based upon the premise that when prospecting and the discovery of a locatable mineral, and the staking of a mineral location, annual labor must be performed each year in the further development of the locatable minerals so that it can be mined. Every year, a minimum of $100 or $400 worth of labor or improvements must be performed on or for the benefit or development of each mining claim on leasehold location on state land. Every year $100 worth of labor or improvements must be performed on each partial or whole 40 acres of each mining lease. The holder of a mining claim, leasehold location, or mining lease may make a cash payment to the state equal to the value of labor required ($100 or $400 per claim).

**Coal Rents and Royalties**

The state received $2,378,860 in rents and royalties from coal mining in Alaska in FY2010.

The standard rate for coal royalties on state lands for new leases is 5 percent of gross value. For coal leases in existence on June 18, 1982, the royalty rate at the next time of adjustment will be five percent of the adjusted gross value. This allows for certain costs to be deducted.

**Material Sales**

In FY2010, the state earned $315,596 from sales of sand, gravel, rip rap, rock, limestone, slate, peat, and other substances mined from State of Alaska ground that are not applied for through the location (mining claim) system or leasing.

There are three types of materials sales from which the state receives payments:

1) Limited Material Permit, where there is no filing or application fee

2) “Limited” and small “negotiated” sales where the price charged is set by the Alaska Department of Natural Resources based generally on the fair market sales price of material in the area

3) “Negotiated” and “competitive” sales where the amount charged for larger material sales (>25,000 cubic feet) is based on a site-specific appraisal or an abbreviated appraisal. A “competitive” sale price is initially set by an appraisal, but may be raised during an auction if more than one person or company competes for the material.
Permanent Fund

The Alaska Constitution was amended in 1977 to establish a permanent investment fund into which, “at least 25 percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the state” are to be deposited annually. This 25 percent applied to state mining leases issued on or before December 1, 1979. Mines operating with state leases issued after December 1, 1979 pay 50 percent. In 2010, $5.4 million of the state rents and royalty payments by Alaska’s mining industry was earned for the Alaska Permanent Fund. In 2011, $6.9 million was earned for the Fund.

Other State Mining Fees

In FY2010, $585,463 was collected in various other mining fees. These fees include filing, penalty, bond pool payment, surface mining application, and Annual Placer Mining Application fees.

State Fuels Tax

Alaska levies a motor fuel tax on motor fuel sold, transferred or used within Alaska. Fuel tax collected by the state from mining companies for 2010 amounted to $2.1 million.

Corporate Net Income Tax

The mining sector actually had a credit (presumably because companies may have overpaid) of $2,558,970 with the State of Alaska in corporate net income tax collections in FY2010. In FY2011, the State of Alaska collected $81.8 million in corporate income tax from Alaska’s mining sector.

All corporations doing business in Alaska must file a tax return. The corporate net income tax payment is a reflection of a corporation’s profitability. The State of Alaska levies a corporate net income tax based on federal taxable income with certain Alaska adjustments. Multi-state corporations apportion income on a “water’s edge” basis using the standard apportionment formula of property, payroll, and sales. Tax rates are graduated from 1 to 9.4 percent in increments of $10,000 of taxable income. The maximum rate (9.4 percent) applies to taxable income of $90,000 and higher.

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43 AS 37.13.010.
44 Per email communication with Cristin Cowles-Brunton, DNR, January 11, 2012.
45 Total collections may not exactly match the Department of Revenue’s Revenue Sources Book figures due to timing issues. Negative amounts indicate that refunds exceeded payments for the fiscal year.
46 Alaska Department of Revenue.
### State of Alaska General Fund Direct Revenue from Mining, 2010

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State mineral rents and royalties</strong></td>
<td></td>
</tr>
<tr>
<td>Annual claim rentals</td>
<td>$7,201,705</td>
</tr>
<tr>
<td>Production royalties</td>
<td>$1,299,554</td>
</tr>
<tr>
<td>Annual labor</td>
<td>$157,848</td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td><strong>$8,659,107</strong></td>
</tr>
<tr>
<td><strong>State coal rents and royalties</strong></td>
<td></td>
</tr>
<tr>
<td>Royalties</td>
<td>$2,235,138</td>
</tr>
<tr>
<td>Rents</td>
<td>$143,722</td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td><strong>$2,378,860</strong></td>
</tr>
<tr>
<td><strong>State material sales</strong></td>
<td></td>
</tr>
<tr>
<td>Division of Land</td>
<td>$200,659</td>
</tr>
<tr>
<td>State Pipeline Coordinators Office</td>
<td>$5,910</td>
</tr>
<tr>
<td>Alaska Mental Health Land Trust</td>
<td>$109,027</td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td><strong>$315,596</strong></td>
</tr>
<tr>
<td><strong>State mining miscellaneous fees</strong></td>
<td></td>
</tr>
<tr>
<td>Filing fees</td>
<td>$407,006</td>
</tr>
<tr>
<td>Bond pool payment</td>
<td>$91,677</td>
</tr>
<tr>
<td>Penalty fees</td>
<td>$43,405</td>
</tr>
<tr>
<td>Surface coal mining application fee</td>
<td>$23,502</td>
</tr>
<tr>
<td>Annual Placer Mining Application fees</td>
<td>$19,873</td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td><strong>$585,463</strong></td>
</tr>
<tr>
<td>Mining license payments</td>
<td>$43,338,119</td>
</tr>
<tr>
<td>State fuel taxes*</td>
<td><strong>$2,182,158</strong></td>
</tr>
<tr>
<td>Corporate net income tax collections</td>
<td>($2,558,970)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$54,900,333</strong></td>
</tr>
</tbody>
</table>

*DCCED estimates this amount based on aggregate responses from a small number of companies responding to a request for this information.

Source: Alaska Department of Natural Resources, Alaska Department of Revenue, Alaska Industrial Development and Export Authority, DCCED.

In summary, the mining industry paid approximately $54.9 million in taxes, rents, royalties, and miscellaneous fees to the General Fund of the State of Alaska in 2010.

### Other State Payments

The mining industry is also an important source of revenue to quasi-government organizations such as the Alaska Railroad and the Alaska Industrial Development and Export Authority.
ALASKA RAILROAD

The Alaska Railroad is owned by the State of Alaska. In 2010, freighting coal destined for Alaska users and export markets represented $17.9 million (or 14 percent) of the Alaska Railroad Corporation’s total operating revenue. The movement of rock, sand, and gravel represented $7.3 million (or 5.7 percent) of total revenue. In 2011, the mining industry paid approximately $28 million to the Alaska Railroad Corporation – $21 million for moving coal and $7 million for moving sand and gravel.

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

Teck Alaska, as the operator of Red Dog Mine, pays a toll for use of the state-owned DeLong Mountain Regional Transportation System, the 52-mile road and port that serve the Red Dog Mine. The Alaska Industrial Development and Export Authority (AIDEA) owns the DeLong Mountain Transportation System and Teck Alaska payments go to AIDEA’s general fund to repay the bonds issued for construction of the transportation system and provides a return on AIDEA’s equity investment in the port and road. The initial construction of the DeLong system was $180 million with a subsequent upgrade of $85 million for a total cost of $265 million. By the end of June 2011, the state had received more than $342 million from Red Dog Operations for use of the system.

In 1990, AIDEA purchased the Skagway Ore Terminal. The facility includes a warehouse and shipping operation for base metal concentrates exported from the Yukon Territory to international markets. While the terminal was not in use for several years, Minto Explorations Ltd., a subsidiary of Capstone Mining Corporation, shipped 28,690 dry metric tons of copper concentrate through the terminal in 2008. In FY2010, the mining industry paid $29.3 million to AIDEA for use of the DeLong Mountain Regional Transportation System and the Skagway Ore Terminal. In FY2011, AIDEA received $41.1 million for use of these state-owned facilities.

Other Payments to State of Alaska Quasi-Government Organizations, 2010

<table>
<thead>
<tr>
<th>Amount Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>User fees to AIDEA</td>
</tr>
<tr>
<td>Coal and RSG freight revenue (AKRR)</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
</tbody>
</table>

Source: Alaska Industrial Development and Export Authority, Alaska Railroad Corporation.

Combining payments to AIDEA and Alaska Railroad Corporation with the tax, royalty, and fee obligations, the mining industry paid approximately $109.4 million to the state of Alaska in 2010.

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47 Email correspondence from Barbara Amy, Alaska Railroad Corporation, November 2, 2010.
48 Email correspondence from Barbara Amy, Alaska Railroad Corporation, November 23, 2011.
49 Email correspondence from Brenda Applegate, AIDEA, December 5, 2011.
Payments to Local Governments

The mining industry paid an estimated $14 million to local governments in 2010. There are several ways the mining industry provides direct payment to local governments, including property taxes, sales tax, severances taxes, payments in lieu of taxes (PILTs), and rents or production revenue from rock, sand, and gravel production on local government lands.

Property Tax

Mining companies represent some of the largest property taxpayers in the City & Borough of Juneau, Fairbanks North Star Borough, and the City of Nome. In 2010:

- Fort Knox Gold Mine paid the Fairbanks North Star Borough $4.7 million in real property and business property taxes in 2010, making the mine the largest single property taxpayer in the Borough. In 2011, Fort Knox paid $5.6 million in real property and business property taxes.
- Greens Creek Mine paid $1,365,950 in property taxes to the City & Borough of Juneau in 2010.
- Kensington Mine paid $670,000 in property taxes to the City & Borough of Juneau. In 2011, Kensington paid the City & Borough of Juneau $1.2 million in property taxes.
- Greens Creek and Kensington mines are the two largest private property tax payers in the City & Borough of Juneau.
- Usibelli Coal Mine paid $35,000 in property taxes for its Wishbone Hill property to the Matanuska-Susitna Borough. It also paid $3,500 in property taxes to the Fairbanks North Star Borough.
- Alaska Gold Company paid $48,221 in real property taxes to the City of Nome. The company ranked amongst Nome’s top largest property tax payers.

These are direct payments by mines to local governments. These figures do not include property tax payments made by mine employees. For example, a 2008 study conducted by McDowell Group for Hecla Greens Creek Mining Company found that the Greens Creek employees paid approximately $430,000 in property taxes. A 2011 study conducted by McDowell Group for Fairbanks Gold Mining Corporation estimated Fort Knox Gold Mine employees paid approximately $1 million in property taxes in 2010.

Payment in Lieu of Taxes (PILT)

Local government payments can also include payment in lieu of taxes (PILT), such as that which is stipulated in an agreement between Teck Alaska (operator of the Red Dog Mine) and the Northwest Arctic Borough. In FY2010, Teck Alaska’s PILT payment to the Borough totaled $6.7 million, and represented 52 percent of the Borough’s total General Fund revenues. Red Dog Operations is the Borough’s single most important source of revenue. The Borough receives no sales tax or property tax revenues.
In FY2011, the Borough received $8.9 million in PILT from Teck Alaska.\textsuperscript{50} Since 1989 when mining began at Red Dog Operations, the mine has contributed more than $103 million in PILT to the Northwest Arctic Borough.

**Severance Tax**

In the Denali Borough, Usibelli Coal Mine pays a severance tax of $0.05 per ton of coal. The Borough also receives other severance tax payments for limestone and gravel operations. In 2010, mining companies paid $106,588 in severance taxes to the Denali Borough.\textsuperscript{51} In FY2011, severance tax paid to the Denali Borough totaled $107,367.\textsuperscript{52}

**Sales Tax**

In certain jurisdictions, mining companies pay sales taxes on their local purchases of goods and services. For example, in Juneau, Greens Creek Mine paid an estimated $277,320 in sales taxes in 2010.

**Rock, Sand, and Gravel Production**

Most local governments also receive payments for the production of locally-owned or leased rock quarries, and sand and gravel pits. It is assumed these payments to local governments are relatively small. While there is no data available providing these revenues by community, one estimate placed the statewide total at approximately $250,000 annually.

**Payments to Alaska Mental Health Trust Authority**

In 1956, the US Congress passed the Alaska Mental Health Enabling Act, transferring the responsibility of providing mental health services from the federal government to the Territory of Alaska. To establish the Alaska Mental Health Trust, the state selected a million acres of land to provide funds for the development of the mental health services. In 1994, a legal settlement reconstructed the Trust with 500,000 acres of original Trust lands and 500,000 acres of replacement land. The Trust contracts with the Alaska Department of Natural Resources to manage the Trust’s land. These lands are managed separately from other State of Alaska lands.

Most Trust mineral lands are located in Interior and Southeast Alaska, with active exploration and mining taking place in Interior Alaska. For example, Fort Knox Gold Mine, where about 1,000 ounces of gold is produced daily, is located on Trust land north of Fairbanks. Recent exploration in the Livengood area will lead to additional exploration on 9,000 acres of Trust land in that area. The Trust hopes interest will be renewed in a 180,000 block of Trust land in the Salcha area, northwest of the significant mine development activities near Delta Junction (the Pogo Mine), as well as for its land in the McGrath and Haines areas.\textsuperscript{53}

\textsuperscript{50} Email correspondence with Northwest Arctic Borough (December 6, 2011).
\textsuperscript{51} Email correspondence with Denali Borough (November 30, 2010).
\textsuperscript{52} Email correspondence with Denali Borough (December 5, 2011).
The Trust has over 20,000 acres under coal lease to Chuitna Coal project and over 2,000 acres in the Healy and Sutton areas for coal exploration and development. In January 2012, the Trust awarded a bid to Riverdale Alaska, LLC, to lease almost 10,000 acres in the Chickaloon coal mining district. Riverdale submitted a bonus bid of $3 million.\(^{54}\)

In 2010, the mining industry paid $1 million to the Alaska Mental Health Trust for rents and royalty payments, and construction material sales.

\(^{54}\) http://www.mhtrustland.org/documents/MatSu%20Valley%20coal%20lease%20announcement%20news%20release%20glj%20201_5_12.pdf.
Benefits to Alaska Native Corporations

All Alaska Native corporations benefit from mining industry activity – in jobs for shareholders, in (i) and (j) royalty sharing payments, or through business partnerships. Forming relations with the mining industry has provided business development opportunities for ANCSA corporations.

ANCSA Corporation Business Development Opportunities

ANCSA Corporations have taken the opportunity to develop businesses that serve the mining sector. Below are a few examples.

NANA

Two NANA subsidiary operations play major roles in Red Dog Mine operations. NMS provides meals and lodging services for mine employees, and NANA Lynden Logistics provides transportation and logistics support for the mine, including transporting materials and supplies to and from the mine and trucking zinc concentrate from the mine to the port. NANA subsidiaries also provide drilling through NANA/Major Drilling, soils testing by DOWL HKM, oil products through NANA Oilfield Services, security through NMS Security, engineering by DOWL HKM, NANA WorleyParsons, and NANA/Pacific, training by NMS Training Systems, and temporary workers through NMS Staffing.

Calista Corporation

At Donlin Gold, Chiulista Services, Inc. provides remote camp facility leasing and management, as well as camp services, including cooking, housekeeping, and janitorial services. It also provides exploration and remote camp temporary personnel such as heavy equipment operators and mechanics, construction trades, geotechs, diamond core drillers and helpers, survey personnel and others. Chiulista Services was incorporated in 1996 when Calista Corporation had the opportunity to provide camp structures, equipment and personnel in support of the Donlin Gold exploration program. Since then, Chiulista Services has steadily expanded its client base and business volume.

Berners Bay Consortium

Coeur Alaska works with Central Council Tlinglit & Haida Indian Tribes of Alaska and the Berners Bay Consortium (Goldbelt, Inc., Kake Tribal Corporation, and Klukwan, Inc.) to provide training, employment, and contracting opportunities for Alaska Natives at Kensington Mine. During the construction phase of Kensington, nearly 50 percent of the approximately 400 construction jobs were held by Alaska Natives or those employed by Alaska Native subcontractors. Berners Bay Consortium Human Resource Development Corporation is working with the University of Alaska Southeast, the Alaska Department of Labor and Workforce Development, and the Tlingit-Haida Central Council to recruit, train and place Alaska Native tribal members and other Alaska residents in jobs at the Kensington Mine.55

POWTEC

Since the outset of its involvement with Niblack in 2009, Heatherdale Resources has maintained a significant commercial partnership with the Prince of Wales Tribal Enterprise Consortium (POWTEC LLC) – an on-island limited liability company owned by the Craig Tribal Association and the Organized Village of Kasaan – for the provision of Human Resources recruitment and administrative services. Through POWTEC, Heatherdale Resources has trained and employed some 36 local people over the past three years.\(^{56}\)

**Iliamna Development Corporation**

Pebble Limited Partnership works directly with several village corporations, including Iliamna Development Corporation (IDC), a wholly owned for-profit subsidiary of Iliamna Natives Limited. IDC provides Pebble Limited Partnership with site support services, including food services, housekeeping, transportation, and waste disposal (incinerator) services. IDC also provides automotive, helicopter and heating fuels to support Pebble’s operation and uses its barge transportation business for some freight and fuel transport. Additionally, Pebble Limited Partnership leases some of IDC’s buildings and property for their site operations.

Pedro Bay Corporation, Alaska Peninsula Corporation, Kijik Corporation, Igiugig Native Corporation, and Tenalian Incorporated also have business relationships with Pebble Limited Partnership. It is through Pebble Limited Partnership’s relationships with IDC and these other village corporations that Pebble achieves many of its local hire goals.

**Alaska Native and Shareholder Hire**

Red Dog Mine and the Donlin Gold Project are both situated on Alaska Native lands. These two mines are examples that demonstrate a key benefit of mining that often happens in remote areas where employment opportunities are limited.

At Red Dog Operations, approximately 56 percent of the year round jobs are filled by NANA shareholders, including Teck Alaska, NANA Lynden and NMS jobs.

The successful Calista Corporation and Donlin Gold exploration shareholder hire agreement (signed in 1995 by Calista Corporation and then owner, Placer Dome) is a case study in the benefits of resident hire during the exploration phase. While no specific goals were laid out, Calista shareholders and their descendants were given a hiring preference for the Donlin Gold project. This policy has been successful. In 2010, 83 percent of the onsite jobs at Donlin Gold were filled by Calista shareholders.

At its Nyac project, since 2005, Calista Corporation has employed from 12 to 16 shareholders and local residents each year, including up to four interns, to staff exploration.

\(^{56}\) Email correspondence with Patrick Smith, Heatherdale Resources, November 23, 2011.
**Royalty Payments**

Alaska Native Claims Settlement Act (ANCSA) corporations are major private holders of land and sub-surface mineral interests in Alaska. Much of these lands have significant mineral potential, including a number of historic mining districts, such as the Ambler district, numerous placer gold areas, and rock, sand, and gravel deposits.

ANCSA corporations can lease their land to mining companies. As part of some lease arrangements, the mining industry makes direct payments (royalties) to Native corporations.

Additionally, under a clause referred to as Section 7(i) in the 1971 Alaska Native Claims Settlement Act, ANCSA corporations are mandated to annually redistribute 70 percent of their net revenue earned on subsurface developments of lands given to them by the settlement among the 12 regional corporations (the 13th Region is not included) based on shareholder enrollment. Net revenue from rock, sand and gravel extractions is exempted from 7(i) payments. The purpose of this clause was to create an opportunity to share the wealth between those regions rich in natural resources and those which are not.

**Red Dog Operations**

NANA Corporation is an example of the very significant economic potential of relationships between the mining industry and ANCSA corporations. Red Dog Mine is operated by Teck under an agreement with the property owner, NANA Regional Corporation. As owner of the Red Dog property, NANA Corporation earns royalties on the net earnings on the mine. Through most of the mine’s life, NANA was earning royalties equal to 4.5 percent of net smelter returns. However, with full recovery of certain capital expenditures by year-end 2007, NANA now earns a royalty equal to 25 percent of net production from the mine. NANA’s share of net production will increase by increments of 5 percent every five years, up to a maximum of 50 percent. The high grades of the ore body underpinned this unique agreement.

In FY2010, NANA received $146.3 million. Of the 2010 royalty payment, NANA redistributed $82 million to the other 11 ANCSA corporations as part of its 7(i) payment requirements. In 2008, when metal prices were very high, Red Dog Operations paid NANA $212 million in royalties, of which $122 million was redistributed. Since 1989, NANA has received more than $596 million in net proceeds from Red Dog Operations, of which $341 million has been distributed to the other ANCSA corporations. During FY2011, NANA received $169.9 million in net proceeds from Red Dog Operations and distributed $82.0 million to other ANCSA corporations. 57

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57 Per email communication with Shelly Wozniak, NANA Regional Corporation, January 13, 2012.
**Donlin Gold Project**

Donlin Gold is another example of mining’s relationship with ANCSA corporations. The joint venture of NovaGold and Barrick Gold Corporation has entered into exploration and mining lease agreements with Calista Corporation for the sub-surface rights and The Kuskokwim Corporation for the surface rights. While some pre-production royalties have been paid by Donlin Gold to Calista and lease payments to The Kuskokwim Corporation, the major effort has been to collaborate with business development opportunities to utilize Calista’s and Kuskokwim’s subsidiaries. Both organizations have or are in the process of negotiating contracts for construction, transportation, catering, and supply services.

The long-term benefit for Calista Corporation would come from royalties once the mine is in production (it was recently announced that Calista will receive an 8 percent royalty from mining profits). As with Red Dog royalties, the majority of Donlin Gold royalty revenues would be distributed to other ANCSA regional corporations.

**Other Alaska Native Corporate Mining Interests**

Every ANCSA region within Alaska has some form of mining potential, ranging from gravel operations to gold, silver, copper, nickel, lead, zinc, platinum, tungsten, manganese, strategic minerals, jade, limestone, and coal deposits. Below is a sample of how some ANCSA corporations are evaluating the mining potential in their regions.

**Calista Corporation**

Calista has other mineral development initiatives, in addition to Donlin Gold, including the Nyac gold property, and placer leases on Crooked Creek and the Tuluksak River. Calista continues to promote other properties such as its Goodnews Bay platinum operation and the Stuyahok property. In 2010, approximately $2 million in royalties were paid by mining companies to Calista Corporation for all of its mineral interests. A similar amount was earned in 2011.58

**Sitnasuak Native Corporation/Solomon Native Corporation**

Alaska Gold Company’s (NovaGold) properties include three projects located near Nome, Alaska: Rock Creek, Big Hurrah and Nome Gold. Alaska Gold Company has exploration and mining lease arrangements with Bering Straits Native Corporation, Sitnasuak Native Corporation and Solomon Native Corporation for mining and surface use. Currently, Alaska Gold Company is soliciting offers for the sale of its Rock Creek project.

**NANA Regional Corporation**

NANA has been conducting geological work for gold and base metals in the Fairhaven mining district. In 2010 and 2011, they prepared 750 samples of soil, rock and water and defined favorable targets by mid-summer 2011, and staked state mining claims in September 2011. NANA has also been active in the Upper Kobuk Mineral Project, an advanced mineral exploration project in the Ambler mining district where known deposits of copper, zinc, lead, silver and gold exist. Working with NovaGold, NANA constructed a new

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58 Email correspondence from Jeff Foley, Calista Corporation, December 1, 2011.
exploration camp in 2011 with 40 employees, of which 50 percent are NANA shareholders. In 2011, they core drilled at both the Arctic and Bornite deposits in the area.

The Aleut Corporation (TAC)

There has been a resurgence of mining exploration in the Aleut region, particularly on Unga and Popof Islands, close to Sand Point. Redstar Gold Corporation has identified wide zones of rich, high-grade gold vein mineralization, as well as near surface-gold-silver mineralization in the Unga Project that consists of the Shumagin Property and the Unga-Popof Property. The sub-surface rights are leased from The Aleut Corporation (TAC).

Full Metal Minerals’ Pyramid Porphyry Project, also located near Sand Point, was drilled in 2011. Results suggest a significant new copper-gold-molybdenum porphyry discovery. The 2011 exploration program was funded by Antofagasta Minerals (which is currently earning 51 percent in the property.) Full Metal Minerals has an exploration agreement with and option to lease a 100 percent interest in mineral rights from TAC, and has been granted surface rights from Shumagin and Tanadgusix (TDX) corporations (Alaska Native village corporations.)

During TAC’s 2011 fiscal year, their gravel sales totaled $392,000. Gravel sales are derived from the material management agreements between the Corporation and four village corporations in the Aleut region that have quarry operations (Shumagin Corporation, King Cove Corporation, TDX Corporation, and Ounalashka Corporation).

Arctic Slope Regional Corporation (ASRC)

ASRC has been engaged in evaluating its coal resources in the Western Arctic since the late 1980s. Four trillion tons of high quality bituminous and subbituminous coal – one-ninth of the world’s known coal resources, and one-third of the U.S. resource – are estimated to lie within ASRC’s region. Approximately 2 billion tons of high rank bituminous coal has been identified and located six miles from tidewater on the Chukchi Sea. ASRC estimates that through additional drilling, it can identify an additional 50 to 100 million tons in this one deposit. ASRC is seeking a development company to explore and develop these coals deposits.

60 Full Metal Minerals press release, September 29, 2011.
Additional Mining Industry Benefits

Mining offers some additional benefits to the Alaska economy, including the development of workforce skills to support mining (and other support sectors), and public and private infrastructure that has broader benefit beyond the primary use of a mining venture.

Workforce Development

The mining industry can offer long-term, year-round employment. Many of the jobs are rural-based, offering transferable skills in a rapidly growing industry. Direct job training is available in management, engineering and science (geologists, metallurgists, environmental scientists, etc.); technical specialties (surveyors, drafters, computer technicians, instrumentation technologists, lab technicians, environmental, etc.); mine and mill work (millwrights, electricians, diesel mechanics, plumbers, maintenance planners, metallurgical samplers, machinists, welders, industrial mechanics, operators, drillers, laborers, etc.); and administrative and support staff (accountants, purchasing agents, in-house trainers, employee relations personnel, payroll clerks, secretaries, health workers, cooks, security guards, warehouse workers, etc.).

There are a number of institutions and organizations in Alaska currently providing training support for and with the mining industry. Notable is the University of Alaska’s Mining and Petroleum Training Service (MAPTS) program and the University of Alaska Southeast (UAS) Center for Mine Training.

University of Alaska’s Mining and Petroleum Training Service (MAPTS)

University of Alaska’s Mining and Petroleum Training Service (MAPTS) has trained over 10,000 mining students since the program began in 1970. In 2010, MAPTS held 201 classes for 2,251 students – in excess of 2,000 were there for mine-related training, both for miners new to the industry and those attending classes for retraining.

MAPTS provides standardized training that meets the requirements for the State of Alaska and the Mine Safety and Health Administration (MSHA). Working with clients in the mining industry, MAPTS custom designs programs for individual mine employers.

With its main office located in Soldotna, the program also offers classes through UAS in Juneau and in Anchorage through UAA. MAPTS’ Juneau courses include a 6-week new miner training program in underground hard rock mining and includes an equipment simulator. The Anchorage program offers MSHA certification for both metal and sand and gravel training. The Soldotna campus offers students a wide range of courses including OSHA, EPA and DEC training. Next year, in association with UAF, MAPTS will offer training in surface mining. The program is mobile as well – 38 percent of classes were taught in communities off the road system.63

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63 Per phone conversation with Dennis Steffy, Director, MAPTS, October 3, 2011.
**UAS Center for Mine Training**

The UAS Center for Mine Training is a partnership between UAS and MAPTS. Administered by UAS Career Education, the program encourages students to pursue workforce training leading to an Occupational Endorsement for Mine Mechanics and an Associate of Applied Science in Power Technology/Diesel. The Center is the future location of a new state-of-the-art underground mine simulator.

Other workforce development support can be found through the following agencies and programs throughout Alaska:

- Alaska Department of Labor and Workforce Development
- UAF’s College of Engineering & Mines, College of Rural Alaska, and Cooperative Extension Service
- UA – Bristol Bay Campus
- Works Alaska
- Alaska Department of Commerce, Community, and Economic Development
- Alaska Resource Education
- Alaska Vocational and Technical Education Center
- Bristol Bay Economic Development Corporation
- Delta Mine Training Center
- Kawerak, Inc.
- Kotzebue Technical Center
- Lake & Peninsula Borough
- Mine Safety and Health Administration
- Southwest Alaska Vocational Technical Center
- Construction Academies
- Various Regional Training Centers
- Various tribal organizations

The training and experience Alaskans (particularly rural Alaskans) gain from working in the mining industry makes them more employable in other projects around the state; for example, in the oil and construction industries, in environmental monitoring activities, and in a broad range of other sectors of the economy. Skills gained on-the-job or through mine training make residents better able to fill positions that may come available in their communities (jobs that might otherwise be filled by non-residents,) or in other remote jobs that might allow them to maintain rural residence while working rotational shift schedules (i.e., week-on, week-off). Also, the skills learned in many cases are in demand throughout the world; having these skills can greatly increase personal opportunities.
Educational Support

The mining industry is also active in promoting student performance and interest in areas of study where the mining sector has employment needs, for instance, engineering, geology, environmental sciences, and the building and construction trades.

For example, Pebble Limited Partnership’s scholarship program has awarded 60 scholarships since the fall of 2010, totaling $153,400. In 2009, 99 students received over $120,000 in post-secondary scholarships from Red Dog.

In December 2010, Fort Knox Mine started the Mining Engineering Research Endowment (MERE) at the University of Alaska Fairbanks (UAF) with an initial gift of $25,000. In 2011, Fort Knox pledged an additional $990,000 over the next three years. The Endowment will be used to support graduate student research projects in the UAF Masters of Engineering and Doctorate programs. Pebble Limited Partnership has offered similar support to the University of Alaska Anchorage’s engineering program.

Pebble Limited Partnership gave $100,000 to the University of Alaska Anchorage (UAA) to cover a portion of the salary and research start-up expenses for a Professor of Economic Geology at UAA. All of the recent UAA Geology graduates who have entered the job market have stayed in Alaska to work in the field. Other recent contributors to the professorship include International Tower Hill, Kiska Metals, and Millrock Resources.

Helca Greens Creek Mining Company recently gave $300,000 to UAS to fund a three-year Career Pathways in Mining program at the new UAS Center for Mine Training. The gift will also fund scholarships, job shadows, a mining academy, and tools and equipment.

Infrastructure Development

Alaska’s mining industry has also played a historical role in the development of important infrastructure, including the development of the Alaska Railroad, Richardson Highway, Steese Highway, Hatcher Pass, the road into Denali National Park, and even the settlement of Anchorage. Though initially developed for mining-related purposes, this infrastructure now has obvious value to non-mining interests.

There are other examples of mining infrastructure serving other community, business and industrial interests:

- In 2005, Alaska Electric Light and Power Company (AELP) extended a transmission line to the Greens Creek Mine on Admiralty Island. That extension will ultimately make it possible to transmit power to the community of Hoonah on Chichagof Island, which now must rely on costly diesel power generation. Without the economies of scale offered by Greens Creek, it is unlikely that the extension to Hoonah would be economically feasible. Also, a guaranteed usage agreement with Greens Creek contributed to AELP’s ability to raise funding for its Dorothy Lake power generating station.

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64 Pebble Project Newsletter, September/October 2011, p 2.
66 http://greenandgold.uaa.alaska.edu/faq.php.
68 Per telephone conversation with Tim McCloud, AEDP, January 10, 2012.
• Goldbelt Corporation, an ANCSA corporation, has received permits and is expecting to build a marine terminal at Cascade Point that will be used to transport miners across Berners Bay area north of Juneau, supporting operations of the Kensington mine.

• In 1990, AIDEA purchased the Skagway Ore Terminal. The shipping of mineral concentrates from the terminal occurred intermittently until 1998, when soft zinc prices forced the closure of Yukon’s major zinc mines.69 Construction of the Skagway Ore Terminal Reactivation Improvements began in early 2007. By October, the first shipment of Minto/Capstone concentrates from Yukon was moving through the terminal. In 2008, 14,000 square feet of additional storage capacity was added.

AIDEA is currently working with Selwyn Chihong Mining Ltd on development of a plan to double the size of the existing Concentrate Storage Building and to provide a new ship loader. Designs call for a retractable ship loader that would allow cruise ships to use the ore dock when ships are not being loaded.

• The State Department of Transportation and Public Facilities is considering preliminary cost estimates and summaries of engineering and environmental issues to build a road to the Ambler mining district in Northwest Alaska. Several routes are being considered. While the primary motive for a road to the region is to allow minerals development, communities in the region need a road to lower high living costs, i.e., fuel, groceries and other supplies.70 Much of the $1.25 million the state appropriated in its FY 2012 budget will be used to assess the effects a road could have on local subsistence resources. The Governor’s proposed FY 2013 budget includes $4 million to provide all-season access for exploration and development of mineral resources within the Ambler Mining District. The project will define an optimal corridor, proceed with permitting and environmental work, and establish a right-of-way. A public-private partnership will be explored to proceed with financing and construction.

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69 AIDEA, Project Fact Sheet: Skagway Ore Terminal (July 6, 2011).
Alaska’s Mineral Development Potential

While Alaska has a rich mining heritage spanning over 100 years, and the industry today plays an important role in local and regional economies, the future of mining in Alaska holds the promise of a very rich mineral endowment.

Over the past 125 years, Alaska’s mining industry has produced 40.4 million ounces of gold, 263.2 million ounces of silver, 9.8 million tons of zinc, and significant quantities of lead, copper, tin, and platinum. The industry has also produced 70.4 million short tons of coal, and over 1.3 billion tons of sand and gravel. Fifty different mining districts have historically each produced more than 10,000 ounces of gold. Six districts have produced more than one million ounces of gold, ranging from the Nome district in western Alaska to the Juneau district in Southeast. However, most of the 58 mining districts have only had placer gold production; lode sources of the placer mines have not yet been found.

Despite all of its historical mineral production, according to the United States Geological Survey, “Alaska is still a frontier region with respect to basic geologic, geochemical, and geophysical data. From the mid 1970’s until the early 1990’s, the USGS funded a large effort to gather and publish such data in Alaska and to use it to assess undiscovered mineral resource potential. Even at the reconnaissance scale of 1:250,000, less than half of the state has been covered to date.”

Recent studies have attempted to quantify the value of Alaska’s untapped mineral resource potential. For example, the Economic Analysis of Rail Link, Port MacKenzie to Willow, Alaska measured the metallic mineral development potential for a 120-mile wide rail corridor from Port Mackenzie to the Alaska/Canada border. This corridor contains 887 known mineral occurrences (about 12 percent of the known mineral occurrences in Alaska). Based on certain assumptions about future mineral commodity prices, probabilities of mine development, and mining and mineral processing recovery rates, a gross metal value of future mine production of from $9 billion to as much as $83 billion was identified.

There are 7,200 known mineral occurrences recorded in the Alaska Resource Data Files, not including coal or industrial/construction materials deposits. With this resource potential, and with exploration expenditures in Alaska totaling $1.3 billion between 2006 and 2010, the mining industry sees a bright future in the state. Further, with base and precious metals at record or near-record levels, international market conditions are right for further growth in Alaska’s mining industry bringing greater economic benefit for Alaskans.

With 44 million acres of privately-held land, much of which was selected for its mineral potential, ANCSA corporations and their shareholders will play a key role in future development of the mining industry in Alaska. Of course, the future of mining in Alaska depends on the state remaining an attractive investment environment, one with stable regulatory and tax regimes and a supportive political environment.

71 Appendix E and F, Special Report 65, Alaska’s Mineral Industry; DGGS/DCCED.
73 Prepared by Paul Metz, Ph.D., University of Alaska Fairbanks, for the Matanuska-Susitna Borough, February 2007.
## Report on Generosity

### Board Giving
(by IRS Receipting Standards)

#### University Regents

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#### Foundation Trustees

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<th>Calendar Year 2012</th>
<th>Lifetime Giving (through Feb 29, 2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Gifts ($)</td>
<td>$96,854</td>
<td>$23,002</td>
<td>$3,512,404</td>
</tr>
<tr>
<td>Donors</td>
<td>22</td>
<td>11</td>
<td>30</td>
</tr>
<tr>
<td>Total Members</td>
<td>32</td>
<td>27</td>
<td>32</td>
</tr>
<tr>
<td>% of Board Giving</td>
<td>69%</td>
<td>41%</td>
<td>94%</td>
</tr>
<tr>
<td>Average Gift Amount**</td>
<td>$4,402</td>
<td>$2,091</td>
<td>$117,080</td>
</tr>
<tr>
<td>Number of Legacy Society Members</td>
<td>6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Giving based on IRS Standards, including outright gifts, pledge payments, and gifts given by spouse.

Prepared By: Brad Bodde, Constituent Data Manager

Date Prepared: 3/19/2012
UNIVERSITY OF ALASKA DEVELOPMENT PLAN

The University of Alaska is a land grant university that received land from the federal government under Acts of Congress in 1915 and 1929. The purpose of these grants was to provide land and resources for educational and research activities, and to generate income to help support the University.

The primary role of UA Land Management is to convert the University’s grant land assets to investible income to support the University’s educational mission and to prudently manage land dedicated for educational purposes consistent with campus goals and objectives. In addition, UA Land Management is responsible for managing, developing and disposing of non-trust land assets. These lands include purchased and donated properties. University real estate and resource development projects create jobs, increase the tax base of local communities, make land available for private ownership and generate millions of dollars each year for the benefit of the University.

The net revenues from the sale, lease, development, and other income generated from trust lands are deposited into the University’s Land-Grant Endowment Trust Fund (LGTF). This fund, the University’s permanent endowment, is managed by the University of Alaska Foundation Trustees. The fund is managed under “total return” endowment practices. After inflation proofing, distributions from the LGTF are used to fund University programs (primarily the UA Scholars Program). The UA Scholars Program awards an $11,000 scholarship to the top 10 percent of the graduates from every Alaska high school each year. This program is the cornerstone of the University’s effort to educate and retain in the state Alaska’s brightest graduating high school seniors. The program has been very successful and currently has over 1,800 participants, many of whom would have gone out of state or been unable to afford higher education.

The University’s development projects are subject to all local, state, and federal government regulations including the Alaska Forest Practices Act, ADEC water & wastewater regulations, wetlands regulations, Coastal Management Plans, and local zoning, platting ordinances and public hearing requirements. In addition, UA Land Management commonly holds local public workshops to address development issues such as local impacts, densities, lot sizes, road maintenance, covenants, building setbacks, trail systems and architectural standards.

To ensure public involvement in the University’s Development Plans, UA Land Management is seeking public comment regarding the attached proposed development project. It is the sole responsibility of any interested party to ensure that they have received any amendments to this Development Plan. Copies of the Development Plan and any amendments thereto, are available on the UA Land Management website at http://www.ualand.com.
PORT MACKENZIE
MATERIAL SALE AND DISPOSAL PLAN

POINT MACKENZIE, ALASKA
T14N, R4W, SECS. 13, 14, 23 & 26 SEWARD MERIDIAN
PALMER RECORDING DISTRICT

The University of Alaska is currently offering all or a portion of approximately 825 acres for potential material extraction. The parcels are within the Matanuska-Susitna Borough (MSB) one mile west of Port MacKenzie and approximately 30 miles southwest of Wasilla.

To access the property, travel southwest on Knik-Goose Bay Road to West Point MacKenzie Road, turn right on to West Point MacKenzie Road and continue southwest to mile 20. Parcels MS.PM.0001 and MS.PM.0002 are located to the north of Lake Lorraine and the Knik Landing. Parcels MS.PM.0003 and MS.PM.0004 are located on the south side of West Point MacKenzie Road. All parcels are gently sloping with a mixture of hardwood and spruce trees.

Access to the parcels is not constructed. The successful offeror will be required to secure any necessary access authorizations and to construct and maintain any required road and drainage systems. The parcels are subject to port industrial district zoning requirements under the Mat-Su Borough (MSB) Point MacKenzie Port Special Use District Ordinance. Additional information regarding MSB port industrial district zoning is available for review at: http://www.matsugov.us/CodeCompliance/zoning.cfm.

An active material extraction operation is located adjacent to MS.PM.0003 and AN.PM.0004.

The University does not have any drill log information to determine the suitability of these parcels for material extraction. Interested parties should thoroughly inspect the parcel they are interested in prior to submitting an offer to ensure that the parcel is suitable for material extraction. Parcel inspections that require the use of any equipment, including excavation or drilling equipment; may only be conducted after receipt of a letter of entry from the University, and after verification by the interested party that they have secured legal access to the parcel from adjacent land owners, if necessary.

LEGAL DESCRIPTION AND PARCEL NUMBER

<table>
<thead>
<tr>
<th>PARCEL #</th>
<th>AREA</th>
<th>SECTION</th>
<th>LEGAL</th>
<th>ACRES</th>
</tr>
</thead>
<tbody>
<tr>
<td>MS.PM.0001</td>
<td>Port MacKenzie</td>
<td>13</td>
<td>Lot 2 and 3, SW4NW4</td>
<td>88.74</td>
</tr>
<tr>
<td></td>
<td></td>
<td>14</td>
<td>S2NE4, SE4</td>
<td>280.00</td>
</tr>
<tr>
<td>MS.PM.0002</td>
<td>Port MacKenzie</td>
<td>14</td>
<td>SW4NW4, NW4SW4</td>
<td>80.00</td>
</tr>
</tbody>
</table>
## PORT MACKENZIE MATERIAL SALE

### LEGAL DESCRIPTION AND PARCEL NUMBER
(continued)

<table>
<thead>
<tr>
<th>PARCEL #</th>
<th>AREA</th>
<th>SECTION</th>
<th>LEGAL</th>
<th>ACRES</th>
</tr>
</thead>
<tbody>
<tr>
<td>MS.PM.0003</td>
<td>Port MacKenzie</td>
<td>23</td>
<td>S2NW4SE4, SW4SE4</td>
<td>60.00</td>
</tr>
<tr>
<td>MS.PM.0004</td>
<td>Port MacKenzie</td>
<td>26</td>
<td>W2</td>
<td>320.00</td>
</tr>
</tbody>
</table>
Board of Regents Program Action Request  
University of Alaska
Proposal to Add, Change, or Delete a Program of Study

<table>
<thead>
<tr>
<th>1a. Major Academic Unit (choose one)</th>
<th>1b. School or College</th>
<th>1c. Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAS</td>
<td>School of Education</td>
<td>Special Education</td>
</tr>
</tbody>
</table>

2. Complete Program Title  B.A. Special Education

3. Type of Program
   - [ ] Undergraduate Certificate
   - [ ] AA/AAS
   - [ ] Baccalaureate
   - [ ] Post-Baccalaureate Certificate
   - [ ] Master's
   - [ ] Graduate Certificate
   - [ ] Doctorate

4. Type of Action
   - [ ] Add
   - [ ] Change
   - [ ] Delete

5. Implementation date (semester, year)  Fall, 2012

6. Projected Revenue and Expenditure Summary.  Not Required if the requested action is deletion. (Provide information for the 5th year after program or program change approval if a baccalaureate or doctoral degree program; for the 3rd year after program approval if a Master's or associate degree program; and for the 2nd year after program approval if a graduate or undergraduate certificate.  If information is provided for another year, specify (1st) and explain in the program summary attached).  Note that Revenues and Expenditures are not always entirely new; some may be current (see 7d.)

<table>
<thead>
<tr>
<th>Projected Annual Revenues in FY 2017</th>
<th>Projected Annual Expenditures in FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>Salaries &amp; benefits (faculty and staff)</td>
</tr>
<tr>
<td>General Fund 90,000/50=45,000/50</td>
<td>$22,500*</td>
</tr>
<tr>
<td>Student Tuition &amp; Fees calculations attached</td>
<td>$220,110</td>
</tr>
<tr>
<td>Indirect Cost Recovery</td>
<td>$ NA</td>
</tr>
<tr>
<td>TVEP or Other (specify): NA</td>
<td>$ NA</td>
</tr>
<tr>
<td>Restricted</td>
<td>Year 1</td>
</tr>
<tr>
<td>Federal Receipts</td>
<td>$ NA</td>
</tr>
<tr>
<td>TVEP or Other (specify): NA</td>
<td>$ NA</td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
<td>$242,610</td>
</tr>
<tr>
<td></td>
<td>Other (commodities, services, etc.)</td>
</tr>
<tr>
<td></td>
<td>$10,000</td>
</tr>
<tr>
<td></td>
<td>TOTAL EXPENDITURES</td>
</tr>
<tr>
<td></td>
<td>$48,100</td>
</tr>
<tr>
<td></td>
<td>One-time Expenditures to Initiate Program (if &gt;$250,000)</td>
</tr>
<tr>
<td></td>
<td>(These are costs in addition to the annual costs, above.)</td>
</tr>
</tbody>
</table>

Page # of attached summary where the budget is discussed, including initial phase-in:

* 50% funded by general fund of a 50% shared position with the MAT Special Education proposed program may be needed if the program grows as anticipated.

7. Budget Status. Items a., b., and c. indicate the source(s) of the General Fund revenue specified in item 6. If any grants or contracts will supply revenue needed by the program, indicate amount anticipated and expiration date, if applicable.

<table>
<thead>
<tr>
<th>Revenue source</th>
<th>Continuing</th>
<th>One-time</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. In current legislative budget request</td>
<td>$ NA</td>
<td>$ NA</td>
</tr>
<tr>
<td>b. Additional appropriation required</td>
<td>$ NA</td>
<td>$ NA</td>
</tr>
<tr>
<td>c. Funded through new internal MAU redistribution</td>
<td>$ NA</td>
<td>$ NA</td>
</tr>
<tr>
<td>d. Funds already committed to the program by the MAU(^1)</td>
<td>$ NA</td>
<td>$ NA</td>
</tr>
<tr>
<td>e. Funded all or in part by external funds, expiration date</td>
<td>$ NA</td>
<td>$ NA</td>
</tr>
<tr>
<td>f. Other funding source Specify Type: NA</td>
<td>$ NA</td>
<td>$ NA</td>
</tr>
</tbody>
</table>

8. Facilities: New or substantially (>=$25,000 cost) renovated facilities will be required.  
   - [ ] Yes
   - [ ] No

If yes, discuss the extent, probable cost, and anticipated funding source(s), in addition to those listed in sections 6 and 7 above.

---

\(^1\)Sometimes the courses required by a new degree or certificate program are already being taught by an MAU, e.g., as a minor requirement. Similarly, other program needs like equipment may already be owned. 100% of the value is indicated even though the course or other resource may be shared.
9. Projected enrollments (headcount of majors). If this is a program deletion request, project the teach out enrollments.

| Year 1: 5 | Year 2: 12 | Year 3: 22 | Year 4: 34 |

Page number of attached summary where demand for this program is discussed: Pg 3

10. Number* of new TA or faculty hires anticipated (or number of positions eliminated if a program deletion):

| Graduate TA | NA |
| Adjunct     | 2  |
| Term        | NA |
| Tenure track| 50% of 1 |

11. Number* of TAs or faculty to be reassigned:

| Graduate TA | NA |
| Adjunct     | NA |
| Term        | NA |
| Tenure track| NA |

Former assignment of any reassigned faculty: NA
For more information see page of the attached summary.

12. Other programs affected by the proposed action, including those at other MAUs (please list):

<table>
<thead>
<tr>
<th>Program Affected</th>
<th>Anticipated Effect</th>
<th>Program Affected</th>
<th>Anticipated Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>GR program</td>
<td>Increase in students</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Departments</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Page number of attached summary where effects on other programs are discussed:

13. Specialized accreditation or other external program certification needed or anticipated. List all that apply or 'none':

Council for Exceptional Children (CEC)

Page in attached summary where alignment is discussed: 4

14. Aligns with University or campus mission, goals, core themes, and objectives (list):

15. State needs met by this program (list):

High Demand Job area. Critical shortage within teaching.

Page in the attached summary where the state needs to be met are discussed: 5

16. Program is initially planned to be: (check all that apply)

- Available to students attending classes at Juneau campus(es).
- Available to students via e-learning.
- Partially available students via e-learning.

Page # in attached summary where e-learning is discussed: 5

Submitted by the University of Alaska Southeast with the concurrence of its Faculty Senate.

Provost: [Signature] 3/7/12
Chancellor: [Signature] 3/7/12

Recommend Approval
Recommend Disapproval

UA Vice President for Academic Affairs on behalf of the Statewide Academic Council

Recommend Approval
Recommend Disapproval

Chair, Academic and Student Affairs Committee

Recommend Approval
Recommend Disapproval

UA President

Recommended Approval

Chair, Board of Regents

Approved

Disapproved
Board of Regents Program Action Request Form
University of Alaska

Proposal to Add a New Program of Study

SUMMARY OF DEGREE PROPOSAL
BACHELOR OF ARTS (B.A.) IN SPECIAL EDUCATION
UNIVERSITY OF ALASKA SOUTHEAST

The proposed B.A. in Special Education degree program at the University of Alaska Southeast (UAS) is a **120 credit undergraduate degree** program that will prepare undergraduate students to become certified special education teachers who will provide safe, effective, and culturally responsive instructional services for children with disabilities in public school settings throughout the state of Alaska. Graduates of this program can receive an Alaska Teaching Certificate with an Endorsement in Special Education (Grades K-12) from the Alaska Department of Education and Early Development. **Please see the attached program outline for a complete list of required and elective courses, course descriptions, and typical course sequence.** Pg 6

6. Projected Revenue and Expenditure Summary

**Income Projections:** Special Education BA Program

<table>
<thead>
<tr>
<th>AY</th>
<th>New Students</th>
<th>Cumulative Total</th>
<th>Anticipated Student Credit Hrs</th>
<th>Revenue Calculation (Lower division)</th>
<th>Revenue Calculation (Upper division)</th>
<th>Revenue Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>5</td>
<td>5</td>
<td>150</td>
<td>150 \cdot 154 = NA</td>
<td>NA</td>
<td>$23,100</td>
</tr>
<tr>
<td>2014</td>
<td>7</td>
<td>12</td>
<td>360</td>
<td>360 \cdot 154 = NA</td>
<td>NA</td>
<td>$55,440</td>
</tr>
<tr>
<td>2015</td>
<td>10</td>
<td>22</td>
<td>660</td>
<td>510 \cdot 154 = 150 \cdot 187 =</td>
<td>$106,590</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>12</td>
<td>34</td>
<td>1020</td>
<td>660 \cdot 154 = 360 \cdot 187 =</td>
<td>$168,960</td>
<td></td>
</tr>
<tr>
<td>2017*</td>
<td>15</td>
<td>44</td>
<td>1320</td>
<td>810 \cdot 154 = 510 \cdot 187 =</td>
<td><strong>$220,110</strong></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>15</td>
<td>52</td>
<td>1560</td>
<td>900 \cdot 154 = 660 \cdot 187 =</td>
<td><strong>$262,020</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:** *5th year out
Average credit hours per year are calculated to be 30 per student. Lower division tuition $154.00 per credit hour, Upper division tuition $197.00 per credit hour.

**Expenditures**

If the program is as successful as we anticipate, we may need to hire a special education faculty member in 2015 to be shared 50% with the MAT Special Education program at a cost of $22,500. Additionally, 2 adjunct faculty teaching two classes per year each would cost approximately $15,600. An estimated $10,000 in commodities and other expenses is also part of estimated expenditures.

9. Demand for Proposed B.A. in Special Education Program

The critical shortage of certified special education teachers in Alaska has been well documented by the Alaska Department of Education & Early Development, the Alaska State Legislature, and the University of Alaska. Please see the University of Alaska (2010) **Report on Senate Bill 241** to verify the shortage of certified special education teachers in Alaska:

The University of Alaska's (2011) **Teacher Education Plan** identifies special education teaching as a "high demands job area" (pp. 1, 8). the B.A. in Special Education degree will help the University of Alaska meet an important goal identified in its Teacher Education Plan, which states: "**GOAL: Enhance Educator Preparation Programs in High Demand Job Areas, Particularly in Special Education ...**" (p.8):
10. Number of New Faculty Hires Anticipated
If the program is as successful as we anticipate it being, it is possible that we will need a new faculty member to be shared between the proposed MAT and BA Special Education degree programs.

11. Number of Faculty to be Reassigned
Not applicable

12. Other Programs Affected by Proposed Action
The B.A. in Special Education degree does not exist at another location within the University of Alaska. It will be the only undergraduate special education teacher certification program in the State. At present, undergraduate students who wish to obtain a B.A. in Special Education degree must leave the state of Alaska and attend an out-of-state university.

13. Specialized and/or External Accreditation
Program outcomes will be assessed as part of a rigorous external accreditation process – involving a systematic program self-study and program report – through the Council for Exceptional Children (CEC) – National Council for Accreditation of Teacher Education (NCATE). This external accreditation process will require the B.A. in Special Education degree to maintain a program assessment system, and to systematically collect, analyze, and report student learning outcomes as an important measure of program success.

Student learning outcomes will be assessed through analysis of student work products in selected courses. Rubrics – based on an alignment of the following standards and competencies – will be used to evaluate each student's work:

- University of Alaska Southeast (UAS) Undergraduate Competencies
- Alaska Teacher Standards
- Council for Exceptional Children (CEC) Special Education Standards

Annual program assessments will also be documented in the UAS Annual Program Report and through the Program Review process mandated by the Board of Regents.

14. Aligns with University and Campus Mission, Goals, Core Themes, and Objectives
The purpose of the B.A. in Special Education degree at UAS is to prepare undergraduate students to become certified special education teachers. The mission of the proposed B.A. in Special Education degree is to prepare special education teachers to develop and implement safe, effective, and culturally responsive instructional services for children with disabilities in Alaska. The vision of the proposed B.A. in Special Education degree is: Our graduates will develop a philosophy and practice of special education that accommodates the multiple worldviews, values, and belief systems of Alaska’s diverse Native and non-Native communities. The B.A. in Special Education degree will carry out the missions of both UA statewide and UAS by offering a special education teacher certification program that promotes student learning enhanced by faculty scholarship, student research and creative activities, community engagement, and the diverse cultures and environments of Southeast Alaska. The B.A. in Special Education degree will also help the University of Alaska meet an important goal identified in the University of Alaska (2011) Teacher Education Plan, which states: "GOAL: Enhance Educator Preparation Programs in High Demand Job Areas, Particularly in Special Education ..." (p.8):
http://www.alaska.edu/files/research/Teacher%20Prep%20Planpdf_012011.pdf
15. State Needs Met by Proposed B.A. in Special Education Program
There is a critical shortage of certified special education teachers in the State of Alaska. The B.A. in Special Education degree will help address this critical shortage by preparing undergraduate students to become certified special education teachers.

The critical shortage of certified special education teachers in Alaska has been well documented by the Alaska Department of Education & Early Development, the Alaska State Legislature, and the University of Alaska. Please see the University of Alaska (2010) Report on Senate Bill 241 to verify the shortage of certified special education teachers in Alaska:

The University of Alaska's (2011) Teacher Education Plan identifies special education teaching as a “high demands job area” (pp. 1, 8). the B.A. in Special Education degree will help the University of Alaska meet an important goal identified in its Teacher Education Plan, which states: “GOAL: Enhance Educator Preparation Programs in High Demand Job Areas, Particularly in Special Education ...” (p.8):
http://www.alaska.edu/files/research/Teacher%20Prep%20Planpdf_012011.pdf

16. Students will be able to get all of their GR and support courses either on-campus or through e-learning. The School of Education at UAS has an extensive offering of courses currently on-line. We anticipate adding undergraduate special education courses as they are needed by our students.
PROPOSED PROGRAM OUTLINE

BACHELOR OF ARTS (B.A.) IN SPECIAL EDUCATION
UNIVERSITY OF ALASKA SOUTHEAST

MINIMUM CREDIT HOURS 120
MINIMUM UPPER DIVISION CREDIT HOURS 42

GENERAL EDUCATION REQUIREMENTS (pages 58-59) (35 credits)

BREADTH REQUIREMENTS (22 credits)
MATH S205 Mathematics for Elem School Teachers I 3
MATH S206 Mathematics for Elem School Teachers II 3

Select one from the following* (4 credits)
AKL 105 Elementary Tlingit I 4
AKL 107 Elementary Haida I 4
ASL 101 Beginning American Sign Language I 4
* Or any other language approved by the advisor

Select one from the following (3 credits)
PSY S245 Child Development 3
PSY S250 Lifespan Development 3

Select one from the following (3 credits)
ALST S300 Alaska Studies 3
____ S____ Advisor-approved elective* 3
*Must be Alaska Department of Education & Early Development approved course for Alaska Studies.

Select one from the following (3 credits)
ANTH S200 Alaska Native Cultures 3
ANTH S225 Artistic Expressions and Oral Narratives of Alaska Natives 3
ANTH S342 Arctic Ethnology 3
ANTH S435 Northwest Coast Cultures 3
ANTH S458 Alaska Native Economic and Political Development 3
ANTH S475 Alaska Native Social Change 3
ART S263 Northwest Coast Native Art History and Culture 1-3 (variable credit)
ART S282 Beginning Northwest Coast Basketry 1-3 (variable credit)
ART S285 Beginning Northwest Coast Carving 1-3 (variable credit)
ENGL S365 Literature of Alaska: Native and Non-Native Perspectives 3
ENGL S370 Native American Literature 3
____ S____ Advisor-approved elective 3

Select one from the following (3 credits)
ED S304 Literature for Children and Young Adults 3
ENGL S305 Children's Literature 3

MAJOR REQUIREMENTS (63 credits)
ECE S420 Developing Literacy in the Early Years 3
ED S122 Introduction to Education 3
ED S222 Orientation to the Teaching Profession 3
ED S230 Introduction to Educational Technology 3
ED S302 Foundations of Literacy and Language Development 3
ED S333 The Learner and the Learning Process 3
ED S380 Multicultural Education 3
ED S448 Elementary Classroom Management in K-8 Classrooms 3
ED S452 Student Teaching 9
EDSE S410 Assessment of Students with Disabilities 3
EDSE S412 Curriculum & Strategies: Low Incidence 3
EDSE S422 Curriculum & Strategies: High Incidence 3
EDSE S482 Inclusive Classrooms for All Children 3
EDSE S483 Language & Literacy: Assessment & Intervention 3
EDSE S484 Collaboration & Partnerships: Families & Professionals 3
EDSE S485 Transition Considerations for Secondary Students 3
EDSE S494 Special Education Practicum 3
EDSE S492 Special Education Seminar 3
EDSE S495 Professional & Ethical Practice 3
## Typical Course Sequence (based on a 4-year plan for graduation and certification)

<table>
<thead>
<tr>
<th>Students Academic Year</th>
<th>Fall Semester</th>
<th>Spring Semester</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Freshman Year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENGL S111 Methods of Written Communication (3)</td>
<td>GER Written Communication Skills Requirement (3)</td>
<td></td>
</tr>
<tr>
<td>GER Oral Communication Skills Requirement (3)</td>
<td>GER Fine Arts Requirement (3)</td>
<td></td>
</tr>
<tr>
<td>GER MATH S107 (4) or STAT S107 (4)</td>
<td>GER Science Requirement (3-4)</td>
<td></td>
</tr>
<tr>
<td>GER Social Science Requirement (3) (PSY 101 Introduction to Psychology strongly suggested)</td>
<td>GER Humanities or Social Science Requirement (3)</td>
<td></td>
</tr>
<tr>
<td>ED S122 Introduction to Education (3)</td>
<td>Breadth Requirement: PSY S245 Child Development or PSY 250 Lifespan (3)</td>
<td></td>
</tr>
<tr>
<td><strong>Semester Credits 15</strong></td>
<td><strong>Semester Credits 15-16</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Sophomore Year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GER Social Science Requirement (3)</td>
<td>GER Math, Statistics, or Natural Sciences Requirement (3-4)</td>
<td></td>
</tr>
<tr>
<td>GER Humanities Requirement: (ASL 101 Beginning American Sign I strongly suggested) (3-4)</td>
<td>Breadth Language Requirement: (ASL 102 Beginning American Sign II strongly suggested) (4)</td>
<td></td>
</tr>
<tr>
<td>Breadth Requirement (Alaska Department of Education: &amp; Early Development Requirement): ALST S300 Alaska Studies or Advisor Approved Elective (3)</td>
<td>Breadth Requirement related to American Indian/Alaska Native cultures (3)</td>
<td></td>
</tr>
<tr>
<td>ED S222 Orientation to the Teaching Profession (3)</td>
<td>ED S 302 Foundations of Literacy and Language Development (3)</td>
<td></td>
</tr>
<tr>
<td>ED S 230 Introduction to Educational Technology (3)</td>
<td>ED 333 The Learner and the Learning Process (3)</td>
<td></td>
</tr>
<tr>
<td><strong>Semester Credits 15-16</strong></td>
<td><strong>Semester Credits 15-16</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Junior Year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Breadth Requirement: MATH S205 Mathematics for Elem Teachers I (3)</td>
<td>Breadth Requirement: MATH S 206 Math for Elem Teachers II (3)</td>
<td></td>
</tr>
<tr>
<td>Breadth Requirement: ED S304 Literature for Children and Young Adults or ENGL S305 Children’s Literature (3)</td>
<td>ECE S420 Developing Literacy in the Early Years</td>
<td></td>
</tr>
<tr>
<td>ED S380 Multicultural Education (3)</td>
<td>EDSE S412 Curriculum &amp; Strategies: Low Incidence (3)</td>
<td></td>
</tr>
<tr>
<td>ED S448 Classroom Management (3)</td>
<td>EDSE S484 Collaboration &amp; Partnerships: Families and Professionals (3)</td>
<td></td>
</tr>
<tr>
<td>EDSE S 482 Inclusive Classrooms for All Students (3)</td>
<td>EDSE S485 Transition Planning for Secondary Students (3)</td>
<td></td>
</tr>
<tr>
<td><strong>Semester Credits 15</strong></td>
<td><strong>Semester Credits 15</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Senior Year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EDSE S410 Assessment of Students with Disabilities (3)</td>
<td>EDSE S 495 Professional &amp; Ethical Practice (3)</td>
<td></td>
</tr>
<tr>
<td>EDSE S422 Curriculum &amp; Strategies: High Incidence</td>
<td>ED 452 Student Teaching (Special Education) (9)</td>
<td></td>
</tr>
<tr>
<td>EDSE S483 Language and Literacy: Assessment and Intervention (3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EDSE 492 Special Education Seminar (3)</td>
<td>PRAXIS II Exam</td>
<td></td>
</tr>
<tr>
<td>EDSE S494 Special Education Practicum (3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Semester Credits 15</strong></td>
<td><strong>Semester Credits 12</strong></td>
<td></td>
</tr>
</tbody>
</table>
### Board of Regents Program Action Request

**University of Alaska**

Proposal to Add, Change, or Delete a Program of Study

<table>
<thead>
<tr>
<th>1a. Major Academic Unit</th>
<th>1b. School or College</th>
<th>1c. Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAS</td>
<td>School of Education</td>
<td>Special Education</td>
</tr>
</tbody>
</table>

#### 2. Complete Program Title
MAT Special Education

#### 3. Type of Program
- [x] Master's

#### 4. Type of Action
- [ ] Add
- [ ] Change
- [ ] Delete

#### 5. Implementation date (semester, year)
Fall, 2012

#### 6. Projected Revenue and Expenditure Summary

<table>
<thead>
<tr>
<th>Projected Annual Revenues in FY 2015</th>
<th>Projected Annual Expenditures in FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>Salaries &amp; benefits (faculty and staff)</td>
</tr>
<tr>
<td>General Fund 590,000/5=545,000/2 programs*</td>
<td>Other (commodities, services, etc.)</td>
</tr>
<tr>
<td>Student Tuition &amp; Fees</td>
<td>123,318</td>
</tr>
<tr>
<td>Indirect Cost Recovery</td>
<td>NA</td>
</tr>
<tr>
<td>TVEP or Other (specify):</td>
<td>NA</td>
</tr>
<tr>
<td>Restricted</td>
<td>Year 1</td>
</tr>
<tr>
<td>Federal Receipts</td>
<td>Year 2</td>
</tr>
<tr>
<td>TVEP or Other (specify):</td>
<td>Year 3</td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
<td>$145,818</td>
</tr>
</tbody>
</table>

Page # of attached summary where the budget is discussed, including initial phase-in: 3

*50% of FTE funded by general fund of a 50% shared position with the BA in Special Education proposed program

#### 7. Budget Status
Items a., b., and c. indicate the source(s) of the General Fund revenue specified in item 6. If any grants or contracts will supply revenue needed by the program, indicate amount anticipated and expiration date, if applicable.

<table>
<thead>
<tr>
<th>Revenue source</th>
<th>Continuing</th>
<th>One-time</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. In current legislative budget request</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>b. Additional appropriation required</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>c. Funded through new internal MAU redistribution</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>d. Funds already committed to the program by the MAU¹</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>e. Funded all or in part by external funds, expiration date</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>f. Other funding source Specify Type: NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

#### 8. Facilities
New or substantially (>$25,000 cost) renovated facilities will be required.

- [ ] Yes
- [x] No

#### 9. Projected enrollments (headcount of majors)
If this is a program deletion request, project the teach out enrollments.

<table>
<thead>
<tr>
<th>Year 1: 5</th>
<th>Year 2: 12</th>
<th>Year 3: 17</th>
<th>Year 4:</th>
</tr>
</thead>
</table>

Page number of attached summary where demand for this program is discussed: 3

---

¹Sometimes the courses required by a new degree or certificate program are already being taught by an MAU, e.g., as a minor requirement. Similarly, other program needs like equipment may already be owned. 100% of the value is indicated even though the course or other resource may be shared.
10. Number* of new TA or faculty hires anticipated (or number of positions eliminated if a program deletion):

| Graduate TA  | NA |
| Adjunct      | 2  |
| Term         | NA |
| Tenure track | ½ of one FTE |

11. Number* of TAs or faculty to be reassigned:

| Graduate TA  | NA |
| Adjunct      | NA |
| Term         | NA |
| Tenure track | NA |

Former assignment of any reassigned faculty: NA

12. Other programs affected by the proposed action, including those at other MAUs (please list):

<table>
<thead>
<tr>
<th>Program Affected</th>
<th>Anticipated Effect</th>
<th>Program Affected</th>
<th>Anticipated Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

Page number of attached summary where effects on other programs are discussed: 4

13. Specialized accreditation or other external program certification needed or anticipated. List all that apply or 'none': Council for Exceptional Children (CEC)

Page in attached summary where alignment is discussed: 4

14. Aligns with University or campus mission, goals, core themes, and objectives (list):

Page # in attached summary where e-learning is discussed: 5

15. State needs met by this program (list): 5

Page in the attached summary where the state needs to be met are discussed: Teachers are an identified high demand job area for Alaska and special education is a critical shortage area in teaching.

16. Program is initially planned to be: (check all that apply)

- Available to students attending classes at campus(es).
- Available to students via e-learning.
- Partially available students via e-learning.

Page # in attached summary where e-learning is discussed: 5

Submitted by the University of Alaska Southeast with the concurrence of its Faculty Senate.

Provost 1/9/12

Chancellor 1/9/12

☐ Recommend Approval
☐ Recommend Disapproval

UA Vice President for Academic Affairs on behalf of the Statewide Academic Council Date

☐ Recommend Approval
☐ Recommend Disapproval

Chair, Academic and Student Affairs Committee Date

☐ Recommend Approval
☐ Recommend Disapproval

UA President Date

☐ Approved
☐ Disapproved

Chair, Board of Regents Date

*Net FTE (full-time equivalents). For example, if a faculty member will be reassigned from another program, but his/her original program will hire a replacement, there is one net new faculty member. Use fractions if appropriate. Graduate TAs are normally 0.5 FTE. The numbers should be consistent with the revenue/expenditure information provided.

Attachments: ☐ Summary of Degree or Certificate Program Proposal ☐ Other (optional)
Board of Regents Program Action Request Form
University of Alaska

Proposal to Add a New Program of Study

SUMMARY OF DEGREE PROPOSAL
MASTER OF ARTS IN TEACHING (M.A.T.) – SPECIAL EDUCATION
UNIVERSITY OF ALASKA SOUTHEAST

The proposed M.A.T. in Special Education degree program at the University of Alaska Southeast (UAS) is a **39 credit graduate degree** program that will prepare individuals to provide safe, effective, and culturally responsive instructional services for children with disabilities in public school settings throughout the state of Alaska. This proposed M.A.T. program is designed for individuals who **already possess a baccalaureate degree in an area other than education – but who do NOT yet possess an Alaska Teaching certificate** – to become certified special education teachers. Graduates of this program can receive an **initial Alaska Teaching Certificate** with an Endorsement in Special Education (Grades P-12) from the Alaska Department of Education and Early Development. Please see the attached program outline for a complete list of required and elective courses (pg. 6).

6. Projected Revenue and Expenditure Summary

**Income Projections:** Special Education MAT Program

<table>
<thead>
<tr>
<th>AY</th>
<th>New Students</th>
<th>Cumulative Total</th>
<th>Anticipated Student Credit Hrs*</th>
<th>Revenue Calculation</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>5</td>
<td>5</td>
<td>97.5</td>
<td>97.5 * 372 =</td>
<td>$36,270</td>
</tr>
<tr>
<td>2014</td>
<td>7</td>
<td>12</td>
<td>234</td>
<td>234 * 372 =</td>
<td>$87,048</td>
</tr>
<tr>
<td>2015</td>
<td>10</td>
<td>17</td>
<td>331.5</td>
<td>331.5 * 372 =</td>
<td>$123,318</td>
</tr>
</tbody>
</table>

*Notes:* 19.5 average credit hours per year each student. Most graduate students take courses Fall, Spring, Summer Calculations based on today’s tuition rate of $372.00 per credit.

Projected Expenditures

$22,500 - 50% of FTE funded by general fund of a 50% shared position with the BA in Special Education proposed program. $10,000 – commodities and other expenditures. Additionally, 2 adjunct faculty teaching two classes per year each would cost approximately $15,600.

9. Demand for Proposed M.A.T. in Special Education Program

There is a critical shortage of certified special education teachers in the State of Alaska. The M.A.T. in Special Education degree will help address this critical shortage by preparing individuals who **already possess a baccalaureate degree in an area other than education – but who do NOT yet possess an Alaska Teaching certificate** – to become certified special education teachers.

The critical shortage of certified special education teachers in Alaska has been well documented by the Alaska Department of Education & Early Development, the Alaska State Legislature, and the University of Alaska. Please see the University of Alaska (2010) Report on Senate Bill 241 to verify the shortage of certified special education teachers in Alaska: [http://www.alaska.edu/files/research/FY10-SB241%20REPORT%20V12.pdf](http://www.alaska.edu/files/research/FY10-SB241%20REPORT%20V12.pdf)
The University of Alaska’s (2011) *Teacher Education Plan* identifies special education teaching as a “high demands job area” (pp. 1, 8). The M.A.T. in Special Education degree will help the University of Alaska meet an important goal identified in its *Teacher Education Plan*, which states: “GOAL: *Enhance Educator Preparation Programs in High Demand Job Areas, Particularly in Special Education ...*” (p.8): http://www.alaska.edu/files/research/Teacher%20Prep%20Planpdf_012011.pdf

10. **Number of New Faculty Hires Anticipated**
A faculty hire *may* be needed if the program grows as quickly as some predict. If a new faculty is needed and applied for, that faculty member would be shared between the graduate MAT and undergraduate options.

11. **Number of Faculty to be Reassigned**
Not applicable

12. **Other Programs Affected by Proposed Action**
The M.A.T. in Special Education degree does not exist at another location within the UA system. UAA, UAF, and UAS do all currently offer M.Ed. in Special Education degrees; however, the M.Ed. in Special Education degree program at UAS is traditionally an *advanced* teacher education program designed for *certified teachers* who *already* possess an initial Alaska Teaching Certificate; in other words, applicants to the M.Ed. in Special Education program at UAS should *already* possess a valid teaching certificate to be admitted to the program. At UAS all of our initial certification graduate programs are M.A.T. options. Although we have been serving the needs of initial certification graduate students in the M.Ed program, we would like to bring the special education program into alignment with all other program options at UAS. This will result in more streamlined options and allow for better data collection efforts.

13. **Specialized and/or External Accreditation**
Program outcomes will be assessed as part of a rigorous external accreditation process – involving a systematic program self-study and program report – through the Council for Exceptional Children (CEC) – National Council for Accreditation of Teacher Education (NCATE). This external accreditation process will require the M.A.T. in Special Education degree to maintain a program assessment system, and to systematically collect, analyze, and report student learning outcomes as an important measure of program success.

Student learning outcomes will be assessed through analysis of student work products in selected courses. Rubrics – based on an alignment of the following standards and competencies – will be used to evaluate each student’s work:

- University of Alaska Southeast (UAS) Graduate Competencies
- Alaska Teacher Standards
- Council for Exceptional Children (CEC) Special Education Standards

Annual program assessments will also be documented in the UAS Annual Program Report.

14. **Aligns with University and Campus Mission, Goals, Core Themes, and Objectives**
The purpose of the Master of Arts in Teaching (M.A.T.) in Special Education degree at UAS is to prepare individuals who *already* possess a bachelor’s degree in an area *other* than education – *but who do NOT yet possess an Alaska Teaching Certificate* – to become certified special education teachers. The mission of the proposed M.A.T. in Special Education degree is to prepare special
education teachers to develop and implement safe, effective, and culturally responsive instructional services for children with disabilities in Southeast Alaska, with an emphasis on the diverse needs of individuals who live in remote, rural, and predominately Alaska Native communities. The vision of the proposed M.A.T. in Special Education degree is: Our graduates will develop a philosophy and practice of special education that accommodates the multiple worldviews, values, and belief systems of Alaska's diverse Native and non-Native communities. The M.A.T. in Special Education degree will carry out the missions of both UA statewide and UAS by offering a special education teacher certification program that promotes student learning enhanced by faculty scholarship, student research and creative activities, community engagement, and the diverse cultures and environments of Southeast Alaska. The M.A.T. in Special Education degree will also help the University of Alaska meet an important goal identified in the University of Alaska (2011) Teacher Education Plan, which states: “GOAL: Enhance Educator Preparation Programs in High Demand Job Areas, Particularly in Special Education ...” (p.8):
http://www.alaska.edu/files/research/Teacher%20Prep%20Planpdf_012011.pdf

15. State Needs Met by Proposed M.A.T. in Special Education Program
There is a critical shortage of certified special education teachers in the State of Alaska. The M.A.T. in Special Education degree will help address this critical shortage by preparing individuals who already possess a baccalaureate degree in an area other than education – but who do NOT yet possess an Alaska Teaching certificate – to become certified special education teachers.

The critical shortage of certified special education teachers in Alaska has been well documented by the Alaska Department of Education & Early Development, the Alaska State Legislature, and the University of Alaska. Please see the University of Alaska (2010) Report on Senate Bill 241 to verify the shortage of certified special education teachers in Alaska:

The University of Alaska's (2011) Teacher Education Plan identifies special education teaching as a “high demands job area” (pp. 1, 8). the M.A.T. in Special Education degree will help the University of Alaska meet an important goal identified in its Teacher Education Plan, which states: “GOAL: Enhance Educator Preparation Programs in High Demand Job Areas, Particularly in Special Education ...” (p.8):
http://www.alaska.edu/files/research/Teacher%20Prep%20Planpdf_012011.pdf

16. Discussion of e-Learning
All courses in the M.A.T. in Special Education program will be delivered through E-learning. Courses will be offered via audio-conference and augmented with a variety of online resources, including Elluminate Live!, an interactive Web conferencing system, and Adobe Acrobat Connect Pro (formerly Macromedia Breeze), a software program used to create informational presentations. This distance-delivered format will allow candidates who live and work in Alaska's remote and rural communities to remain in their home communities while completing their graduate studies. UAS faculty will travel to the candidates' communities to offer on-site support, mentorship, and supervision for students enrolled in ED 688 (Student Teaching) and EDSE 694 (Special Education Practicum).
PROPOSED PROGRAM OUTLINE

MASTER OF ARTS IN TEACHING (M.A.T.) IN SPECIAL EDUCATION
UNIVERSITY OF ALASKA SOUTHEAST

MINIMUM CREDIT HOURS 39

PREREQUISITES (9 credits)
ALST 300 Alaska Studies (3 credits)
ED 380 Multicultural Education (3 credits)
EDSE 482 Inclusive Classrooms for All Students (3 credits)

MAJOR REQUIREMENTS (36 credits)
ED 688 Student Teaching (6 credits)
EDSE 605 Early Childhood Special Education (3 credits)
EDSE 610 Assessment of Students with Disabilities (3 credits)
EDSE 612 Curriculum & Strategies: Low Incidence Disabilities (3 credits)
EDSE 622 Curriculum & Strategies: High Incidence Disabilities (3 credits)
EDSE 677 Language & Literacy: Assessment & Intervention (3 credits)
EDSE 685 Transition Planning for Secondary Students (3 credits)
EDSE 692 Special Education Seminar (3 credits)
EDSE 694 Special Education Practicum (3 credits)
EDSE 695 Professional & Ethical Practice (3 credits)
EDSE 698 Master's Research Project (3 credits)

ELECTIVES
Select one from the following (3 credits)
ECE S661 Literacy and Young Children (3 credits)
ED S603 Alaska Literature for Young People (3 credits)
ED S615 Literacy in the Intermediate and Middle School Grades (3 credits)
ED S626 Classroom Research (3 credits)
ED S627 Educational Research (3 credits)
ED S631 Advanced Educational Psychology (3 credits)
EDET S628 Technology in Instructional Design (3 credits)
EDMA S608 Mathematical Problem Solving: An Overview for K-8 Teachers (3 credits)
EDRE S678 Literature and Reading: Supporting Readers (3 credits)
EDRE S679 Reading and Literacy in the Content Areas (3 credits)
EDSE S609 Classroom Management & Child Guidance in Early Childhood (3 credits)
### 1a. Major Academic Unit (choose one) UAA

1b. School or College
   School of Allied Health/College of Health

1c. Department
   Medical Imaging Science

2. Complete Program Title
   Associate of Applied Science, Diagnostic Medical Sonography

3. Type of Program
   - [ ] Undergraduate Certificate
   - [ ] AAS
   - [x] Baccalaureate
   - [ ] Post-Baccalaureate Certificate
   - [ ] Master’s
   - [ ] Graduate Certificate
   - [ ] Doctorate

4. Type of Action
   - [x] Add
   - [ ] Change
   - [ ] Delete

5. Implementation date (semester, year)
   Fall, 2012

6. Projected Revenue and Expenditure Summary. Not required if the requested action is deletion.
   (Provide information for the 3rd year after program approval if associate degree program. If information is provided for another year, specify and explain in the program summary attached). Note that Revenues and Expenditures are not always entirely new; some may be current (see 7d.)

<table>
<thead>
<tr>
<th>Projected Annual Revenues in FY 2016</th>
<th>Projected Annual Expenditures in FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>Salaries &amp; benefits (faculty and staff)</td>
</tr>
<tr>
<td>General Fund $</td>
<td>Other (commodities, services, etc.) $13,000</td>
</tr>
<tr>
<td>Student Tuition &amp; Fees $48,464</td>
<td>TOTAL EXPENDITURES $114,292</td>
</tr>
<tr>
<td>Indirect Cost Recovery $</td>
<td>One-time Expenditures to Initiate Program (if &gt;$250,000)</td>
</tr>
<tr>
<td>TVEP or Other (specify): TVEP or internal reallocation $65,828</td>
<td>(These are costs in addition to the annual costs, above.)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Restricted</th>
<th>Year 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Receipts $</td>
<td>Year 2</td>
</tr>
<tr>
<td>TVEP or Other (specify):</td>
<td>Year 3</td>
</tr>
<tr>
<td>TOTAL REVENUES $114,292</td>
<td>Year 4</td>
</tr>
</tbody>
</table>

Page # of attached summary where the budget is discussed, including initial phase-in: 3

7. Budget Status. Items a., b., and c. indicate the source(s) of the General Fund revenue specified in item 6. If any grants or contracts will supply revenue needed by the program, indicate amount anticipated and expiration date, if applicable.

<table>
<thead>
<tr>
<th>Revenue source</th>
<th>Continuing</th>
<th>One-time</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. In current legislative budget request $</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>b. Additional appropriation required $</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>c. Funded through new internal MAU redistribution $</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>d. Funds already committed to the program by the MAU $1</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>e. Funded all or in part by external funds, expiration date $</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>f. Other funding source Specify Type: TVEP, request for additional appropriation through UAA’s budget process, or internal School of Allied Health reallocation (see Exec Summary p. 2 for more details) $65,828</td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

8. Facilities: New or substantially (>=$25,000 cost) renovated facilities will be required. [ ] Yes [x] No

---

1 Sometimes the courses required by a new degree or certificate program are already being taught by an MAU, e.g., as a minor requirement. Similarly, other program needs like equipment may already be owned. 100% of the value is indicated even though the course or other resource may be shared.
9. Projected enrollments (headcount of majors). If this is a program deletion request, project the teach out enrollments.

| Year 1: 10 | Year 2: 10 | Year 3: 10 | Year 4: 10 |

Page number of attached summary where demand for this program is discussed: 1

10. Number* of new TA or faculty hires anticipated (or number of positions eliminated if a program deletion):

<table>
<thead>
<tr>
<th>Graduate TA</th>
<th>Adjunct</th>
<th>Term</th>
<th>Tenure track</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

11. Number* of TAs or faculty to be reassigned:

<table>
<thead>
<tr>
<th>Graduate TA</th>
<th>Adjunct</th>
<th>Term</th>
<th>Tenure track</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Former assignment of any reassigned faculty: n/a
For more information see page 2 of the attached summary.

12. Other programs affected by the proposed action, including those at other MAUs (please list):

<table>
<thead>
<tr>
<th>Program Affected</th>
<th>Anticipated Effect</th>
<th>Program Affected</th>
<th>Anticipated Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

Page number of attached summary where effects on other programs are discussed: 1

13. Specialized accreditation or other external program certification needed or anticipated. List all that apply or 'none':

Commission on Accreditation of Allied Health Education Programs (CAAHEP)


Page in attached summary where alignment is discussed: 1

15. State needs met by this program (list): The 2009 Alaska Health Workforce Vacancy Study conducted by the Alaska Center for Rural Health (ACRH) and the Institute of Social and Economic Research (ISER) reported a 20% vacancy rate in the field of Diagnostic Medical Sonography.

Page in the attached summary where the state needs to be met are discussed: 1

16. Program is initially planned to be: (check all that apply)

- Available to students attending classes at Anchorage campus(es).
- Available to students via e-learning.
- Partially available students via e-learning.

Page # in attached summary where e-learning is discussed:

Submitted by the University of Alaska Anchorage with the concurrence of its Faculty Senate.

Provost: [Signature] 12/24/12
Chancellor: [Signature] 2/26/12

UA Vice President for Academic Affairs on behalf of the Statewide Academic Council: [Signature] Date

Chair, Academic and Student Affairs Committee: [Signature] Date

UA President: [Signature] Date

Chair, Board of Regents: [Signature] Date
*Net FTE (full-time equivalents). For example, if a faculty member will be reassigned from another program, but his/her original program will hire a replacement, there is one net new faculty member. Use fractions if appropriate. Graduate TAs are normally 0.5 FTE. The numbers should be consistent with the revenue/expenditure information provided.

Attachments:  ✔ Summary of Degree or Certificate Program Proposal  ☐ Other (optional)
This is a summary of a full prospectus. The full prospectus is available upon request.

1. **Relationship of the proposed program relative to the Educational mission of the University of Alaska and the MAU.**

   The Diagnostic Medical Sonography (DMS) AAS degree program, also known as Ultrasound, directly aligns with UAA’s 2017 strategic plan, specifically the goals in Strategic Priority A which relate to educational quality and responsiveness to state needs, by preparing health care workers in a high-demand area. The DMS program contributes to the overall goal of the university to “grow its own” health care workforce, and to provide continuing education for currently employed healthcare workers.

2. **History of the development of the proposed program.**

   This DMS program was created to address workforce needs, in response to requests from health care industry partners. The Radiologic Technology Advisory Board and the Alaska State Hospital and Nursing Home Association have requested a DMS program for the past six years. Additionally, inquiries regarding the availability of a sonography (ultrasound) program within UA are common, from prospective students as well as health care industry partners. Currently, students must attend a school outside of Alaska to receive an education in the field of sonography.

   The academic program, objectives, learning outcomes, and assessment plan were developed following the standards and guidelines for academic DMS programs, established by the Commission on Accreditation of Allied Health Education Programs (CAAHEP). The program will operate under a cohort model with new cohorts of ten students starting every two years. The first year will consist of didactic and laboratory instruction, and the second clinical practicums.

3. **Impact of the proposed program on existing UA programs, including the GER.**

   The impact on other academic units should be minimal since the program is not projecting significant numbers of new students enrolling, using existing available course capacity; it is anticipated that many of the students will have completed the general university courses and pre-requisite courses while enrolled in other majors.

4. **State needs met by the proposed program.**

   The health care industry is the fastest growing industry in the state and this is projected to continue through the next ten years. In 2009, the *Alaska Healthcare Workforce Vacancy*
Study reported a vacancy rate for medical sonographers of approximately 20 percent, and over 50 percent of current sonographers were age 45 or older. Vacancies that go unfilled for an extended period of time are often deleted, which strains staff and accelerates burnout.

5. Student opportunities, outcomes, and enrollment projections.

Graduates of the DMS program will be prepared to work in a variety of health care settings from doctor’s offices to medical centers. Student learning outcomes, developed using the above-referenced CAAHEP standards and guidelines, will include entry-level knowledge of physics, anatomy, physiology, and pathophysiology related to sonography. Students will be competent in the performance of general sonography procedures, patient care activities, communication in a healthcare setting, and professional and ethical judgment.

Because of the hands-on nature of the program and the need to coordinate clinical training with medical facilities around the state, the program will operate under a cohort model with a new cohort of ten students beginning every two years. In the fifth year, the program expects to have enrolled a total of 30 students, including two completed cohorts of ten and an additional new cohort of ten actively enrolled in the program.

6. Faculty and staff workload implications.

The program requires one full-time faculty, Ryan Parnell, who is currently serving in a 9-month bipartite position during program development. Mr. Parnell is a registered diagnostic medical sonographer who has 16 years’ experience in the field, as well as teaching experience. This position will change to a full-time teaching assignment beginning Fall 2012 when the first students are enrolled. Adjunct faculty will be hired during the first year to teach one didactic class, one laboratory course, and a summer practicum course.

7. Fiscal Plan for the proposed program.

Financial projections are based on the need for one full-time faculty and a small budget for commodities and contractual. The faculty will be required to travel to clinical rotation sites, some of which will be outside of Anchorage, for initial assessment of the site and for evaluation of students.

Tuition revenue will be generated and lab fees will be collected for consumables. Table ES7.1 reflects this projected revenue for tuition and fees based on the expected program enrollments. After revenue generated through tuition and fees, the balance of program expenses will be paid through other revenue sources. Alaska Technical Vocational Education Program (TVEP) funds in the amount of $94,370 were received for FY12, and an application for FY 13 TVEP funds has been submitted. The College of Health will submit a request through UAA’s budget process for additional General Funds (GF) for FY14. The School of Allied Health is committed to funding any expenses for this program not covered by tuition and fees through reallocation of current appropriations if TVEP funding or new GF funding is not secured.
MEMORANDUM

Date: March 8, 2012

To: UA Board of Regents, Academic and Student Affairs Committee

From: Richard A. Caulfield, PhD, Provost, University of Alaska Southeast
John Blanchard, Interim Dean for the UAS School of Management (SOM)

Cc: Chancellor John Pugh
Faculty Senate President Dan Monteith

Subject: Proposed Deletion of UAS Associate of Applied Science (AAS) in Paralegal Studies

The University of Alaska Southeast, with approval from President Gamble, requests that the Board of Regents take action in its April 2012 meeting to delete the Associate of Applied Science in Paralegal Studies at UAS. We request this action in compliance with Board of Regents Policy 10.04.020, “Degree and Certificate Program Approval” which states that “all program additions, deletions, major revisions, or the offering of existing programs outside the State of Alaska, requires approval by the board.”

During AY 2006-07, the UAS School of Management’s Business and Public Administration Department completed a thorough Program Review of its AAS degree in Paralegal Studies. The Review was conducted in accordance with Regents’ Policy P10.06.010 (Academic Program Review).

Findings from the Program Review revealed that the degree program had small enrollments and that graduates had limited employment prospects. The Review also concluded that—in light of other competing resource priorities—the degree was “not central to the UAS mission.”

In March 2006, the Dean of the School of Management (then called School of Business, Public Administration, and Information Systems) recommended to Provost Roberta Stell that admissions to the AAS Paralegal Studies be suspended. Provost Stell concurred with this recommendation and requested Chancellor Pugh’s approval to do so. His approval led to a “teach-out” of students then in the program. Department faculty and staff developed individual advising plans for the ten students remaining in the program, enabling them to either complete the AAS or transfer within the next two years. As the teach-out concluded, the one regular Paralegal Studies faculty member transitioned into teaching courses for the Bachelor’s degree and Master’s degree programs in Business Administration. Today there are no remaining AAS Paralegal Students at UAS.
MEMORANDUM

Date: March 8, 2012

To: UA Board of Regents, Academic and Student Affairs Committee

From: Richard A. Caulfield, PhD, Provost, University of Alaska Southeast
      John Blanchard, Interim Dean for the UAS School of Management (SOM)

Cc: Chancellor John Pugh
    Faculty Senate President Dan Montelath

Subject: Proposed Deletion of UAS Bachelor of Science in Information Systems (BSIS)

The University of Alaska Southeast, with approval from President Gamble, requests that the Board of Regents take action in its April 2012 meeting to delete the Bachelor of Science in Information Systems (BSIS) at UAS. We request this action in compliance with Board of Regents Policy 10.04.020, “Degree and Certificate Program Approval” which states that “all program additions, deletions, major revisions, or the offering of existing programs outside the State of Alaska, requires approval by the board.”

During AY 2006-07, the UAS School of Management’s Business and Public Administration Department completed a thorough Program Review of its BSIS degree program. The review was conducted in accordance with Regents’ Policy P10.06.010 (Academic Program Review).

The Review showed that the BSIS degree had steadily declining enrollment. At the same time, students had a growing number of lower division course and program options, including those available online through other units of the UA system. The Review also revealed an enrollment trend in which students increasingly focused on attaining specific skills and/or certification desired by the industry/employers rather than on a degree program. Course demand was concentrated instead in lower-division technical skill-building which added value to the individual’s portfolio. These data led to shift in focus from a baccalaureate program toward a skills-oriented array of computer training courses. These findings aligned with Alaska Department of Labor and Workforce Development data showing that while higher computer systems analysts and other more sophisticated computing occupations remain important to Alaska’s economy, the demand for “computer operators” is expected to decline in coming years (Alaska TRENDS, September 2012: 15)

Further, the Review confirmed that many BSIS students were taking jobs before completing their degree, suggesting that industry needs employees with basic skills but not necessarily a degree. This reality, along with continuing demand for lower division courses in basic computer skills, did not support continuation of a BSIS degree.

In July 2007, the Dean of Business, Public Administration, and Information Systems recommended that admissions to the BSIS degree be suspended. UAS Provost Roberta Stell concurred, and requested Chancellor Pugh’s approval to suspend BSIS program admissions, to “teach out” those students still enrolled (in compliance with Northwest Commission on Colleges and Universities expectations), and to move toward eventual deletion of the program from the official UAS degree offerings. Chancellor Pugh approved Provost Stell’s request based upon input from the dean and faculty, and community advisory bodies. Department faculty and staff completed a transition plan to develop individual advising plans for the eighteen students remaining in the program. Remaining students have now completed their degrees and no students are now enrolled in the BCIS.
FORMAL PROJECT APPROVAL

Name of Project: Kuskokwim Campus HVAC Upgrade
Location of Project: UAF, Kuskokwim Campus, Bethel
Project Number: 2012101 KCHV
Date of Request: March 5, 2012

| Total Project Cost: | $4,000,000 |
| Approval Required:  | Full F&LMC |

SUPPORTING DOCUMENTS
- One Page Budget
- Kuskokwim Campus Mechanical Rooms Floor Plan
### UNIVERSITY OF ALASKA

**Project Name:** Kuskokwim Campus HVAC Upgrade  
**MAU:** UAF  
**Building:** KuC  
**Campus:** KuC  
**Project #:** 2012101 KCHV  
**Date:** March 2, 2012  
**Prepared By:** Morisky  
**Account No.:** 514512-50216  
**Total GSF Affected by Project:** 40000

#### PROJECT BUDGET

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Kuskokwim Campus Main Building Complex Mechanical Room Layout Location Map Project: KCHV

KEY
- First Floor Mech. Rooms
- First + Second Floor Mech. Rooms

Date: 01/12/2012
# SCHEMATIC DESIGN APPROVAL

**Name of Project:** UAA Mat-Su Valley Center for Arts & Learning (VCAL)

**Location of Project:** UAA, Mat-Su Campus, Palmer, AK

**Project Number:** 07-0035

**Date of Request:** February 28, 2012

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**Reference Materials:**
1. Project budget
2. Schematic Design Drawings (Floor Plans, Elevations, Site Plan)
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**Construction Cost per GSF**

|                      | 550     | 550       |

| **C. Building Completion Activity**          |         |           |
| Equipment                                     | 340,000 | 340,000   |
| Fixtures                                      |         |           |
| Furnishings                                   | 200,000 | 121,000   |
| Signage not in construction contract          |         |           |
| Move-Out Costs                                |         |           |
| Move-In Costs                                 |         |           |
| Art                                           | 200,000 | 200,000   |
| Other (Interim Space Needs or Temp Reloc. Costs) |         |           |
| OIT Support                                   |         |           |
| Maintenance Operation Support                 |         |           |
| **Building Completion Activity Subtotal**     | 740,000 | 661,000   |

| **D. Owner Activities & Administrative Costs** |         |           |
| Project Plng, Staff Support                   | 400,000 | 400,000   |
| Project Management                            | 600,000 | 600,000   |
| **Owner Activities & Administrative Costs Subtotal** | 1,000,000 | 1,000,000 |

| **E. Total Project Cost**                     | 20,000,000 | 20,000,000 |

**Total Project Cost per GSF**

|                      | 667     | 667       |

| **F. Total Appropriation(s)**                 | 20,000,000 | 20,000,000 |

178
Construction In-Progress Reports

Capital Project Master Schedules:
1. UAA
2. UAF
3. UAS

UAA:
1. Allied Health, 2nd Floor Renovations
2. Beatrice McDonald Building Renewal
3. Seawolf Sports Arena
4. Engineering and Industry Building
5. Engineering Building Accreditation Upgrades, Phase 1 (Geomatics)
6. Wendy Williamson Auditorium Lighting Replacement
7. Health Sciences Building
8. ULB and ULB Annex Roof Replacements
9. Science Building Renovation
10. MAC Housing Fire System Upgrade, Phase VI, Building 6
11. MAC Housing Renewal
12. UAA Campus Wide Energy Audit
13. Kodiak College Vocational Technology & Warehouse Facility, Phase 1
14. KPC Soil Remediation
15. Kenai Campus Career and Technical Center
16. Kenai Campus Student Housing
17. Kenai Sprinkler Renovation
18. Kenai Ward Boiler Replacement
19. Mat-Su College Paramedic/Nursing Lab Addition
20. Mat-Su Valley Center for Arts & Learning
21. PWSCC Wellness Center Renovation & Campus Renewal

UAF:
1. Life Sciences Research and Teaching Facility
2. Critical Electrical Distribution Renewal Phase 1C
3. Engineering Facility
4. West Ridge Deferred Renewal Master Plan
5. Utilities West Ridge Steam Capacity Expansion
6. Arctic Health CANHR Health Clinic
7. Adak Radar Antenna Array Installation
8. Kuskokwim Campus CANHR Health Clinic
9. Kuskokwim Campus Gymnasium and Second Floor Renovation
10. Bristol Bay Science Lab and Clinical Space
11. Chukchi Flight Simulator Room and Classroom
12. Research Vessel Sikuliaq
13. Fine Arts Salisbury Theater Renovation

**UAS:**
1. Anderson Building Remodel & Pedestrian Access
2. Auke Lake Way Corridor Improvements and Reconstruction
3. Sitka Career and Technical Education Center
4. Ketchikan Life Boat Davis Construction
### As of March 14, 2012

**Project Approval Level**

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<th>Main Campus &gt; $500,000</th>
<th>Community Campus &gt; $250,000</th>
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**FY07** | **FY08** | **FY09** | **FY10** | **FY11** | **FY12** | **FY13** | **FY14** | **FY15** | **FY16** |
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**Key to Symbol:**

- Preliminary Architectural Approval
- Final Project Approval (Includes Phase)
- Construction Completion
- Total Project Cost / Scope Change

**Progress Status:**

- Design
- Bid
- Design
- Construction
- Warranty

---

**UAA Projects:**

- [Project Name] TPC $X

---

**FY07**

- [Project Name] (Start: January, End: December)

---

**FY08**

- [Project Name] (Start: January, End: December)

---

**FY09**

- [Project Name] (Start: January, End: December)

---

**FY10**

- [Project Name] (Start: January, End: December)

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**FY11**

- [Project Name] (Start: January, End: December)

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**FY12**

- [Project Name] (Start: January, End: December)

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**FY13**

- [Project Name] (Start: January, End: December)

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**FY14**

- [Project Name] (Start: January, End: December)

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**FY15**

- [Project Name] (Start: January, End: December)

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**FY16**

- [Project Name] (Start: January, End: December)
### CAPITAL PROJECT MASTER SCHEDULE

**As of March 14, 2012**

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<td>2014</td>
<td>2015</td>
</tr>
</tbody>
</table>

- **Anderson Building Remodel and Pedestrian Access**
  - TPC $109.0M
- **Auke Lake Way Corridor Improvements**
  - TPC $985K
- **Sitka Career & Technical Education Center**
  - TPC $70.0M
- **Ketchikan Life Boat Davit Construction**
  - TPC $504K
Allied Health Science, 2\textsuperscript{nd} Floor Renovations

Project Description:
This project is to renew classroom and office space in the 30 year old Allied Health Science building as a result of activities moving to the new Health Science Building. The work will be accomplished in phases.
Phase 1—Demolition and replacement of the 2\textsuperscript{nd} floor labs into classrooms and mock up exam space for teaching Radiologic Technology and Diagnostic Medical Sonography (East), Medical Assisting (West) and EMT (Emergency Medical Services).
Phase 2 — Upgrade and renewal of mechanical systems.
Phase 3 --- Renovation of 1\textsuperscript{st} Floor

Schedule (PHASE 1):

Total Project Cost:
$4,568,258 (all phases)
$784,258 (Phase 1)

Board of Regents Approval & Motions:
Prelim Administrative Approval: (initial) April 2011
Prelim Administrative Approval: (includes Phases 2 & 3) October 7, 2011
Formal Project Approval: Sept. 7, 2011 (Phase 1 only)
Schematic Design Approval: October 19, 2011 (Phase 1 only)

Status Update:
Phase 1: A Pre-Bid conference was held on February 23, 2012 in the AHS Building. Bid opening is scheduled for March 20, 2012, with an expected award in April 2012. FF&E package in being created in-house by Project Manager. The Contractor can begin on-site mobilization after May 15\textsuperscript{th}.  

April 2012 BOR Update
Beatrice McDonald Building Renewal

**Project Description:**
Complete renovation of 1970’s building on the UAA main campus. This project will include HAZMAT abatement, replacement of boiler and mechanical systems, replacement of electrical systems and architectural interior and exterior improvements.

<table>
<thead>
<tr>
<th>Schedule:</th>
<th>Total Project Cost:</th>
<th>$14,897,000.00</th>
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</thead>
<tbody>
<tr>
<td>Planning &amp; Design:</td>
<td>July 2011 –January 2013</td>
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<tr>
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<td>November --December 2012</td>
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<td>Jan 2013</td>
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<tr>
<td>Occupancy:</td>
<td>August 2014</td>
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</tbody>
</table>

**Board of Regents Approval & Motions:**
| Project Agreement        | July 11, 2011        |
| Preliminary Admin Approval| July 11, 2011        |
| Formal Project Approval  | November 8, 2011     |

**Status Update:**
Review meetings have been held, with the Dean, faculty, and staff of BMH programs fully engaged. Programming & Pre-Design has been completed and the cost estimate came in at approximately $3 million over the previous budget. Opportunities for reducing cost are being explored during schematic design. Architects Alaska, the A/E, is proceeding with Schematic Design.
UAA Seawolf Sports Arena

Project Description:
196,000 sf multi-use facility that will house a 5,000 seat performance gymnasium for basketball & volleyball; a practice & performance gym for the gymnastics program; support space consisting of a fitness & training room, administration/coaching offices, laundry, A/V production, locker & team rooms for basketball, volleyball, gymnastics, skiing, track & cross country programs.

Schedule:
- Planning & Design: Aug 2008 - Spring 2012
- Advertising & Award: Fall 2011 (CMAR process)
- Construction: Spring 2012 to Fall 2014
- Warranty: 1 year after construction completion

Total Project Cost: $109,000,000

Board of Regents Approval & Motions:
- Preliminary Admin Approval: Aug 2008
- Formal Project Approval(s): Feb 2009 /June 2011
- Schematic Design Approval(s): June 2009/Sept 2011
- Total Project Cost Increase: June 2011 – approved $109M

Status Update:
The Urban Design Commission approved the site plan in early February. 95% Civil/Structural & 65% Arch/Mech/Elec documents have been received from the Consultant and are currently being reviewed by the team and priced by the contractor. Submitted Plan Review and Building Permit to MOA on 5 March with clearing & grubbing planned for late April - early May. Drilling of 2 test wells began 1 March to verify adequate gpm water source. Mech/Elec/Plmb & Fire Protection firms have now been selected for participation in Preconstruction Services. Reconciliation and preliminary budget alignment for early construction phase scheduled for 28-30 March.

April 2012 BOR Update
Project Description:
Planning, programming, design and construction of a 75,000 gsf engineering laboratory and teaching areas not currently available on campus. Teaching areas would include: communications labs, electrical engineering labs, fluids labs, heat and mass transfer labs, soils mechanics labs, photogrammetry/cartography/GIS, seismic and earthquake labs, foundation engineering, transportation and highway engineering, land surveying, machine shop, wood shop, “dirty” yard and conferencing/collaborative learning areas. The project will also include renovation of the existing building and structured parking for the facility and any displaced parking.

Schedule:
Planning & Design: May 2011-Dec 2012
Advertising & Award: Jan-March 2013
Warranty: 1 year after construction completion

Board of Regents Approval & Motions:
Preliminary Admin Approval Nov 2009
Formal Project Approval Sept 2011

Status Update:
Monthly design workshops are in progress. The draft traffic study is being reviewed, and four sites are being evaluated for the parking structure. We are periodically updating the joint UAA/UAF Engineering Advisory Board. Schematic Design is scheduled to be complete in May 2012, and SDA will be requested at the June 2012 BOR meeting.
UAA Engineering Building Accreditation Upgrades, Phase 1 (Geomatics)

Project Description:
This project will renovate portions of the Engineering Building vacated by science and WWAMI programs and allow classrooms and labs to be reconfigured to meet existing program School of Engineering needs and comply with accreditation requirements. Phase 1 relocates Geomatics from the 2nd floor to the 3rd floor which will serve as their permanent location when the new Engineering Building is completed. Phase 2 reconfigures classroom and lab space on the 1st and 2nd floors for compliance with accreditation requirements.

Schedule (Phase 1):
Planning & Design: Sept 2011-April 2012
Advertising & Award: May 2012
Construction: May 2012-August 2012
Warranty: 1 year after construction completion

Total Project Cost:
$ 343,140.00 (Ph 1)
$ 741,680.00 (Ph 2)
$1,084,820.00 TPC

Board of Regents Approval & Motions:
Preliminary Admin Approval: March 8, 2012
Formal Project Approval: Pending
Schematic Design Approval: Phase 1 Pending

Status Update:
Work is being accomplished in a phased manner as spaces become available. Some work is in progress to ensure the renovated spaces are completed in time for the next accreditation visit and the start of the Fall 2012 semester.
Wendy Williamson Auditorium Lighting Replacement

Project Description:

Renewal of lobby and house lighting for the Wendy Williamson Auditorium. Demolition and replacement of incandescent light fixtures to energy saving fluorescent and LED sources. Servicing and updating the emergency backup generator and installation of battery pack light fixtures to provide back-up power for emergency lighting.

Schedule:                      Total Project Cost  $707,529
Planning & Design:             Nov 2009 - Oct 2010
Advertising & Award:           April 2011 – May 2011
Construction:                  Nov. 2011—Jan 2012

Board of Regents Approval & Motions:
Project Agreement               February 24, 2010
Prelim Administrative Approval: March 3, 2010
Formal Project Approval:        March 22, 2010
Schematic Design Approval:      March 28, 2011

Status Update:
The Contract was completed on time and within budget. A Certificate of Occupancy has been received and the facility has been open for numerous events. The lobby and house lighting are modernized and will provide users with a better environment and reduce lighting operating costs. This will be the final report on this project.
UAA Health Sciences Building

Project Description
Design/construct approximately 65,162 gross square foot facility to accommodate the academic programs of nursing, WWAMI/MEDEX and Allied Health. Project includes offices, classrooms/ seminar rooms, laboratories for patient simulators, Med Tech and gross anatomy spaces, and student activity spaces.

Schedule:
Planning & Design: Dec 2007-Sept 2009
Advertising & Award: Oct 2009 -Nov 2009
Construction F&F: Aug 2009- Dec 2009
Construction: Dec 2009-Aug 2011
Warranty: 1 year after completion

Total Project Cost: $46,500,000

Board of Regents Approval & Motions:
Preliminary Administrative Approval: June 2008
Schematic Design Approval: Feb 2009
Total Project Cost Increase: N/A

Status Update:
The Building was completed in August 2011 and placed into operation for the Fall semester. Art selection committee meetings are being conducted; artist site visits held January-February 2012; review of art proposals has started and 3 of seven have been selected; An Art Selection presentation will be held in Anchorage in June 2012. Project close-out is in progress.
UAA University Lake Building and University Lake Building Annex Roof Replacement

Project Description:
UAA has over 1,000,000 square feet of various roofing types of which many have exceeded their performance life expectancy and must be replaced. UAA intends to replace the roofs based on an age/problem basis on an annual basis. The current FY12 project is to replace the roofs on the University Lake and the University Lake Annex Buildings. These roofs are 27 years old. The exposed asphalt roofs have well over three hundred patches, extensive UV degradation/cracking and numerous areas of standing water on the flat roof. The three inch rigid insulation is well below any current building standards; new, thicker and tapered insulation will bring the building up to an R-30 level and provide excellent drainage. The new mineral cap built up asphalt roof will be durable and require less maintenance.

Schedule:
<table>
<thead>
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<th>Activity</th>
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<tr>
<td>Planning &amp; Design</td>
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<tr>
<td>Advertising &amp; Award</td>
<td>June 2011</td>
</tr>
<tr>
<td>Construction</td>
<td>July 2011-August 2012</td>
</tr>
<tr>
<td>Warranty</td>
<td>15 years after completion</td>
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</table>

Total Project Cost: $925,000

Board of Regents Approval & Motions:
<table>
<thead>
<tr>
<th>Approval</th>
<th>Date</th>
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<tbody>
<tr>
<td>Prelim Administrative Approval</td>
<td>Feb 2009</td>
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<td>April 2011</td>
</tr>
<tr>
<td>Project Change Approval</td>
<td>July 2011</td>
</tr>
</tbody>
</table>

Status Update:
The ULB roof was completed in August 2011. The ULB Annex roof has been rescheduled for this summer and will begin construction in May 2012.

April 2012 BOR Update
Project Description:
Phase 3 completes the renovation of the Science Building. It includes the East half of the second floor, the main corridors on the 1st and 2nd floor, new elevator, new roof, and 2nd floor restrooms.

Schedule:
- Planning & Design: Feb 2011 – February 2012
- Advertising & Award: March 2012
- Construction: May 2012 – Dec 2012
- Warranty: 1 year after construction completion

Total Project Cost:
- Ph I: $2,645,600
- Ph 2: $5,100,000
- Ph 3: $5,300,000
- TPC: $13,045,600

Board of Regents Approvals:
- Prelim Administrative Approval: Nov 2008
- Formal Project Approval: April 2009
- Schematic Design Approval: (Ph I) Sep 2009 (Ph 2) Sep 2010 (Ph 3) June 2011

Status Update:
Phases 1 & 2 – Construction is complete.

Phase 3 – The design is complete. The project was bid in February 2012. Eight bids were received. Watterson Construction was the low bidder and has been awarded the construction contract. The Phase 3 construction work will begin in May 2012.
Project Description:
Provide fire alarm and fire sprinkler system in Building 6. Buildings 1-5 are complete. Completion of Building 6 will finish the project.

Schedule: Phase VI, Building 6
Planning & Design: Thru February 2012
Advertising & Award: February 2012 – March 2012
Construction: May 2012- August 2012
Warranty: 1 year after construction completion

Total Project Cost: $655,000

Board of Regents Approval & Motions:
Formal Project Approval: January 2008
Schematic Design Approval: November 2011

Status Update:
The project was advertised in February-March 2012. Consolidated Contracting and Engineering is the selected contractor. Consolidated has previously performed this scope of work in several of the buildings. Work will begin at the end of Spring Semester 2012 and be complete for Fall Semester 2012.
Project Description:
This renovation of the 6 MAC Housing buildings will renew: finishes, fixtures, and equipment; mechanical, electrical, and plumbing systems; building envelope; and ADA modifications. The project will be accomplished in phases. Phase 1 will include the renewal of MAC 1 and replacement of the boiler plant serving all six buildings. Phase 1 is scheduled for construction in Summer 2013.

Schedule:
<table>
<thead>
<tr>
<th>Project Stage</th>
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<td>MAC 1:</td>
<td>October 2012 – November 2012</td>
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<td>Construction:</td>
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<td>Warranty:</td>
<td>1 year after construction completion</td>
<td>Cost: $ 4,132,000</td>
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Board of Regents Approval & Motions:
Preliminary Administrative Approval: October 2011

Status Update:
Bezek Durst Seiser was selected as the design consultant in March of 2012. Formal Project Approval is expected to be requested at the June 2012 BOR Meeting.
UAA Campus Wide Energy Audit

Project Description
The goal of this project is to have a complete investment grade energy audit and energy services proposal that will identify 15 year payback recommended projects. This audit is investigating electrical and mechanical systems, to roofing and building envelopes at the UAA Matanuska-Susitna College & UAF Palmer Farm, UAA Kodiak College & UAF Kodiak Fishery Industrial Technology Center (FITC), Kenai Peninsula College, UAA Kachemak Bay Campus, UAA Prince William Sound Community College, and the UAA Anchorage Campus (Gordon Hartlieb Hall and Social Sciences Building).

Schedule:
- Additional Field Survey & Draft Investment Grade Audit: Jan 2012 - Feb 2012

Total Project Cost: $348,997

Status Update:
The Energy Audit is progressing on schedule. Ameresco has completed all campus site surveys and given UAA and the community campuses a Preliminary Analysis Report for review and feedback. Ameresco will next submit a Draft Investment Grade Audit (IGA) and UAA and the community campuses will have an opportunity to review the IGA before Ameresco revises and completes the report. The Final Investment Grade Audit will be submitted prior to the end of March 2012.
Project Description
Phase 1 consists of renovating approximately 5,200 gsf of existing space and constructing approximately 11,300 gsf of new building addition. Phase 1 provides program development support in construction trades, mechanical, electrical and other courses in workforce development. Phase 1 allows repurposing of existing space needs for facility maintenance and material storage.

Schedule (Phase 1):
- Planning & Design: July 2012-June 2013
- Advertising & Award: July-August 2013
- Construction: August 2013-July 2014
- Warranty: 1 year after construction completion

Total Project Cost:
- $9,734,000 (Ph 1)
- $4,802,000 (Ph 2)
- $4,214,000 (Ph 3)
- $18,750,000 TPC

Board of Regents Approval & Motions:
- Preliminary Project Approval: February 6, 2012
- Formal Project Approval: TBD
- Schematic Design Approval: TBD

Status
Project Description:
This project is cleaning up a site off campus that was used for fire training in the 1980’s and had significant amounts of diesel contamination at 14 feet below ground level.

Schedule:
Planning & Design: Through January 2010
Advertising & Award: February 2010- March 2010
Construction: April 2010- October 2012

Total Project Cost: $481,464

Board of Regents Approval & Motions:
Prelim Administrative Approval February 9, 2010
Formal Project Approval February 17, 2010
Schematic Design Approval February 17, 2010
Project Change Approval $36,000 on 6/1/10, $7,130 on 10/21/11
Project Change Approved $63,334 on 1/10/11

Status Update:
Two thirds of the soil tested clean this September, below ADEC thresholds. One third of the soil has diesel organics still above the thresholds. The clean soil was pushed into the excavation at the end of October and the contaminated soil has been spread out to bio-remediate this winter.

Starting in June of 2012 the contractor will continue to till the contaminated soil. The environmental engineer will test the soil at the end of summer. If the soil tests come back clean, then the contractor will be allowed to push the clean soil into the excavation and plant trees. Final outcome will be a letter from the ADEC stating no further action is needed on this site.
UAA Kenai Campus Career & Technical Center

Project Description
A new, approximately 19,654 gsf building for Process Technology, electronics and instrumentation programs, including Simulation and Instrumentation Labs, classrooms, and some student collaborative space.

Schedule:
Planning & Design: March – Nov 2011
Advertising & Award: April/May 2012
Construction: July 2012 – Jan 2014
Warranty: 1 year after construction completion

Total Project Cost: $15,250,000

Board of Regents Approval & Motions:
Preliminary Project Approval: Feb 2011
Formal Project Approval: February 18, 2011
Schematic Design Approval: September 23, 2011
Project Change Approval: February 9, 2012

Status Update:
In February additional funding was approved to add the Fabrication Shop to the project. The project schedule was also adjusted. The project is currently at 95% design completion and will be ready to go out to bid in April 2012.
UAA Kenai Campus Student Housing

Project Description
New student housing with 80 to 96 Student beds.

Schedule:
Planning & Design: June 2010 – April 2012
Advertising & Award: May - June 2012
Construction: June 2012 – July 2013
Warranty: 1 year after construction completion

Total Project Cost: $17,800,000

Board of Regents Approval & Motions:
Preliminary Project Approval: Feb 2011
Formal Project Approval: February 18, 2011
Schematic Design Approval: September 2011
Total Project Cost Increase: Additional $1.8 M in funding from Legislature

Status Update:
The 65% cost estimate was over the construction budget and 16 beds will be included as a construction bid alternate. Bettisworth North is working on the 95% design submittal. The project will be advertised in May 2012 with construction scheduled to begin this summer.
Project Description
The fire sprinkler systems in the Ward, Goodrich, McLane and Brockel buildings were designed to work with the existing water well and fire pump system which has been replaced with a new public water line with a lower operating pressure and different flow rates. The sprinkler pipes need to be resized to work with the new water pressure and flow rate.

Schedule:
- Planning & Design: September – February 2012
- Advertising & Award: April 2012
- Construction: June 2012- August 2012
- Warranty: 1 year after construction completion

Total Project Cost: $429,429

Board of Regents Approval & Motions:
- Preliminary Project Approval: September 9, 2011
- Formal Project Approval: September 9, 2011
- Schematic Design Approval: September 12, 2011
- Total Project Cost Increase: none

Status Update:
Existing asbestos containing material will need to be abated. Design development is at 95%. The project is on schedule for construction in Summer 2012.
UAA Kenai Ward Boiler Replacement

Project Description
Replacement of two 28 year old boilers in Ward building.

Schedule:
Planning & Design: September – November 2011
Advertising & Award: December 2011
Construction: May 2012- August 2012
Warranty: 1 year after construction completion

Total Project Cost: $562,500

Board of Regents Approval & Motions:
Preliminary Project Approval: September 14, 2011
Formal Project Approval: September 14, 2011
Schematic Design Approval: November 16, 2011

Status Update:
The design is complete. We had eight bidders. The project has been awarded to the low bidder, Mantech Mechanical. We have held a preconstruction meeting and submittals are underway. This project is on schedule for construction this summer.
Mat-Su College Paramedic/Nursing Lab Addition

Project Description:
GO Bond funded addition to the Mat-Su campus. The Snodgrass Hall addition will include new classrooms, offices, labs, workspace and storage for the paramedic and nursing programs.

Schedule:
- Planning & Design: February 2011-March 2012
- Advertising & Award: April 2012
- Construction: June 2012 – December 2013
- Warranty: 1 year after construction completion

Total Project Cost: $3,625,000

Board of Regents Approval & Motions:
- Prelim Administrative Approval: February 2009
- Formal Project Approval: November 2010
- Schematic Design Approval: September 2011

Status Update:
Livingston Slone, Inc. is the A/E. Project design is nearing completion and bid package preparation is underway. The project is on schedule for construction to begin this summer.
Mat-Su Valley Center for Arts & Learning

Project Description:
The project will design and construct a new facility that will provide an approximately 500 seat theater for lectures, public gatherings and conferences classroom, drama lab, music space and instrument storage, display areas, and gathering/study spaces.

Schedule:
Planning & Design: July 2011-May 2012
Advertising & Award: June 2012
Construction: July 2012-January 2014
Warranty: 1 year after construction completion

Total Project Cost: $20,000,000

Board of Regents Approval & Motions:
Prelim Administrative Approval: February 2009
Formal Project Approval: November 2011
Schematic Design Approval: April BOR 2012

Status Update:
The campus goal is to achieve a 500 seat, fully functional auditorium. Schematic design has been received and is under review. Schematic design approval has been submitted for consideration at the April Board of Regents meeting.
PWSCC Wellness Center Renovation & Campus Renewal

Project Description:
GO Bond funded general renovation of the existing Wellness Center and Campus Renewal. The work will include: ADA compliant locker/restrooms; new entrance and counter space; new flooring and finishes; new doors and hardware; lighting replacement and electrical upgrades; electronic entry system; ACM removal; replacement of galvanized water lines; IT upgrades; mechanical system upgrades; energy conservation controls; and exterior siding improvements.

Schedule:
Planning & Design: February 2011-November 2011
Advertising & Award: December 2011-January 2012
Construction: April 2012 – December 2012
Warranty: 1 year after construction completion

Board of Regents Approval & Motions:
Prelim Administrative Approval: February 2009
Formal Project Approval: December 2010
Schematic Design Approval: September 2011

Status Update:
A laminated wood roof beam was fractured as a result of recent heavy snow loads at Valdez. The repair of the beam was added to the project with no increase in Total Project Cost. The project was advertised and twelve bids were received. The project has been awarded to the low bidder, Eklutna Services, LLC, and the submittal process has started. Selected work will begin in April 2012 with the main work scheduled to begin at the conclusion of the spring semester.

April 2012 BOR Update
Project Description
Life Sciences will provide multiuse teaching and research labs, classrooms, and office space for life science research and academic purposes. The research portion will provide nearly 60,000 gsf lab space for biology research. The teaching portion will provide 40,000 gsf of academic classroom and lab space for biology and wildlife degree programs. The Life Sciences project also includes expansion of the West Ridge utilidor steam line, and a greenhouse replacement.

Basic Project Info:
Designer: Bezek Durst Seiser Inc, Smith Group, PDC Inc, RFD Inc
CM@Risk: Davis Constructors
Board Approvals: FPA February 2010, SDA November 2010
TPC: $88,578,000
Construction Cost: $67,700,000
Occupancy Date: Fall 2013
Funding Source: GO Bond, UA Revenue Bond

Schedule Bar Chart:
Design 0% 100%
Construction 0% 100%
Groundbreaking Mar-2011
Completion Sept-2013

Status Update:
The contractor has begun interior buildout in earnest. Interior framing, plumbing, HVAC, and electrical rough-in have all begun on the 3rd floor. Hangers have been installed on the 2nd floor ahead of the workers installing the pipes and ducts. Fireproofing of the beams and deck has also begun. Additional subcontractors are being brought on board for specialty items such as pipe insulation and lab casework. With the warmer February, crews have returned to the exterior to complete the roofing and framing previously postponed by the cold weather. The project remain on schedule for building occupancy in the summer of 2013.
Formal Project Approval: $108,600,000 to fund three projects associated with the construction of the new facilities:
- Life Sciences Facility ($88,275,000) TPC Increase December 2011 for $303,000
- West Ridge Steam Capacity Expansion ($15M)
- Arctic Health Greenhouse ($5,325,000) - Refer to AHRG CIP Update
Critical Electrical Distribution Renewal Phase 1C

Project Description
Phase 1C scope will install all the major electrical equipment in the building constructed in Phase 1B, including switchgear, transformers, switches, and cable for two new electrical feeders. Additional feeders will be installed as funds are available.

Schedule Phase 1C:
Planning & Design: January 2009 - June 2009
Advertising & Award: May-July 2011
Construction: July 2011 - August 2012

Total Project Cost: $10,000,000

Funding Source: FY12 R&R Funding

Architect/Engineer: PDC Inc. Engineers
General Contractor: Kiewit Building Group, Inc.

Board of Regents Approval & Motions:
Formal Project Approval: April 8, 2011
Schematic Design Approval: June 2, 2011

Status Update:
Construction began July 1, 2011. Switchgear was delivered on August 24, 2011 and a major transformer was delivered on September 15, 2011. Electrical equipment will be installed and commissioned over winter 2011-2012 and two feeders will be energized in June 2012. Additional feeders will be energized in summer 2012. Anticipated completion date is the fall of 2012.
Project Description
This project will construct a new, multi-story facility that will house existing and new engineering programs. The facility will include office, classroom, class laboratory, and research laboratory space. Specialty spaces such as high-bay test labs, strong floors and materials testing labs will also be included.

Schedule:
- Planning & Design: May 2011-March 2013
- Advertising & Award: TBD
- Construction: TBD
- Architect/Engineer: ECI/Hyer & NBBJ
- General Contractor: TBD

Board of Regents Approval & Motions:
- Preliminary Project Approval: September 9, 2006
- Formal Project Approval: June 4, 2010
- Amended Formal Project Approval: September 23, 2011
- Schematic Design Approval: Anticipated June 2012

Status Update:
On September 23, 2011, the Board of Regents passed the amended Formal Project Approval for the University of Alaska Engineering Facility Projects for UAA and UAF. This approval will allow the design to proceed to Schematic level (35%). The selected site is termed “Duckering South” located between Duckering and Bunnell. The proposed new facility will have five floors blending with surrounding buildings while standing out as a new and exciting campus destination. The proposed new facility maintains full connectivity to the existing building and programs.
West Ridge Deferred Renewal Master Plan

**Project Description**
The intent of the project is to create a master plan for the renewal of the facilities on the West Ridge and develop logical phasing, budgetary estimates, and program space allocation. The first task will update the current facilities audit and provide a true reflection of the quantity of code corrections, the amount of deferred maintenance, and the extent of space renewal pertaining to functional obsolescence. Upon completion, an analysis of logical adjacencies will occur and the plan will make suggestions for relocation of programs, including major changes to various spaces to create these adjacencies. Finally, the plan will create logical phasing plans with recommended funding levels to become the basis for future capital budget requests.

**Schedule:**

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<th>Task</th>
<th>Date/Range</th>
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<tr>
<td>Planning &amp; Design</td>
<td>January 2012 to September 2012</td>
</tr>
<tr>
<td>Design Build Award</td>
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**Total Project Cost:**

- $500,000

**Funding Source:**

- FY12 Capital Appropriation

**Board of Regents Approval & Motions:**

- Formal Project Approval: December 22, 2011
- Schematic Design Approval: N/A

**Status Update:**

Bettisworth North and a team of consultants have met with the project stakeholders multiple times and are currently working on the first draft of space changes that will need to occur during future deferred renewal work. The goals of the consultant are to indentify and quantify the facilities condition, establish goals for space master planning as far as future use, function, and adjacencies, and identify how renewal and future new construction will address capacity needs and integrating teaching more into the research on West Ridge. UAF wants to create a better campus and community feel in this area of campus, increasing the ability and chances of collaboration and enhancing undergraduate research.
Utilities West Ridge Steam Capacity Expansion

Project Description
This project installs a 10-inch steam line and a 6-inch condensate line from the Atkinson Power Plant to the West Ridge in the vicinity of the Arctic Health Research Building to increase the steam capacity for West Ridge and the new Life Sciences Facility. A new utilidor will also be constructed to house the steam piping and other utilities from the utilidor near the Lola Tilly Building to the utilidor west of the Student Recreation Center.

Schedule:
Planning & Design: February - May 2011  Total Project Cost: $15,000,000
Advertising & Award: April - July 2011  Funding Source:
Construction: August 2011 - October 2012  UA Revenue Bond
Architect/Engineer: PDC Inc. Engineers  GO Bond (Life Sciences)
DB Contractor: Kiewit Building Group
Design Alaska

Board of Regents Approval & Motions:
Formal Project Approval November 9, 2011
Schematic Design Approval April 8, 2011

Status Update:
A Design-Build contract was awarded to Kiewit Building Group on June 30, 2011. Construction on the east section of the utilidor was started on August 29, 2011. Exterior construction is shut down between October 2011 and May 2012. Piping work within the new and existing utilidors will be done during the 2011-12 winter. Completion is expected in the fall of 2012.
Arctic Health CANHR Health Clinic

Project Description
This project will build about 3,200 gsf of new space and renovate another 2,800 gsf to support initiatives under the Center for Alaska Native Health Research. The facility will include a nutritional and physical assessment lab on the first floor and a shelled out space on the second floor which will be developed with future grants.

Schedule:
- Planning & Design: October 2009-April 2011
- Advertising & Award: June-July 2011
- Construction: August 2011-March 2012

Architect/Engineer: Design Alaska, Inc.
General Contractor: GBC, Inc.

Board of Regents Approval & Motions:
- Preliminary Project Approval: March 31, 2010
- Formal Project Approval: April 16, 2010 ($7,530,000 for both the Arctic Health and Kuskokwim CANHR Health Clinics-NIH CO6 Grant)
- Schematic Design Approval: November 5, 2010 ($3.657M Arctic Health Clinic)
- Project Change Approval: February 10, 2012 ($3.657M Arctic Health Clinic)

Status Update:
Interior build-out of the first floor is nearly complete. Interior work on the second floor will begin next. Most of the exterior windows have been installed.

Total Project Cost: $3,657,000
Funding Source: NIH CO6 Grant
Revised Funding Source: NIH CO6 Grant
FY08 SOA Deferred Renewal
UAF FY11, FY12 Research
Antenna Installation Adak, Radar Antenna Array

Project Description
Construct a low-power radar antenna with two distinct arrays at the radar facility on Adak Island.

Schedule:
Selection Process: November 2011
Advertising & Award: January 2012
Design & Construction: May 2012

Total Project Cost: $500,000

Architect/Engineer: TBD
General Contractor: TBD

Board of Regents Approval & Motions:
Preliminary Project Approval: October 17, 2011
Formal Project Approval: February 20, 2012
Schematic Design Approval: February 20, 2012

Status Update:
Qualifications from Design-Build teams have been received. Two teams will be selected for the proposal phase.
Kuskokwim Campus CANHR Health Clinic

Project Description
This project will renovate and construct a new CANHR Health research facility within the existing Voc-Ed building, on the Kuskokwim Campus. The new space will be designed to accommodate Telehealth medicine (secure video conferencing) and distance education video conferencing. Additive Alternate #1, Kuskokwim Campus Gymnasium and Second Floor Renovation (KCGR), will be built above the clinic. Additive Alternate #2 is for selected mechanical work.

Schedule:
- Planning & Design: June 2010 to March 2011
- Advertising & Award: July-August 2011
- Construction: October 2011 - August 2012

Architect/Engineer:
Livingston Slone, Inc.

General Contractor:
Denali General Contractors, Inc.

Board of Regents Approval & Motions:
- Preliminary Project Approval: March 31, 2010
- Formal Project Approval: April 16, 2010 ($7,530,000 for both the Arctic Health and Kuskokwim CANHR Health Clinics-NIH CO6 Grant)
- Schematic Design Approval: November 5, 2010 ($3.8M Kuskokwim Campus Clinic)

Status Update:
Denali General Contractors started construction in October. The work is approximately 45% complete. The steel stud frame work is installed and the mechanical and electrical items are nearly complete in the walls. Installation of interior gypsum wall board is underway. The contractor is on schedule, and Substantial completion is currently scheduled for August 1, 2012.

Total Project Cost:
$3,800,000

Funding Source:
NIH CO6 Grant/USDE Title III Grant
Kuskokwim Campus Gymnasium and Second Floor Renovation

Project Description
This project will build a gymnasium in a portion of the open floor area of the Voc-Ed building, above the Kuskokwim Campus CANHR Health Clinic (KCHC). Testing and distance education modules and new faculty offices will also be built. Construction on the KCHC and KCGR projects will be done simultaneously.

Schedule:
Planning & Design: February-June 2011
Advertising & Award: July-August 2011
Construction: October 2011-August 2012

Total Project Cost: $1,928,500

Funding Source: USDE Title III Grant

Architect/Engineer: Livingston Slone, Inc.
General Contractor: Denali General Contractors, Inc

Board of Regents Approval & Motions:
Preliminary Project Approval: December 13, 2010
Formal Project Approval: February 14, 2011
Schematic Design Approval: June 8, 2011

Status Update:
The contract was awarded to Denali General Contractors, Inc. on August 8, 2011. The contractor started work in October. The project is progressing on schedule and Substantial completion is currently scheduled for August 1, 2012.
Bristol Bay Science Lab and Clinical Space

**Project Description**
This project will increase science laboratory and research space by 780 square feet, increase student study and testing areas by three rooms, and increase distance education training space and classroom space by 640 square feet. This project and grant will also provide pre-planning documents for additional clinical and laboratory space for high-demand areas (i.e., Allied Health/Nursing program).

**Schedule:**
- Planning & Design: February-June 2011
- Advertising & Award: July-August 2011
- Construction: August 2011-September 2012

**Architect/Engineer:** McCool Carlson Green

**General Contractor:** Coho Contractors, LLC

**Board of Regents Approval & Motions:**
- Preliminary Project Approval: December 13, 2010
- Formal Project Approval: February 14, 2011
- Schematic Design Approval: July 21, 2011

**Total Project Cost:** $1,985,000

**Funding Source:** USDE Title III Grant

**Status Update:**
Bids were received and the construction contract was awarded to Coho Contractors, LLC. Construction began the end of August 2011. Foundation concrete work is complete. Construction of the exterior walls and roof is in progress. Construction is within budget and on time.
## Chukchi Flight Simulator Room and Classroom

**Project Description**
The renovation and expansion plan will create a new flight simulator room and modify the adjacent classroom to accommodate the flight simulator computer lab. Additionally, a battery storage room will be included in this project. This renovation will reduce the size of the back classroom and create a hallway that leads to the flight simulator area.

### Schedule:
<table>
<thead>
<tr>
<th>Activity</th>
<th>Date/Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning &amp; Design</td>
<td>February-June 2011</td>
</tr>
<tr>
<td>Advertising &amp; Award</td>
<td>July 2011</td>
</tr>
<tr>
<td>Construction</td>
<td>August 2011-September 2012</td>
</tr>
</tbody>
</table>

### Total Project Cost:
- $1,804,960

### Funding Source:
- USDE Title III Grant

### Architect/Engineer:
- NVision Architecture

### General Contractor:
- UIC Contractors, LLC

### Board of Regents Approval & Motions:
- Preliminary Project Approval: December 13, 2010
- Formal Project Approval: February 14, 2011
- Schematic Design Approval: July 21, 2011

### Status Update:
Bids were received and the construction contract was awarded to UIC Contractors, LLC. Mobilization, site work and materials delivery began the end of August 2011. Construction will begin in Spring 2012.
Research Vessel Sikuliaq

**Project Description**
The R/V Sikuliaq (formerly the Alaska Region Research Vessel) is a 261-foot oceanographic research vessel capable of performing complex science in the ice-choked waters of Alaska and the polar regions. When complete the ship will be one of the most advanced university research vessels in the world and will be able to break ice up to 2.5 feet thick.

**Schedule:**
- **Planning & Design:** August 2007-October 2008
- **Advertising & Award:** February 2009-December 2009
- **Construction:** January 2010-July 2013

**Total Project Cost:**
$199,500,000

**Funding Source:**
NSF Cooperative Agreement

**Architect/Engineer:** Glosten Associates

**General Contractor:** Marinette Marine Corporation

**Approvals & Motions:**
- **Preliminary Project Approval:** Board of Regents: September 2008
- **Formal Project Approval:** National Science Foundation: December 2008
- **Schematic Design Approval:** National Science Foundation: December 2008

**Status Update:**
The Sikuliaq is currently under construction at Marinette Marine Corporation in Wisconsin. The vessel will be launched in summer 2012 and then undergo a series of builder’s trials from November 2012 through April 2013.
Fine Arts Salisbury Theater Renovation

Project Description
Phase I: Analysis of existing conditions and program/user group needs, followed by options and recommendations for renovation.
Phase II: Design and construction documents for the renovation of Salisbury Theater.

Schedule:
Planning & Design: June 2012
Advertising & Award: TBD
Construction: TBD
Architect/Engineer: Bezek Durst Seiser
General Contractor: TBD

Board of Regents Approval & Motions:
Preliminary Administrative Approval January 10, 2012
Formal Project Approval TBD
Schematic Design Approval TBD

Total Project Cost:
$750,000

Funding Source:
FY12 General Fund
UAF Q Series Bond

Status Update:
A consultant has been selected to provide planning and design services for this project.
**Anderson Building Remodel & Pedestrian Access**

**Project Description:**
This project will totally remodel the Juneau campus principal science instruction space to accommodate the needs of the UAS Science program. The project is divided into two separate construction contracts. The first is the building remodel including classrooms, teaching labs, faculty offices, and research spaces. The second contract will be for the construction of a pedestrian crossing of Glacier Highway. These two elements are being designed, bid and constructed as separate contracts due to the different nature and schedules for the work.

In the remodel work major building components will be upgraded or replaced including heating and ventilating equipment and controls, the roof membrane and insulation, new toilet rooms, interior finishes, elevator replacement, classroom and laboratory casework and the emergency generator. Interior space will be reconfigured to improve effectiveness of the teaching and research areas. The number of faculty offices will be reduced. The work has required the building to be vacated during renovation. Interim space for offices and labs is being accommodated elsewhere on campus, at the UAF Fisheries facility at Lena Point and at the old NOAA lab adjacent to the Anderson Building.

The pedestrian access work will include a pedestrian bridge connecting to the third floor of the Anderson Building and a paved and lighted pathway to the main campus.

**Total Project Cost:** $10,700,000

**Project Schedule:**

<table>
<thead>
<tr>
<th></th>
<th>Building Remodel</th>
<th>Pedestrian Access</th>
</tr>
</thead>
</table>

**Project Approvals:**
- Formal Project Approval: September 2008
- Schematic Approval: February 2009

**Status Update:**
- **Building Remodel:** Construction contract is completed.
- **Pedestrian Overpass:** UAS is awaiting detailed design data on the Alaska DOT&PF’s proposed re-alignment of Glacier Highway. DOT&PF and UAS are re-examining the impacts of the future road and right-of-way re-alignment. Construction is intended for 2013 assuming DOT&PF makes a determination on road alignment soon. A public meeting for the preferred alternative is scheduled for April.
Auke Lake Way Corridor Improvements & Reconstruction

Project Description:
- Reconstruction of Auke Lake Way from Hendrickson to the Egan bus circle to replace pavement, signage and lighting, and add traffic control devices and provide for service and emergency access;
- Reconstruction of the Novatney parking area to a service turn-around;
- Construction of a paved and lighted pedestrian connection from the Hendrickson Building to the Auke Creek bridge path, eliminating pedestrian use of the road;
- Reconstruction, paving and drainage of the Chapel-by-the-Lake parking lot as required by the parking agreement;
- Construction of a roof structure atop the path between the main parking lots and the Whitehead entrance;
- Revised entry canopies at the intersections of the Novatney and Whitehead exterior walkways.
- Traffic and signage improvements at the Loop Road intersection.

Total Project Cost: $4,300,000

Project Schedule:

<table>
<thead>
<tr>
<th></th>
<th>Phase 1</th>
<th>Phase 2</th>
</tr>
</thead>
</table>

Project Approvals
- Formal Project Approval: December 2010
- Schematic Approval (Phase 1): April 2011
- Schematic Approval (Phase 2): In review

Status Update:
Phase 1 has been bid in two increments: North Entry improvements are completed and the South entry improvements are underway with completion now due in April 2012. Phase 2 is in design.
Sitka Career & Technical Education Center

Project Description:

A Title III grant is providing funding over two federal fiscal years to remodel portions of the existing facility. The project will:

- Expand the existing student success center,
- Create a new instructional design center,
- Reconstruct the construction technology laboratory,
- Construct new records storage, and
- Construct a new lecture hall.

Total Project Cost: $3,755,000

Project Schedule

Construction: 1/2012 - 10/2012

Project Approvals

Formal Project Approval: December 2010
Schematic Approval: July 2011
Total Project Cost Increase: November 2011

Status Update:

A construction contract has been awarded to MCC of Sitka. Bids were significantly under budget.
Ketchikan – Life Boat Davit Construction

Project Description:
This project will construct a platform for a life boat davit at the lower campus. The project is funded with a Title III grant.

Total Project Cost: $504,000

Project Schedule
Construction: 4/2012 – 8/2012

Project Approvals
Formal Project Approval: 2/2012
Schematic Design Approval: 2/2012

Status Update:
A contract has been awarded to Western Dock & Bridge.
Chair of FLMC and CFO Approvals

1. UAF Life Sciences – FLM Chair – Project Change Request
2. UAF Patty Ice Arena Roof – CFO – SDA
3. UAF Atkins Power Plant Renewal, Phase 2 – CFO – SDA
4. UAF Arctic Health CANHR Health Clinic – CFO - Project Change Request
Division of Design & Construction
590 University Avenue
P.O. Box 758160
Fairbanks, AK 99775-8160
Phone (907) 474-5299 Fax (907) 474-7554

<table>
<thead>
<tr>
<th>Total Project Cost</th>
<th>$88,275,000</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$88,578,000</td>
</tr>
<tr>
<td>Approval Required</td>
<td>Chair, F&amp;LMC</td>
</tr>
</tbody>
</table>

MEMORANDUM

TO:        Kit Duke
Chief Facilities Officer

THROUGH:  Scott Bell
Associate Vice Chancellor, Facilities Services

THROUGH: Jonathan Shambare
Director, Design and Construction

FROM:      Cameron Wohlford
Sr. Project Manager

DATE:       October 24, 2011

SUBJECT:   Project Change Approval
            Project Name: Life Sciences Research and Teaching Facility
            Project No.: 2010100 LFRF

In accordance with Regents' Policy 05.12, approval by the Chair of F&LMC is required for this project. Your prompt review of this project would be greatly appreciated.

Requisite materials are enclosed.

cc:       Pat Pitney
Vice Chancellor
 Administrative Services
LFRF (101)
PROJECT CHANGE APPROVAL

Name of Project: Life Sciences Research and Teaching Facility
Location of Project: UAF, Fairbanks Campus
Project Number: 2010100 LFRF
Date of Request: October 24, 2011

| Total Project Cost: | $88,578,000 (TPC increase $303,000) |
| Approval Required: | Change Approval by Chair, F&LMC |
| Prior Approvals/Actions: | Preliminary Administrative Approval: 08/15/06 |
|                       | Formal Project Approval: 01/25/10 |
|                       | Schematic Design Approval: 11/03/10 |

POLICY CITATION

In accordance with Regents’ Policy 05.12.047, approval levels required for changes in the source of funds, increases in budget, or material in project scope identified subsequent to schematic design approval shall be determined by the chief finance officer based on the extent of the change and other relevant circumstances. This determination requires judgment, but will generally be based on the nature of the funding source, the amount, and the budgetary or equivalent scope impact relative to the approved budget at the schematic design approval stage, and assigned as follows:

- Changes with an estimated impact in excess of $1.0 million will require approval by the board based on recommendations from the regents’ committee responsible for facilities;
- Changes with an estimated impact in excess of $0.4 million but not more than $1.0 million will require approval by the regents’ committee responsible for facilities;
- Changes with an estimated impact in excess of $0.2 million but not more than $0.4 million will require approval by the chair of the regents’ committee responsible for facilities;
- Changes with an estimated impact in of $0.2 million or less will require approval by the chief finance officer.
RATIONALE AND RECOMMENDATION

The Life Sciences Facility will provide multiuse teaching and research labs, classrooms, and office space for life science research and academic purposes. The research portion will provide nearly 60,000 gsf lab space for biology research. The teaching portion will provide 40,000 gsf of academic classroom and lab space for biology and wildlife degree programs. The Life Sciences project also includes expansion of the West Ridge utilidor steam line, and a greenhouse replacement.

A major portion of the project involves installing utilities to the site that are sized appropriately and placed accordingly to allow for future expansion and growth of the campus on West Ridge.

Variance Report
As part of the new construction project, a new sewer lift station was planned to be installed to the north of the facility and was to be sized to handle multiple facilities in the area of Life Sciences. During subsequent design phases, the lift station was eliminated and replaced with a more favorable gravity sewer line. The gravity line is a much more reliable method of moving sanitary waste from the facility to the campus main piping.

The design of the gravity sewer main aligns down Sheenjek Drive and allows for connection by not only Life Sciences, but any existing or new facilities along that road. Two existing facilities along Sheenjek Drive (the State Virology Lab and the Biological Research Diagnostics (BiRD) Building) currently have lift stations that are costly to maintain and have a short life. The University has a strong desire to eliminate lift stations on campus due to their high operating and maintenance cost. With the new sewer line running along Sheenjek, both buildings can easily be connected to the gravity main and thus eliminate the costly lift stations.

The State of Alaska Department of Health & Social Services (DHSS) has agreed to the Life Sciences sewer project design and will connect their Virology lab building to the gravity main. This portion of the variance is easy to complete as the original contractors installed all of the necessary plumbing to a point 5 feet outside of the building for such future connectivity. The state will provide the necessary funding for a portion of sewer piping from the building to the gravity main installed by Life Sciences.

UAF Facilities Services has requested the BiRD building be placed on the new gravity sewer main as well to eliminate the costly lift station. This portion of the variance is difficult to complete and thus more costly than the Virology building. Work on the outside of the building includes a directional boring underneath a vast amount of existing utilities that feed the facility. Inside, various plumbing risers will need to be intercepted and rerouted to allow the building to drain by way of gravity. The university has allocated General Funds to make the connection from the building to the gravity main.
Total Project Cost and Funding Source(s)

Original Funding Sources:

Funding for the project will come from the State of Alaska FY11 General Obligation Bonds and from UA Revenue Bonds.

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of Alaska FY11 General Obligation Bond</td>
<td>$88,000,000</td>
</tr>
<tr>
<td>UA General Revenue Bond</td>
<td>$20,600,000</td>
</tr>
<tr>
<td>West Ridge Steam Capacity Expansion</td>
<td>($15,000,000)</td>
</tr>
<tr>
<td>Arctic Health Greenhouse</td>
<td>($ 5,325,000)</td>
</tr>
<tr>
<td><strong>Original TPC</strong></td>
<td><strong>$88,275,000</strong></td>
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</table>

Additional Funding:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>State of Alaska DHSS</td>
<td>$53,000</td>
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<tr>
<td>UAF General Funds</td>
<td>$250,000</td>
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<tr>
<td><strong>Additional Funding</strong></td>
<td><strong>$303,000</strong></td>
</tr>
<tr>
<td><strong>Revised TPC</strong></td>
<td><strong>$88,578,000</strong></td>
</tr>
</tbody>
</table>

Schedule for Completion

The schedule is not affected by the variance and remains the same as the schedule presented in the Schematic Design Approval.

<table>
<thead>
<tr>
<th>Stage</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DESIGN</strong></td>
<td></td>
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<tr>
<td>Conceptual Design</td>
<td>Complete</td>
</tr>
<tr>
<td>Formal Project Approval</td>
<td>February 2010</td>
</tr>
<tr>
<td>Schematic Design</td>
<td>February 2010 to September 2010</td>
</tr>
<tr>
<td>Schematic Design Approval</td>
<td>November 2010</td>
</tr>
<tr>
<td>Design Development</td>
<td>November 2010 to April 2011</td>
</tr>
<tr>
<td>Construction Documents</td>
<td>April 2011 to December 2011</td>
</tr>
<tr>
<td><strong>CONTRACTOR SELECTION</strong></td>
<td></td>
</tr>
<tr>
<td>Advertise and Bid</td>
<td>November 2010</td>
</tr>
<tr>
<td>Selection Construction Contract</td>
<td>December 2010</td>
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<tr>
<td><strong>CONSTRUCTION</strong></td>
<td></td>
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<tr>
<td>Start of Construction</td>
<td>April 2011</td>
</tr>
<tr>
<td>Date of Substantial Completion</td>
<td>December 2013</td>
</tr>
<tr>
<td>Date of Beneficial Occupancy</td>
<td>April 2014</td>
</tr>
</tbody>
</table>
Affirmation

Prior approvals:
- Preliminary Administrative Approval
- Project Agreement
- Formal Project Approval
- Schematic Design Approval

August 15, 2006
December 6, 2006
February 18, 2010
November 9, 2011

Action Requested

Approval by the Chair of the F&LMC for a Total Project Cost Increase from $88,275,000 to $88,578,000 for the Life Sciences Classroom and Laboratory Facility.

Supporting Documents
- One Page Budget
- Civil Site Plan (showing connections to buildings)

Approval

Recommends Project Change Approval:

Kit Duke, Chief Facilities Officer 2/10/12

Project Change Approval is hereby granted:

Carl Marrs, Chair
Facilities and Land Management Committee 2/21/12
PROJECT CHANGE APPROVAL

Name of Project: Life Sciences Research and Teaching Facility

Location of Project: UAF, Fairbanks Campus

Project Number: 2010100 LFRF

Date of Request: October 24, 2011

| Total Project Cost: | $ 88,578,000 |
| Approval Required: | Change Approval by Chair, FLMC |
| Prior Approvals/Actions: | Preliminary Administrative Approval: 08/15/06 |
| | Formal Project Approval: 01/25/10 |
| | Schematic Design Approval: 11/03/10 |

Supporting Documents
- One Page Budget
- Civil Site Plan (showing connections to buildings)
# UNIVERSITY OF ALASKA

**Project Name:** Life Sciences Classroom and Lab Facility  
**MAU:** UAF  
**Building:** Life Sciences Facility  
**Campus:** Fairbanks  
**Project #:** 2010100 LFRF  
**Date:** 10/24/2011  
**Prepared by:** Wohlford  
**Acct #:** 512035-50216

## Total GSF Affected by Project:
| 97607 | 101100 |

### PROJECT BUDGET

<table>
<thead>
<tr>
<th>SDA Budget</th>
<th>TPC Increase</th>
</tr>
</thead>
</table>

#### A. Professional Services

- **Advance Planning, Program Development**  
  - $0  
  - $0  
- **Consultant: Design Services**  
  - $5,320,806  
  - $5,787,572  
- **Consultant: Construction Phase Services**  
  - $985,246  
  - $1,276,686  
- **Consult: Extra Services (List:CM@R Precon, Peer Review)**  
  - $0  
  - $569,405  
- **Site Survey**  
  - $25,000  
  - $0  
- **Soils Testing & Engineering**  
  - $50,000  
  - $0  
- **Special Inspections**  
  - $25,000  
  - $125,000  
- **Plan Review Fees / Permits**  
  - $275,000  
  - $100,000  
- **Other**

**Professional Services Subtotal**  
$6,681,052  
$7,858,663

#### B. Construction

- **General Construction Contract(s)**  
  - $67,100,000  
  - $67,700,000  
- **Other Contractors (List: Parking, Building Relocation)**  
  - $1,350,000  
  - $1,378,159  
- **Construction Contingency**  
  - $3,867,425  
  - $3,051,945  

**Construction Subtotal**  
$72,317,425  
$72,130,104

**Construction Cost per GSF**  
$741  
$713

#### C. Building Completion Activity

- **Equipment**  
  - $500,000  
  - $500,000  
- **Fixtures**  
  - $100,000  
  - $150,000  
- **Furnishings**  
  - $725,000  
  - $650,000  
- **Signage not in construction contract**  
  - $50,000  
  - $50,000  
- **Move-Out Costs**  
  - $0  
  - $0  
- **Move-In Costs**  
  - $300,000  
  - $300,000  
- **Art**  
  - $200,000  
  - $200,000  
- **Other (Interim Space Needs or Temp Reloc. Costs)**  
  - $0  
  - $0  
- **OIT Support**  
  - $450,000  
  - $450,000  
- **Maintenance Operation Support**  
  - $250,000  
  - $250,000  

**Building Completion Activity Subtotal**  
$2,575,000  
$2,550,000

#### D. Owner Activities & Administrative Costs

- **Project Ping, Staff Support**  
  - $3,670,807  
  - $3,714,245  
- **Project Management**  
  - $2,810,717  
  - $2,155,738  
- **Misc. Expenses: Advertising, Printing, Supplies, Etc.**  
  - $220,000  
  - $169,250  

**Owner Activities & Administrative Costs Subtotal**  
$6,701,523  
$6,039,233

#### E. Total Project Cost

<table>
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<tr>
<th>Total Project Cost per GSF</th>
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</thead>
<tbody>
<tr>
<td>$904</td>
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#### F. Total Appropriation(s)

<table>
<thead>
<tr>
<th>Total Appropriation(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$88,275,000</td>
</tr>
</tbody>
</table>
MEMORANDUM

TO: Kit Duke
   Associate Vice President of Facilities

THROUGH: Scott Bell
   Associate Vice Chancellor, Facilities Services

THROUGH: Jonathan Shambare
   Director, Design and Construction

FROM: Reed Morisky
   Project Manager

DATE: January 31, 2012

SUBJECT: Schematic Design Approval
   Project Name: Patty Ice Arena Roof Replacement R&R
   Project No.: 2012037 PIRFR

In accordance with Regents’ Policy 05.12, approval by the Associate Vice President of Facilities is required for this project. Your prompt review of this project would be greatly appreciated.

Requisite materials are enclosed.

cc: Pat Pitney
   Vice Chancellor
   Administrative Services

PIRFR (101)
SCHEMATIC DESIGN APPROVAL

Name of Project:  Patty Ice Arena Roof Replacement

Location of Project:  UAF, Fairbanks Campus

Project Number:  2012037 PIRFR

Date of Request:  January 31, 2012

<table>
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<th>Total Project Cost:</th>
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<tbody>
<tr>
<td>Approval Required:</td>
<td>Associate Vice President of Facilities (AVPF)</td>
</tr>
<tr>
<td>Prior Approvals/Actions:</td>
<td>Formal Project Approval: August 29, 2011</td>
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</table>

POLICY CITATION

In accordance with Regents’ Policy 05.12.043, Schematic Design Approval (SDA) represents approval of the location of the facility, its relationship to other facilities, the functional relationship of interior areas, the basic design including construction materials, mechanical, electrical, technology infrastructure, and telecommunications systems, and any other changes to the project since Formal Project Approval.

Unless otherwise designated by the approval authority or a Material Change in the project is subsequently identified, SDA also represents approval of the proposed cost of the next phase(s) of the project and authorization to complete the Construction Documents process, to bid and award a contract within the approved budget, and to proceed to completion of project construction.

For the Schematic Design Approval, if there has been no Material Change in the project since the Formal Project Approval, approval levels shall be as follows:

- TPC > $4 million will require approval by the Facilities and Land Management Committee (F&LMC).
- TPC > $2 million but ≤ $4 million will require approval by the Chairperson of the F&LMC.
- TPC ≤ $2 million will require approval by the university’s Associate Vice President of Facilities (AVPF).
- TPC $150,001 to $250,000 requires approval by Vice Chancellor of Administrative Services or designee.
RATIONALE AND RECOMMENDATION

Background
The Patty Ice Arena was constructed in 1979 and is presently 32 years old. The roof system is original to the building. The existing roof system consists of a rag felt membrane, rag felt being organic (cotton) rags ground up and inserted as a binder in a felt roofing sheet. In the era it was installed (1979), using a rag felt membrane was acceptable. Most of those roofs have been replaced. The Patty Ice roof has received several patches to its membrane over the last couple of years. Currently, a well designed and constructed roof system is expected to last 20-25 years, with normal maintenance. This roof is the number one priority as it has caused recurring damage to the ice rink below. There is a concern that the structure could be compromised if replacement does not occur quickly.

Project Scope
Remove the existing roof system and replace with a new built up asphalt roof system.

Variance Report
None

Proposed Total Project Cost and Funding Source(s)
Funding Source: FY12 Deferred Renewal Appropriation
Proposed TPC: $1,500,000
Fund/Org: 571316-50216

Estimated Annual Maintenance and Operating Costs (O&M)
Maintenance and operations costs of the roof on the Patty Ice Arena are anticipated to drop to $300-$500 per year.

Consultant(s)
Bezek Durst Seiser was selected to provide design and estimating services for this project.

Other Cost Considerations
None

Backfill Plan
None

Schedule for Completion

<table>
<thead>
<tr>
<th>DESIGN</th>
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<tbody>
<tr>
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<td>January 2011</td>
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<td>January-February 2012</td>
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<td>February 2012</td>
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<tr>
<td>Construction Documents</td>
<td>January-February 2012</td>
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</table>

UAF Schematic Design Approval
Patty Ice Arena Roof Replacement
BID & AWARD
Advertise and Bid
Construction Contract Award

January - February, 2012
March 2012

CONSTRUCTION
Start of Construction
Date of Substantial Completion
Date of Beneficial Occupancy

May 2012
August 2012
September 2012

Procurement Method for Construction
Traditional Design-Bid-Build

Affirmation
This project complies with Board Policy

Action Requested
Approval by the Associate Vice President of Facilities to develop the project documents through Schematic Design, proceed to bid and award a contract within the approved budget, and to proceed to completion of project construction.

Supporting Documents
- One Page Budget
- Roof Plan

Approval

Schematic Design Approval is hereby granted

[Signature]

Kit Duke, Associate Vice President of Facilities

2.7.12

Date
SCHEMATIC DESIGN APPROVAL

Name of Project: Patty Ice Arena Roof Replacement

Location of Project: UAF, Fairbanks Campus

Project Number: 2012037 PIRFR

Date of Request: January 31, 2012

| Total Project Cost: | $1,500,000 |
| Approval Required: | Associate Vice President of Facilities (AVPF) |
| Prior Approvals/Actions: | Formal Project Approval: August 29, 2011 |

SUPPORTING DOCUMENTS

- One Page Budget
- Roof Plan
### UNIVERSITY OF ALASKA

**Project Name:** Patty Ice Arena Roof Replacement  
**MAU:** UAF  
**Building:** FS413 - Patty Ice Arena  
**Campus:** UAF - Main  
**Project #:** 2012037 PIRFR  
**Date:** January 26, 2012  
**Prepared By:** Reed Morisky  
**Account No.:** 103010-571316  
**Total GSF Affected by Project:** 33100

#### PROJECT BUDGET

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<thead>
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<td>Soils Testing &amp; Engineering</td>
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<td>Fixtures</td>
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<table>
<thead>
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<th>F. Total Appropriation(s)</th>
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<tbody>
<tr>
<td><strong>Total Appropriation(s)</strong></td>
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NOTES:
1. EXISTING ROOF DRAIN LOCATIONS HAVE NOT BEEN PRECISELY VERIFIED. CONTRACTOR IS TO FIELD VERIFY EXISTING DRAIN LOCATIONS AND SIZES.
2. CONTRACTOR TO LOCATE EXISTING ROOF DRAIN LOCATIONS PRIOR TO ORDERING CRICKET INSULATION. CONSTRUCT NEW CRICKETS SO THAT DRAINAGE AREAS ARE ROUGHLY EQUAL AT EACH ROOF DRAIN.
3. ROUTE ELECTRICAL POWER FROM ELECTRICAL PANEL THROUGH INSIDE OF MECHANICAL ROOM TO EACH OUTLET.
4. ROUTE ELECTRICAL CONDUIT WITH DRAINAGE SLOPE AND PROVIDE J-BOXES IF NEEDED TO DRAIN MOISTURE.

PHASE
DATE
DRAWING TITLE
BDS PROJECT NO.:
Bezek Durst Seiser, Inc.
3330 C Street, Suite 200
Anchorage, Alaska 99503
P.907.562.6076
F.907.562.6635
www.bdsak.com
UAF PROJECT NO.:
Victor V. Valenote
No.10438
January 25, 2012
MEMORANDUM

TO: Kit Duke
   Associate Vice President of Facilities

THROUGH: Scott Bell
   Associate Vice Chancellor, Facilities Services

THROUGH: Jonathan Shambare
   Director, Design and Construction

FROM: Mike Ruckhaus
   Sr. Project Manager

DATE: February 1, 2012

SUBJECT: Schematic Design Approval
   Project Name: Atkinson Power Plant Renewal Phase 2
   Project No.: 2012032 BARN2

In accordance with Regents' Policy 05.12, approval by the Associate Vice President of Facilities is required for this project. Your prompt review of this project would be greatly appreciated.

Requisite materials are enclosed.

cc: Pat Pitney
   Vice Chancellor
      Administrative Services

   BARN2 (101)
# SCHEMATIC DESIGN APPROVAL

<table>
<thead>
<tr>
<th>Name of Project:</th>
<th>Atkinson Power Plant Renewal Phase 2</th>
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</thead>
<tbody>
<tr>
<td>Location of Project:</td>
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</tr>
<tr>
<td>Project Number:</td>
<td>2012032 BARN2</td>
</tr>
<tr>
<td>Date of Request:</td>
<td>February 1, 2012</td>
</tr>
</tbody>
</table>

| Total Project Cost: | $1,927,000 (Phase 2) |
| Approval Required: | Associate Vice President of Facilities (AVPF) |
| Prior Approvals: | Preliminary Administrative Approval: November 2008 |
| | Formal Project Approval: June 3, 2011 ($40.4M TPC) |

## POLICY CITATION

In accordance with Regents’ Policy 05.12.043, Schematic Design Approval (SDA) represents approval of the location of the facility, its relationship to other facilities, the functional relationship of interior areas, the basic design including construction materials, mechanical, electrical, technology infrastructure, and telecommunications systems, and any other changes to the project since Formal Project Approval.

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For the Schematic Design Approval, if there has been no Material Change in the project since the Formal Project Approval, approval levels shall be as follows:

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- TPC > $2 million but ≤ $4 million will require approval by the Chairperson of the F&LMC.
- TPC ≤ $2 million will require approval by the university’s Associate Vice President of Facilities (AVPF).
RATIONALE AND RECOMMENDATION

Background
UAF’s Atkinson Heat and Power Plant and utilidors are the heart of campus infrastructure for providing heat, light, water, and other utilities to the students, staff, and faculty. As the campus expands, the demand on these aging utilities also increases. The power plant was originally constructed in 1964 and consisted of two stoker fired coal boilers and two 1.5 MW backpressure turbines. This equipment is still in service, and UAF depends on its reliable operation to supply heat and power to campus.

There have been additions and upgrades to the plant since 1964, but prior to this project, there has not been a major renewal of the plant since original construction. An oil fired boiler was installed in 1972 to provide additional steam capacity and reliability. The next major improvement to the plant was the installation of a 10MW steam extraction turbine in 1982 which was followed by the installation of another oil fired boiler. The last upgrade of the plant was the installation of a 9.6MW diesel engine generator in 1998.

The plant has provided the campus with reliable heat and power for many years, but an event in December, 1998 highlighted the need to renew aging equipment. The plant narrowly avoided a catastrophic failure when a boiler tube rupture filled the plant and switchgear room with water and steam. The resulting six hour power outage had a major impact on the campus, and it highlights the need to replace or rehabilitate the major equipment that is now over 45 years old.

In 2006, UAF hired a consultant to perform a comprehensive study of the condition of the existing utility systems, including the Atkinson Power Plant. The study also evaluated the need for utility expansion to keep pace with projected campus growth. The resulting Utility Development Plan contained the following recommendations:

“In order to continue to reliably serve all campus utility needs over the next twenty years UAF must:

- Invest substantially in utility system capital asset renewal and utility infrastructure improvements
- The best long term utility strategy is renewal and expansion of the Atkinson plant. This strategy is the best strategic, operational and financial fit for UAF.”

The funding to implement the total scope of work contained in the 2006 Utilities Development Plan will not be available in one appropriation, thus the work will be done in a phased approach. Formal Project Approval by the Board of Regents was granted for $40.4M in June 2011. The purpose of the aforementioned approval was to provide overall Formal Project Approval for all phases. Subsequent Schematic Design Approvals will be obtained for each phase as funding is received each fiscal year. The estimated duration of funding is estimated to span five fiscal years. The overall budget and progress for the total project will be periodically reported to the Board of Regents.

The attached Atkinson Power Plant Work Items provides an up to date summary of projects completed, in design and planned for the future. Phase 1 construction is nearly complete ($2.6M, FY11 funds).
Phase 1 work included correction of items that had failed or were near failure which highlighted the continued need to renew elements of the aging Atkinson Heat and Power Plant.

**Project Scope**

Phase 2 work consists of four primary items; each item will be described separately.

*De-aerator Replacement:* The de-aerator is an essential piece of equipment to operate the steam plant. It removes air from the steam to prevent corrosion in the boilers and turbine. The existing de-aerator represents a single point of failure for the entire Atkinson plant. It has been in continuous service since 1964. It is currently experiencing leaks at connection points that have been partially repaired while in service, but a total plant shutdown is needed to complete the repairs. It is proposed to provide a redundant de-aerator that can be put into service with a short plant shut down in lieu of replacing the existing equipment. The existing de-aerator can then be repaired and used as back-up. The installation of the new de-aerator will require removal of the side of the building for access.

*Feed-water Heater Replacement:* The existing feed-water heater has been in service since 1964. It is also a single point of failure for the power plant as the plant will not operate without it. The existing heater has required several emergency repairs in the last two years and it is believed it is near failure. It is proposed to replace the existing heater with new equipment at a time of low steam load. This plan will not require a complete plant shutdown.

*Eliminate Single Points of Failure in Critical Piping:* Plant operations have historically been difficult when boilers and turbines cannot be adequately isolated or bypassed during non-routine situations. This inability to have operation flexibility has been an item of concern for many years. This deficiency also has the potential to significantly lengthen an outage due to a pipe leak or boiler failure. A lengthy delay in service during winter could be catastrophic for the UAF campus. The proposed scope of work includes installation of 12 new valves and some bypass piping. These valves will allow boilers to be isolated and sections of the high pressure piping can be bypassed during a boiler failure.

*Replace Variable Frequency Drives:* Variable Frequency Drives (VFD’s) were installed in the plant starting in approximately 1985 as they are more energy efficient and provide better control than standard electric motors and motor starters. These early vintage VFD’s are no longer supported by the manufacturers, and spare parts are almost impossible to find. These VFD’s drive many of the critical processes in the Atkinson Heat and Power Plant including boiler fans and pumps. The allocation of FY12 funds does not allow the replacement of all VFD’s in the plant, but key VFD’s that power fans and pumps for Boilers 3 and 4, as well as condenser fans for Turbine No. 3 will be replaced in this phase.

**Variance Report**

The original scope and cost estimates for the Atkinson renewal items were developed in 2006 with only basic concept engineering completed. There are many variables over time that will cause costs to go up and down including inflation and unknowns in the scope, and changed conditions in the plant. For the items that are proposed in Phase 2, The VFD replacement is approximately $900,000 over the originally
estimated cost for total replacement. This is mainly due to increases in electrical equipment costs and installation problems that were not originally identified.

The de-aerator replacement and critical piping changes are estimated to be approximately $800,000 less than originally estimated. This is primarily due to a different piping approach than was anticipated in the concept stage. The two changes result in a net increase of $100,000 from the amounts proposed in the Formal Project Approval and places a portion of the VFD replacement in a future phase.

**Proposed Total Project Cost and Funding Source(s)**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
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<tbody>
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<tr>
<td>Bonds</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,927,500</strong></td>
</tr>
</tbody>
</table>

**Estimated Annual Maintenance and Operating Costs (O&M)**

It is anticipated that annual O&M will decrease.

**Consultant(s)**

Design Alaska, Inc. and Evergreen Engineering

**Other Cost Considerations**

None

**Backfill Plan**

N/A

**Schedule for Completion**

**DESIGN**

- Conceptual Design: October, 2006
- Formal Project Approval: June 2011
- Schematic Design: December 2011
- Schematic Design Approval: February 2012
- Equipment Purchase: April 2012
- Design Development: March, 2012
- Construction Documents: May 2012

**BID & AWARD**

- Advertise and Bid: May 2012
- Construction Contract Award: June 2012

**CONSTRUCTION**

- Start of Construction: July 2012
- Date of Substantial Completion: July 2013
- Date of Beneficial Occupancy: July 2013
Procurement Method for Construction
Major equipment will be purchased using standard bid procedures. The design will be completed using the detailed vendor drawings. The construction contract will use traditional Design-Bid-Build contracts.

Affirmation
This project complies with Board Policy.

Action Requested
Approval by the Associate Vice President of Facilities to complete the project construction documents, and to bid and award the project in accordance with the total project budget

Supporting Documents
- One Page Budget
- Atkinson Power Plant Work Items
- Schematic Design Drawings

Approval
Schematic Design Approval is hereby granted

Kit Duke, Associate Vice President of Facilities
Date 2/10/12
SCHEMATIC DESIGN APPROVAL

Name of Project: Atkinson Power Plant Renewal Phase 2

Location of Project: UAF, Fairbanks Campus

Project Number: 2012032 BARN2

Date of Request: February 1, 2012

Total Project Cost: $1,927,000

Approval Required: Associate Vice President of Facilities (AVPF)

Prior Approvals/Actions: Preliminary Administrative Approval: November 2008
                        Formal Project Approval: June 3, 2011 ($40.4M)

SUPPORTING DOCUMENTS

- One Page Budget
- Atkinson Power Plant Work Items
- Schematic Design Drawings
### UNIVERSITY OF ALASKA

**Project Name:** Ben Atkinson Heating Plant Renewal Phase 2  
**MAU:** UAF  
**Building:** FS802  
**Date:** January 31, 2012  
**Campus:** Fairbanks  
**Prepared By:** Mike Ruckhaus  
**Account No.:** 514498/571311-50216  
**Project #:** 2012032  
**Total GSF Affected by Project:** N/A

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<th>PROJECT BUDGET</th>
<th>FPA Budget</th>
<th>SDA Budget</th>
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<td>Advance Planning, Program Development</td>
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<td>Soils Testing &amp; Engineering</td>
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<td>Special Inspections</td>
<td>$15,000</td>
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<td>Plan Review Fees / Permits</td>
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Atkinson Heat and Power Plant Renewal Scope  
January 2012

The following table shows the items in their approximate order of priority to the operational mission and their status:

### Atkinson Renewal Items for FY11 allocation of $2.6M:

<table>
<thead>
<tr>
<th>Item</th>
<th>Item needed if new plant is constructed</th>
<th>Cost</th>
<th>Description</th>
</tr>
</thead>
</table>
| Partial replace boiler tubes for Boilers 1&2  
*Project:* BAST – Complete | No | $990,000 | Replace superheater tubes (approximately 25% of the total tubes) which inspections have shown to be in the worst condition. Also perform ultrasonic testing on the remainder of the tubes and other parts to ascertain their condition. |
| Replace Boiler No. 4 air pre-heater  
*Project:* BAPH4 complete | Yes | $245,000 | A recent inspection has revealed that this heater is near failure. If it fails, boiler No. 4 will not be able to provide steam which significantly reduces the steam plant redundancy. |
| Additional domestic water aerator  
*Phase 1 (BARN1) – 80% complete* | Yes | $1,495,000 | This item provides installation of a second parallel unit to enable extended shutdown of the existing tank and its internal components for inspection and repair. It requires a small addition to the building. |
| **TOTAL** | | **$2,600,000** | |


### Atkinson Renewal Items for FY12 allocation of $1,927,500 ($927,500 GF + $1,000,000 Bond):

<table>
<thead>
<tr>
<th>Item</th>
<th>Item needed if new plant is constructed</th>
<th>Cost</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add second deaerator tank</td>
<td>Yes</td>
<td>$860,000</td>
<td>Existing unit has been in service in excess of 40 years. Install new unit in parallel with existing. Partial emergency repairs were completed in 2011 but replacement is needed.</td>
</tr>
<tr>
<td>Replace feedwater heater</td>
<td>Yes</td>
<td>$180,000</td>
<td>Existing feedwater heater is approaching the end of its useful life and is a potential single point of failure.</td>
</tr>
<tr>
<td>Eliminate single points of failure in critical piping (partial scope)</td>
<td>Yes</td>
<td>$520,000</td>
<td>Eliminate single points of failure in critical piping: A large portion of the piping system is on the order of 40 years old.</td>
</tr>
<tr>
<td>Replace existing variable frequency drives (partial scope)</td>
<td>Yes</td>
<td>$367,500</td>
<td>Replace 25 year old variable frequency drives as parts are not available to repair</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$1,927,500</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Atkinson Plant Renewal Items (FY13-17), in order of priority:

<table>
<thead>
<tr>
<th>Item (Phases to be Determined)</th>
<th>Item needed if new plant is constructed</th>
<th>Cost</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Replace existing variable frequency drives (partial scope)</td>
<td>Yes</td>
<td>$1,362,500</td>
<td>Replace 25 year old variable frequency drives as parts are not available to repair</td>
</tr>
<tr>
<td>Continuous emissions monitoring for Boiler No. 4</td>
<td>Yes</td>
<td>$425,000</td>
<td>Continuous Emissions Monitoring for Boiler No. 4: Existing air permit includes 10% capacity constraint for Boiler #4 that would be lifted with installation of continuous monitoring.</td>
</tr>
<tr>
<td>Eliminate single points of failure in critical piping (partial scope)</td>
<td>Yes</td>
<td>$648,000</td>
<td>Eliminate single points of failure in critical piping: A large portion of the piping system is on the order of 40 years old.</td>
</tr>
<tr>
<td>Eliminate single points of failure in condensate system</td>
<td>Yes</td>
<td>$337,000</td>
<td>This measure would provide the ability to handle condensate from a second holding tank location, allowing the existing 1964 vintage steel tank to be taken down for inspection and repair.</td>
</tr>
<tr>
<td>Increase RO capacity</td>
<td>Yes</td>
<td>$350,000</td>
<td>Reverse Osmosis is used in water treatment for make-up water in the steam generation process.</td>
</tr>
<tr>
<td>Project Description</td>
<td>Expected</td>
<td>Cost</td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------------------------</td>
<td>----------</td>
<td>------------</td>
<td></td>
</tr>
<tr>
<td>Replace existing demineralizer</td>
<td>Yes</td>
<td>$425,000</td>
<td></td>
</tr>
<tr>
<td>Demineralized water is used as make up in the steam generation process. Existing unit is approaching useful design life. The new demineralizer could supply the new power plant.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replace obsolete control system</td>
<td>Yes</td>
<td>$2,500,000</td>
<td></td>
</tr>
<tr>
<td>This is an aging plant control system (1980's vintage). This system runs the bulk of the steam generation facility. Controllers are becoming difficult to obtain due to product obsolescence.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expansion of ash silo</td>
<td>No</td>
<td>$4,000,000</td>
<td></td>
</tr>
<tr>
<td>The new coal boiler project would eliminate the need for this project.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rail spur maintenance</td>
<td>Yes</td>
<td>$250,000</td>
<td></td>
</tr>
<tr>
<td>Because the University's rail spur is used as the primary conduit for coal, it has been in near continuous service for over 40 years and is in need of maintenance.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reconstruct feedwater pumping station</td>
<td>No</td>
<td>$750,000</td>
<td></td>
</tr>
<tr>
<td>This measure would remove the abandoned 1960's vintage feedwater pumping station and replace it with new technology multistage pumps.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional water storage tank for redundancy</td>
<td>Yes</td>
<td>$2,500,000</td>
<td></td>
</tr>
<tr>
<td>Additional water storage tank for redundancy: This is a reliability and redundancy measure that would allow solution and drainage of the existing tank for periodic cleaning, inspection and repair.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilidor ventilation</td>
<td>Yes</td>
<td>$425,000</td>
<td></td>
</tr>
<tr>
<td>Installation of fire rated door assemblies at the plant/utilidor access points and certain locations at campus buildings has eliminated natural ventilation in large portions of the utilidor system, causing a large amount of condensation on exposed steel and significant corrosion. This measure would install ventilation shafts in sealed areas of the utilidor system.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pave Atkinson parking lot for dust control (air permit issue)</td>
<td>Yes</td>
<td>$200,000</td>
<td></td>
</tr>
<tr>
<td>Pave Atkinson parking lot for dust control (air permit issue): Efficient Operation of a utility plant of this nature requires relatively good vehicle access. During wet conditions, access to the backside of the plant is restricted.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replace boiler tubes for Boilers 1&amp;2</td>
<td>No</td>
<td>$11,475,000</td>
<td></td>
</tr>
<tr>
<td>Replace boiler tubes for Boilers 1&amp;2: Existing units have been in service in excess of 40 years. Perform thorough NDE inspection of tubes. Replace as indicated. Rehabilitate existing mechanical components such as fans, coal elevator, stoker grates, ash removal, etc.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Description</td>
<td>Yes/No</td>
<td>Cost</td>
<td>Description</td>
</tr>
<tr>
<td>----------------------------------------------------</td>
<td>--------</td>
<td>-------</td>
<td>-------------</td>
</tr>
<tr>
<td>Improve domestic water taste (membrane filtration)</td>
<td>Yes</td>
<td>$425,000</td>
<td>Improve Domestic water taste (membrane filtration): This measure would install point-of-use membrane filtration units in key locations to reduce consumer concern about taste.</td>
</tr>
<tr>
<td>Back-up cooling water</td>
<td>No</td>
<td>$350,000</td>
<td>This is a reliability measure to provide redundancy in a system that is critical to operation of power generation. Existing single wall unit is in excess of design life.</td>
</tr>
<tr>
<td>Convert Boiler No. 3 to dual fuel (natural gas and oil)</td>
<td>Yes</td>
<td>$500,000</td>
<td>Add current natural gas burner technology to Unit #3 to allow operation with less expensive fuel source. Operation with natural gas may have a positive impact on the University's air quality permit application. (These are contained in the Natural Gas Strategy Capital Costs in Appendix A Section.).</td>
</tr>
<tr>
<td>Replace thinwall steel chilled water piping on Lower Campus</td>
<td>Yes</td>
<td>$1,750,000</td>
<td>Replace thin wall steel chilled water piping on Lower Campus: Piping in portions of the existing chilled water distribution system on lower campus was constructed of a thin wall material subject to corrosion and failure.</td>
</tr>
<tr>
<td>Additional condenser capacity</td>
<td>No</td>
<td>$1,500,000</td>
<td>Additional condensers will allow the steam turbine to increase its output in the summer.</td>
</tr>
<tr>
<td>Replace steam and condensate lines to U-Park</td>
<td>Yes</td>
<td>$5,000,000</td>
<td>The pipes are near the end of their useful life.</td>
</tr>
<tr>
<td>New water plant controls</td>
<td>Yes</td>
<td>$200,000</td>
<td>Existing controls are not supported by the manufacturer and are at the end of their life.</td>
</tr>
<tr>
<td>Raw water pumping station re-build</td>
<td>Yes</td>
<td>$250,000</td>
<td></td>
</tr>
<tr>
<td>Central air compressor replacement</td>
<td>Yes</td>
<td>$250,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$35,872,500</strong></td>
<td></td>
</tr>
<tr>
<td><strong>PROJECT TOTAL (FY11/12 work plus FY13-17 work)</strong></td>
<td></td>
<td><strong>$40,400,000</strong></td>
<td></td>
</tr>
</tbody>
</table>


TO: Kit Duke  
Associate Vice President of Facilities

THROUGH: Scott Bell  
Associate Vice Chancellor, Facilities Services

THROUGH: Jonathan Shambare  
Director, Design and Construction

FROM: Cameron M. Wohlford  
Sr. Project Manager

DATE: February 9, 2012

SUBJECT: Project Change Approval  
Project Name: Arctic Health CANHR Health Clinic  
Project No.: 2010128 AHCHC

In accordance with Regents' Policy 05.12, approval by the Associate Vice President of Facilities is required for this project. Your prompt review of this project would be greatly appreciated.

Requisite materials are enclosed.

cc: Pat Pitney  
Vice Chancellor  
Administrative Services  
AHCHC (101)
POLICY CITATION
In accordance with Regents’ Policy 05.12.047, approval levels required for changes in the source of funds, increases in budget, or material in project scope identified subsequent to schematic design approval shall be determined by the chief finance officer based on the extent of the change and other relevant circumstances. This determination requires judgment, but will generally be based on the nature of the funding source, the amount, and the budgetary or equivalent scope impact relative to the approved budget at the schematic design approval stage, and assigned as follows:

- Changes with an estimated impact in excess of $1.0 million will require approval by the Board based on recommendations from the Regents’ committee responsible for facilities;
- Changes with an estimated impact in excess of $0.4 million but not more than $1.0 million will require approval by the regents’ committee responsible for facilities;
- Changes with an estimated impact in excess of $0.2 million but not more than $0.4 million will require approval by the chair of the regents’ committee responsible for facilities;
- Changes with an estimated impact in of $0.2 million or less will require approval by the chief finance officer or designee.
RATIONALE AND RECOMMENDATION

Background
Schematic Design Approval was given by the Chair of the FLMC for the Arctic Health CANHR Health Clinic project in November of 2010. The project is creating space at the Fairbanks Campus of the University of Alaska Fairbanks in support of research aimed at the behavioral and nutritional sciences of Alaska’s native peoples. UAF has been, and continues to be, a world leader in these research fields, and the project will advance the University’s capacity, as well as support meaningful partnerships with UAF and community leaders. The project is a result of a recently approved grant from the National Institute of Health (NIH) funded through the NCRR Recovery Act of 2009. The project is under construction and is infilling an underutilized courtyard in the middle of the Arctic Health Research Building to create a nutritional and physical assessment lab.

Variance Report
Variance #1: The scope of work in the Schematic Design Approval for the AHRB portion of the grant was to finish all of the newly created space. The user group and NIH requested the space on the 2nd level be finished to a level that makes the approximately 2,000gsf useable office space. Unfortunately just prior to bidding the project, NIH removed their support for finishing the space and placed the burden on UAF to fund the work. UAF determined it was in its best interest to complete the space and has recently pulled together the necessary funding to have the current contractor proceed with completion. The funding sources are listed on Page 3. The completion date for the project will be extended to allow the contractor to complete the construction prior to occupancy of the first floor. The schedule for substantial completion is now April 2012.

Variance#2: At the time the project was bid, UAF had budgeted for a 5% contingency to cover increases in construction cost due to unforeseen conditions and design omissions. After the contract was awarded and NIH gave UAF approval to proceed, they required the project contingency be reduced to 2% of the construction cost. A waiver of the NIH grant requirement for such a low contingency was denied. UAF worked with the designer and contractor to keep change order cost to a minimum, and the 2% contingency fee was not exhausted until just recently. For all cost over the 2% contingency, NIH is requiring UAF utilize other funding sources. UAF proposes to utilize left over FY08 State Appropriations for the Arctic Health Deferred Renewal to cover additional contingency cost that directly relate to renewal of the existing spaces the project is affecting, thus freeing up a portion of the original NIH approved contingency fund.

Neither variance will cause the total project cost to increase as the original NIH funds have been reduced and will return to the federal funding agency at the close of the project.
Proposed Total Project Cost and Funding Source(s)
The funding source for this work is from a grant from the National Institute of Health and international research funding.

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIH CO6 Grant from NCRR Recovery Act</td>
<td>$3,352,000</td>
</tr>
<tr>
<td>FY08 SOA Deferred Renewal Funding</td>
<td>$50,000</td>
</tr>
<tr>
<td>UAF FY11 Research Funds</td>
<td>$20,000</td>
</tr>
<tr>
<td>UAF FY12 Research Funds</td>
<td>$235,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,657,000</strong></td>
</tr>
</tbody>
</table>

Schedule for Completion

**DESIGN**
- Conceptual Design: October 2009
- Formal Project Approval: April 2010 (F&LMC)
- Schematic Design: August 2010
- Schematic Design Approval: October 2010
- Construction Documents: April 2011

**BID & AWARD**
- Advertise and Bid: June 2011
- Construction Contract Award: July 2011

**CONSTRUCTION**
- Start of Construction: July 2011
- Date of Substantial Completion: April 2011
- Date of Beneficial Occupancy: May 2012

Affirmation
This project complies with Board Policy, the campus master plan, and with the prior approvals:

- Preliminary Administrative Approval: March 31, 2010
- Formal Project Approval: April 16, 2010
- Schematic Design Approval: November 5, 2010

Action Requested
Approval of the change in funding in accordance with the variance report and the total project budget.

Supporting Documents
- One Page Budget
- First and Second Floor Drawings

Project Change Approval is hereby granted:

Kit Duke, Associate Vice President of Facilities
Date: 2.10.12

UAF Project Change Approval
Arctic Health CANHR Health Clinic
PROJECT CHANGE APPROVAL

Name of Project: Arctic Health CANHR Health Clinic

Location of Project: UAF, Fairbanks Campus

Project Number: 2010128 AHCHC

Date of Request: February 9, 2012

Total Project Cost: $3,657,000 (No TPC Change)

Approval Required: Associate Vice President of Facilities (AVPF)

Prior Approvals/Actions:
- Project Agreement: April 2010 (CWRA)
- Preliminary Administrative Approval: 03/31/2010 (CWRA)
- Formal Project Approval: 04/16/2010 (CWRA)
- Schematic Design Approval: 11/05/2010 (AHCHC)

SUPPORTING DOCUMENTS
- One Page Budget
- First and Second Floor Drawings
### UNIVERSITY OF ALASKA

**Project Name:** Arctich Health CANHR Health Clinic  
**MAU:** UAF  
**Building:** Arctic Health RB  
**Date:** February 3, 2012  
**Campus:** Fairbanks  
**Prepared By:** Wohlford  
**Project #:** 20101128 AHCHC  
**Account No.:** 515222, 590048, 571289, 65761

<table>
<thead>
<tr>
<th>Total GSF Affected by Project:</th>
<th>6000</th>
<th>6000</th>
</tr>
</thead>
</table>

### PROJECT BUDGET

#### A. Professional Services

<table>
<thead>
<tr>
<th>Description</th>
<th>SDA Budget</th>
<th>Change Approval Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advance Planning, Program Development</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Consultant: Design Services</td>
<td>$275,000</td>
<td>$266,942</td>
</tr>
<tr>
<td>Consultant: Construction Phase Services</td>
<td>$55,000</td>
<td>$75,000</td>
</tr>
<tr>
<td>Consul: Extra Services (List:____________________)</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Site Survey</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Soils Testing &amp; Engineering</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Special Inspections</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Plan Review Fees / Permits</td>
<td>$5,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>Other</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Professional Services Subtotal:** $335,000

#### B. Construction

<table>
<thead>
<tr>
<th>Description</th>
<th>SDA Budget</th>
<th>Change Approval Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Construction Contract (s)</td>
<td>$2,625,000</td>
<td>$1,929,401</td>
</tr>
<tr>
<td>Other Contractors (List: Funds to revert back to NIH)</td>
<td>$5,000</td>
<td>$771,000</td>
</tr>
<tr>
<td>Construction Contingency</td>
<td>$236,700</td>
<td>$117,012</td>
</tr>
</tbody>
</table>

**Construction Subtotal:** $2,866,700

**Construction Cost per GSF:** $477.78

#### C. Building Completion Activity

<table>
<thead>
<tr>
<th>Description</th>
<th>SDA Budget</th>
<th>Change Approval Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>$59,162</td>
<td>$59,162</td>
</tr>
<tr>
<td>Fixtures</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Furnishings</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Signage not in construction contract</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Move-Out Cost/Temp. Reloc. Costs</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Move-In Costs</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Art</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other (List:________________________)</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>OIT Support</td>
<td>$11,500</td>
<td>$11,500</td>
</tr>
<tr>
<td>Maintenance/Operation Support</td>
<td>$25,000</td>
<td>$90,000</td>
</tr>
</tbody>
</table>

**Building Completion Activity Subtotal:** $95,662

**Building Completion Activity Cost per GSF:** $160.662

#### D. Owner Activities & Administrative Cost

<table>
<thead>
<tr>
<th>Description</th>
<th>SDA Budget</th>
<th>Change Approval Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Planning and Staff Support</td>
<td>$148,381</td>
<td>$115,156</td>
</tr>
<tr>
<td>Project Management</td>
<td>$198,257</td>
<td>$209,828</td>
</tr>
<tr>
<td>Misc Expenses: Advertising, Printing, Supplies</td>
<td>$13,000</td>
<td>$7,000</td>
</tr>
</tbody>
</table>

**Owner Activities & Administrative Cost Subtotal:** $359,638

**Owner Activities & Administrative Cost per GSF:** $609.50

#### E. Total Project Cost

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Project Cost</th>
<th>Total Project Cost per GSF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Planning and Staff Support</td>
<td>$115,156</td>
<td>$609.50</td>
</tr>
<tr>
<td>Project Management</td>
<td>$209,828</td>
<td>$609.50</td>
</tr>
<tr>
<td>Misc Expenses: Advertising, Printing, Supplies</td>
<td>$7,000</td>
<td>$609.50</td>
</tr>
</tbody>
</table>

**Total Project Cost:** $3,657,000

**Total Project Cost per GSF:** $609.50

#### F. Total Appropriation(s)

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Appropriation(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Planning and Staff Support</td>
<td>$115,156</td>
</tr>
<tr>
<td>Project Management</td>
<td>$209,828</td>
</tr>
<tr>
<td>Misc Expenses: Advertising, Printing, Supplies</td>
<td>$7,000</td>
</tr>
</tbody>
</table>

**Total Appropriation(s):** $3,730,000

**Total Appropriation(s) per GSF:** $609.50

---

**Date:** February 3, 2012  
**Prepared By:** Wohlford  
**Account No.:** 515222, 590048, 571289, 65761
Internal Audit Status Report  
As of March 19, 2012

FY2012 Annual Audit Plan

Italic Items - have been completed or are in progress

External Financial Audit Support:

- Year-end cutoff
- Inventory observation
- Cash disbursements & bank transfers
- Cash depositories
- Auxiliary fund analysis
- Unexpended plant fund additions
- Search for Unrecorded Liabilities

Audits and Projects:

University of Alaska Anchorage:
- Department Review*
- Restricted Funds
- Athletics**
- Representational Expenditures*
- Student Fees

University of Alaska Fairbanks:
- Department Review*
- Restricted Funds**
- Athletics
- Procurement**
- Student Fees

University of Alaska Southeast:
- Department Review – 2*
- Restricted Funds
- Restricted Funds (FY11)

Statewide:
- Facilities
- Procurement**
- Follow-up Audit** - next in queue

*Specific departments/areas to be determined later  
**Carried forward from FY11

Reference 16
1. **FY2012 Audit Plan Progress**
   
a. At the February meeting we communicated a list of audits that are not expected to be conducted. These will be evaluated for inclusion on the FY13 audit plan which is currently under development.
   
i. UAA Restricted Funds
   
   ii. UAA Student Fees
   
   iii. UAF Athletics
   
   iv. Statewide Facilities
   
   b. We have had three occurrences of requests for assistance by the Office of General Counsel and Statewide Labor Relations since the February meeting. We are determining whether or not any of the three requests need to be conducted as investigations as opposed to regular audits or special projects. The results of this determination could have further impact on the FY12 audit plan.

2. **FY2012 Request to Modify Approved Plan**
   
a. Departmental audits were listed for UAF, UAA and UAS with the tentative scope to review financial aid department processes, but with an increased focused on the processes in place for issuing fellowship and scholarship payments to students. Preliminary planning has led us to understand this should be a process audit than a departmental audit. It is more logical to perform the audit as a system wide review of the process for issuing fellowship and scholarship payments to students. The risks of this process include:
   
i. Incomplete information reported on student 1098T forms
   
   ii. Incurring a reputation that UA has non-student friendly administration processes
   
   iii. Noncompliance with Title III and Title IV programs

   The request for modifying the FY12 audit plan is to change the three departmental audits to one process audit to review the methods of issuing fellowship and scholarship payments to students.

3. **Audit Department Staffing**
a. We continue to be fully staffed with our three full-time auditors and the

4. Audit Reports:
   a. UAA Facilities
   b. UAF Northwest Campus Data Security
   c. UAS School of Education Restricted Funds
   d. UAA Kenai Peninsula College Data Security
   e. UAF Follow-up Auditing

5. Other Department Activities
   a. Quality Assessment Review (QAR) Remediation - Recommendations from
      the report are being implemented at this time.
   b. Effort Reporting Work Group
   c. Participation on the Payment Card Industry Data Security Standards (PCI
      DSS) Compliance Committee
   d. External Audit Request for Proposal (early FY13)
   e. Continuous Controls Monitoring – This is an ongoing project that involves
      analytical tests which run automatically on a prescheduled basis. An auditor
      has been assigned to the follow-up of results from tests, refinement of tests,
      and development of new tests.
      - Potential Duplicate Payments by Accounts Payable
      - Potential Scheduled Payments (unauthorized)
      - Representational expenditures with inappropriate funding sources
      - Gifts Exceeding $25 Threshold
      - Potential Duplicate Payroll Checks
      - Terminated Employees on the Payroll
      - Phantom Employees
      - Excessive Overtime
      - Potentially Prohibited Credit Card Transactions
      - Potentially Miscoded Credit Card Transactions
      - Transactions Associated with Excluded Merchant Types
- Purchases that Exceed a Credit Card Holder’s Single Purchase Limit
- Credit Card Holders with High Dollar Volumes of Purchase Activity
- Credit Card Transactions on Holidays
External Audit Status Report
As of March 19, 2012

State Legislative Audit Activities
Final Reports Issued:
None

Work in Progress:
Potato Disease Control Program
- An exit meeting was held with the legislative auditors on February 29, 2012 to review and discuss their conclusions.
- The management letter was received March 9, 2012.
- The university is developing a response for submittal to Legislative Audit by the established deadline of March 22, 2012.
- The response will be used to determine if report changes are necessary prior to presentation of the report to the legislative budget and audit committee in late March.
- There will be another opportunity for university response after the legislative budget and audit committee reviews the report.

External Audit Reports & Activities
Work in Progress:
1. PERS/TRS 2010 Payroll and Personnel Systems (State Dept of Administration)
2. Sikuliaq Research Vessel (National Science Foundation OIG)
### Statewide Internal Audit
Follow-up Audit Tracking

<table>
<thead>
<tr>
<th>Audit # and Title</th>
<th>Final Report Issued Date</th>
<th>Implementation Deadline</th>
<th>Follow-up Status</th>
<th>Follow-up Comments</th>
<th>Recommendation Category</th>
<th># of Recommendations in Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue shaded rows represent older audits that originated prior to the change over of the audit director (12/2007). These had items open for follow-up as of March 2012</td>
<td></td>
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<tr>
<td>00-30 Program Change Control</td>
<td>11/4/2002</td>
<td>Not Done</td>
<td>Not Done</td>
<td>Banner Access</td>
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<tr>
<td>02-50 Software Licensing Compliance</td>
<td>5/15/2003</td>
<td>Not Done</td>
<td>Likely to be a new audit in FY13.</td>
<td>Incomplete Documentation</td>
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<tr>
<td>04-20 UAF Poker Flats</td>
<td>2/28/2006</td>
<td>Not Done</td>
<td>To be conducted before the end of FY12.</td>
<td>Software License Compliance</td>
<td>4</td>
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<tr>
<td>04-22 Banking Activities</td>
<td>7/1/2004</td>
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<td>This will be part of new audit 12-39.</td>
<td>Reevaluation of Contracts</td>
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<tr>
<td>04-50 Program Upgrade Testing</td>
<td>11/2/2006</td>
<td>Not Done</td>
<td>This will be part of new audit 12-35.</td>
<td>UAF: Club Accounts</td>
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<tr>
<td>08-19 UAA Procurement Card</td>
<td>9/26/2008</td>
<td>11/30/2008</td>
<td>Not Done</td>
<td>Adequate Support Documentation</td>
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<td>08-20 UAA Follow-up Review</td>
<td>11/24/2008</td>
<td>11/24/2009</td>
<td>n/a</td>
<td>ANSEP</td>
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<td>Biology Department</td>
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<td>Parking Services</td>
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<td></td>
<td></td>
<td></td>
<td>Provost's Office</td>
<td>4</td>
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</tr>
</tbody>
</table>

This will be considered for inclusion during planning for 12-35, being mindful that the original audit occurred over 10 years ago.

I conducted this review immediately after becoming director. It gave me an opportunity to follow-up on a number of older audits that I had not been involved in previously. Follow-up procedures were conducted on recommendations from 4 prior audits, ranging back to FY00. 6 recommendations remained open as a result, but due to the age of the original audits it would be better to postpone efforts until new audits are conducted.
<table>
<thead>
<tr>
<th>Audit # and Title</th>
<th>Final Report Issued Date</th>
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<th>Follow-up Comments</th>
<th>Recommendation Category</th>
<th># of Recommendations in Category</th>
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<tr>
<td>Business Office Accounts Receivable</td>
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<td>Voice Services Operating Plans and Rate Proposal</td>
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<tr>
<td>Bookstore Cash Handling</td>
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<tr>
<td>08-21 UAF Cash Receipts</td>
<td>4/6/2009</td>
<td>4/30/2009</td>
<td>Not Done</td>
<td>Follow-up started in FY10 but stopped when the intern left; Scheduled for FY13 as a new audit</td>
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<tr>
<td>Museum</td>
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<td>Health and Counseling Center</td>
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<td>Tanana Valley Campus</td>
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<tr>
<td>08-23 UAF Follow-up Review</td>
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<td>10/10/2009</td>
<td>n/a</td>
<td>I conducted this review immediately after becoming director. It gave me an opportunity to follow-up on a number of older audits that I had not been involved in previously. Follow-up procedures were conducted on recommendations from 6 prior audits, ranging back to FY00. 5 recommendations remained open as a result, but due to the age of the original audits it would be better to postpone efforts until new audits are conducted.</td>
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<td>Travel</td>
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<td>Sea Grant Publications Cash Receipts</td>
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<td>Audit # and Title</td>
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<td>Follow-up Status</td>
<td>Follow-up Comments</td>
<td>Recommendation Category</td>
<td># of Recommendations in Category</td>
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<td>Kuskokwim Campus Bookstore Fund Deficit</td>
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<td>11/21/2008</td>
<td>11/21/2009</td>
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<td>Academic Affairs</td>
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<td>Office of Information Technology</td>
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<td>Student Enrollment Services</td>
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<tr>
<td>09-22 UAF Travel</td>
<td>6/9/2010</td>
<td>5/13/2011</td>
<td>Not Done</td>
<td>In-progress at this time</td>
<td>Institute of Arctic Biology</td>
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<td>Institute of Arctic Biology</td>
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<td>Institute of Northern Engineering</td>
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<td>School of Fish and Ocean Sciences</td>
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<td>Design and Construction</td>
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<td>UAF Travel Office Training for Departments</td>
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<tr>
<td>09-23 UAF CRCD CDE &amp; Bookstore</td>
<td>11/25/2009</td>
<td>10/5/2010</td>
<td>Not Done</td>
<td>In-progress at this time</td>
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<tr>
<td>Audit # and Title</td>
<td>Final Report Issued Date</td>
<td>Implementation Deadline</td>
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<tr>
<td>09-24 UAF Athletics Follow-up</td>
<td>5/17/2010</td>
<td>9/24/2010</td>
<td>Done</td>
<td>All prior audit recommendations were closed</td>
<td>Cash Receipts</td>
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<tr>
<td>09-27 UAS Departmental Cash Receipts and A/R</td>
<td>8/20/2009</td>
<td>8/12/2010</td>
<td>Done</td>
<td>15 of 24 prior audit recommendations were closed. The nine recommendations remaining open will be scheduled for future follow-up again.</td>
<td>Procurement</td>
<td>6</td>
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<tr>
<td>09-28 UAS Departmental Travel and Travel Card</td>
<td>5/7/2009</td>
<td>4/27/2010</td>
<td>Done</td>
<td>1 prior audit recommendation remains open and will be reviewed again at a future date.</td>
<td>Journal Vouchers</td>
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<tr>
<td>09-29 UAS Grants and Contracts Follow-up</td>
<td>6/1/2009</td>
<td>5/4/2007</td>
<td>Done</td>
<td>All prior audit recommendations were closed after two rounds of follow-up auditing</td>
<td>Student Service Fee</td>
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<tr>
<td>09-33 SW Departmental Cash Receipts</td>
<td>11/10/2010</td>
<td>8/16/2010</td>
<td>Not Done</td>
<td>Scheduled to occur within next 6 months</td>
<td>Bookstore Operations</td>
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<tr>
<td>09-36 UAA Facilities Planning and Construction</td>
<td>1/20/2009</td>
<td>4/1/2009 1/8/2010</td>
<td>Done</td>
<td>3 of 4 prior audit recommendations were closed</td>
<td>Controller's Office</td>
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<td>10-19 UAA Cell Phones</td>
<td>9/7/2010</td>
<td>9/7/2010</td>
<td>Done</td>
<td>All prior audit recommendations were closed</td>
<td>Office of Information Technology</td>
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<td>Academic Affairs K12 Outreach</td>
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Comparison Itineraries 1
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<th>Audit # and Title</th>
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<th>Implementation Deadline</th>
<th>Follow-up Status</th>
<th>Follow-up Comments</th>
<th>Recommendation Category</th>
<th># of Recommendations in Category</th>
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<tbody>
<tr>
<td>10-20 UAA Facilities</td>
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<td></td>
<td></td>
<td>Final report has not been issued; awaiting response from UAA</td>
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<td>10-23 UAF Facilities</td>
<td>1/11/2012</td>
<td>4/30/2012</td>
<td>Not Done</td>
<td>Scheduled to occur within next 6 months</td>
<td>Billing Information on Facilities Website</td>
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<tr>
<td>10-34 Statewide Travel and Departmental Travel Card</td>
<td>12/7/2011</td>
<td>10/12/2011</td>
<td>Not Done</td>
<td>Scheduled to occur within next 6 months</td>
<td>Travel Form Signature Dates</td>
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<td>11-18 Systemwide Sponsored Programs Effort Reporting</td>
<td></td>
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<td>Audit is in progress</td>
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<td>11-21 ANSEP Restricted Funds</td>
<td>12/7/2011</td>
<td>11/30/2012</td>
<td>Not Done</td>
<td>Scheduled to occur within next 12 months</td>
<td>Budget and Expenditure Monitoring</td>
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<td>Subawards and Subrecipient Monitoring</td>
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<td>Effort Reporting and Payroll</td>
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<tr>
<td>11-23 UAF Northwest Campus Data Security</td>
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<td></td>
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<td>Journal Vouchers</td>
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<td>11-27 UAA Kenai Peninsula College Data Security</td>
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<td>Representational/Nonrepresentational Purchases</td>
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<td>11-29 UAS School of Education Restricted Funds</td>
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<td>12-32 Outsourced IT Service Contracts</td>
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<td>Adequate Support Documentation</td>
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<td>12-35 Banner Program Upgrade</td>
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<td>12-39 Banking Activities</td>
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<td>12-21 UAA Athletics</td>
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The UAF formal response was received 2/24/12
Draft report undergoing revisions prior to distribution to KPC
Preliminary report issued
Audit is in progress
Audit planning is in progress
Audit planning is in progress
Audit planning is in progress
Annual Audit Plan Development  
FY13  
As of March 19, 2012

1. Annual Audit Plan: Background

The annual audit plan is developed based on risks faced by the University of Alaska. This includes risks that are known by the audit department and risks that are communicated by stakeholders via risk assessments and in response to our annual planning questionnaire (see example on the last page of this section). Auditor time is budgeted to accommodate the audit plan, but it is not unusual for actual audit time to exceed the budgeted time, or for unplanned activities such as investigations or requests for auditor assistance to infringe upon the time allotted for scheduled audits. Risks that are not able to be addressed due to audit department resources must be communicated to senior management and the Board of Regents Audit Committee. Planned audits that are not able to be conducted during the year need to be reevaluated for inclusion in the next annual audit plan. This is important since factors that lead to risks are in a constant state of change. For example, a risk that existed during the audit plan development for FY12 may not be relevant during audit plan development for FY13 due to revision of policies and procedures, or implementation of other internal controls, during FY12.

2. Annual Audit Plan: Standards and Policy

Institute of Internal Auditors’ Performance Standard 2010 – Planning, states:

The chief audit executive must establish risk based plans to determine the priorities of the internal audit activity, consistent with the organization’s goals.

Board of Regents policy P05.03.012 states:

Internal auditing is an independent appraisal activity established within the university to examine and evaluate its activities to meet the needs of the board and executive management. Internal audits may include financial, performance, operational and compliance audits. The mission of the internal audit department is to assist the board and management in the effective discharge of their fiduciary and administrative responsibilities by providing analysis, appraisals, counsel, information and recommendations concerning activities reviewed and by promoting effective controls for the recording and reporting of operational activities and for the custody and safeguarding of assets.

3. Annual Audit Plan: Development Process

a. March – The annual stakeholder survey is distributed to the President, vice presidents, chancellors, vice chancellors, chief information technology officer (CITO), and MAU IT directors (see example on the last page of this section).

b. April – A draft audit plan is created.

i. A list of audits for the upcoming year is developed based on the audit universe risk assessment, which includes:
1. Concerns voiced by management in response to the annual stakeholder survey conducted in March.

2. Risk assessment results from the the Statewide Office of Risk Services Annual Risk Register. This report is communicated to the Board of Regents in September, so the stakeholder survey includes questions that permit the updating of the risks reported in the Risk Register.

3. Concerns voiced by the Board of Regents, management and staff throughout the year.

4. Concerns externally voiced during the course of external audit activities, such as the annual financial statement auditors, federal agency auditors, and legislative auditors.

5. Auditor knowledge of risks based on maintaining relationships with professional organizations and peers and attending audit topic seminars.

6. Risks that were discovered during prior audits but not included in the audits due to audit scope.

7. Current trends that have an expected impact on higher education organizations (i.e.: opportunities for cost reduction/saving, areas of concern with recent Office of Inspector General audits at other higher education institutions, information from NACUBO, ACUA, AIPCA, IIA, ISACA and other professional organizations).

8. Audits that were planned for the current year but will not be completed due to time/staffing. If there is a legitimate reason to omit an audit from carry over to the upcoming year, indicate the reason in the audit universe notes for future reference. This must be communicated to the Audit Committee for their awareness of planned audits that will not be conducted.

ii. Create a schedule of auditor hours for each audit. This will categorize audit staff time by direct audit hours and indirect hours (Administration & Other, and Professional Development).

iii. Update the Plan Overview section of the audit plan, as needed. For example, if hours budgeted for Administration & Other or Professional Development changed from the prior year, this will need to be updated.

c. April – A draft summary of planned audits is distributed to the president, vice presidents, CITO, chancellors, vice chancellors and MAU IT directors for review and input. A response deadline of one week is typically established.

d. April – The Audit Committee is notified of the audit plan development process for the upcoming fiscal year. They will be asked if there are any areas of risk that, in their opinion, would benefit from review.
e. **May** - Feedback on the draft summary of planned audits is received and the annual audit plan is finalized. The plan is included in the Board of Regents meeting reference materials for the June meeting.

### 4. Annual Audit Plan: Modification after Approval

As mentioned in the background section, risks are constantly changing. What may have been considered high risk during audit plan development may be superseded later in the year by a new risk that has emerged or been communicated to internal audit by senior management. These risks need to be evaluated for inclusion in the current audit plan or postponement to the next year’s audit plan. Since the Board of Regents Audit Committee approves the annual audit plan, they need to also remain in the process for any changes that are deemed to be necessary to the plan after approval was obtained. If the change appears to be significant, committee approval needs to be obtained for the change.
Statewide Internal Audit  
FY13 Audit Planning Questionnaire

Purpose, Standards and Policy:
This questionnaire is intended to aid in the development of the FY13 annual audit plan and identify any consulting areas that may be desired outside of our regular audits.

Institute of Internal Auditors’ Performance Standard 2010 – Planning, states:
The chief audit executive must establish risk based plans to determine the priorities of the internal audit activity, consistent with the organization’s goals.

Board of Regents policy P05.03.012 states:
Internal auditing is an independent appraisal activity established within the university to examine and evaluate its activities to meet the needs of the board and executive management. Internal audits may include financial, performance, operational and compliance audits. The mission of the internal audit department is to assist the board and management in the effective discharge of their fiduciary and administrative responsibilities by providing analysis, appraisals, counsel, information and recommendations concerning activities reviewed and by promoting effective controls for the recording and reporting of operational activities and for the custody and safeguarding of assets.

Questions:
1. Please list the top five to ten risks you believe your area of responsibility is facing, whether or not those risks are unique to your institution or position.

2. Please list the top five to ten risks you believe the University of Alaska System is facing.

3. Does your area of responsibility already have a risk assessment? (Yes/No)
   a. If “Yes,” please provide a copy, or indicate if this information was already covered in 1 or 2 above.

4. Are there any units, areas or processes of which an audit would be beneficial during FY13? Include a brief description of the risks that should be considered for review.

5. Do you have concerns regarding:
   a. Potentially fraudulent activity?
   b. The method by which ethical misconduct or fraudulent activity is reported?

6. Are there any other comments or information you would like to share?
Q&A / Information Requests

1. Student campaign information regarding transfer of credits.
2. Comparative listing of peer institutions/national averages.
3. How is UA serving students in the state?
HAVING PROBLEMS WITH TRANSFER CREDITS?

You can help by sharing your story.

Call (888)450-8140

Or visit Uaonline.alaska.edu/transfer
HAVE SOMETHING TO SAY ABOUT TRANSFER CREDITS?

WE WANT TO HEAR FROM YOU.

1-888-450-8140
uaonline.alaska.edu/transfer

UNIVERSITY of ALASKA
Many Traditions One Alaska
Peer comparisons are useful in establishing how well the University of Alaska, its main administrative units (MAUs), and associated campuses compare on given measures to institutions of like size, mission, and organization. Peer comparisons are also useful in targeting best practices and are intended to allow for uniform and consistent comparisons among institutions. However, definitional and reporting differences often exist between universities. As a result, peer group comparisons are most useful for examining aggregate relationships, averages, or trends in the data rather than distinct and specific values in any one category.

Below are the two sets of peer institutions typically used for each MAU. Each MAU self-selects a group of peer institutions, and a second NCHEMS-defined, mathematically selected group of peer-institutions is also used for comparison with each MAU’s information. This information was last updated by each MAU in June 2011, and additional details on the various peer groups used can be found online at: [http://www.alaska.edu/swbir/ir/](http://www.alaska.edu/swbir/ir/)

<table>
<thead>
<tr>
<th>MAU</th>
<th>Self-Defined Peer Cohort</th>
<th>NCHEMS-Defined Peer Cohort</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAA</td>
<td>Auburn University-Montgomery</td>
<td>Austin Peay State University</td>
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<td></td>
<td>Boise State University</td>
<td>Boise State University</td>
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<td></td>
<td>Cleveland State University</td>
<td>CUNY College of Staten Island</td>
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<td></td>
<td>Columbus State University</td>
<td>Eastern Kentucky University</td>
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<td>Indiana State University</td>
<td>Indiana State University</td>
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<td></td>
<td>Indiana University-Northwest</td>
<td>Indiana University-Purdue University-Fort Wayne</td>
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<td></td>
<td>Indiana University-Purdue University-Fort Wayne</td>
<td>McNeese State University</td>
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<td>Indiana University-Southeast</td>
<td>Northwestern State University of Louisiana</td>
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<td></td>
<td>Lamar University</td>
<td>Purdue University-Calumet Campus</td>
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<td></td>
<td>Northern Kentucky University</td>
<td>Troy University*</td>
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<td></td>
<td>Southern Connecticut State University</td>
<td>University of North Florida</td>
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<tr>
<td></td>
<td>The University of West Florida</td>
<td>University of Southern Maine</td>
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<tr>
<td></td>
<td>University of Alabama in Huntsville</td>
<td>Wichita State University</td>
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<td></td>
<td>University of Arkansas at Little Rock</td>
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<td>University of Massachusetts-Boston</td>
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<td></td>
<td>University of Michigan-Dearborn</td>
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<td></td>
<td>University of Missouri-St Louis</td>
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<td>University of Nebraska at Omaha</td>
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<td></td>
<td>University of North Carolina at Greensboro</td>
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<td>University of Southern Maine</td>
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<td>Weber State University</td>
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<td>Wichita State University</td>
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<tr>
<th>UAF</th>
<th>Clemson University</th>
<th>University of Maine</th>
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<tbody>
<tr>
<td></td>
<td>Georgia Institute of Technology-Main Campus</td>
<td>University of Idaho</td>
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<td></td>
<td>Idaho State University</td>
<td>University of Maine</td>
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<td>Kansas State University</td>
<td>University of Michigan-Dearborn</td>
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<td>Michigan Technological University</td>
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<td>University of Idaho</td>
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<td></td>
<td>University of Maine</td>
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<td>University of Missouri-Rolla</td>
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<td>University of Nevada-Reno</td>
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<td>Utah State University</td>
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<tr>
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<th>Adams State College</th>
<th>Adams State College</th>
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<tr>
<td></td>
<td>Berendji State University</td>
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<td>Eastern Oregon University</td>
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<td>Longwood University</td>
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<td>SUNY College at Purchase</td>
<td>Sul Ross State University</td>
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<td>The University of Texas of the Permian Basin</td>
<td>Texas A &amp; M University-Texarkana</td>
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<td></td>
<td>University of Maine at Machias</td>
<td>Troy State University-Montgomery*</td>
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<td></td>
<td>University of Maine at Presque Isle</td>
<td>University of Houston-Victoria</td>
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<tr>
<td></td>
<td>Western Oregon University</td>
<td>Western New Mexico University</td>
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MAUs and Peer Groups: Comparison Ratios

- Self-Selected Peers
- NCHEMS Peers

### Research Expenditures ($ per Full-time Faculty FY09)

<table>
<thead>
<tr>
<th>Institution</th>
<th>Self-Selected Peers</th>
<th>NCHEMS Peers</th>
</tr>
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<tbody>
<tr>
<td>UAA</td>
<td>25,741</td>
<td>23,405</td>
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<tr>
<td>UAF</td>
<td>105,604</td>
<td>91,627</td>
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<tr>
<td>UAS</td>
<td>12,288</td>
<td>7,603</td>
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### Instructional Expenditures ($ per Student Full-Time Equivalent (FTE) FY09)

<table>
<thead>
<tr>
<th>Institution</th>
<th>Self-Selected Peers</th>
<th>NCHEMS Peers</th>
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<tbody>
<tr>
<td>UAA</td>
<td>8,102</td>
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<td>UAF</td>
<td>13,317</td>
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<td>UAS</td>
<td>9,797</td>
<td>6,073</td>
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### Percent Part-time Students Fall 2009

<table>
<thead>
<tr>
<th>Institution</th>
<th>Self-Selected Peers</th>
<th>NCHEMS Peers</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAA</td>
<td>53.5%</td>
<td>39.1%</td>
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<tr>
<td>UAF</td>
<td>41.0%</td>
<td>30.0%</td>
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<tr>
<td>UAS</td>
<td>21.1%</td>
<td>43.1%</td>
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### 6-year Baccalaureate Graduation Rate FY10

<table>
<thead>
<tr>
<th>Institution</th>
<th>Self-Selected Peers</th>
<th>NCHEMS Peers</th>
</tr>
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<tbody>
<tr>
<td>UAA</td>
<td>27.0%</td>
<td>25.0%</td>
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<tr>
<td>UAF</td>
<td>35.0%</td>
<td>35.0%</td>
</tr>
<tr>
<td>UAS</td>
<td>37.7%</td>
<td>38.0%</td>
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</table>

### Student Services Expenditures ($ per Student FTE FY09)

<table>
<thead>
<tr>
<th>Institution</th>
<th>Self-Selected Peers</th>
<th>NCHEMS Peers</th>
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<tbody>
<tr>
<td>UAA</td>
<td>3,287</td>
<td>3,014</td>
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<tr>
<td>UAF</td>
<td>1,460</td>
<td>1,202</td>
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<tr>
<td>UAS</td>
<td>2,059</td>
<td>2,200</td>
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</table>

### Student FTE per Instructional Faculty FTE FY10

<table>
<thead>
<tr>
<th>Institution</th>
<th>Self-Selected Peers</th>
<th>NCHEMS Peers</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAA</td>
<td>14.7</td>
<td>11.1</td>
</tr>
<tr>
<td>UAF</td>
<td>9.1</td>
<td>9.1</td>
</tr>
<tr>
<td>UAS</td>
<td>7.2</td>
<td>13.0</td>
</tr>
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</table>

Source: Data from National Center for Education Statistics (NCES) IPEDS Datacenter - http://nces.ed.gov/ipeds/datacenter/
More information on peer institutions currently in use is available online at: http://www.alaska.edu/swbir/ir/PeerUpdate_2011.pdf
How is UA Serving Students in the State?

**Alaska Youth Population**
More than 90% of first-time freshmen (FTF) came from Alaska; nearly 60% of these from Anchorage and Fairbanks.

**Admissions**
12,500 Applicants
74% of the applicants were accepted
74% of those accepted, enrolled at UA.

**Enrollment**
Of the 34,983 students at UA in fall 2011,
- 15% Alaska Native/Am. Indian
- 11% FTF
- 39% enrolled in HDJA* Programs
- 6% UA Scholars

9% of FTF were enrolled in Preparatory Courses:
- 84% enrolled in Math Prep, of whom 56% passed
- 51% enrolled in English Prep, of whom 71% passed

**Academic Progress**
66% of fall 2010 FTF were retained.
The average percentage of Fall 2003-08 undergraduate, degree-seeking FTF, who accumulated 60 SCH
- in 3 yrs or less was 28%.
- in 4 yrs or less was 34%.

**Admissions**
Within one academic year:
among full-time FTF,
- 20% completed at least 30 SCH.
- 46% completed at least 24 SCH.
among part-time FTF,
- 32% completed at least 15 SCH.
- 44% completed at least 12 SCH.

**Graduation**
Of the 3,983 degrees, certificates, and endorsements awarded at UA in FY11, up 16% from FY07, 11% were awarded to Alaska Native/Am. Indians, 8% to UA Scholars, and 73% in HDJA Programs.

On average, 33% of FTF entering between Fall 2001-05 seeking bachelor degree, received a degree, certificate, or endorsement.

Since FY07, cross enrollment increased among graduates from 24% to 31% at MAUs and 54% to 64% at AOs.

85% of UA graduates enrolled in e-Learning courses and 30% enrolled in e-Learning courses across multiple MAUs.

**Training Program Participants**
- 5,900 people entered workforce
- 21% average earnings increase after training
- 84% of program participants claimed Alaska residency

In FY09, the difference between pre-training and post-training average quarterly earnings for UA Vocational Education graduates was more than $4,000.

**Graduates and Workforce**
77% of FY10 graduates were employed in Alaska one year after graduation:
- 15% in a field directly related to the degree received.
- 36% in a field indirectly related to their degree.
- 26% in other unrelated fields.

61% of FY06 graduates were employed in Alaska five years after graduation:
- 17% in a field directly related to the degree received.
- 25% in a field indirectly related to their degree.
- 19% in other unrelated fields.

In FY11, 205 UA Teacher graduates were employed in Alaska as teachers, an increase from 108 in FY06.

*FTF = first-time freshmen; HDJA = High Demand Job Areas*
Sources: UAR 2012, UA Metrics (Exploratory), and Alaska Training Programs Performance 2010
Prepared by Institutional Research and Analysis. Peregrine SD609238.
Dear Board of Regents,

The Stay On Track “Finish in Four” campaign is taking off at UAA with 14.6 percent (303) more students enrolled in 15 or more credits spring semester 2012 than in spring 2011. We continue to improve advising and serving the many segments of our student population.

We are responding to the growth of active duty military and veteran students (1,850, the most ever) with a new Military and Veteran Student Task Force and a quarterly Military & Veteran Community Services newsletter. The task force is inventorying programs and making recommendation for improvement, while the newsletter connects our students with current services.

UAA leadership, including deans, campus directors, administrative leads, and cabinet met for a facilitated retreat as part of a process to provide a mid-course calibration of UAA’s Strategic Plan 2017. The process continues with a facilitated retreat planned for April to include student, faculty and staff governance groups.

UAA College of Business and Public Policy, University of Alaska Center for Economic Development and UAF School of Management are partnering in Lemonade Day Alaska. The event provides K-12 students the opportunity to learn how to build and operate their own business.

This Regents’ meeting will be Provost and Executive Vice Chancellor for Academic Affairs Mike Driscoll’s last for UAA. Please join me in thanking Mike for his excellent leadership and service. We wish him continued success as president of the University of Indiana of Pennsylvania.

Best Regards,

Tom Case, Chancellor

As we prepare to break ground on a new sports arena, Seawolf athletes continue to break records with Seawolf women winning the NCAA Division II West Regional Basketball Championship and entering the NCAA D-II Elite Eight for the third time in five seasons. Tournament MVP Hanna Johanson has become the winningest woman in Seawolf history. Track and Field has already qualified eight athletes for the national meet and UAA skiers finished 5th in the nation.

BP Exploration (Alaska) Inc. provided a $1M gift to the UAA School of Engineering to establish the BP Asset Integrity and Corrosion Lab, scheduled to open in fall 2012. The lab is the first in the state and will be both a teaching lab and also provide testing services to industry.

The Alaska Native American Business Enterprise Center (AK NA-BEC) officially opened on the UAA campus on February 21. AK NABEC, funded by the Minority Business Development Agency and partners with the National Center for American Indian Enterprise Development, is working with the University of Alaska Center for Economic Development. We look forward to the increased opportunity for UAA faculty, students, programs and research to better serve the economic development of our state.
UAA …

Faculty, staff and students take leading roles:
Environment and Natural Resources Institute Director Jeff Welker was awarded the Fulbright Distinguished US Arctic Chair in Norway for next year.

UAA professor Paul Johnson is the new University of Alaska Harold T. Caven Professor of Business.

Wes Lundburg, dean of instruction, is interim president of Prince William Sound Community College.

Drs. Lil Alessa and Andrew Klicksy received two grants from the National Science Foundation: a prestigious Dynamics of Coupled Natural Systems award for $1.5M and a national workshop award.

Scott Goldsmith received an Alaska Meritorious Health Service Award from the Alaska Public Health Association.

Rhonda Johnson, professor of public health, is the new regional co-director of the Regional Collaborations Program (RCP). RCP stimulates translational research collaborations across the five state WWAMI regions.

Mechanical engineering student Kaelin Ellis has been accepted to the prestigious Summer Research Opportunity Program (SROP) at the University of Michigan (UM). Upon completion and acceptance at UM, SROP guarantees a five-year Ph.D. fellowship at UM.

Caitlin Cheely and William Giedosh received the Department of State 2012 Critical Languages Scholarship in Russian. Ben Woodland won UAA’s first Critical Languages Scholarship in Turkish.

Stephanie Peterkin, a RRANN student in our prenursing Cingumaq group, is Miss Fur Rendezvous Queen 2012! She will also be in the July Fourth parade and at the Alaska State Fair this year.

Phillip Miller, KPC construction project manager, has become one of just 49 people in the world and only the second in Alaska to earn the Educational Facilities Professional certification credential.

Sunny Mall, assistant professor of secondary education in the College of Education, is the recipient of the Alaska Journal of Commerce’s 2012 ‘Top Forty Under 40’ awards.

Grants, research and public policy benefitting Alaskans:
The Council on Domestic Violence and Sexual Assault awarded the UAA Justice Center $350K in grant funding to continue measuring violence against women in Alaska in the Alaska Victimization Survey.

Significant awards in research include $228K to Dr. Richard Brown II, a post-doctoral research fellow in the Institute of Circumpolar Health Studies, and $167K awarded to Dr. Diane King, from the National Institutes of Health to support her work with diabetes. Contracts in public service and instruction were also awarded to Dr. Richard Kieffer-O'Donnell ($324K), Dr. Elizabeth Sirles ($215K) and Dr. Jacqueline Pflaum ($371K).

The Institute for Circumpolar Health Studies received $375K through the Alaska Housing Finance Corporation and the Alaska Mental Health Trust Authority to evaluate the impact of Alaska Housing First programs in relation to alcohol dependence, overall health and cost effectiveness.

Public square and collaborations:
Kenai Peninsula College’s Kenai River Campus held its 6th annual Community Health Fair attracting more than 300 participants to the 30 health exhibitors on campus.

Development:
Icicle Seafoods Inc. contributed $300K to benefit programs within the University of Alaska system that focus on the fishing industry, bringing Icicle Seafoods’ accumulative donations to over $1M.

Chugach Alaska Corporation donated $100K to support Excellence in Alaska Native Business and Public Policy.

PWSCC held the 20th annual student scholarship fundraiser attended by over 200 people and raising $33K in student scholarships, bringing the total to more than half a million dollars in the last 20 years.

The Estate of Elizabeth Tower made a stock donation valued at over $188,000 to support the Elizabeth Tower Endowment for Canadian Studies.

ExxonMobil Production Company donated $100,000 to ANSEP; ASRC Energy Services, Inc. made a $100,000 pledge payment to support the Herbert P. Schroeder Chair of ANSEP.

University Relations award:
UAA’s University Relations team received a Bronze CASE award for its I AM UAA campaign.

In the first eight months of FY12 UAA received nearly 90% of the total awards for all of FY11.

- FY12 year-to-date: 246 awards totaling $31,675,853
- FY11 UAA received 315 awards totaling $35,456,394

UAA received these awards in the areas of Research (Applied and Basic), Public Service, Instruction, Academic Support, Student Services, Institutional Support, and Scholarship/Fellowship. Total awards do not reflect monies received in support of Student Financial Aid.

The Eyak Corporation made several major gifts totaling $200,000, much of which will benefit PWSCC and Alaskan Native student success, as well as the Last Frontier Theatre Conference.

Anchorage campus snow team logged over 3,000 man and equipment hours this year dealing with more than 100 inches of snow.

UAA’s Aviation Technology Division received the UFA ATTower ATC Training Simulator. UAA is one of 33 approved CTI Air Traffic Control schools and was the 5th school approved in the nation.
Achievements

Institute of Arctic Biology director and zoophysiologist Brian Barnes was named a 2011 fellow of the American Association for the Advancement of Science, the world’s largest general scientific society. Barnes was recognized for distinguished contributions to leadership in arctic science and research in hibernation and cryobiology. Barnes’ research focuses on physiological ecology and thermoregulation of hibernating mammals — especially black bears and arctic ground squirrels.

Alumnus Ben Grossmann received an Oscar for his work on the movie Hugo at the 84th Academy Awards. He shared the visual effects award with three colleagues. Grossmann grew up in Big Delta and moved to California in 2001 to pursue a career in the film industry. He’s no stranger to award ceremonies: in 2006 he won an Emmy for his visual effects work on the miniseries The Triangle. In a Fairbanks Daily News-Miner article he thanked his UAF professors, among others, for help along the way that led to the award.

Geophysical Institute Professor Emeritus Davis Sentman was elected to the 2012 class of fellows for the American Geophysical Union. Sentman was a pioneer in observing and modeling sprites — quick red flashes that burst from the tops of thunderclouds. He was selected for the honor in recognition of his contributions to the field of atmospheric electricity shortly before he died in December 2011.

The School of Management honored Dan Gavora as UAF’s 2012 Business Leader of the Year. His father, Paul Gavora, was the first such honoree, in 1977. Gavora is currently the president/CEO of Doyon Utilities LLC, which owns and operates the utilities at all three Alaska Army posts.

The Fairbanks chapter of the UAA Student Nurses Association registered 141 potential bone marrow donors during a February registry event on the Fairbanks campus. Student nurses used cotton swabs to take samples of cheek cells for determining volunteers’ tissue type. That information will be used to match potential donors with patients.

A $1.6 million software donation to the Petroleum Engineering Department will allow students to learn on the same programs used by more than 350 oil and gas companies. The software, from Petroleum Experts, based in Edinburgh, Scotland, lets users model oil reservoirs, wells and pipeline networks.

In Progress

Marketing and Communications, contracting with the Nerland Agency, has completed the research phase of a branding project designed to position UAF in relationship to other universities. The research included focus groups, key-informant interviews and a survey to which 4,700 stakeholders responded.

Two UAF rifle alumni will represent the U.S. at the 2012 Olympic Games in London. Jamie (Beyerle) Gray will compete in both of the women’s rifle events — air and three-position. Matt Emmons made the team in the same men’s events, and will compete in June for a U.S. berth in a third men’s rifle event — prone — in which he won a gold medal at the 2008 Olympics.

What’s Next

So far more than a dozen UAF teams have signed up to participate in the May 19 Heart Walk, a community-building, heart-healthy event that increases awareness of heart disease risks and raises funds for research.

Construction projects planned for this summer include construction of new utilidor under the Nenana parking lot to expand steam heating and water lines capacity for West Ridge. Workers will also build underground electrical vaults throughout campus to house high-voltage switches, and replace a section of the campus main sewer line as part of a multiphase replacement project. The Life Sciences Facility is enclosed, warm and dry; the project is well underway and scheduled for occupancy in May 2013.

Summer Sessions and Lifelong Learning continues to support campus sustainability efforts by downsizing the summer class schedule from a 72-page booklet to a one-piece foldout brochure. Students can choose from more than 265 courses offered this summer, beginning with 14 classes available in MAYmester, the two-week intensive semester right after commencement. Summer Sessions also offers a full calendar of events four nights a week with lectures, concerts and movies.
Nanook captain Ron Meyers hoists the cup after receiving it from Gov. Sean Parnell. The Nanooks won a thrilling victory over the Seawolves, claiming the coveted Governor’s Cup for the third time in the past four years.

Photos, clockwise from left
Senior Klara Maisch, with one of her works in the painting studio in the Fine Arts Complex. Maisch’s work is featured by the Development Office in this year’s annual scholarship breakfast.

The 2012 ice arch was constructed by engineering students for National Engineers Week, and was sponsored by the Fairbanks chapter of the Alaska Society of Professional Engineers and Flint Hills Resources.

Marjorie Tahbone, left, and Kelsey Wallace, both Alaska Native Studies majors, wear their traditional beaded regalia. Wallace is enjoying her year as Miss World Indian Eskimo Olympics. Tahbone is Miss Indian World for 2012.
Native Oratory Contest Marks Decade

Kolene James, Coordinator, Native and Rural Student Center

UAS and local high school students competed in Native Language, Storytelling, Dramatic Declamation and Oratory categories.

Several Alaska Native students participated in the 10th Annual Oratory Contest held Saturday, March 3 at the Juneau campus hosted by the Wooch.een club. UAS and local high school students competed in Native Language, Storytelling, Dramatic Declamation and Oratory categories. Top prizes won tuition credits.

It is my honor to recognize and thank all of you for your continued support, participation, and team spirit in making the University’s 10th year of competition, such a wonderful success! An event such as this would not have been possible without every individual that participated in the preparation, performing, judging, time keeping, tallying, and guiding.

A special thank you to the following: Our most Cherished guest speakers Elder Cyril George, and Della Cheney for your words of encouragement to all of the Oratory participants. Chancellor John Pugh, Provost Rick Caulfield for your continued support and acknowledgement of the student participants. Assistant Professor of Alaska Native Languages Lance Twitchell for your traditional story and relating to all of our student participants as active participants in keeping our culture alive! Dean of Students Jessie Grant, and Dean of Enrollment Management Joe Nelson, PITAAS Director Ronalda Cadiente-Brown, Student Services Administrative Manager Roxy Felkl, Administrative Specialist Shauna Bail, and Director of the Learning Center Hildegard Sellner for sponsoring and encouraging our students to continue hosting this wonderful annual event.

So what’s next? UAS is considering hosting the Statewide Event at our Juneau campus, Wooch.een will collaborate with a committee of faculty, staff, and community members to figure out next steps. Please stay tuned! On to the results!!!

Results:

Native Language: Anastasia Brink, 1st place UAS Student, Stephanie Tripp, 2nd place UAS PITAAS Student, Richard Tagaban, 3rd place UAS PITAAS Student

Storytelling: Konrad Frank, 1st place UAS Student, Lorene Hanlon, 2nd place UAS Student, Naahaan, 3rd place UAS Student

Dramatic Declamation: Nae Tumulak, 1st place UAS Student, Stephanie Tripp, 2nd place UAS PITAAS Student, Konrad Frank, 3rd place UAS Student

Oratory: Lorene Hanlon, 1st place UAS Student, Nae Tumulak, 2nd place UAS Student, Naahaan, 3rd place UAS Student

Congratulations MBA Alumni Karl Heinz and MPA Alumni Rob Steedle

Heinz was recently named one of the Top Forty Under 40 by the Alaska Journal of Commerce. Heinz serves as vice president and Haines branch manager of First National Bank Alaska. Steedle was recently appointed to the position of Deputy City Manager for the City and Borough of Juneau after previous position holder Kim Keifer was hired as City Manager.

Student Wins JAHC Writing Scholarship

English student Meghan Stangeland is the recipient of the Mac Behrend’s Creative Writing Scholarship from the Juneau Arts & Humanities Council. Meghan was chosen by the Tidal Echoes board on the strength of her writing.

UAS Mine Simulator Unveiled to the Public

Grand unveiling on Friday, February 24 at the UAS Technical Education Center

Legislators, mining industry representatives, UAS officials and public school students showed up to try out the only educational underground mine training simulator in the country at a grand unveiling on Friday, Feb. 24 at the Technical Education Center downtown.

Elementary school students look on as Rep. Peggy Wilson (R-Wrangell) "drives" a simulated underground mining vehicle hosted by UAS Career Education
Three Chancellor’s Show United Front

Chancellor John Pugh was joined by his counterparts from the University of Alaska Anchorage and Fairbanks in the capital city on Tuesday, February 28.

Chancellors Tom Case, Brian Rogers and Pugh addressed the Downtown Rotary Club and the University of Alaska Legislative Boosters Caucus on collaboration between the three main UA MAU’s. "We are three universities and one system," said Rogers. The trio emphasized alignment and cooperation in programs such as engineering, health care, fisheries, marine transportation and e-learning. When asked about the need for more classrooms when more than one-third of classes are delivered through e-learning, Case said classrooms are vital to the collegiate experience. "By working together, we can do health care programs that just could not be done in other parts of the country," said Pugh. "We’ll save the competition for sports," said Rogers.

Straley Receives Alaska Ocean Leadership Award

Jan Straley received an Alaska Ocean Leadership Award from the Alaska Sealife Center at a ceremony February 18 at the Den’aina Center in Anchorage.

Straley was awarded the Marine Research Award, sponsored by Dr. Clarence Pautzke and his wife Dr. Maureen McCrae. "The Alaska Ocean Leadership Awards provide an opportunity to recognize outstanding contributions to the sustainability of Alaska’s greatest resource—her oceans," said Tara Riemer Jones, ASLC President and CEO. Jan has studied the behavior and population dynamics of large whales in the North Pacific for more than thirty years. Her early research on humpbacks provided insight why some whales linger in the colder waters of the North Pacific during the fall and winter, when most whales migrate to the warmer climates of Mexico and Hawaii. Her research today involves interactions among large whales and human activities, primarily with fisheries. She is currently an Associate Professor of Marine Biology at the UAS Sitka Campus and an affiliate faculty of the UAF School of Fisheries and Ocean Sciences. The Alaska SeaLife Center is a private non-profit research institution and visitor attraction which generates and shares scientific knowledge to promote understanding and stewardship of Alaska’s marine ecosystems.

UAS Carpenter Takes Top Honor at Wearable Art Extravaganza

The wood veneer craftsmanship of UAS carpenter David Walker once again earned first place in the 2012 Wearable Arts Extravaganza held February 11-12.

Attendees at the Juneau Arts and Humanities Council’s biggest fundraiser had no problem voting Walker’s Beauty in the Beast number one for the People’s Choice Award. The piece is inspired by victims of breast cancer. UAS student Anna Gonwa Ramonda was the model for the piece. Walker is no stranger to top honors in Wearable Arts. Walker has placed in three of the four international World of Wearable Arts shows he has entered in New Zealand. Walker brought home the “supreme winner” award in 2009 for “Lady of the Wood,” a Marie-Antoinette style ball gown. In Juneau his wood gowns have earned him a prize in every show he’s entered. Read more here: http://juneauempire.com/art/2012-02-16/wearable-arts-walker-explores-personal-themes-latest-piece

University of Alaska Southeast Leads Icefield Study

Glacial fossil fuel remnants and the food chain.

North America’s fifth largest icefield is the laboratory for a study revealing that the remnants of fossil fuels in glaciers may be changing the source of food for marine life. University of Alaska Southeast Associate Professor of Environmental Science Eran Hood is the second author of the study, to be published in the international journal Nature Geoscience in March 2012. The article is currently online.

Hood led the fieldwork on the Mendenhall and Herbert Glaciers, where visiting scholar-scientists from throughout the Lower 48 sampled snow, ice melt, and glacier runoff. The organic carbon from these water and snow samples was isolated and carbon dated. “We analyzed its molecular chemical structure,” said Hood. “The carbon fingerprint we found indicated aerosols derived from the combustion of fossil fuels are an important source of organic matter on glacier surfaces and also in glacier outflow streams.”

The scientists said glaciers offer ideal evidence of soot from carbon emissions. This “black carbon,” darkens glacier surfaces and increases their absorption of light and heat. The carbon can also be exported to ecosystems downstream from glaciers where it can be metabolized and become part of the food web.
Coalition of Student Leaders
Nicholas S. Pennington, Speaker

The Coalition is happy to report another successful and completed Legislative Conference. We are actively watching how things go down in the Legislature to see if students and the University will receive some relief. There are a lot of supportive legislators and we hope they carry the day. I would like to thank the faculty, staff, and administration members who supported us in this effort.

Additionally, I would like to thank Regent Martin for speaking with students. It is significant that the board of the University of Alaska system is so open to communicating with students. We are happy to continue our involvement on the Tuition Task Force and we are looking forward to working with Saichi Oba and other members. We are eagerly watching the progress on tuition and fees and are happy to have the opportunity to communicate directly with the administration.

Nicholas Shane Pennington served two terms as president of the Kodiak College Student Government Association. He received an Associate of Arts through the Kodiak College and is pursuing a degree in Business Management.

Staff Alliance
Juella Sparks, Chair

Staff Alliance will hold our spring retreat in Anchorage on March 22nd and 23rd. We have a very full agenda with President Gamble video conferencing with us, extended sessions on compensation and healthcare, and our regular meeting. We have also invited Chris Christensen and Donald Smith to meet with us on several topics, i.e., a budget update, legislative advocacy, and the proposed changes to the education benefit. Finally, we will share the activities occurring at each MAU and feedback received from our constituents on topics such as the proposed tobacco free hiring policy. I will share the highlights and formal actions of this retreat during my testimony before you in Kenai.

Juella was born and raised in Alaska and graduated from UAF with a B.B.A. in Management. After several years working for the state and starting a family, she came back to the university to work for Cooperative Extension Service in December, 2002. She was active in student government and moved quickly to being active in staff governance at UAF. Juella has served as Staff Alliance vice chair 2007-2009, chair of the System Governance Council 2008-2009 and president of the UAF Staff Council 2008-2009
Faculty Alliance
Daniel B. Monteith, Chair

Since the January meeting of the E Lab task force the faculty developed a
draft of recommendations that have been forwarded to the Alliance. The draft
document was discussed at the Alliance meeting January 27, 2012. Alliance
members have submitted comments and edits. On February 16th the Alliance
comments will be forwarded to the Task force for final review. Alliance has
reviewed and approved the E Lab Task Force Recommendations at the
February 24th meeting.

The University of Alaska E Lab Task Force should be thanked for their diligent recommendations
and hard work!

E Lab Task Force
Members of E Lab task force are:
Michael Stekoll (Biology, UAS),
Cathy Connor (Environmental Science, UAS)
Deborah Barnett (Biology, UAS)
Orion Lawlor (Computer Science, UAF)
Rainer Newberry (Geology, UAF)
Rich Collins (Atmospheric Science, UAF)
Jim Pantaleone (UAA, Physics)
Andy Veh (KPC Campus, UAA)
Mark Fitch (Math, UAA)
John Petrakis (Psychology, UAA)
Jacqueline Cason (English, UAA)
Daniel Monteith (Anthropology, UAS)

Faculty Alliance discussed a timeline for distribution to the MAU Faculty Senates. Senates will
review the recommendations at the March and April meetings. Once each Faculty Senate has
approved the recommendations the Faculty Alliance will discuss an implementation strategy and
timeline.

This process has provided a model for further faculty review of GERs and Core classes in other
areas like the social sciences and humanities. Alliance will work with the President’s office to
initiate task forces in the other areas. These efforts will work toward more transferability between MAUs and specific courses on the GER/Core level.

**Board of Regents Policy and Regulations**

Each Faculty Senate has assigned committees to review the policies and regulations. The purpose and intent of the review is fourfold: to delete sections that are redundant, to edit sections with minor changes, to flag sections with major required changes, and to maintain sections that do not need any edits or changes. Work is ongoing!

**Listening Sessions and Transferability**

Faculty Alliance members have been attending many of the listening sessions. We are waiting for the final results and summaries for the listening sessions from Paula Donson’s office.

**College Completion**

Faculty Alliance is engaged in a dialogue with the President regarding how we can make the national programs better suit our demographics and student body. Alliance feels strongly that the University of Alaska student body is unique and that the students encounter some different challenges in completing college quicker. Alliance wants to meet the needs of our students.

Daniel Monteith  
Chair, Faculty Alliance.

*Dr. Dan Monteith is Assistant Professor of Anthropology and Chair of Social Sciences at the University of Alaska Southeast in Juneau. While in Chicago he worked at the Field Natural History Museum and Oriental Institute Museum. As a student his summers were spent working in the fishing industry in Bristol Bay. This experience led him to his current research, which is an anthropological study of the Bristol Bay fishery. He holds a B.A. and M.A. from the University of Chicago, and Ph.D. from Michigan State University. He served as Faculty Alliance member and UAS Faculty Senate president-elect 2010-2011 and is currently senate president as well as Faculty Alliance chair.*
UA Distance Science Labs Task Force

Adopted by Faculty Alliance February 24, 2012, for Review and Approval by Faculty Senates

Chair: Daniel B Monteith

Instruction methods are changing and evolving rapidly, with exciting opportunities but serious challenges, and this requires a more open and inclusive university-wide discussion including students, instructors, faculty, adjuncts, and administration. The University of Alaska has a mission to provide Alaskan students access to higher education. Laboratory natural science courses, which are a vital part of our bachelor's GER/core, pose particular challenges to ensure both access and quality. Crucially, lab science is about sensing and interacting with the physical environment, with the complexities as found in nature.

This policy defines a RECOMMENDED review process for GER/core lab science courses as defined below. WE RECOMMEND THAT existing lab science courses, distance or not, that have not been reviewed by this process can no longer be offered as GER/Core lab science courses starting Fall 2013.

This RECOMMENDED policy applies only to lab science courses accepted for the lab science requirement of the bachelor's GER/core at any MAU. Policies vary widely between the UAA GER/l lab courses, UAF natural science core courses, and UAS GERS lab natural science courses. Lab science courses affect every baccalaureate major, touching every department.

Principle: just as course content is governed by the department that controls the prefix (e.g., BIOL), instructional method for lab sciences is also a substantive issue that must be approved by that department. Disciplines can best determine content; disciplines are in the best position to judge instructional methods. However, Faculty Senate oversight is important to maintain overall quality control.

In addition to review of existing GER/core lab science courses, this RECOMMENDED policy requires review for GER/core lab science courses that add or change primary delivery method between:
- Hands-on in-classroom equipment.
- Take-home physical kits.
- Remotely operated equipment.
- Virtual/simulation, purely software onscreen.
When a new or existing GER/core lab science course changes primary delivery method, this modification requires course approval from the MAU department. Courses may be delivered experimentally using a new method up to two times prior to full review, with notification to and monitoring by the MAU department. Review is also needed via the ordinary MAU faculty senate curriculum process. Ongoing assessment and review is highly recommended.

Issues for faculty to address in proposing a lab course (see also: Supplemental Questions for Online Course Approval Requests, Berkeley Division of Academic Senate Committee on Courses of Instruction)

1. What are the goals and outcomes of the existing face-to-face sections?
2. What delivery methods will be used from the list above, and in what proportions?
3. What are the goals and outcomes of the lab sections? Are the goals and outcomes different for different modes of lab instruction? How will the goals and outcomes be achieved, and assessed?
4. If a new mode of delivery for an existing lab course is proposed, how will the new lab section be different from existing lab sections?
5. Is there a population of students identified that need this course?
6. Student preparation: How will students be advised and screened for technology proficiency? Do they have the prerequisite knowledge and preparation? Do they have the self-pacing skills needed for distance delivery? Are technologies introduced at an appropriate pace?
7. How will students and instructors interact? How will students and other students interact? Will the technology support a “community of learning”?
8. Will a fully asynchronous course include some synchronous time for students to ask and answer questions? Are synchronous sessions required (lecture/discussion) or optional (office hours)?
9. What are the expectations for student-faculty communications, such as email latency and frequency, and how will they be met?
10. What internet connection (bandwidth) will be required for students? For instructors?
11. Specific technology questions:
   a. For take-home kits, how will the kits be purchased? Maintained? Are there safety concerns? How does the equipment in the kits compare with in-classroom lab equipment?
   b. For simulations, how will they be used in this course, and how do they compare with reality? How do they compare with professional methods or practices in the field? What software will be required?
12. How will plagiarism and academic integrity issues be addressed?

Issues for departments to discuss during the lab course review process (see also: Best Practices for E-Labs, Southern Association of Colleges and Schools, substituting “e-labs” for “programs”)

1. What are students supposed to be learning in the existing face-to-face sections? Are they learning that, and how is it assessed?
2. Will distance courses affect face-to-face enrollment? Will distance courses draw students away from existing courses, eventually replacing them, or primarily draw in new students?

3. What impacts will this course have on the program's professional accreditation? What effect will the course have on downstream courses, using it as a prerequisite?

4. How will the course design work be supported, for the significant effort to develop a new distance course or convert an existing course? How much effort is it? Will it appear in faculty workloads?

5. Who will choose instructors for the course? How will instructors be trained in the changing technology for distance learning?

6. How is the enrollment cap determined for each distance section?

7. Will there be teaching assistants for additional distance sections?

8. How will the department validate the domain knowledge for the courses in their discipline? Who will be responsible for that validation?

Issues for the Faculty Senate curriculum council to address for a reviewed lab course:

1. How will coordination be maintained between campuses?

2. How will intellectual property issues be handled? Who owns the course content—the faculty who develop the course, the department, the university, the book publisher?

3. How will software, servers, and information technology be vetted, supported and standardized? How will these be maintained for the entire lifetime of the course?

Issues the UA Task Force decided not address:

- Non-GER/core science labs. Individual departments should choose how their own 300 and 400 level lab courses are designed and delivered. Further, their choices, will—in the vast bulk of cases—only impact their department and those equivalent ones of the other MAUs.

- Transferability of distance delivered courses, both between MAUs and from other institutions. UA Board of Regents Policy addresses transferability of credit both in general and for GER courses in particular (See sections P10.04.060 and P 10.04.062).

The UA Task Force recommends a annual or semi-annual inter-MAU faculty meeting would be useful to integrate the university system, which will assist with issues like transferability.
Acronyms commonly used in reporting Labor Relations activities:

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
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</thead>
<tbody>
<tr>
<td>UAFT</td>
<td>University of Alaska Federation of Teachers</td>
</tr>
<tr>
<td>CBA</td>
<td>Collective Bargaining Agreement</td>
</tr>
<tr>
<td>LMC</td>
<td>Labor-Management Committee</td>
</tr>
<tr>
<td>Local 6070</td>
<td>Alaska Higher Education Crafts and Trades Employees – Local 6070</td>
</tr>
<tr>
<td>MAU</td>
<td>Major Academic Unit (UAA, UAF, UAS)</td>
</tr>
<tr>
<td>JHCC</td>
<td>Joint Health Care Committee</td>
</tr>
<tr>
<td>UNAC</td>
<td>United Academics</td>
</tr>
<tr>
<td>ALRA</td>
<td>Alaska Labor Relations Agency</td>
</tr>
<tr>
<td>ULP</td>
<td>Unfair Labor Practice Charge</td>
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LABOR - MANAGEMENT COMMITTEES/EVENTS

- The university, Local 6070 and campus representatives have been meeting on an as-needed basis to address issues of interest to the MAUs and identify processes to resolve any concerns.

- The Joint Health Care Committee (JHCC), comprised of union, management, and non-represented employees, meets monthly to discuss system-wide health care issues. Committee meetings were held on March 1, 2, 13, and 15 2012.

- The university, UAFT and campus representatives convened the first Joint Labor Management Committee (LMC) for Market Salary Adjustments on January 11-12, 2012 in Anchorage. The Committee met, reviewed, and analyzed salaries, and developed the procedures for distribution of the FY13 UAFT Market Salary Increases.

- The university, UNAC and campus representatives convened the first Joint Labor Management Committee (LMC) for Market Increases on February 27/28, 2012. They reviewed and analyzed salaries and developed the necessary guidelines and procedures for distribution of the FY13 UNAC Market Increases.
GRIEVANCE and ARBITRATION HIGHLIGHTS

University of Alaska Federation of Teachers (UAFT)

- **UAF College of Rural and Community Development**: The union filed a Step 2 grievance alleging that the university violated Article 9.1 of the CBA by placing two new faculty members at an extended site into the United Academics bargaining unit rather than into the UAFT unit. The university responded to the union on November 11, 2009, recommending that the substance of the grievance be reviewed and determined by the ALRA as part of the unit clarification proceeding. The grievance is being held in abeyance pending the outcome of the ALRA proceeding.

- **UAF College of Rural and Community Development**: Two faculty members filed a Step 2 grievance alleging that the university violated Article 2 of the CBA by stifling their academic freedom and removing creative activity from their annual workloads. The Step 2 meeting was held on August 31, 2010 and the Chancellor issued a decision on September 08, 2010. Resolution efforts were unsuccessful on May 10, 2011. The grievants asked that the dispute be moved to arbitration. The arbitration was held in Anchorage on November 04, 2011. The Arbitrator’s Opinion and Award was dated and received by the parties on January 19, 2012. The arbitrator ruled that the dispute was arbitrable and that the University did not violate the CBA with respect the grievants’ workloads. The Arbitrator ruled that grievants prevailed on the arbitrability of the grievance, and the University prevailed on the merits of the grievance.

- **UAA School of Nursing**: The union filed a Step 2 grievance alleging that the university violated Article 5.1.A of the CBA by unilaterally changing the assignment of several nursing faculty members from Bipartite Vocational to Bipartite Academic. The university provided its position statement to the union on December 15, 2010. The parties held a Step 2 meeting on May 6, 2011. The Chancellor denied the grievance on June 16, 2011. The union appealed the decision to Step 3. The University notified the Union on September 15, 2011 and moved the grievance to arbitration. The parties met on October 25, 2011 to strike arbitrators. The arbitration is scheduled for May 8-9, 2012 in Anchorage.

United Academics (UNAC)

- **UAF International Arctic Research Center**: UNAC filed a Step 2 grievance on January 6, 2012 alleging that the university violated just cause, due process, and disciplinary investigation, (Article 11.1 and Article 11.2) when it issued a notice of inquiry to a faculty member without notifying the union. The Step 2 grievance meeting is scheduled for January 31, 2012. The university provided a Step 2 response on February 15, 2012. The union met with their grievance committee,
and subsequently called a meeting with their executive board to discuss the
University’s Step 2 response. The union filed a Step 3 grievance with Chancellor
on March 8, 2012. The Chancellor’s resolution meeting is due to occur prior to
March 23, 2012. The parties are schedule to meet March 14, 2012 to discuss
possible resolutions.

- (Paula UAA-CAS) UNAC filed a Step 1 grievance on February 17, 2012 alleging
a violation of the evaluation process. The Step 1 hearing was held on March 9,

Local 6070

- **UAF Power Plant:** On September 20, 2011 the union filed a Step 2 class action
grievance alleging all maintenance employees in the Power Plant should receive a
.50 an hour premium pay. The grievance alleged the University violated Article
4.10A & Article 6.3. UAF HR requested six (6) extensions, and did not resolve
the grievance at Step 2. The grievance was advanced to Step 3 on January 4,
2012. The union made an extensive information request on January 6, 2012. A
Step 3 resolution meeting was held on January 17, 2012. The parties were unable
to reach a resolution. The University’s written response is due January 31, 2012.
The University denied the grievance at step 3 on January 31, 2012. APEA
requested arbitration on February 6, 2012. The parties met and struck for
arbitrators on February 24, 2012. The arbitration is tentatively scheduled for
August.

United Academic – Adjuncts

- No grievances are pending.

**ISSUES BEFORE THE ALASKA LABOR RELATIONS AGENCY**

**Unit Clarification Petition:** On October 17, 2007, UAFT filed an unfair labor practice
charge (ULP) with the Alaska Labor Relations Agency (ALRA) alleging that the
university violated the CBA by its placement of new faculty with upper-division teaching
assignments into the UNAC bargaining unit. In response, the university filed a unit
clarification petition. On August 25, 2009, the ALRA accepted the university’s Petition
for Unit Clarification and placed the unfair labor practice complaints in abeyance pending
the determination of that petition. The ALRA hearing began on April 5, 2010 and lasted
until April 22, 2010. Post hearing briefs and response briefs were filed and the issue is
before the Agency for a decision. On October 04, 2011, the ALRA notified the parties
that they wanted briefing on the appropriateness of one unit of non-adjunct faculty at the
University. File briefs were submitted to ALRA on December 21, 2011. A decision is
pending.
ASEA Unfair Labor Practice: On April 19, 2011 the Alaska State Employees Association (ASEA) filed an unfair labor practice charge (ULP) with the Alaska Labor Relations Agency (ALRA) alleging that the university violated the Public Employment Relations Act (PERA) by interference, coercion, and restraining exercise of employee organizing rights. On April 20, 2011 the ALRA stated it would conduct an investigation. The university sent its response to ASEA’s allegations on May 04, 2011. ASEA filed a response to UA’s response on June 27, 2011. On November 09, 2011 ASEA filed a motion to amend the ULP. The amendment alleges defamation, refusal to provide a response to information in Excel format and alleges Staff Alliance as a company union. On December 09, 2011 ASEA filed a second motion to amend the ULP. The second motion alleges UA obstructed delivery of mail to UAF employees. The university responded to ASEA’s motions on January 27, 2012. ASEA then filed an additional reply to UA’s response on February 24, 2012. UA filed a replied to ASEA’s reply on March 07, 2012. Additionally, ASEA filed a motion for a hearing to take depositions; the university opposed the depositions. On February 24, 2012 the ALRA denied ASEA’s motion for a hearing to take depositions.

EMPLOYEE RELATIONS HIGHLIGHTS

- **UAF Community and Technical College (formerly Tanana Valley Campus):** A non-exempt employee at Tanana Valley Campus was non-retained pursuant to Regents’ Policy and University Regulation. The employee grieved the issue and requested a hearing. After motion practice, the hearing officer issued a dispositive order on September 21, 2008, canceling the hearing and recommending that the UAF Chancellor uphold the non-retention decision. The employee filed suit in Superior Court challenging the university’s right to nonretain non-probationary employees. The judge issued a preliminary order adverse to the university. The university’s request for reconsideration was denied and the university subsequently filed a petition for review with the Alaska Supreme Court on November 12, 2010. The Court accepted the petition and consolidated this case with an Anchorage case raising similar issues but with a different result. Oral argument is set for March 28, 2012.

- **UAA Police Department:** An employee was terminated for cause and simultaneously issued a non-retention notice after writing himself parking tickets which he later destroyed to avoid paying parking fees. The employee filed a grievance, and a hearing was held in March. The hearing officer recommended upholding the termination and the chancellor agreed. The employee filed an administrative appeal on July 21, 2009. The judge reversed the cause termination but upheld the non-retention. The employee submitted a request for rehearing which was denied by the judge. The employee has appealed the matter to the Alaska Supreme Court, and the University cross appealed on the termination for cause. This case has been consolidated for hearing with the Fairbanks case discussed above. Oral argument is set for March 28, 2012.
wide latitude to act, even to the extent of making decisions that may not be popular with large segments of the population. The modern college or university (or system of institutions) has many more “stakeholders” than any other type of organization, and governing boards find themselves in the middle of these constituents. Trusteeship, therefore, is a constant balancing act between:

- exercising authority and exercising restraint;
- making unilateral decisions in the boardroom and requiring or expecting consultation with appropriate constituents;
- advocating institutional needs and interests and interpreting what best serves the larger public good;
- accepting legitimate accountability to elected political leaders and guarding against inappropriate intrusion;
- being adamant about one’s principles and point of view and helping to build consensus with other trustees on complex issues; and
- knowing when to lead and when to follow.

What are the governing board’s responsibilities?

Ultimately, the board holds the institution it serves in trust for the public that supports and depends on a strong “system” of higher education. This principle undergirds each of these 12 primary responsibilities:

1. Setting mission and purposes.
2. Appointing the president or chancellor.
3. Supporting the chief executive.
4. Monitoring the chief executive’s performance.
6. Insisting on strategic planning.
7. Reviewing educational and public-service programs.
8. Ensuring adequate resources.
9. Ensuring good management.
11. Relating campus to community and community to campus.
12. Serving as a court of appeal.

The first duty of the trustee is to understand the purpose of the institution, to determine direction, and to assist in holding a steady course.”

“\~ J.L.Z.

It is not unreasonable to expect of regents and trustees the highest degree of experience and probity.”

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This is hard work. But among the board’s responsibilities, setting institutional missions and distinguishing between them in systems are especially important. The board should have a strong sense of ownership for the missions of their institution(s), even as they evolve over time and are influenced and shaped by faculty, legislation, availability of resources, or statewide coordinating boards. Institutional missions inevitably influence the board’s decisions and how it addresses its various other responsibilities.

2. Appointing the president or chancellor. As Clark Kerr emphasized in his 1984 study of the academic presidency, Presidents Make a Difference, the ultimate test of a board’s effectiveness is its ability to attract and keep strong, competent executive leaders. The board plays a crucial role in providing an environment that attracts top talent to the university or system. No board decision is likely to have greater impact on the institution or system—or be more political, consequential, or a greater test of the board’s leadership and vision—than selecting the chief executive. This is no less true for the selection of campus leaders within systems, even though the board may not be as involved in the process.

Selecting a president today is increasingly difficult for boards—and the reasons are extensions of the same reasons presidents find it so difficult to lead or be “agents of change.” The average tenure for public college and university presidents is about six years, according to AGB research. The position is becoming more political externally, leaving presidents less opportunity or time to exercise academic leadership (also political in nature) internally. That academic vice presidents and deans—traditional successors to presidents—are exhibiting increasing reluctance to aspire to the presidency is a symptom of the problem.

The lack of confidentiality in the search process, due in part to unreasonably restrictive open-meeting laws in some states, also makes presidential selection difficult.

“Just as board members cannot embody all the virtues, neither can presidents.”

—J.L.Z.

Too many careers have been ruined when names have been revealed prematurely, and too many institutions have missed outstanding leaders because superb would-be candidates did not trust the integrity of the selection process. Here again, the board must perform a delicate balancing act between assuming a difficult and important responsibility and consulting with the many groups that have a stake in the ultimate decision. The board must not abdicate its responsibility to make the final decision (this responsibility is its least ambiguous), but it should consult widely with campus leaders.

A clear sense of the institution’s assets, needs, and strategic priorities should inform the qualities and experience to be sought in a new leader. (Executive search firms often refer to this as the “presearch” phase.) Allowing adequate time for thoughtful deliberation of these matters before the search process begins helps to set the stage for consensus on the qualities and experiences of candidates the board seeks. Achieving consensus on strategic priorities also helps to make the position more attractive to potential candidates.

3. Supporting the chief executive. When a board is blessed with a leader or group of campus leaders it can look to with pride and satisfaction, its job is immensely easier. But effective leaders are increasingly difficult to find in all industries, commercial and nonprofit. Our society is extremely demanding of those in positions of authority.

Given the amount of time, money, and luck required to find an effective leader, it is helpful to think of the president or chancellor as a significant investment that should be protected. The only place a chief executive of an academic institution can look to for consistent support is the board. In the public sector, however, the relatively frequent turnover of trustees (especially of board chairs), the increasingly politicized nature of the trustee-selection process (described by Clark Kerr and Marion L. Gade in The Guardians), and the demands of special-interest groups that claim a
What are your responsibilities as an individual trustee or regent?

An important message in the foregoing list of 12 responsibilities is that the individual board member’s responsibilities differ from, but are complementary to, those of the board. Trustees have no special authority in their individual capacities. They may have their own letterhead and business cards and even access to an office on campus, but these gestures of respect do not signal unilateral authority. Those who are elected through statewide or local elections hold no more and no fewer responsibilities than appointed trustees. All trustees are equals in the boardroom.

Boards are finding it useful to adopt formal statements of responsibility to clarify some basic expectations their members hold for one another. Although most of these expectations are obvious, others are more subtle and address some of the ambiguities surrounding the role. Basically, trustees are judged by their peers and others largely on their willingness to be team players and on knowing when to lead and when to follow in the boardroom.

Faithfully preparing for and attending meetings, being knowledgeable about the institution or system and its constituent campuses, and asking good questions in the boardroom are obvious expectations. But trustees are held to high standards. What sorts of situations should trustees avoid? To name a few: asking for special favors of the administration; making prejudiced judgments based on information from disgruntled faculty, staff, or state officials; giving even the appearance of a conflict of interest; and taking an inappropriate advocacy role for a system campus, academic department, or a favorite staff member.

Some areas can perplex the trustee who seeks to demonstrate commitment. Here are some guidelines:

* Speaking for the board or institution ordinarily is reserved for the board chair or chief executive. Be wary of, rather than welcoming to, the ambush.
spokesperson for the board.

- Serving the institution or system as a whole and not any one part of it is a responsibility of all trustees. Although you have every right and duty to bring your knowledge of any special group’s interests to the board’s discussions and to articulate personal principles to influence the judgments of others on any issue, you also have a responsibility to support the majority action, even if you disagree with it.

- Seeking opportunities to inform the public about your institution or system—about the many good things it is doing and about why it deserves support—are part of the fun of trusteeship. If trustees do not inform the public about the institution or system, who will?

- Enjoying relationships with other leaders in the community and on the board through your trusteeship is rewarding, but be careful to avoid giving even the appearance of using the trusteeship for personal or political gain. College and university trusteeships should not be used as stepping-stones to political office or for personal aggrandizement of any kind. Trustees who use their position in this way demean the institution and themselves.

The most effective trustees consistently exercise good judgment but also are careful listeners. They are strong in their convictions but appreciate the value of others. They seek advice as readily as they give it. They do not shy away from making difficult decisions in the boardroom and taking their share of criticism when necessary. But in their individual capacities outside of the boardroom, they also practice the behavior so eloquently described by Philadelphia Quaker Hannah Whitall Smith: “The true secret of giving advice is, after you have honestly given it, to be perfectly indifferent whether it is taken or not, and never persist in trying to set people right.” Humility has its place in the boardroom, along with conviction and leadership.
What makes the academy distinctive?

Colleges and universities possess unique purposes, structures, and traditions within a society that places a high value on freedom, unfettered pursuit of truth, and competition among organizations within a market economy. The academic institution is like no other tax-exempt or commercial enterprise. It should not be treated by elected officials as if it were simply like any other government agency. Neither should it be treated as if it were primarily a business, although it should adopt sound business practices.

Trustees and boards need to understand and respect three important values and traditions within the academy: academic freedom, institutional independence, and shared governance. These concepts sometimes are misinterpreted and abused, especially by some faculty. It ultimately is the responsibility of trustees, with the help of their chief executive, to define each value or tradition as it applies to their institution in contemporary society. Each is important and deserves respect, but deciding when, how, and on what issues each should be applied ultimately is a governing board responsibility.

Traditional academic and faculty values should be respected and considered because they undergird the largest, most diverse, and finest higher education “system” in the world. The reputation of academic institutions is primarily a reflection of the competence and reputation of their faculties. But governing boards and chief executives must continue to define and redefine the balance between delegation of authority and their joint responsibility to ensure the health and integrity of the institution as a whole.

Academic institutions are fragile because they are so vulnerable to criticism. History shows they can be resistant to attack—and to change, even when it is necessary or desirable. The governing board finds itself in the middle of all manner of pushes and pulls on the university, but ultimately it is the board that must decide what should be changed or improved and what should not. Boards, trustees, and chief executives should take the long view: What is best for our university over time?
How can setting policies be distinguished from managing?

It is not very easily, but it is important to try! Many governing boards find themselves approving expenditures and taking other actions that should be reserved for management. Sometimes this is a result of poorly conceived state laws or regulations, but boards often find it easy to slide into matters concerning institutional management. Sticking to consideration of matters of longer term, strategic importance to the institution’s or system’s future is more challenging and difficult. But there are ways you can help to keep the board on the policy course.

First, however, it is important to distinguish between levels and types of policies. It should be remembered that the governing board is part of an institution’s or system’s governance structure. Many policies are “executive” or “operational” in nature; department heads, deans, vice presidents, and the chief executive have within their purview the responsibility to make policy decisions and to act on or within broad policies already approved by the current or predecessor governing board. In any event, most institutional policies are brought to the board for discussion and adoption—sometimes at the board’s behest, more often by chief executive initiative. Trustees should not sit around the table and write policies.

Second, what one trustee or board in one type of institutional setting would consider “a policy matter” might be considered a decision for management elsewhere. Thus, the line between policy and management is difficult to draw and continuously must be negotiated between chief executive and board as part of the art and balancing act of good trusteeship.

"Trusteeship, like all important undertakings, is an art to be cultivated rather than a technique to be learned.”

~ JLZ

Usually it is best that boards hold “the middle ground.” The boards of large, multicampus systems necessarily focus on system policies rather than those of individual institutions; the latter are engaged primarily by campus chief executives and the system head in concert with system-wide policies.

You can help your board by encouraging greater use of “consent”
agendas, whereby routine matters requiring board action have been reviewed by board committees and are "bundled" for quick adoption. A series of bids that management has recommended in accordance with board-approved policies and procedures is a good example. The simple point here is that when a board finds itself bogged down with routine administrative or management concerns, it fails at what it really should be doing: focusing on issues affecting the institution's future financial and academic health. The agendas and minutes of past board meetings are revealing on this score.

**What does the board typically expect of the chief executive?**

A great deal, but sometimes too much. The academic presidency has become one of the most difficult positions in contemporary organizations, commercial or tax-exempt. College and university chief executives carry enormous pressures, and trustees and governing boards should be particularly concerned about how the position is evolving at their own institution. The ultimate test of a governing board's effectiveness is its ability to attract and retain competent chief executives.

Presidents and chancellors lead and manage multimillion (even multibillion) dollar enterprises that have taken on the characteristics of small cities with thousands of employees and ever-increasing numbers of special-interest groups. They need all the help they can get from their boards.

Together with the heightened responsibilities of chief executives and the growing pressures with which they must cope, boards typically hold a number of their own expectations for their presidents and chancellors. The vast majority of chief executives accept and meet these challenges.

Trustees expect their presidents and chancellors to do the following:

- Provide data and information in the right amounts, on the right matters, and in forms that are quickly comprehensible and usable. Trustees expect the chief executive to be an effective cheerleader for the institution or system, but they expect to be informed about the bad news along with the good.
• Respect the board’s fiduciary and other responsibilities to hold the institution or system accountable to the general public. Trustees are, or should be, “loving critics,” but their effectiveness as advocates depends in large measure on the depth of their knowledge about institutional problems, warts, and blemishes—as well as strengths and opportunities.

• Be an academic leader, adept politician, and effective fund-raiser by consulting as much as possible with constituents most affected by realities confronting the institution. Board members expect their presidents not to shy from recommending tough choices in a timely way, and they expect the president to count on trustees for support once final decisions are made.

• Accept with patience, grace, and style differences of opinion with the board’s posture on important issues. This should not happen often, of course, but the board should not be made to feel it is being unsupportive if it does not accept everything the chief executive recommends.

• Avoid surprises—at least too many of them. Trustees understandably want and need to be the first to know.

• Make good use of the board’s time, especially in committee and board meetings.

• Work closely with the board chair to educate and lead the board. Presidents and chancellors instinctively know that trustees and boards will rise only to the level of expectations held for them; thus, trustees look to their presidents and board chairs for leadership and motivation.

What does the chief executive typically expect of board members?

Also a great deal, also sometimes too much. Trustees face various pressures, and chief executives sometimes forget this simple fact. While most board members handle these pressures appropriately, some do not. Those who consider their role to be part “watchdog,” who allow the agendas of discontented governors or legislators to infiltrate board deliberations, or who seek to spearhead personal causes can do great harm to the reputation of
University Governance

- The University is governed by the Board of Regents. The **Board** is charged with governing and formulating policy for the University (Constitution, Art. 7, Sect. 3; AS 14.40.120; Bylaw 03)
- The **president** is the chief executive of the University System (Constitution, Art. 7, Sect. 3; AS 14.40.210; Regents’ Policy 02.01.010) and has specific authority to appoint and terminate officers of the University at the pleasure of the president.
- The **chancellor** is the “chief academic and administrative officer” of the MAU (Regents’ Policy 01.03.990 & 02.02.015)

Excerpts From Constitution, Statute & Policy

**Alaska Const. Art. 7, § 3 Board of Regents** The University of Alaska shall be governed by a board of regents. The regents shall be appointed by the governor, subject to confirmation by a majority of the members of the legislature in joint session. The **board** shall, in accordance with law, formulate policy and appoint the president of the university. He shall be the executive officer of the board.

**Bylaw 03. Duties of the Board of Regents.**

The board will be responsible for the governance of the university as provided by the Constitution of the State of Alaska and the laws enacted pursuant thereto. The board may annually review the performance of the board. A failure to perform an annual review is an internal matter and does not affect the validity of any action.

**AS 14.40.170 Duties and powers of Board of Regents.**

(a) The Board of Regents shall
1. appoint the president of the university by a majority vote of the whole board, and the president may attend meetings of the board;
2. fix the compensation of the president of the university, all heads of departments, professors, teachers, instructors, and other officers;
3. confer such appropriate degrees as it may determine and prescribe;
4. have the care, control, and management of
   (A) all the real and personal property of the university; and
   (B) land
   (i) conveyed to the Board of Regents by the commissioner of natural resources in the settlement of the claim of the University of Alaska to land granted to the state in accordance with the Act of March 4, 1915 (38 Stat. 1214), as amended, and in accordance with the Act of January 21, 1929 (45 Stat. 1091), as amended; and
   (ii) selected by the University of Alaska and conveyed to it by the commissioner of natural resources under AS 14.40.365;
5. keep a correct and easily understood record of the minutes of every meeting and all acts done by it in pursuance of its duties;
6. under procedures to be established by the commissioner of administration, and in accordance with existing procedures for other state agencies, have the care, control, and management of all money of the university and keep a complete record of all money received and disbursed;
7. adopt reasonable rules for the prudent trust management and the long-term financial benefit to the university of the land of the university;
8. provide public notice of sales, leases, exchanges, and transfers of the land of the university or of
interests in land of the university;
(9) administer, manage, market, and promote a postsecondary education savings program, including
the Alaska Higher Education Savings Trust under AS 14.40.802 and the Alaska advance college

(b) The Board of Regents may
(1) adopt reasonable rules, orders, and plans with reasonable penalties for the good government of
the university and for the regulation of the Board of Regents;
(2) determine and regulate the course of instruction in the university with the advice of the president;
(3) set student tuition and fees;
(4) receive university receipts and, subject to legislative appropriation, expend university receipts in
accordance with AS 37.07 (Executive Budget Act).

AS 14.40.210  Powers of president of the university; research and development.
(a) The president of the University of Alaska may
(1) give general direction to the work of the University of Alaska in all its departments subject to the
approval of the Board of Regents;
(2) appoint the deans, heads of departments, professors, assistants, instructors, tutors, and other
officers of the University of Alaska to the positions established by the Board of Regents;
(3) establish procedures for receipt, expenditure, and fiscal year reporting of university receipts;
(4) approve a contract between the University of Alaska and an employee that authorizes the
employee to conduct research or other development of intellectual property and to develop, operate,
or own a business related to or resulting from the research conducted during the employment; a
business described under this paragraph may be jointly owned by the employee and the University of
Alaska.
(b) The president of the University of Alaska shall separately account for university receipts
deposited in the treasury of the university. The annual estimated balance in the account may be used
by the legislature to make appropriations to the university to carry out the purposes of this chapter.

AS 14.40.220  Duty of president to define duties and supervise appointees.
The president shall define the duties and supervise the performance of those persons who are
appointed by the president to positions established by the Board of Regents.

See, e.g.:

P02.02.015. Chancellors.
P02.02.017. Chief Academic Officers.
P02.02.020. Chief Finance Officer.
P02.02.030. General Counsel.
P02.02.040. Chief Human Resources Officer.
P02.02.050. Chief University Relations Officer.
P02.02.070. Chief Information Technology Officer.
P02.02.080. Chief Planning and Budget Officer.

P02.02.090. Chief Administrative Officer.

P02.01.010. Appointment and Authority of the President.

B. The president will serve as the executive officer of the board and perform those functions specifically delegated to the president by statute and by the bylaws, policies and directives of the board. The president will be responsible for the efficient operation and management of the university, including its educational programs, employees, facilities, finances, property, public and governmental relations, students and research activities; and will fully inform the board in a timely fashion of any matter which may materially affect the ability of the university to meet its mission and obligations. In fulfilling this responsibility, the president of the university is authorized to take such actions as may be necessary to implement the directives of the board including, but not limited to, the execution of documents; appointment, supervision and termination of employees; initiation of lawsuits in the name of the board and university; and the compromise or settlement of litigation involving the university, subject to such limitations as may be established by the board.

P02.01.020. Duties of University President; Organization Plan; Officers and Other Personnel.

P02.01.030. Consultation with Board.

The president will consult with the board prior to the initial appointment of persons to the positions of university vice president, chancellor and academic vice chancellor, or to positions organizationally equivalent to those positions. Regents may request documentation received by the university concerning the candidacy of the finalists for the position. A failure to comply with this policy is an internal matter and does not affect the validity of hiring actions.

P02.01.040. Official Spokesperson for the University

A. The president of the university is designated as the representative of the university in all official university discussions and communications with officials of the executive, legislative, and judicial branches of state and federal governments in their official capacities. . . .

P02.01.050. Collective Bargaining Agreements.

The president is authorized to represent the board in collective negotiations with certified collective bargaining units; however, no agreement resulting from such negotiations will be binding on the board or the university until approved by the board.\(^1\)

\(^1\) PERA also requires Board and legislative approval of CBAs.