

**Official Minutes
Board of Regents
Meeting of the Full Board
June 4-5, 2015
Fairbanks, Alaska**

1. Individuals Present

Regents Present:

Jyotsna Heckman, Chair
Michael Powers, Vice Chair
Kenneth Fisher, Secretary
Gloria O'Neill, Treasurer
Dale Anderson
Sheri Buretta
John Davies
Courtney Enright
Mary K. Hughes
Lisa Parker
Andy Teuber

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

Others Present:

Tom Case, Chancellor, University of Alaska Anchorage
Rick Caulfield, Chancellor, University of Alaska Southeast
Brian Rogers, Chancellor, University of Alaska Fairbanks
Michael Hostina, General Counsel
Carla Beam, Vice President for University Relations
Ashok Roy, Vice President of Finance & Administration and Chief Financial Officer
Daniel White, Vice President for Academic Affairs and Research
Karl Kowalski, Chief Information Technology Officer
Erik Seastedt, Chief Human Resources Officer
Michelle Rizk, Chief Strategy, Planning and Budget Officer
Kate Wattum, Assistant Director, Public Affairs
Brandi Berg, Executive Officer, Board of Regents
Olivia Baker, Assistant, Board of Regents

2. Opening Items

A. Call to Order

Chair Heckman called the meeting to order at 8:02 a.m. on Thursday, June 4, 2015.

Note for the record: Regent O'Neill disclosed three contracts between Cook Inlet Tribal Council and various components within the university (one with the UAF College of Rural and Community Development, one with the UAA Community and Technical College, and one with the UAA Institute of Social and Economic Research). Chair Heckman noted that she had consulted with the University's Office of General Counsel and determined that these contracts present no conflicts or violations. Since these contracts were not awarded by or administered by the Board of Regents, and are not subject to any official action, review or approval by the board, there was no occasion on which the board or any of its members would have had opportunity to take or withhold official action affecting the award, execution, or administration of any of these contracts, so they present no potential for violations under AS 39.52.150.

B. Adoption of Agenda

PASSED AS AMENDED (amendments noted by *)

"The Board of Regents adopts the agenda as amended. This motion is effective June 4, 2015."

Motion by Michael K Powers, second by Kenneth J Fisher.

Final Resolution: Motion Carries

Yea: Dale G Anderson, Sheri Buretta, John Davies, Kenneth J Fisher, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Michael K Powers, Lisa M Parker, Andy Teuber

Not Present at Vote: Courtney Enright

C. Approval of Minutes - Regular Meeting April 9-10, 2015

PASSED

"The Board of Regents approves the minutes of its regular meeting of April 9-10, 2015 as presented. This motion is effective June 4, 2015."

Motion by Kenneth J Fisher, second by Gloria R O'Neill.

Final Resolution: Motion Carries

Yea: Dale G Anderson, Sheri Buretta, John Davies, Kenneth J Fisher, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Michael K Powers, Lisa M Parker, Andy Teuber

Not Present at Vote: Courtney Enright

D. Approval of Minutes - Special Meeting May 18, 2015

PASSED

"The Board of Regents approves the minutes of its special meeting of May 18, 2015 as presented. This motion is effective June 4, 2015."

Motion by John Davies, second by Kenneth J Fisher.

Final Resolution: Motion Carries

Yea: Dale G Anderson, Sheri Buretta, John Davies, Kenneth J Fisher, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Michael K Powers, Lisa M Parker, Andy Teuber

Not Present at Vote: Courtney Enright

3. Reports

A. President's Presentation and Report

President Gamble presented the "Staff Make Students Count" awards; stated the meeting with UA Foundation Board of Trustees on June 3, 2015 was dynamic; is looking forward to contributions the UA Foundation will provide to assist UA to sustain the core mission; said the Summit Team continues to work on systemwide initiatives, is making progress and the consensus among the group remains strong; noted the SW Transformation Team led by Chief Strategy, Planning and Budget Officer Rizk is utilizing the MacTaggart/Rogers Report and Fisher Report to find the common themes and statements about statewide, and will work to define the right functionality for statewide to provide the most cost effective, highest quality leadership and service for the university while also soliciting feedback from internal and external customers noting the teams effort is for organizational purposes not for budget purposes; said the search process for the interim UAF chancellor is in place with an expected announcement date of August 1, 2015; said suggestions for revisions to Regents' Policy 09.02 – Students Rights and Responsibilities is before the board during this meeting and is being updated to reflect new federal regulations and Title IX requirements; recognized approximately 20 percent of UA leadership is in flux and stated the importance of leadership succession planning to mitigate risk and to provide continuity over the next three to five years during the challenging budget situation.

"Staff Make Students Count" awardees are Shelia Randazzo from the University of Alaska Anchorage, Lydia Anderson from the University of Alaska Fairbanks, Margie Thomson from the University of Alaska Southeast, and Joseph Altman from Statewide Administration.

B. Governance Reports

David Valentine, Faculty Alliance chair, provided a recap regarding the alliance's work on GERs noting alignment of math courses is in place for fall 2015, the final report for aligning English GERs has been submitted including numbering and naming of courses and an interim report is being finalized regarding strategy to align other general GERs by fall 2016; shared a written statement regarding UA's core mission stating it is to produce and spread knowledge, the faculty's core mission is to produce and spread knowledge, the university is the faculty, the students are at the center of faculty's purpose, without students the university would be mere think tanks, without staff universities would cease to function and without leadership universities risk failure to navigate change, which is to underscore why shared governance is so important and why faculty is interested in the UA decision-making process; said this meeting is his last as Faculty Alliance chair and introduced Cecile Lardon as the newly elected chair.

Cecile Lardon, Faculty Alliance newly elected chair, noted she is looking forward to the coming year as chair and to working with the board.

Monique Musick, Staff Alliance chair, provided an overview of the various governance groups and their responsibilities at UA; stated governance leaders are elected by their peers at each campus; noted as Staff Alliance chair she is the voice for nearly 3,000 regular and part-time staff members; said each governance group is bound by individual constitutions, bylaws, Regents' Policy and University Regulation; said the governance reports provided during the Board of Regents' meetings are the representative's opportunity to speak, to interact with the board and the administration, to advise, to be the voice of constituents, to assist with the two-way flow of communication, to suggest improvement and to assist in implementing positive change; noted a poll sent to UA staff regarding compensation scenarios and staff reductions; said the poll received 1,107 responses from staff indicating 54 percent prefer no salary increases and 38 percent prefer to grant the salary increases but then offset with furlough; mentioned the desire to have governance representatives included as part of the Summit Team and Statewide Transformation Team to assist with decisions affecting all individuals at UA and stated the importance of embracing the role of governance at UA, which is the living, breathing and speaking interface of the university populous.

Mathew Carrick, Coalition of Student Leaders vice chair, noted many student leaders have graduated; however, members that are attending summer session are continuing to work with administration; said the annual fall retreat will take place in Fairbanks; noted new officers will be elected and events for the coming year will be determined during the retreat; said the coalition is forming a committee to establish a statewide scholarship and stated students are looking forward to working on specifics regarding the spring trip to Juneau to lobby on behalf of the university.

Rachel Morse, System Governance Council chair, noted thanks for the recognition of staff contributions with the recent "Staff Make Students Count" awards; spoke to the role of alumni in system governance noting members have financial and intellectual capabilities that help support and sustain UA; said alumni remind the institution of the core values and principles on which the university was founded and validate the mission of the university; noted individuals are interested in hearing more about the presidential search and the student regent appointment; encouraged UA leadership to communicate broadly regarding process prioritization efforts as decisions are made in this challenging budget environment; noted the engagement of the Faculty Alliance chair on the Board of Regents' Student and Academic Affairs Committee; stated Staff Alliance has not been tasked at the same level as the Faculty Alliance and would like to see the same effort extended to staff governance.

4. Public Testimony

A. Public Testimony

Roy Roehl, UAF School of Education Secondary Education co-chair, shared the new accreditation process being developed by the Council for the Accreditation of Educator Preparation (CAEP); stated UA will be required to meet the new standards and said the impact of CAEP's new standards will have a massive impact on Alaska's rural teacher applicants.

Michael Campbell, UAF Alumni Association secretary, welcomed the board to Fairbanks; stated the alumni association was founded in 1927; thanked Regents Davies, Enright, Heckman and Hughes for their work with the association; said the association is participating in several upcoming events which include the July 6, 2015

Cornerstone Celebration and a reunion event scheduled in September 2015; noted the February wine tasting event raised \$3,000 for scholarships; said the association provided \$5,000 to UAF Outdoor Adventures and \$10,000 to upgrade the UAF Himalayan Trail and noted alumni board members are providing feedback regarding the MOA between UAF and the association, which will formalize the new vision and partnership.

William Soen, Fairbanks Fire Department employee, thanked the board for supporting the University Fire Department; spoke in support of the UAF fire science program; noted his personal experience with the program; stated the hands-on experience provided by the program is one-of-a-kind and extremely valuable to the student's learning experience and spoke in support of a new training facility in Fairbanks.

Stacey Lucason, Union of Students of the University of Alaska Anchorage (USUAA) member, noted the importance of communication between the board, UA administration and students during this time of change at the university; stated students are interested in advocating for the university, being informed and involved in university issues and asked the board to reach out to students for input.

Matt Ostrander, USUAA vice president, echoed the importance of students advocating for the university; shared that students sent 700 postcards to state legislators this year in support of UA; said student success at UAA has been linked to student involvement; noted UAA has 100 clubs in which the average student member is taking 15 credits and has a 3.0 GPA; stated in May 2015 UAA had 20 percent more graduates than last year and said communication with students on key issues is essential.

Rhonda Widener, UAF Alumni board member, noted the alumni association is restructuring the partnership with UAF and is experiencing growth in membership; said the association's 90-year existence is stronger than ever with 35,000 current members; stated memberships is diverse with two-thirds remaining in Alaska and one-third located around the world including Russia, Thailand and India; noted alumni member Patrick O'Neill is turning 100 in August 2015 and said the association is the face of UA, working hard to inspire young people, to building relationships and to making a difference at the university.

5. Report

A. Shaping Alaska's Future Priorities and Progress on Theme 4 - Research and Development (R&D) and Scholarship to Enhance Alaska's Communities and Economic Growth

Vice President White led a discussion on priorities and progress regarding Shaping Alaska's Future Theme 4 - Research and Development (R&D) and Scholarship to Enhance Alaska's Communities and Economic Growth.

6. Approval Items

A. Approval of FY16 Natural Resources Fund Budget

PASSED

"The Board of Regents approves the proposed FY16 Natural Resources Fund Budget as presented. This motion is effective June 4, 2015."

Motion by Gloria R O'Neill, second by Kenneth J Fisher.

Final Resolution: Motion Carries

Yea: Dale G Anderson, Sheri Buretta, John Davies, Courtney Enright, Kenneth J Fisher, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Michael K Powers, Lisa M Parker, Andy Teuber

POLICY CITATION

Regents' Policy 05.07.010.F. – Land-Grant Endowment, provides that the president will develop an annual spending plan for the expenditure of the Natural Resources Fund (NRF). The budget will reflect the purpose of and the restrictions placed on the use of the NRF. The president will present the NRF Spending Plan to the board for approval in conjunction with the university's fiscal year operating budget distribution plan.

RECOMMENDATION

Natural Resources Fund
Proposed FY2016 Budget/Spending Plan

	Approved FY15	Proposed FY16
University of Alaska Press	\$ 60,000*	\$ 100,000
System-based scholarships	160,000	160,000
Cooperative Extension Support	400,000	400,000
UA Museum Dinosaur Exhibit	150,000	0
Alaska International Piano E-Competition	117,000	0
Videoconference Upgrades-BOR Locations ANC/JNU		177,600
Financial Literacy		10,000
Researching Rhodiola Harvesting		20,000
Investment in Youth Leadership		15,000
Green Dot Violence Prevention Strategy		50,000
Land Management	1,000,000	880,000
University of Alaska Scholars Program	<u>3,800,240</u>	<u>3,975,000</u>
Total Spending Allowance	\$ 5,687,240	\$ 5,787,600

*For FY15, the University of Alaska Foundation funded an additional \$60,000 for the University of Alaska Press.

RATIONALE

Per Regents' Policy the Natural Resources Fund (NRF) funding is to be used to "provide a margin of support over and above" what otherwise would be possible thru traditional state, federal and private sources, and used to provide funding to projects and programs necessary to establish or enhance the quality of the university's academic programs, research, or public service". The sources of the funds available comes from the spending allowance generated by the Land Grant Endowments, currently set by the board at 4.5% of the average of the December 31 market value, for the immediately preceding five years of the fund. The distributions from the Land Grant Endowments are intended to first support three priorities; i.e. land management, the system-based scholarships, and the UA Scholars Program.

University of Alaska Press: The allocation request is based on a long-standing commitment to supplement their operations, most recently affirmed by the board in June 2014. In FY16, \$100,000 was to be committed per notification on June 30, 2014 to UA Press.

System-based scholarships: The allocation request represents awards offered as community goodwill, through seven organizations as well as the state's foster youth program. Consistent with the UA Scholars program the community awards have been increased by \$125 per semester as of June 2014. The foster youth award amount covers 144 credits of tuition for 10 semesters over six years. The foster youth cost is variable with tuition increases.

Cooperative Extension Support: Since FY08, the allocation request is based on providing, outreach programs that provide community development and positive youth development. Cooperative Extension uses the Natural Resources Fund to create capacity in Alaskan communities. The NRF fund pays for the salaries of 4-H, energy, and natural resource faculty and to support their education activities. In 2015, the 4-H folks invested their funds into delivering hands-on science based STEM programs in the urban Anchorage School District and in many off-road villages such as Kotzebue and Dillingham. The 4-H Program Leader has been developing and delivering financial literacy programs for youth, while the Cooperative Extension Services (CES) associate directors has a financial literacy program focused on helping adults navigate through the Alaska economy. The CES energy specialist presented almost 100 educational programs to Alaskans on how to conserve energy consumption in homes and small businesses.

Videoconference Upgrades-BOR Locations Anchorage-Juneau: With an increased emphasis on distance delivery, remote meetings and reduced travel, it is increasingly important to maintain high quality, easy to use video meeting rooms where key strategic meetings, such as the Board of Regents meetings, can be held. With that in mind, the Office of Information Technology, worked with local campus IT staff at both Anchorage and Juneau to design and specify improvements and automations to the main BOR meeting rooms at both campuses. These upgrades will include in-room videoconferencing and presentation equipment, large screen projectors and HD monitors, sound systems, and automation controls. The rooms will be designed for ease of use, automation to

reduce complexity and the need to haul equipment around the system.

Financial Literacy: Financial literacy is an important skill for Alaskans. Cooperative Extension Services (CES) would like to create webcasts on financial information and post them on the CES website. This project would create short (three to five minutes) webcasts available on the CES website with accurate, applicable educational lessons. The lessons would be written and presented by CES personnel and the VISTA financial volunteers with recording and editing done on a contract basis. Subject matter topics will include: getting out of debt, improving credit score, dealing with seasonal incomes, pros and cons of filing bankruptcy, developing the savings habits, budgeting, buying a first house, paying off mortgage early, reducing credit card debt, reducing living costs and identity theft. It will be similar to the very successful food preservation online lessons called Preserving Alaska's Bounty.

Researching Rhodiola Harvesting Best Practices: Rhodiola rosea harvested for the compound rosavin found in its roots, is a viable high-value crop for Alaska. Two successful harvests in 2013 and 2014 revealed that there is much to learn about ideal harvest times, harvest techniques and processing procedures to maximize rosavin content in the roots. Higher rosavin content means more profit for growers. This project will be a research/demonstration partnership between Alaska Rhodiola Products, UAF Matanuska Experiment Farm and the UAF Cooperative Extension Service. There are currently 11 rhodiola growers who have more than 1,000 plants in the ground. The project duration would be from October 2015 to December 2016, or approximately 14 months. The project funding request is \$20,000 and the growers will match that amount. A proposal was submitted to the Alaska Division of Agriculture, but not funded. CES estimates that each of these webcasts will cost approximately \$500 to film, edit and prepare for publishing on the web. The lessons will be advertised through social media, individual Extension offices, mass media and the CES website.

Investment in Youth Leadership: This investment would support partnering youth, predominantly Alaska Native youth from remote rural Alaska, with American Indian youth of Standing Rock, North Dakota. These youth are developing and practicing leadership skills as they pave a pathway for positive change in response to the exceedingly high rate of youth/young adult suicide. Alaska and North Dakota youth have been engaged in the national 4-H mentoring project through their respective land-grant universities over the course of the last four years and are developing ways to effect positive change. What these youth are doing differently from others is to boldly identify the underlying causes of youth suicide. Members of the youth leadership group spoke at the 2013 Alaska Federation of Natives (AFN) Convention, kept suicide on the radar at the 2014 AFN Convention and are sharing stories about taking leadership seriously and making a difference in their local communities.

Green Dot Violence Prevention Strategy: The Green Dot Violence Prevention Strategy is a proven strategy to engage and empower community to significantly reduce interpersonal violence. This strategy prepares organizations/communities to implement a strategy of violence prevention that consistently, measurably reduces power-based personal violence (including sexual violence, domestic violence, dating violence, stalking, child abuse, elder abuse and bullying), Green Dot, etc. works toward two primary objectives. A recent study published by the Center for Disease Control looked at five schools where the Green Dot Violence Prevention Strategy was implemented. The study reported more than a 50 percent reduction in sexual violence perpetration in the schools implementing Green Dot. The Green Dot Violence Prevent Strategy is built on the premise that violence within a given community can measurably and systematically be reduced. UAF has already launched its initial student Green Dot training. As of now, there are 252 universities across the nation participating in the Green Dot Program.

Land Management: The allocation request is based on Regents' Policy to provide spending allowance for the management and maintenance of university land. The provision to land management has been decreased this year based on the average actual expenditures of the prior five years.

UA Scholars Program: The allocation request is based on the program being the university's largest scholarship outreach program and consists of an award of \$12,000, paid over a period of eight semesters at \$1,500 per semester. The award is available to the top 10 percent of the graduates from every high school in Alaska. The Board of Regents approved an increase in the award from \$11,000 to \$12,000 at its September 2014 meeting, resulting in an annual increase in distributions of approximately \$330,000.

Vice President Roy answered questions about the requests.

B. Approval of Combined Heat & Power Plant General Revenue Bonds 2015 Series T

Note for the record: Regent Anderson disclosed a conflict of interest due to his occupation as a financial advisor and he did not participate in the discussion or the voting process.

PASSED

"The Board of Regents adopts the bond resolution for University of Alaska General Revenue Bonds 2015 Series T as presented. This motion is effective June 4, 2015."

Motion by Mary K Hughes, second by John Davies.

Final Resolution: Motion Carries

Yea: Sheri Buretta, John Davies, Courtney Enright, Kenneth J Fisher, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Michael K Powers, Lisa M Parker, Andy Teuber

Abstain: Dale G Anderson

POLICY CITATION

Regents' Policy 05.04.020.A., Facilities and Real Property Improvements, states: "All facilities and other real property debt issuances must be approved by the board. The reallocation of more than \$250,000 in general revenue bond proceeds between components of a general revenue bond "project" shall be approved by the board. Lesser amounts may be approved by the chief finance officer or the officer's designee."

RATIONALE AND RECOMMENDATION

By way of background, the State of Alaska approved a financing plan for a new University of Alaska Fairbanks combined heat and power plant in the 2014 legislative session. The bonds considered in this motion were authorized in Chapter 24, SLA 2014, SB218. Alaska Statutes Chapter 14.40 authorizes the board to issue revenue bonds to pay the cost of acquiring, constructing and equipping a facility that the board determines is necessary.

Vice President and Chief Financial Officer Roy, reported on the proposed sale of the 2015 Series T general revenue bonds. The resolution authorizes the issuance and sale of the bonds.

The 2015 Series T bonds are being issued to provide \$70,000,000 toward the construction of the new UAF combined heat and power plant. The following table is provided to explain the complete financing plan for the UAF combined heat and power plant:

2015 Series T Revenue Bonds (UA General Revenue Bonds)	\$ 70,000,000
2015 Series U Revenue Bonds (Bond Bank)	87,500,000
Capital appropriation – Fiscal year 2015	50,000,000
Capital appropriation – Fiscal year 2015	24,500,000
Operating appropriation – Fiscal year 2015	7,000,000
Operating appropriation – Fiscal year 2016	<u>6,000,000</u>
Total funding sources	<u>\$ 245,000,000</u>

Debt service on the 2015 Series T bonds, based on current market rates, is approximately \$4.9 million annually. It is anticipated that the debt service on the bonds will be paid from a combination of fuel savings, indirect cost recovery, a facilities fee and other unrestricted funds. Generally, the fuel savings will be realized from a higher capacity and more efficient plant system, thereby reducing the need for the more expensive purchased power and diesel fuel. Indirect cost recovery refers to the recovery of a portion of the plant cost and bond interest expense through the university's overhead rate applied to grants and contracts. The facilities fee refers to initially a \$2 per credit hour fee implemented in spring 2015.

To accommodate debt service payments in the early years, the bonds include capitalized interest to pay for the fiscal year 2016 payments, and there will be interest-only payments (i.e. no principal reduction) in fiscal years 2017 and 2018.

The bonds are being sold via a negotiated sale, with Citigroup Global Markets serving as senior managing underwriter and Bank of America Merrill Lynch and Wells Fargo Securities as co-managing underwriters.

Upon approval of the bond sale by the board, the Series T bonds are scheduled to be priced via a negotiated sale on June 30, 2015 with a closing date of July 15, 2015.

The chart below shows the financial impact of issuing the 2015 Series T bonds and the Bond Bank 2015 Series U bonds on the university's debt service ratios and the principal outstanding before and after the issuances.

	Debt Service				Principal Outstanding	
	(\$ millions)		Debt Service Ratio		(\$ millions)	
	Now	After*	Now	After*	Now	After*
UAF	\$11.0	\$21.0	3.97%	7.58%	\$112.4	\$269.9
UAA	4.8	4.8	1.92%	1.92%	46.4	46.4
UAS	1.2	1.2	2.55%	2.55%	11.3	11.3
SW	0.4	0.4	0.78%	0.78%	1.8	1.8
Total	\$17.4	\$27.4	2.82%	4.45%	\$171.9	\$329.4

* Includes the effect of issuing \$70.0M UA Revenue Bonds and \$87.5M Bond Bank Bonds

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 \$70,000,000 PRINCIPAL AMOUNT OF UNIVERSITY OF ALASKA GENERAL REVENUE BONDS, 2015 SERIES T; AUTHORIZING THE OFFERING OF THE BONDS AT NEGOTIATED SALE; APPROVING THE FORM OF A SUPPLEMENTAL INDENTURE, A PRELIMINARY OFFICIAL STATEMENT AND A BOND PURCHASE CONTRACT; 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, the University intends to issue its General Revenue Bonds, 2015 Series T, in a principal amount not to exceed \$70,000,000 (the "Bonds") for the purpose of (i) paying a portion of the cost, of constructing, acquiring and equipping the University's Combined Heat and Power Plant (the "Project"); (ii) satisfying the reserve funding requirement; (iii) paying capitalized interest on the Bonds; and (iv) paying costs of issuing the Bonds; and

WHEREAS, the Bonds will be issued under and pursuant to, and secured by, a Trust Indenture dated as of June 1, 1992, as amended (the "Master Indenture"), and a Seventeenth Supplemental Indenture (the "Supplemental Indenture," and together with the Master Indenture, the "Indenture"), which shall be in 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 (the "Preliminary Official Statement") for use in connection with the public offering of the Bonds; and

WHEREAS, there has been presented at this meeting the form of a Bond Purchase Contract (the "Purchase Contract") for use in connection with the sale of the Bonds; and

WHEREAS, bonds issued under the terms of the Master Indenture, and corresponding supplemental indentures, are secured by a parity reserve fund (the "Reserve Fund"); and

WHEREAS, on March 1, 2013, the University entered into a supplemental indenture which, among other things, modified and amended the Master Resolution to eliminate the establishment of the Reserve Fund which becomes effective after all bonds issued prior to March 1, 2013 cease to be outstanding.

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 \$70,000,000 is hereby authorized and approved.

Section 2. The President or the President's designee, the Vice President for Finance and Administration and Chief Financial Officer, and the Controller (collectively, the "Authorized Officers") are, and each of them is, hereby authorized to cause the Bonds to be sold at negotiated 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 Purchase Contract.

Section 3. The form and content of the Purchase Contract, 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 negotiated sale and negotiate the terms of the sale with Citigroup Global Markets Inc., as underwriter and representative of the underwriters named in the Purchase Contract (the "Underwriter").

An Authorized Officer is hereby authorized to execute the Purchase Contract regarding the sale of the Bonds upon their approval of the sale details of the Bonds, including, but not limited to, the aggregate principal amount of the Bonds, the purchase price of the Bonds, the maturity and the interest payment dates of the Bonds, the redemption provisions, and the interest rate of each maturity of the Bonds. Provided, however, the aggregate principal amount of the Bonds shall not exceed Seventy Million Dollars (\$70,000,000), the true interest cost on the Bonds shall not exceed five percent (5%), and the Underwriter's discount shall not exceed eight tenths of one percent (0.8%) of the par value of the Bonds. Prior to execution of the Bond Purchase Contract, such Authorized Officer, with the assistance of the University's financial advisor, shall take into account those factors which, in their judgment, will result in the lowest true interest cost on the Bonds.

Section 4. Subject to Section 1 hereof, the Authorized Officers are, and each of them is, hereby authorized to issue the Bonds in an aggregate principal amount determined by such Authorized Officer as the amount necessary to (i) adequately provide funding for a portion of the cost of the Project, (ii) pay capitalized interest on the Bonds, (iii) satisfy the reserve funding requirement, and (iv) pay costs associated with the issuance of the Bonds.

Section 5. The form and content of the Supplemental Indenture are hereby, in all respects authorized, approved, and confirmed, and each of the Authorized Officers is 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 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 an Authorized Officer considers necessary or appropriate.

Section 6. 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 an Authorized Officer considers 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 approved by an Authorized Officer, to prospective purchasers and the use thereof by the Underwriter in connection with the offering of the Bonds is hereby ratified, confirmed, and approved.

Section 7. The Authorized Officers are, and each of them is, hereby authorized 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 Underwriter and to receive the proceeds of sale of the Bonds and give a written receipt therefor 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 8. The Authorized Officers are, and each of them is, hereby authorized, empowered, and directed to enter into a "continuing disclosure undertaking" pursuant to the Rule.

Section 9. The Authorized Officers are, and each of them is, hereby authorized to execute all documents, 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.

Section 10. This Resolution shall take effect immediately upon approval by the Board.

C. Approval of Combined Heat & Power Plant General Revenue Bonds 2015 Series U

Note for the record: Regent Anderson disclosed a conflict of interest due to his occupation as a financial advisor and he did not participate in the discussion or the voting process.

PASSED

"The Board of Regents adopts the bond resolution for University of Alaska General Revenue Bonds 2015 Series U as presented. This motion is effective June 4, 2015."

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

Final Resolution: Motion Carries

Yea: Sheri Buretta, John Davies, Courtney Enright, Kenneth J Fisher, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Michael K Powers, Lisa M Parker, Andy Teuber

Abstain: Dale G Anderson

POLICY CITATION

Regents' Policy 05.04.020.A., Facilities and Real Property Improvements, states: "All facilities and other real property debt issuances must be approved by the board. The reallocation of more than \$250,000 in general revenue bond proceeds between components of a general revenue bond "project" shall be approved by the board. Lesser amounts may be approved by the chief finance officer or the officer's designee."

RATIONALE AND RECOMMENDATION

By way of background, the State of Alaska approved a financing plan for the new University of Alaska Fairbanks combined heat and power plant in the 2014 legislative session. The bonds considered in this motion were authorized in Chapter 24, SLA 2014, SB218. Alaska Statutes Chapter 14.40 authorizes the board to issue revenue bonds to pay the cost of acquiring, constructing and equipping a facility that the board determines is necessary.

Vice President and Chief Financial Officer Roy, reported on the proposed sale of the General Revenue Bonds 2015 Series U. The resolution authorizes the issuance and sale of the bonds.

The bonds are being issued to provide \$87,500,000 toward the construction of the new UAF combined heat and power plant. The following table is provided to explain the complete financing plan for the combined heat and power plant:

2015 Series T Revenue Bonds (UA General Revenue Bonds)	\$ 70,000,000
2015 Series U Revenue Bonds (Bond Bank)	87,500,000
Capital appropriation – Fiscal year 2015	50,000,000
Capital appropriation – Fiscal year 2015	24,500,000
Operating appropriation – Fiscal year 2015	7,000,000
Operating appropriation – Fiscal year 2016	<u>6,000,000</u>
Total funding sources	<u>\$ 245,000,000</u>

Debt service on the 2015 Series U bonds, based on current market rates, is approximately \$5.5 million annually. The debt service on the bonds will be paid from a state operating appropriation increment received for the purpose of paying debt service on the UAF combined heat and power plant.

The Alaska Municipal Bond Bank (Bond Bank) will finance the purchase of the university's 2015 Series U bonds through the issuance of their own bonds. Payments of debt service on the university's bonds will satisfy principal and interest payments on the Alaska Municipal Bond Bank bonds. This structure was approved by the Legislature in Chapter 24, SLA 2014, SB218 and is anticipated to result in a lower cost of borrowing due to the higher credit rating of the Alaska Municipal Bond Bank.

To accommodate debt service payments in the early years, the bonds include capitalized interest to pay for the fiscal year 2016 payments, and there will be interest-only payments (i.e. no principal reduction) in fiscal years

2017 and 2018.

Upon approval of the bond sale by the board, the General Revenue Bonds 2015 Series U bonds are scheduled to be priced August 26, 2015 with a closing date of September 16, 2015.

The chart below shows the financial impact of issuing the 2015 Series T bonds and the Bond Bank 2015 Series U bonds on the university's debt service ratios and the principal outstanding before and after the issuances.

	Debt Service		Principal Outstanding			
	(\$ millions)		Debt Service Ratio		(\$ millions)	
	Now	After*	Now	After*	Now	After*
UAF	\$11.0	\$21.0	3.97%	7.58%	\$112.4	\$269.9
UAA	4.8	4.8	1.92%	1.92%	46.4	46.4
UAS	1.2	1.2	2.55%	2.55%	11.3	11.3
SW	0.4	0.4	0.78%	0.78%	1.8	1.8
Total	\$17.4	\$27.4	2.82%	4.45%	\$171.9	\$329.4

* Includes the effect of issuing \$70.0M UA Revenue Bonds and \$87.5M Bond Bank Bonds

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 \$87,500,000 PRINCIPAL AMOUNT OF UNIVERSITY OF ALASKA GENERAL REVENUE BONDS, 2015 SERIES U; APPROVING THE FORM OF A SUPPLEMENTAL INDENTURE AND A LOAN AGREEMENT; AUTHORIZING THE SALE OF THE BONDS TO THE ALASKA MUNICIPAL BOND BANK; 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, the University intends to issue its General Revenue Bonds, 2015 Series U, in a principal amount not to exceed \$87,500,000 (the "Bonds") for the purpose of (i) paying a portion of the cost of constructing, acquiring, and or equipping the University's Combined Heat and Power Plant (the "Project"); (ii) satisfying the reserve funding requirement; (iii) paying capitalized interest on the Bonds; and (iv) paying the costs of issuing the Bonds;

WHEREAS, the Bonds will be issued under and pursuant to, and secured by, the Trust Indenture dated as of June 1, 1992, as amended (the "Master Indenture"), and an Eighteenth Supplemental Indenture (the "Supplemental Indenture," and together with the Master Indenture, the "Indenture"), which shall be in 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 Loan Agreement (the "Loan Agreement") for use in connection with the sale of the Bonds to the Alaska Municipal Bond Bank (the "Bond Bank"); and

WHEREAS, bonds issued under the terms of the Master Indenture, and corresponding supplemental indentures, are secured by a parity reserve fund (the "Reserve Fund"); and

WHEREAS, on March 1, 2013, the University entered into a supplemental indenture which, among other things, modified and amended the Master Resolution to eliminate the establishment of the Reserve Fund which becomes effective after all bonds issued prior to March 31, 2013 cease to be outstanding.

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 \$87,500,000 is hereby authorized and approved.

Section 2. The President, the President's designee, the Vice President for Finance and Administration and Chief Financial Officer, and Controller (collectively, the "Authorized Officers") are, and each of them is, hereby

authorized to cause the Bonds to be issued, and delivered to the Bond Bank, on a date no later than 180 days from the date of approval of this Resolution, subject to the terms and conditions of this Resolution, the Indenture and the Loan Agreement.

Section 3. The form and content of the Loan Agreement, 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 negotiated sale and negotiate the terms of the sale with the Bond Bank.

An Authorized Officer is hereby authorized to execute the final form of Loan Agreement regarding the sale of the Bonds upon their approval of the sale details of the Bonds, including, but not limited to, the aggregate principal amount of the Bonds, the purchase price of the Bonds, the maturity and the interest payment dates of the Bonds, the redemption provisions, and the interest rate of each principal maturity of the Bonds. Provided, however, the aggregate principal amount of the Bonds shall not exceed Eighty-Seven Million Five Hundred Thousand Dollars (\$87,500,000) and the true interest cost on the Bonds shall not exceed five percent (5%). Prior to execution of the Loan Agreement, such Authorized Officer, with the assistance of the University's financial advisor, shall take into account those factors which, in their judgment, will result in the lowest true interest cost on the Bonds.

Section 4. Subject to Section 1 hereof, the Authorized Officers are, and each of them is, hereby authorized to issue the Bonds in an aggregate principal amount determined by such Authorized Officer as the amount necessary to (i) adequately provide funding for a portion of the cost of the Project, (ii) pay capitalized interest on the Bonds, (iii) satisfy the reserve funding requirement, and (iv) pay costs associated with the issuance of the Bonds.

Section 5. The form and content of the Supplemental Indenture are hereby, in all respects authorized, approved, and confirmed, and each of the Authorized Officers is 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 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 6. The Authorized Officers are, and each of them is, hereby authorized, upon execution of the Loan Agreement, to deliver the Bonds to the Trustee pursuant thereto for authentication under the Indenture, and, upon authentication and upon receipt 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 the Bond Bank pursuant to the Loan Agreement, and to receive the proceeds of sale of the Bonds and give a written receipt therefor 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 7. If required by the Bond Bank now, or in the future, the Authorized Officers are, and each of them is, hereby authorized, empowered, and directed to enter a "continuing disclosure undertaking" pursuant to the Rule 15c2-12 of the Securities and Exchange Commission.

Section 8. The Authorized Officers are, and each of them is, hereby authorized to execute all documents 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.

Section 9. This Resolution shall take effect immediately upon approval by the Board.

D. Approval of Revisions to Regents' Policy Chapter 05.09 - Risk Management and Environmental Health and Safety

PASSED

"The Board of Regents approves revisions to Regents' Policy 05.09 – Risk Management and Environmental Health and Safety as presented. This motion is effective June 4, 2015."

Motion by Mary K Hughes, second by Gloria R O'Neill.

Final Resolution: Motion Carries

Yea: Dale G Anderson, Sheri Buretta, John Davies, Courtney Enright, Kenneth J Fisher, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Michael K Powers, Lisa M Parker, Andy Teuber

RATIONALE AND RECOMMENDATION

The proposed revisions are necessary to include compliance functions added since 2006, and to clarify supervisory and reporting relationships of the chief risk officer.

President Gamble and Chief Risk Officer Spink, answered questions regarding the policy change.

CURRENT LANGUAGE with TRACK CHANGES FOR PROPOSED REVISIONS

REGENTS' POLICY

PART V – FINANCE AND BUSINESS MANAGEMENT

Chapter 05.09 - ~~Risk Services Risk Management and Environmental Health and Safety~~

P05.09.010. Introduction and Purpose.

A. ~~Although all risks and exposures cannot be foreseen or eliminated, through this policy t~~The board intends to establish a framework within which the university administration can effectively and efficiently establish and maintain a "risk services" program. ~~risk-management-and-environmental-health-and-safety-program.~~

B. ~~Risk services The risk management and environmental health and safety program~~ shall include general, occupational, and environmental health and safety, environmental protection, general risk management, loss prevention, ~~emergency management, procurement and administration of insurance,~~ and claims administration. ~~The RM/EHS program will be established and maintained under an enterprise-wide philosophy, whereby safety and risk control are incorporated into all facets of the organization and its programs; i.e. Enterprise Risk Management. The president is charged with the responsibility to provide for and require sound and proactive business, operations, and program practices in order to safeguard human, property, financial, and other resources of the university. The mission of statewide risk services goal of the RM/EHS program~~ will be to facilitate the accomplishment of ~~the university's primary missions of~~ instruction, research, and public service ~~at a reasonable cost~~ with minimal disruptions and adverse events, ~~and at a reasonable "cost of risk."~~ (06-08-06)

P05.09.020. Authority and Authorized Delegation.

A. The president shall issue university regulation to implement this policy. The president or the president's designee shall approve payment of all claims and litigation in accordance with university regulation.

B. The ~~president university's chief finance office~~ shall cause to be maintained an effective risk ~~services management program, and shall ensure that including environmental health and safety, loss prevention, insurance, and claims administration. The chief finance officer shall maintain a statewide chief risk officer-office of risk management and appoint a statewide risk manager,~~ who is trained and experienced in the various aspects of risk management, ~~is appointed~~ to serve as director for the ~~risk services~~ office and oversee the university's ~~risk services RM/EHS~~ program. The chief risk officer shall report functionally to the president. ~~The president may delegate specific responsibilities under this chapter and assign administrative supervision by regulation or delegation.~~

~~C. As determined through external, internal, or other risk assessment processes, SWORM will coordinate with, serve on committees for, and participate in program planning and development in areas such as crisis planning, response, and communication.~~

~~C.D. Risk services The statewide risk manager and the manager's designee~~ shall have full and unrestricted access to all university records, ~~whether hard copy, electronic, or other, property, and personnel~~ as may be required to

carry out their responsibilities under these policies. ~~Documents and information provided to the statewide risk manager or designee shall, at a minimum, be subject to the same confidentiality and privacy requirements and restrictions as the originals. Any question regarding the legality or prudence of access authorized under this policy shall be resolved by a determination of the General Counsel, or counsel's designee. The chief risk officer shall report any matters which in the chief risk officer's sole opinion warrant their direct attention to appropriate officers of the university and shall escalate matters as needed to the president. (06-08-06)~~

P05.09.025. Independence.

In matters directly implicating safety or potential for significant loss, the risk services department shall perform its duties free of influence.

P05.09.030. Financing.

A. Each chancellor will be responsible for funding and maintaining adequate resources ~~at their respective universities to ensure that the RM/EHS programs at their respective campuses are at a level that meets the minimum standards as may be set by the SWORM~~; risk services are in place to sustain legal and regulatory compliance as well as prudent risk management and business practice. Minimum standards shall be established by the president in consultation with statewide risk services. Consistent with this chapter, the functions and services provided by statewide risk services will be established by the president in consultation with the chancellors.

B. The ~~risk services system-wide RM/EHS~~ program shall be operated and funded using ~~risk cost~~ allocation methodologies developed in accordance with standards and principles established by the university's chief ~~risk finance~~ officer, ~~with oversight from the controller's office~~, and approved by the university's cognizant federal oversight agency, the Office of Naval Research, to the extent applicable. The ~~risk cost estimation and~~ allocation process shall function similar to an insurance premium, resulting in an allocation of the costs of risk to the various ~~universities campuses and (cost centers)~~ based on benefit, exposure, and loss experience to the extent practicable. The primary goals of the ~~risk cost~~ allocation process are to provide a fair, consistent, and reasonable assignment of the costs of risk to the various cost objectives and activities of the university, to encourage managerial accountability for risk decisions, and to help stabilize the annual charges to the operating budget. (06-08-06)

P05.09.040. Roles and Responsibilities.

Roles and responsibilities under this chapter shall be as provided by university regulation. (06-08-06)

P05.09.090. Definitions.

In this chapter:

- ~~A. "RM/EHS" means risk management and environmental health and safety; and~~
- ~~B. "SWORM" means statewide office of risk management.~~

~~A. An "incident" is an occurrence that has the potential to lead to a claim for damages or penalties, including harm or damage to persons or property or violations of permits or laws.~~

~~B. A "claim" is an assertion by a person or entity that UA is responsible to the entity or person for damages or penalties, including verbal and informal assertions.~~

~~C. "Cost of risk" includes but is not limited to premiums, self-insurance, loss control, administration, losses, deductibles, loss exposures. (06-07-07)~~

PROPOSED FINAL LANGUAGE

REGENTS' POLICY

PART V – FINANCE AND BUSINESS MANAGEMENT

Chapter 05.09 – Risk Services

P05.09.010. Introduction and Purpose.

A. The board intends to establish a framework within which the university administration can effectively and efficiently establish and maintain a "risk services" program.

B. Risk services shall include general, occupational, and environmental health and safety, environmental protection, general risk management, loss prevention, emergency management, procurement and administration of insurance, and claims administration. The mission of statewide risk services will be to facilitate the

accomplishment of instruction, research, and public service with minimal disruptions and adverse events, and at a reasonable "cost of risk."

P05.09.020. Authority and Authorized Delegation.

A. The president shall issue university regulation to implement this policy. The president or the president's designee shall approve payment of all claims and litigation in accordance with university regulation.

B. The president shall cause to be maintained an effective risk services program, and shall ensure that a statewide chief risk officer, who is trained and experienced in the various aspects of risk management, is appointed to serve as director for the risk services office and oversee the university's risk services program. The chief risk officer shall report functionally to the president. The president may delegate specific responsibilities under this chapter and assign administrative supervision by regulation or delegation.

C. Risk services shall have full and unrestricted access to all university records, as may be required to carry out their responsibilities under these policies. The chief risk officer shall report any matters which in the chief risk officer's sole opinion warrant their direct attention to appropriate officers of the university and shall escalate matters as needed to the president.

P05.09.025. Independence.

In matters directly implicating safety or potential for significant loss, the risk services department shall perform its duties free of influence

P05.09.030. Financing.

A. Each chancellor will be responsible for funding and maintaining adequate resources at their respective universities to ensure risk services are in place to sustain legal and regulatory compliance as well as prudent risk management and business practice. Minimum standards shall be established by the president in consultation with statewide risk services. Consistent with this chapter, the functions and services provided by statewide risk services will be established by the president in consultation with the chancellors.

B. The risk services program shall be operated and funded using risk allocation methodologies developed in accordance with standards and principles established by the university's chief risk officer, with oversight from the controller's office, and approved by the university's cognizant federal oversight agency, the Office of Naval Research, to the extent applicable. The risk allocation process shall function similar to an insurance premium, resulting in an allocation of the costs of risk to the various universities based on benefit, exposure, and loss experience to the extent practicable. The primary goals of the risk allocation process are to provide a fair, consistent, and reasonable assignment of the costs of risk to the various cost objectives and activities of the university, to encourage managerial accountability for risk decisions, and to help stabilize the annual charges to the operating budget.

P05.09.040. Roles and Responsibilities.

Roles and responsibilities under this chapter shall be as provided by university regulation. (06-08-06)

P05.09.090. Definitions.

In this chapter:

A. An "incident" is an occurrence that has the potential to lead to a claim for damages or penalties, including harm or damage to persons or property or violations of permits or laws.

B. A "claim" is an assertion by a person or entity that UA is responsible to the entity or person for damages or penalties, including verbal and informal assertions.

C. "Cost of risk" includes but is not limited to premiums, self-insurance, loss control, administration, losses, deductibles, loss exposures.

7. Presentation

A. UAF Centennial Milestones Presentation

Chancellor Rogers and Vice Chancellor Peter presented information on UAF's centennial milestones and events.

8. Budget Approval Items

A. Acceptance of the FY16 Operating Budget Appropriation and Approval of Distribution Plan

The Board of Regents voted to postpone the motions to June 30, 2015, pending the state's FY16 budget approval by the governor.

POSTPONED #1

"The Board of Regents accepts the FY16 Operating Budget Appropriation as presented. This motion is effective June 4, 2015."

POSTPONED #2

"The Board of Regents approves the FY16 Operating Budget Distribution Plan as presented. This motion is effective June 4, 2015."

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

Final Resolution: Motion Carries

Yea: Dale G Anderson, Sheri Buretta, John Davies, Courtney Enright, Kenneth J Fisher, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Michael K Powers, Lisa M Parker, Andy Teuber

B. Acceptance of the FY16 Capital Budget Appropriation and Approval of Distribution Plan

The Board of Regents voted to postpone the motions to June 30, 2015, pending the state's FY16 budget approval by the governor.

POSTPONED #1

"The Board of Regents accepts the FY16 Capital Budget Appropriation as presented. This motion is effective June 4, 2015."

POSTPONED #2

"The Board of Regents approves the FY16 Capital Budget Distribution Plan as presented. This motion is effective June 4, 2015."

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

Final Resolution: Motion Carries

Yea: Dale G Anderson, Sheri Buretta, John Davies, Courtney Enright, Kenneth J Fisher, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Michael K Powers, Lisa M Parker, Andy Teuber

C. Budget Discussion

Associate Vice President Christensen provided a recap of the special session of the Alaska Legislature; noted the special session has lasted 46 days past the regular session and 50 percent of the time has been spent on the FY16 budget decisions; said this session was similar to 1996 when gaining access to the Constitutional Budget Reserve was also discussed; noted during the regular session UA's budget received substantial reductions; said several discussions regarding collective bargaining agreements and salary for non-union employees have taken place and stated June 20, 2015 is the last day for the current special session.

President Gamble stated the Board of Regents' November 2014 approved FY16 budget continues to change due to legislative reductions; said the deficit is being divided proportionately among the universities; noted partial funding for represented employees salary is included while no funding is included for non-represented employees salary; mentioned UA is looking at all opportunities to save money through program reviews, furlough and voluntary work reductions; said planning for the FY17 budget will have continued prioritization efforts and stated OMB guidance for the FY17 budget is expect to be similar to the FY16 guidance.

D. Discussion regarding FY17 Operating and Capital Budget Development Guidelines

President Gamble and administrative staff led a discussion regarding the environment in which UA expects to build the FY17 operating and capital budgets. In the past, administration has requested the Board of Regents approve the budget request guidelines for the upcoming fiscal year as part of the planning process. However, considering the current budget uncertainties, administration will continue to discuss the budget with the board while planning for FY17.

The administration will hold the FY17 university budget request review meeting on August 6, 2015. Board members were invited to attend the meeting.

9. Planning and Development Committee

A. Discussion Regarding Board Governance

Regent Hughes reported on the Association of Governing Board's (AGB) National Conference on Trusteeship held April 19-21, 2015 in Phoenix, Arizona; noted conversations during the conference were centered on legal issues, Title IX and other federal regulations confronting higher education and governing boards; recommended three AGB publications: *Top Public Policy Issues for Higher Education*, *Top 10 Campus Legal Issues for Boards and Advisory Statement on Sexual Misconduct* for board members to review; said Jim Collins author of *Good to Great* attended the conference offering exceptional leadership guidance and stated the significant takeaway from the conference is to approach all difficulties as opportunities, which she said the Board of Regents does well.

10. Approval Item

Approval of FY16 Student Government Budgets

PASSED AS AMENDED

"The Board of Regents approves the student government fees and budgets as amended. This motion is effective June 5, 2015."

Motion by Gloria R O'Neill, second by Lisa M Parker.

Final Resolution: Motion Carries

Yea: Dale G Anderson, Sheri Burette, John Davies, Courtney Enright, Kenneth J Fisher, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Michael K Powers, Lisa M Parker, Andy Teuber

POLICY CITATION

Regents' Policy 09.07.050.G. - Student Government, states: "The university may collect a mandatory student government fee to support student government, but may not require a student to be a member of any student government or participate in student government activities. The amount and allocation of the student government fee must be specified in the proposed annual budget. The annual budget of each student government organization must be reviewed and approved by the board."

RATIONALE AND RECOMMENDATION

The budgets include the following fee changes:

In order to align the use of student fees with UA Regent's Policy 05.10.020.H, the Matanuska-Susitna (Mat-Su) College has changed the structure of their student fees, approved as 3 percent of tuition with a ceiling at 12 credits, by designating 1 percent of the student fee as a Mat-Su College student government fee and the remaining 2 percent as an administrative controlled fee.

The Kenai Peninsula College student activity fee increased to \$4.50 per credit based on the fee schedule approved in the 2005 Referendum A. The fee schedule pegs the student activity fee at 2.5 percent of tuition, rounding to the nearest \$0.25.

The UAF Kuskokwim student government is currently disbanded. The fund balance will remain until the Kuskokwim

student government is reestablished, at which time the budget approval will be presented to the board.

All other student government activity fees are currently the same as last year.

The motion was approved as amended because a corrected handout was presented for the FY16 UAF Kuskowkim budget (\$10,133).

11. Executive Session

A. Executive Session

PASSED

"The Board of Regents goes into executive session to discuss matters the immediate knowledge of which could affect the reputation or character of a person or persons related to the naming of university facilities and board self-assessment. This motion is effective June 5, 2015."

Motion by Andy Teuber, second by Kenneth J Fisher.

Final Resolution: Motion Carries

Yea: Dale G Anderson, Sheri Burette, John Davies, Courtney Enright, Kenneth J Fisher, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Michael K Powers, Lisa M Parker, Andy Teuber

The Board of Regents went into executive session at 12:30 p.m. and concluded an executive session at 1:28 p.m. Alaska Time in accordance with AS 44.62.310 to discuss matters the immediate knowledge of which could affect the reputation or character of a person or persons related to the naming of university facilities and board self-assessment. The session included members of the Board of Regents, President Gamble, General Counsel Hostina, and such other university staff members as the president designated and lasted approximately 1 hour.

12. Approval Items

A. Approval of Naming a Facility at the University of Alaska Southeast

PASSED

"The Board of Regents approves the naming of a facility at the University of Alaska Southeast: the residence hall is named the John R. Pugh Residence Hall. This motion is effective June 5, 2015."

Motion by Michael K Powers, second by Gloria R O'Neill.

Final Resolution: Motion Carries

Yea: Dale G Anderson, Sheri Burette, John Davies, Courtney Enright, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Michael K Powers, Lisa M Parker, Andy Teuber

Not Present at Vote: Kenneth J Fisher

POLICY CITATION

In accordance with Regents' Policy 05.12.090, official naming of all "significant" buildings, building subcomponents such as wings, additions, auditoriums, and libraries, streets, parks, recreational areas, plazas and similar facilities or sites will be approved by the board.

RATIONALE/RECOMMENDATION

The Board of Regents is asked to approve the naming of a facility at the University of Alaska Southeast. The proposed name was sent to the Board of Regents under separate cover for discussion during executive session.

*A.1. Approval of Naming a Facility Subcomponent at the University of Alaska Fairbanks

PASSED

"The Board of Regents approves the naming of a subcomponent of a facility at the University of Alaska Fairbanks: the Patty Center Gymnasium is named the Alaska Airlines Court. This motion is effective June 5, 2015."

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

Motion Carries

Yea: Dale G Anderson, Sheri Buretta, John Davies, Courtney Enright, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Michael K Powers, Lisa M Parker, Andy Teuber

Not Present at Vote: Kenneth J Fisher

POLICY CITATION

Regents' Policy 05.14.080.B.3 states: Portions of Buildings and Unnamed Renovations. Gift requirements for the naming of individual rooms in new or existing buildings, such as auditoriums, lecture halls, and lobbies, shall be approved on a case-by-case basis. Consideration shall be given to such matters as type of usage, visibility, traffic flow, condition, and current replacement value.

Regents' Policy 05.12.090.A states: Official naming of all "significant" buildings, building subcomponents such as wings, additions, auditoriums, and libraries, streets, parks, recreational areas, plazas and similar facilities or sites will be approved by the board.

RATIONALE/RECOMMENDATION

The Board of Regents is asked to approve the naming of a subcomponent of a facility at the University of Alaska Fairbanks. The proposed name was sent to the Board of Regents under separate cover for discussion during executive session.

B. Approval of Expansion of Board of Directors for the Nanook Innovation Corporation

PASSED

"The Board of Regents approves the expansion in the number of members of the board of directors for the Nanook Innovation Corporation from five to seven members. This motion is effective June 5, 2015."

Motion by Mary K Hughes, second by Kenneth J Fisher.

Final Resolution: Motion Carries

Yea: Dale G Anderson, Sheri Buretta, John Davies, Courtney Enright, Kenneth J Fisher, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Michael K Powers, Lisa M Parker, Andy Teuber

RATIONALE/RECOMMENDATION

In December 2012, the Board of Regents approved the initial board of directors for the newly created Nanook Innovation Corporation (NIC), a nonprofit research foundation formed to assist in the commercialization of intellectual property at the University of Alaska Fairbanks. Since its formation, NIC has received title to 56 technologies developed at UAF, and has active licenses on 48 pieces of intellectual property.

The size of NIC's board of directors is set in Article V of its Articles of Incorporation as no less than three (3) members. Article II of NIC's Bylaws caps the number of board members at five (5), and further states "[a]ny amendment to this section shall not take effect until approved by the University of Alaska Board of Regents through formal resolution."

The NIC board of directors currently contains the maximum five (5) members, who are each serving their initial terms until December 2015. NIC has received interest from a member of the public who wishes to join the board of directors, and the board has agreed that this individual would be a good addition and is qualified to serve. To avoid asking a current board member to resign their seat in order to accommodate this potential new board member, the NIC board is seeking expansion of its board from five to seven members. This expansion would ensure an odd numbered board for majority voting purposes.

Should this change be approved, NIC will amend its Articles and Bylaws as necessary to effectuate this change.

Vice President White, current president of the Nanook Innovation Corporation, answered questions from the Board of Regents.

C. Approval of Revisions to Regents' Policy 02.02.020 - Chief Finance Officer

PASSED

"The Board of Regents approves revisions to Regents' Policy 02.02.020 - Chief Finance Officer as presented. This motion is effective June 5, 2015."

Motion by Mary K Hughes, second by Gloria R O'Neill.

Final Resolution: Motion Carries

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

Nay: Dale G Anderson, Kenneth J Fisher

RATIONALE AND RECOMMENDATION

The revisions to P02.02.020 - Chief Finance Officer are based on the transfer of land management oversight to the strategy, planning and budget officer and to resolve conflict with Regents' Policy 02.02.080.B and C. - Strategy, Planning and Budget Officer.

President Gamble answered questions from board members.

PROPOSED CHANGES WITH TRACK CHANGES**P02.02.020. Chief Finance Officer.**

There is created the position of chief finance officer who will be appointed by and report to the president of the university. The chief finance officer shall:

- A. advise the president, other university officers, and the board in matters related to finance and business affairs;
- B. cause the business affairs of the university to be managed in an orderly, efficient, and prudent manner, in accordance with federal and state statutes and regulations, regents' policy and appropriate other regulations, procedures, and responsible business practices;
- C. cause to be maintained a system of procedures and accounting that provides for a perpetual inventory of all permanent real and personal property, effective controls over all funds received or receivable and other assets, and a complete record of all receipts, disbursements and all other business transactions in conformity with generally accepted accounting principles and practices;
- D. cause to be maintained all records that may be required by law, contract, or other agreement;
- E. cause to be developed adequate financial statements and reports prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board, the Financial Accounting Standards Board, and other applicable standards or regulations;
- F. provide for the completion of timely external and internal audits of the university's financial statements, records, receipts, and disbursements;
- G. cause to be developed such operating and capital budgets required by the state of Alaska and sound institutional practices;
- H. cause to be developed a long-term financial plan that provides for financial stability and is responsive to future university needs;
- ~~I. cause to be maintained a comprehensive development program for all investment lands, including endowment and trust properties;~~
- ~~I. J.~~ cause to be maintained investment policies and strategies for all university and foundation liquid assets and oversee and report on the performance of the investment decisions;
- ~~J. K.~~ cause to be maintained an effective risk management program including insurance, general safety, environmental health and safety, loss prevention, and claims management;
- ~~K. L.~~ cause procurement and asset disposal activities to be conducted in accordance with applicable statutes, regulatory procedures and governmental practices for purposes of obtaining the best available value on a competitive basis; provide for the development of draft regents' policy and university regulation and authorize the

issuance of authoritative procedures, directives, and manuals required to meet the responsibilities of the position;

L. M: cause to be maintained debt financing strategies and oversee and manage all university debt in accordance with federal and state statutes and regulations and regents' policy;

M. N: direct the withholding or limiting of procurement, hiring, disbursement or receipt authority for purposes of maintaining fiscal control;

N. O: authorize the establishment of auxiliary service enterprises and monitor and report on the financial performance of these operations;

O. P: serve as comptroller for the purposes of AS14.40.300; and

P. Q: perform such other duties as may be prescribed by the president. (09-27-96)

D. Approval of Revisions to Regents' Policy 02.02.080 - Strategy, Planning and Budget Officer

PASSED

"The Board of Regents approves revisions to Regents' Policy 02.02.080 - Strategy, Planning and Budget Officer as presented. This motion is effective June 5, 2015."

Motion by Mary K Hughes, second by John Davies.

Final Resolution: Motion Carries

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

Nay: Dale G Anderson, Kenneth J Fisher

RATIONALE AND RECOMMENDATION

The revisions to Regents' Policy 02.02.080 - Strategy, Planning and Budget Officer are based on the transfer of land management oversight to the strategy, planning and budget officer and to resolve conflict with Regent's Policy 02.02.020 - Chief Finance Officer.

President Gamble answered any questions from board members.

PROPOSED CHANGES WITH TRACK CHANGES

P02.02.080. Strategy, Planning and Budget Officer.

There is created the position of strategy, planning and budget officer, who will be appointed by and report to the president. The strategy, planning and budget officer shall:

A. act as top level advisor to the president, university officers, and the board on matters relating to the university's budget, strategic university organizational planning, and state accountability processes;

B. develop in concert with the president and the chancellors the UA system operating and capital budgets required by the state, using sound institutional practices;

C. develop recommend, and articulate to the Board of Regents and the Alaska Legislature a long-term strategic and corresponding financial plan which provides annual budget financial stability and is responsive to future university fiscal forecasts;

D. maintain a system of planning, analysis, performance assessment, state legislative liaison, and accountability processes that result in effective alignment of UA institutional resources and activities with board strategic direction;

E. maintain systemwide management information and reporting in support of national and state accountability expectations, strategic planning, and decision-making processes;

F. create a strategic and operational planning team consisting of the Offices of State Relations, **Facilities and Land**

Management, and Institutional Research and Analysis as direct reports, closely coordinating with others who will support the office on a priority basis whenever necessary, such as the Offices of the Comptroller, ~~Facilities and Land Management~~, and Public Affairs. The strategy, planning and budget office will work with the vice president for academic affairs and research on strategic direction (such as Shaping Alaska's Future) and other initiatives that require resourcing a systemwide approach and/or budgeting/accounting/analysis expertise, so as to facilitate systemwide decision-making and implementation;

G. cause to be maintained a comprehensive development program for all investment lands, including endowment and trust properties

H. ~~G.~~ the office will research, compare, and contrast various models, university funding initiatives, and related institutions with alternatives and peers; and

I. ~~H.~~ perform other duties that may be prescribed by the president. (02-19-15)

E. Approval of a Revision to Regents' Policy 05.11.030 - Fiduciary Responsibility

PASSED

"The Board of Regents approves a revision to Regents' Policy 05.11.030 - Fiduciary Responsibility as presented. This motion is effective June 5, 2015."

Motion by Lisa M Parker, second by John Davies.

Final Resolution: Motion Carries

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

Nay: Dale G Anderson, Kenneth J Fisher

RATIONALE AND RECOMMENDATION

The revision to Regents' Policy 05.11.030 - Fiduciary Responsibility is based on the transfer of land management oversight to the strategy, planning and budget officer.

President Gamble answered questions from board members.

PROPOSED CHANGES WITH TRACK CHANGES

P05.11.030. Fiduciary Responsibility.

A. The board affirms its fiduciary responsibility to prudently manage all university real property for the exclusive benefit of the university, subject to restrictions imposed by law, conveyance documents or gift instruments.

B. All trust land shall be managed in accordance with sound trust management principles, consistent with the specific fiduciary duties and legal obligations applicable to such land. The ~~chief finance~~ **strategy, planning and budget** officer is charged with the responsibility of managing trust land in a manner consistent with the fiduciary duties and legal obligations of the board, and shall be directly accountable to the board for the management of such land. (06-08-06)

F. Approval of a Revision to Regents' Policy 05.11.040 - Classification of Real Property

PASSED

"The Board of Regents approves a revision to Regents' Policy 05.11.040 - Classification of Real Property as presented. This motion is effective June 5, 2015."

Motion by John Davies, second by Michael K Powers.

Final Resolution: Motion Carries

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

Nay: Dale G Anderson, Kenneth J Fisher

RATIONALE AND RECOMMENDATION

The revision to Regents' Policy P05.11.040. Classification of Real Property is based on the transfer of land management oversight to the strategy, planning and budget officer.

President Gamble answered questions from board members.

PROPOSED CHANGES WITH TRACK CHANGES

P05.11.040. Classification of Real Property.

The chief finance **strategy, planning and budget** officer shall designate which university real property parcels will be managed as investment property and which will be managed as educational property. Such designations will not preclude the compatible use of such university real property parcels for both educational and investment purposes. The president will resolve any disputes regarding classification of properties for investment or educational purposes. (06-08-06)

G. Approval of a Revision to Regents' Policy 05.11.044 - Fair Market Value and Other Considerations

PASSED

"The Board of Regents approves a revision to Regents' Policy 05.11.044 - Fair Market Value and Other Considerations as presented. This motion is effective June 5, 2015."

Motion by John Davies, second by Lisa M Parker.

Final Resolution: Motion Carries

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

Nay: Dale G Anderson, Kenneth J Fisher

RATIONALE AND RECOMMENDATION

The revision to Regents' Policy 05.11.044 - Fair Market Value and Other Considerations is based on the transfer of land management oversight to the strategy, planning and budget officer.

President Gamble answered questions from board members.

PROPOSED CHANGES WITH TRACK CHANGES

P05.11.044. Fair Market Value and Other Considerations.

In exercising its fiduciary responsibility, the board must administer university real property for the exclusive benefit of the university. In the absence of conflict with the board's fiduciary duties and responsibilities, the administration will consider the following principles in managing and developing university real property:

A. Fair Market Value.

Disposals of university real property interests shall be at not less than fair market value, and acquisitions of real property or interests shall be at not more than fair market value, unless a direct and substantial benefit to the university can be documented, such as when adjacent university property will become more accessible, marketable, or valuable due to increased availability of utilities or access, or when the transaction offers other tangible benefits to the university. Reasonable fees may be established for routine transactions such as permits and temporary uses of university real property.

B. Economic Feasibility.

Development projects shall not be undertaken unless the estimated return exceeds the estimated cost of development in an amount commensurate with the risk involved or the project will position the university to benefit from future opportunities.

C. Legally and Environmentally Sound Development.

University real property shall be developed consistent with local zoning and platting ordinances and in an environmentally responsible manner, consistent with applicable environmental laws and regulations, including those governing wetlands, water and wastewater, forests, wildlife and habitat, and the coastal zone.

D. Jobs for Alaskans.

To the extent economically feasible and prudent, development projects will provide an opportunity for the creation of jobs for Alaskans by encouraging development of in-state value-added industries.

E. Access Through University Real Property.

Subject to receipt of acceptable indemnification or tort immunity, the ~~chief finance~~ **strategy, planning and budget** officer shall:

1. recognize, or provide alternative access for, RS 2477 rights-of-way and existing state-identified historic trails that cross university real property; and
2. consider the grant of access easements and rights-of-way at fair market value, including any diminution of value, provided such easements and rights-of-way do not interfere with the ability to develop or use such real property or other university real property.

F. Reasonable Public Uses of University Real Property.

To the extent practicable, the university shall permit reasonable activities of the public on university real property that do not interfere with the university's use or the management of such real property.

G. Compatible Research and Educational Uses of Investment Property.

Investment property shall be made available to faculty and staff for research and educational purposes provided such use is compatible with development plans and disposal plans and approved by the chief finance officer. Academic units will be responsible for all costs and liabilities associated with such research/educational use. (09-19-14)

H. Approval of Revisions to Regents' Policy 05.11.050 - Real Property Acquisitions

PASSED

"The Board of Regents approves revisions to Regents' Policy 05.11.050 - Real Property Acquisitions as presented. This motion is effective June 5, 2015."

Motion by Lisa M Parker, second by John Davies.

Final Resolution: Motion Carries

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

Nay: Dale G Anderson, Kenneth J Fisher

RATIONALE AND RECOMMENDATION

The revisions to Regents' Policy 05.11.050 - Real Property Acquisitions are based on the transfer of land management oversight to the ~~chief finance~~ **strategy, planning and budget** officer.

President Gamble answered questions from board members.

PROPOSED CHANGES WITH TRACK CHANGES

P05.11.050. Real Property Acquisitions.

A. Campus Land Acquisitions.

In order to provide an adequate land base to support current and future campus programs, the ~~chief finance~~ **strategy, planning and budget** officer shall pursue strategic land acquisitions that meet the goals of the university's educational mission. To facilitate such real property acquisitions, the ~~chief finance~~ **strategy, planning and budget** officer shall consider relevant campus land acquisition plans, as approved by the board as part of campus master

plans.

B. Federal and State Land Grants.

The board will seek to acquire additional real property through state and federal grants in order to rectify inequities in the land grants to the State of Alaska compared to other states for their universities. When selecting new grant lands, the chief finance **strategy, planning and budget** officer will attempt to acquire parcels where the selection:

1. is consistent with and enhances the goals of the university's educational mission;
2. is located near communities that have a need for expansion and economic development, provided that such selections do not conflict with selections under the Municipal Entitlements Act;
3. enhances or diversifies the university real property portfolio; or
4. has potential for residential, recreational or commercial development, timber harvesting, materials extraction, oil and gas development or mineral development.

C. Other Real Property Acquisitions.

The chief finance **strategy, planning and budget** officer shall consider acquisitions or exchanges of property adjacent to existing university real property, when such property consolidates university real property holdings or enhances the access or development potential of other university real property. When economically feasible, and in the university's best interests, the chief finance officer may acquire or invest in real property that will enhance the university real property portfolio. (09-19-14)

I. Approval of Revisions to Regents' Policy 05.11.060 - Negotiation, Approval, and Execution of University Real Property Transactions

PASSED

"The Board of Regents approves revisions to Regents' Policy 05.11.060 - Negotiation, Approval, and Execution of University Real Property Transactions as presented. This motion is effective June 5, 2015."

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

Final Resolution: Motion Carries

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

Nay: Dale G Anderson, Kenneth J Fisher

RATIONALE AND RECOMMENDATION

The revisions to Regents' Policy 05.11.060 - Negotiation, Approval, and Execution of University Real Property Transactions are based on the transfer of land management oversight to the strategy, planning and budget officer.

President Gamble answered questions from board members.

PROPOSED CHANGES WITH TRACK CHANGES

P05.11.060. Negotiation, Approval, and Execution of University Real Property Transactions.

All university real property transactions and agreements are subject to the following:

A. Only individuals authorized under AS 36.30 to execute space leases or in writing by the chief finance **strategy, planning and budget** officer to negotiate real property transactions may do so on behalf of the university or the board. These real property transactions include, without limitation, any transaction involving lease, sale, cooperative development, right of occupancy, use, permit, license, or contract relating to any real property, or any other real property transaction whether or not similar to the foregoing. All other persons or university officials discussing prospective real property transactions with potential third parties must disclose that they do not have authorization to negotiate or commit the university or the board to any transactions, terms, conditions, or diminution of an interest in real property.

B. The board shall approve:

1. strategic plans for the management and development of Investment Property;
2. development plans that consist of:
 - a. subdivisions that will result in the development of 10 or more lots;
 - b. timber sales, unless the president determines the sale will have minimal impact;
 - c. material extractions that are anticipated to result in the sale of 100,000 cubic yards or more of material from a new source; or
 - d. oil and gas leases and mining leases encompassing 5,000 or more acres;
3. development projects that are expected to result in disbursements of \$1,000,000 or more in value;
4. real property transactions that have not been approved as part of a development plan and are expected to result in receipts or disbursements of \$1,000,000 or more in value; and
5. Real property transactions that require the subordination of an interest in university real property of \$1,000,000 or more in value.

C. The ~~chief finance~~ **strategy, planning and budget** officer or the officer's designee shall approve the following:

1. disposal plans;
2. development plans that do not require the approval of the board;
3. development projects that are expected to result in disbursements of not more than \$1,000,000 in value;
4. real property transactions that have been approved by the board as part of a development plan or are expected to result in receipts or disbursements of not more than \$1,000,000 in value;
5. Real property transactions that require the subordination of an interest in university real property of not more than \$1,000,000 in value; and
6. Project cost increases for development projects previously approved by the board, not to exceed 20 percent of the original project cost estimate.

D. The ~~chief finance~~ **strategy, planning and budget** officer is authorized to execute all properly approved real property transactions and may delegate signatory authority to other university officials, provided that any such delegation shall be in writing. Any further delegation must be approved, in writing, by the ~~chief finance~~ **strategy, planning and budget** officer. (09-19-14)

J. Approval of a Revision to Regents' Policy 05.12.030 - Delegation of Authority

PASSED

"The Board of Regents approves a revision to Regents' Policy 05.12.030 - Delegation of Authority as presented. This motion is effective June 5, 2015."

Motion by Gloria R O'Neill, second by Mary K Hughes.

Final Resolution: Motion Carries

Yea: Sheri Buretta, John Davies, Courtney Enright, Kenneth J Fisher, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Michael K Powers, Lisa M Parker, Andy Teuber

Nay: Dale G Anderson

RATIONALE AND RECOMMENDATION

The revision to Regents' Policy 05.12.030 - Delegation of Authority is to grant the president authority to delegate facilities authority in the event either a chief finance officer or chief facilities officer are not in place at UA.

President Gamble answered questions from board members.

PROPOSED CHANGES WITH TRACK CHANGES

P05.12.030. Delegation of Authority.

Designated approval authority under this policy may be delegated. The system office chief finance officer and the system office chief facilities officer, in the officers' sole judgment, will prudently delegate the authority vested with him or her by this policy to other finance officers and facilities administrators as may be necessary for effective and efficient administration and operations and maintenance of campus facilities. **In the absence of a system office chief finance officer or system office chief facilities officer, the president may delegate the authority vested in those officers under this policy.** (12-12-14)

13. Approval of a Resolution of Appreciation

A. Approval of Resolution of Appreciation for Brian D. Rogers

PASSED

"The Board of Regents approves the resolution of appreciation for Brian D. Rogers. This motion is effective June 5, 2015."

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

Final Resolution: Motion Carries

Yea: Dale G Anderson, Sheri Buretta, John Davies, Courtney Enright, Kenneth J Fisher, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Michael K Powers, Lisa M Parker, Andy Teuber

WHEREAS, Brian D. Rogers emulated the pioneer spirit of his ancestors by leaving his home in New England in 1970 at the age of 19, the first of his family to leave the area, and travel to Fairbanks, Alaska; and

WHEREAS, Brian D. Rogers embraced his new home and embodied all that a citizen of Alaska can accomplish by commercial fishing, teaching at the University of Alaska, reporting for a statewide newspaper, managing a natural foods store, starting his own business, and serving in the Alaska Legislature; and

WHEREAS, Brian D. Rogers has been employed by the University of Alaska as an instructor, budget director, Vice President for Finance, and as Chancellor of the University of Alaska Fairbanks; and

WHEREAS, Brian D. Rogers further served this institution upon his appointment to the Board of Regents from 1999-2007, including a 3-year term as its chair; and

WHEREAS, Brian D. Rogers, during his 45 year association with the University of Alaska, spearheaded and guided many of the efforts to modernize facilities, enhance research and instruction, increase public and private donations, strengthen commitments to diversity and workplace ethics, and other efforts too many to enumerate; and

WHEREAS, Brian D. Rogers exemplifies public service by serving on a wide variety of local, state, national and international boards for over 40 years; and

WHEREAS, Brian D. Rogers' achievements have been driven by a deep love and respect for the history and traditions of the University of Alaska, his honor and loyalty, and his commitment to educating the citizens of Alaska, the nation and the world; and

WHEREAS, Brian D. Rogers has been appointed by President Patrick Gamble University of Alaska Fairbanks Chancellor Emeritus, in recognition of his outstanding service; and

WHEREAS, Brian D. Rogers' accomplishments have been shared by his wife, companion, and life partner since 1979, Sherry Modrow, a University of Alaska graduate and the mother of their two sons, Christopher and Tracy, both of whom are University of Alaska Fairbanks graduates.

NOW, THEREFORE BE IT RESOLVED that the University of Alaska Board of Regents thanks Brian D. Rogers for his invaluable service to the University of Alaska; and

BE IT FURTHER RESOLVED that the University of Alaska Board of Regents extends its best wishes to Brian D. Rogers as he explores other opportunities to serve, innovate, consult, facilitate, and participate, since it is known he will not be sitting by idly during his "retirement"; and

BE IT FURTHER RESOLVED that his resolution be appropriately engrossed and conveyed to Brian D. Rogers with a copy to be incorporated in the official minutes of the June 4-5, 2015 meeting of the Board of Regents.

14. Industrial Security Resolution

A. Approval of Revisions to the Industrial Security Resolution

PASSED

"The Board of Regents approves the Industrial Security Resolution as revised to reflect changes to members of the board and administrative staff and authorizes the chair and secretary of the board to sign the resolution. This motion is effective June 5, 2015."

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

Final Resolution: Motion Carries

Yea: Dale G Anderson, Sheri Burette, John Davies, Courtney Enright, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Michael K Powers, Lisa M Parker, Andy Teuber

Not Present at Vote: Kenneth J Fisher

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 university administration to have access to classified information.

The university has received similar security clearances since the mid-1950s. Execution of the resolution means that regents and other members of the administration will not have access to the classified information and are not in a position to affect the handling of classified information, thus do not need to be processed through security clearance procedures. The resolution is identical to resolutions previously passed except for changes to members of the board and administrative staff.

15. Consent Agenda

A. Approval of Consent Agenda

PASSED AS AMENDED (amendment noted by *)

"The Board of Regents approves the consent agenda items 15.B.1-4, 6-7 and 9 and 15.C.2 as amended. This motion is effective June 5, 2015."

Motion by Mary K Hughes, second by Kenneth J Fisher.

Final Resolution: Motion Carries

Yea: Dale G Anderson, Sheri Burette, John Davies, Courtney Enright, Kenneth J Fisher, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Michael K Powers, Lisa M Parker, Andy Teuber

B. Academic and Student Affairs Committee

1. Approval of the Deletion of a Master of Business Administration at the University of Alaska Southeast

PASSED

"The Board of Regents approves the deletion of a Master of Business Administration at the University of Alaska Southeast. This motion is effective June 5, 2015."

2. Approval of the Deletion of an Associate of Applied Science in Power Technology - Automotive Emphasis at the University of Alaska Southeast

PASSED

"The Board of Regents approves the deletion of an Associate of Applied Science in Power Technology - Automotive Emphasis at the University of Alaska Southeast. This motion is effective June 5, 2015."

3. Approval of the Deletion of a Certificate in Residential Building Science at the University of Alaska Southeast

PASSED

"The Board of Regents approves the deletion of a Certificate in Residential Building Science at the University of Alaska Southeast. This motion is effective June 5, 2015."

4. Approval of the Deletion of a Certificate in Pre-Engineering at the University of Alaska Southeast

PASSED

"The Board of Regents approves the deletion of a Certificate in Pre-Engineering at the University of Alaska Southeast. This motion is effective June 5, 2015."

~~*5. Approval of Revisions to Regents' Policy Chapter 09.02 - Students Rights and Responsibilities (Moved to New Business 16.A.1.)~~

6. Approval of Revisions to Regents' Policy Chapter 09.05 - Employment of Students

PASSED

"The Board of Regents approves revisions to Regents' Policy 09.05 - Employment of Students as presented. This motion is effective June 5, 2015."

7. Approval of Regents' Policy 10.04.035 - Credit Hour Definition

PASSED

"The Board of Regents approves Regents' Policy 10.04.035 - Credit Hour Definition as presented. This motion is effective June 5, 2015."

~~*8. Approval of Regents' Policy 10.05.015 - Concurrent Enrollment (Postponed in committee to September 2015)~~

9. Approval of Revisions to Regents' Policy 10.02.040 - Academic Unit Establishment, Major Revision, and Elimination

PASSED

"The Board of Regents approves a revision to Regents' Policy 10.02.040 - Academic Unit Establishment, Major Revision, and Elimination to rename the Interior-Aleutians Campus to the Interior Alaska Campus at the University of Alaska Fairbanks. This motion is effective June 5, 2015."

C. Facilities and Land Management Committee

~~*1. Schematic Design Approval for the University of Alaska Fairbanks Combined Heat and Power Plant, Phase 3 (Moved to New Business 16.C.1.)~~

2. Formal Project Approval for the University of Alaska Anchorage Residential Campus Revitalization Project

PASSED

"The Board of Regents approves the formal project approval request for the University of Alaska Anchorage Residential Campus Revitalization as presented in compliance with the approved campus master plan, and authorizes the university administration to proceed through schematic design not to exceed a total project cost of \$5,400,000. This motion is effective June 5, 2015."

16. New Business and Committee Reports

A. Academic and Student Affairs Committee

1. Approval of Revisions to Regents' Policy Chapter 09.02 - Students Rights and Responsibilities

PASSED

"The Board of Regents approves revisions to Regents' Policy 09.02 - Students Rights and Responsibilities as presented. This motion is effective June 5, 2015."

Motion by Michael K Powers, second by Sheri Buretta

Final Resolution: Motion Carries

Yea: Dale G Anderson, Sheri Buretta, John Davies, Courtney F Enright, Kenneth J Fisher, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Michael K Powers, Andy Teuber

Not Present at Vote: Lisa M Parker

2. Committee Report

In addition to action items, the committee received a presentation on an academic and student affairs dashboard: first things first and heard reports on UAS Ketchikan Campus Tech Center Renovations and UA program suspensions.

B. Audit Committee

1. Approval of the FY16 Annual Audit Plan**PASSED**

"The Board of Regents' Audit Committee approves the annual audit plan for fiscal year 2016 as presented. This motion is effective June 5, 2015."

2. Committee Report

In addition to the action item, the committee heard comments from the external auditor, received an update on the Education Trust of Alaska, held an executive session and heard an audit status report.

C. Facilities and Land Management Committee

1. Schematic Design Approval for the University of Alaska Fairbanks Combined Heat and Power Plant, Phase 3**PASSED**

"The Board of Regents approves the schematic design approval request for the University of Alaska Fairbanks Combined Heat and Power Plant, Phase 3 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 \$248,000,000, which is a \$177,000,000 increase from the previous approval. This motion is effective June 5, 2015."

Motion by Mary K Hughes, second by John Davies.

Final Resolution: Motion Carries

Yea: Dale G Anderson, Sheri Buretta, John Davies, Courtney F Enright, Kenneth J Fisher, Jyotsna L Heckman, Mary K Hughes, Gloria R O'Neill, Lisa M Parker, Michael K Powers, Andy Teuber

2. Project Change Request for the University of Alaska Anchorage Roof Replacement Projects

The Facilities and Land Management Committee approved the following motion:

PASSED

"The Facilities and Land Management Committee approves the Project Change Request for the University of Alaska Anchorage Roof Replacement Projects as presented in compliance with the campus master plan, and authorizes the University administration to increase the scope of work and increase the project budget by \$900,000 not to exceed a Total Project Cost of \$2,520,000. This motion is effective June 4, 2015."

3. Committee Report

In addition to action items, the committee heard reports on FY12-FY15 deferred maintenance and renewal funding redistribution, deferred maintenance and renewal spending, UAA Alaska Airlines Center art selection, UAA engineering and industry building parking structure project, UAA UMED district plan update, UAF engineering facility and construction in progress.

Karl Kowalski, chief information technology officer, provided an update on IT initiatives and cyber risk and mitigation. 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.

17. Future Agenda Items

A. Future Agenda Items

No future agenda items were brought forward.

18. Board of Regents' Comments

A. Board of Regents' Comments

Regent Teuber thanked Chancellor Rogers for his years of service.

Regent Buretta thanked Chair Heckman for a well-run meeting; noted the work and the changes happening at UA are an equal balance between optimism and fear and appreciates that board members have open and transparent conversations during board meetings.

Regent Anderson thanked Chancellor Rogers for his service and hospitality; stated the meeting was successful; noted the attitude of optimism expressed by alumni during public testimony; is looking forward to building future relationships and working with alumni and said he is optimistic about the university resizing and rethinking goals to make UA the best in the West.

Regent Parker thanked President Gamble and Chancellor Rogers for the hospitality, said the Fairbanks campus and facilities are beautiful; noted she attended the June 2-3, 2015 UA Foundation Board of Trustees meeting and is happy to see that both boards are coming together in an cooperative effort for success at UA; noted receiving favorable responses from colleagues and friends regarding the university's presidential search and thanked Chancellor Rogers for his service to UA and the State of Alaska.

Regent Hughes thanked Chancellor Rogers for the hospitality; loved Vice Chancellor Peter's lunchtime presentation on the UAF centennial milestones and events; noted UA will miss Chancellor Rogers and his wife Sherry Modrow; said she was pleased with the outcomes of this week's UA Foundation Board of Trustees and Board of Regents meetings; noted respect for fellow board members; said she values the participation from the newly appointed board members and stated it is a privilege and an honor to serve the university.

Regent Powers noted the important discussion with the Alaska State Board of Education regarding defining and aligning expectations for Alaska's students; said the meeting with the UA Foundation Board of Trustees was productive and is looking forward to the next steps in the capital campaign process; recognized Vice President White for his Shaping Alaska's Future presentation and his vision for the Board of Regents' Academic and Student Affairs Committee and thanked Chancellor Rogers for his service to UA and the State of Alaska.

Regent Fisher said good work was done by fellow board members during this meeting; thanked Chair Heckman for a well-run meeting and an organized agenda; noted Regent Buretta's effort to keep the Board of Regents' Audit Committee on task; recognized Chancellor Rogers for his service to UA; said nationally, UA currently has the highest cost per degree than other institutions and stated the significance regarding the role of the board to focus on cost control and vitality at UA during the challenging times ahead.

Regent O'Neill stated appreciation for the work that goes into preparing and hosting a board meeting; thanked Chancellor Rogers for the hospitality; noted gratitude to Chair Heckman for her time and energy put forth as chair, stating the board is grateful to have her as chair; said Regent Buretta is doing a great job chairing the Board of Regents' Audit Committee; thanked Regent Hughes for her effort to organize the presidential search committee; acknowledged Regent Parker's show of emotion regarding Chancellor Rogers' retirement; is thankful for the new energy and skill set each newly appointed board members brings to UA; said she is happy to serve UA and noted the meeting was productive.

Regent Davies thanked Chancellor Rogers for his years of dedication to UA; appreciated Vice President White's Shaping Alaska's Future presentation regarding research at UA; noted optimism for the future of UA; stated the importance of putting current dilemmas in perspective and to remain enthusiastic about change; is interested in working with administration on an overarching plan regarding Title IX issues; noted the importance of the Summit Team's collaboration and their necessity during the challenging times ahead; thanked Chair Heckman for her leadership and her time devoted to board issues; stated the meeting was productive and said he is enjoying getting to know each of the board members.

Regent Enright noted appreciation for Chair Heckman's leadership; stated the joint meeting with the UA Foundation Board of Trustees was time well spent and is looking forward to the capital campaign details; wished Chancellor Rogers and his wife Sherry Modrow well in retirement; was excited to see the newly appointed board members engaged in the meeting and noted each has significant skills to offer UA; said she is really optimistic for UA as it begins its transformation to become a greater institution during the challenging times ahead and stated she is proud to be an alumni of UA.

Chancellor Caulfield thanked Chancellor Rogers for hosting the meeting and the hospitality; noted appreciation to Executive Officer Berg, Olivia Baker and Ken Jernstrom for their behind-the-scenes effort in making these meetings successful; stated a heartfelt thanks to the board for approving the naming of the UAS freshman residence hall in honor of John R. Pugh; noted 700 students graduated from UAS during the spring 2015 commencement ceremonies; stated appreciation to the board for their support and encouragement regarding his new role as chancellor; said Chancellor Rogers has been a great mentor, his commitment and leadership at UA has been outstanding over the past 35 years and mentioned UA should create a leadership institute comprised of former remarkable chancellors to assist others at UA to become great leaders.

Chancellor Case thanked the board for their service during these challenging times; thanked Regent Enright for her engaged service as the student regent; welcomed Chancellor Caulfield to his first meeting as chancellor; thanked Chancellor Rogers and his wife Sherry Modrow for their tremendous dedication to UA; was pleased with the UA Foundation Board of Trustees and Board of Regents discussion regarding defining and aligning expectations at UA; said he is optimistic about the future of UA; mentioned the Northwest Commission on Colleges and Universities has approved Prince William Sound College's (PWSC) accreditation under UAA; therefore, PWSC will align and report to UAA like the other UAA community campuses and said current facilities construction projects at UAA are inline and making progress.

Chancellor Roger said 45 years ago during the time he was a student at UAF, the Fairbanks legislative delegation was passionate about supporting the university and one of those supporters and one of his mentors, former state representative and house speaker Mike Bradner, was in attendance during this meeting; stated he cannot express all that he is feeling at the moment and thanked the board for their service to the university.

President Gamble thanked Chancellor Rogers for being a great host; noted he was pleased with the outcome of the UA Foundation Board of Trustees and Board of Regents June 3, 2015 meeting; said he is proud of the work the UA Foundation is doing in support of UA; thanked university staff for their work to make the June 4-5, 2015 board meeting successful; thanked the board for their support; noted the leadership team including chancellors, vice presidents and provosts is in flux; said his sense is current leaders will pick future leaders to move UA in the right direction; stated investment in leadership is guided by the Shaping Alaska's Future policy which will assist UA through the current budget situation and said keeping an eye on the future and how UA will get there will be significant during the next several years.

Regent Heckman stated deep appreciation for Regent Enright's level of participation as the student regent; enjoyed the centennial presentation; noted the past three days of meetings included significant discussions; thanked board members for attending the joint meetings with the UA Foundation Board of Trustees and the Alaska State Board of Education; said she is looking forward to ongoing relationships and conversations with both boards; noted appreciation for board member's commitment to UA; thanked staff for their work in preparing meeting material; complimented Executive Officer Berg and General Counsel Hostina for their ongoing assistance; stated UA will miss Chancellor Rogers and will continue to look to him for advice and guidance; thanked newly appointed board members for their engagement and for taking on responsibilities; stated the support of all board members is invaluable; said the current budget situation is unfortunate; however, she holds optimism for a favorable outcome and said further refinement and right-sizing at UA will continue during these challenging times.

19. Adjourn

A. Adjourn

Chair Heckman adjourned the meeting at 2:32 p.m. on Friday, June 5, 2015.