

Official Minutes  
Board of Regents  
Emergency Meeting of the Full Board  
June 28, 2019  
Fairbanks, Alaska

## 1. Individuals Present and Opening Items

### Regents Present:

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

### Regent Absent:

Cachet Garrett

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

### Others Present:

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

## A. Call to Order

Chair Davies called the meeting to order at 11:00 a.m. on Friday, June 28, 2019.

## B. Adoption of Agenda

### PASSED

"The Board of Regents adopts the agenda as presented. This motion is effective June 28, 2019."

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

Final Resolution: Motion Carries

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

## 2. Budget Discussion and Approval Item

### A. Budget Discussion

Governor Dunleavy signed the FY20 state budget on June 28, 2019 with approximately \$400 million in line-item vetoes including reducing the university's budget by 41 percent and upholding the \$136M cut. The board gathered to listen to the governor's press conference and discussed how it would manage the budget.

President Johnsen stated if the governor's vetoes are not overridden the impact will be devastating to UA, its mission,

the state and Alaska's economy; noted the governor's proposed \$192M FY20 UA operating budget is a 41 percent reduction from FY19; stated the presentation before the board considered a reasonable cut of \$30M-\$60M and while severe, the numbers were manageable allowing UA to address a rationale and reasonable transitional time; said the governor's budget is twice as much as UA's most extreme cut; will initiate an immediate freeze on hiring, travel, contracts, and issue furlough notice to staff; will increase advocacy with the Legislature in the attempt to override the devastating veto; stated if UA's efforts are successful, a budget distribution plan will be provided for approval on July 15, 2019 and if those efforts are not successful, a request for a declaration of financial exigency will come to the board on July 15, 2019 followed by a specific plan for program and unit reductions necessary to meet the budget cut on July 30, 2019.

The board discussed entering into financial exigency during this meeting noting the need to provide the president with all the necessary tools to manage the devastating \$136M budget cut; determined that concentrated advocacy efforts regarding a veto override should be conducted with the Legislature; is willing to wait and see what is accomplished in the Legislature's special session; requested President Johnsen continue with the contingency budget planning process, and stated while the unprecedented seriousness of the budget cut is alarming, the board appreciates President Johnsen's leadership and is confident UA has a strong, capable management team to guide the university through this difficult budget situation.

## B. Approval of Acknowledgement of the FY20 Operating Budget Appropriation, Authorization to Make Interim Expenditures and Reductions, and Direction to Develop the Revised FY20 Operating Budget Distribution Plan and to Prepare a Plan for a Declaration of Financial Exigency

### PASSED AS AMENDED

"Consistent with Regents' Policy 05.01.040, the Board of Regents acknowledges the FY20 Operating Budget Appropriation as signed by the governor on June 28, 2019, authorizes the president to make interim expenditures and reductions consistent with the ongoing budget situation, directs the president to develop the revised FY20 Operating Budget Distribution Plan for approval by the board by the week of July 15, 2019, and directs the president to prepare a plan for a declaration of financial exigency for consideration by the board by the week of July 15, 2019. This motion is effective June 28, 2019."

Motion by Mary K Hughes, second by John Bania.

Final Resolution: Motion Carries

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

### POLICY CITATION

Regents' Policy 05.01.040 – Acceptance of State Appropriations states, "The board must accept state appropriations to the university before any expenditure may be made against the appropriation."

### RATIONALE AND RECOMMENDATION

The Board of Regents requested a \$917.9 million (\$358.5 million in state and \$559.4 million in non-state funding) operating budget for the University of Alaska in FY20. On Monday, June 10, 2019, the Legislature passed the FY20 Operating Budget bills (HB39 & HB40). The Legislature's final FY20 funding level for UA was \$322 million unrestricted general funds in two appropriations. That funding level constituted a \$5 million (1.5 percent) reduction over the current year.

On June 28, 2019, Governor Dunleavy vetoed \$130 million, reducing the unrestricted general funds to \$192 million, a 41 percent reduction over the current year. That veto is subject to