Agenda
Board of Regents
Meeting of the Full Board
June 6-7, 2013
Room 109 Butrovich Building
University of Alaska Fairbanks
Fairbanks, Alaska

Times for meetings are subject to modification within the June 6-7, 2013 time frame.

Thursday, June 6, 2013

II. Adoption of Agenda

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

I. Call to Order
II. Adoption of Agenda
III. Approval of Minutes
IV. President's Report
V. Governance Report
VI. Executive Session
VII. Public Testimony
VIII. Approval to Sell the Diplomacy Building
IX. Approval to Apply Proceeds from the Diplomacy Building Sale to the Bragaw Office Complex Purchase
X. Approval of Resolution to Partially Defease General Revenue Refunding Bonds 2009 Series P
XI. Approval to Purchase the Bragaw Office Complex
XII. Debt Approval for the Bragaw Office Complex
XIII. Approval to Sell the Bill Ray Center
XIV. Approval to Apply Proceeds from the Bill Ray Center Sale to the University of Alaska Southeast Freshman Residence Hall, Phase 2
XV. Debt Approval for the University of Alaska Southeast Freshman Residence Hall, Phase 2
XVI. Approval of the 2013 Edna Bay Timber Development and Disposal Plan
XVII. Presentation on Extension and Outreach at the University of Alaska Fairbanks
XVIII. Acceptance of FY14 Operating Budget Appropriation and Approval of the Distribution Plan
XIX. Acceptance of FY14 Capital Budget Appropriation and Approval of the Distribution Plan
XX. Approval of FY14 Student Government Budgets
XXI. Approval of FY14 Natural Resources Fund Budget
XXII. Approval to Modify Existing Art Acquisition Endowment for the University of Alaska Museum of the North

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4. Schematic Design Approval for the University of Alaska Fairbanks Ante2(n)-6nd8v0 0 Td [(rtifact-2(,)-9(A)5(l)-5(a)-8(s)u) u

persons related to Seawolf Holdings

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/RECOMMENDATION
Dr. Ashok Roy, vice president for finance and administration, will answer any questions regarding the partial defeasance of General Revenue Refunding Bonds 2009 Series P.

RESOLUTION OF THE BOARD OF REGENTS OF THE UNIVERSITY OF ALASKA AUTHORIZING THE PARTIAL DEFEASANCE OF CERTAIN OUTSTANDING GENERAL REVENUE REFUNDING BONDS, 2009 SERIES P, AND RELATED MATTERS .

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

WHEREAS, there are now outstanding revenue bonds of the University entitled "General Revenue Refunding Bonds, 2009 Series P" (the "Outstanding Bonds"); and

WHEREAS, the Outstanding Bonds were issued under, and pursuant to, a Trust Indenture dated as of June 1,1992, as amended, and a Thirteenth Supplemental Indenture, dated as of December 1, 2009; and

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(1) net income derived from the sale or lease of the land granted under the Act of Congress approved January 21, 1929, as amended;

RATIONALE AND RECOMMENDATION
Dr. Roy, vice president for finance and administration will answer any questions regarding the debt approval.

XIII. Approval to Sell the Bill Ray Center Reference 4

The president recommends that:

MOTION
"The Board of Regents approves the sale of the Bill Ray Center in Juneau, Alaska, in accordance with the property disposal plan. This motion is effective June 6, 2013."

POLICY CITATION
Regents' Policy 05.11.010.B., Real Property – Purpose and Scope, states: "Except as provided in C. of this section, this policy applies to all real property owned by the university or in which the university has a substantial beneficial interest."

Regents' Policy 05.11.041.C., Plans and Reports for University Real Property, states: "The chief finance officer shall prepare and publish proposed disposal plans that describe university real property parcels being considered for disposal by sale, lease, exchange or transfer of interest."

Regents' Policy 05.11.060.B., Negotiation, Approval, and Execution of University Real Property Transactions, states: "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."

RATIONALE AND RECOMMENDATION
Reference 4 contains the property disposal plan for the Bill Ray Center. Kit Duke, associate vice president for facilities and land management, will answer any questions regarding the disposal plan.

XIV. Approval to Apply Proceeds from the Bill Ray Center Sale to the University of Alaska Southeast Freshman Residence Hall, Phase 2 Reference 5

The president recommends that:

MOTION

"The Board of Regents approves applying the proceeds from the Bill Ray Center sale to the University of Alaska Southeast Freshman Residence Hall, Phase 2, in accordance with the project change request as presented. This motion is effective June 6, 2013."

POLICY CITATION AND STATE STATUTE
Regents

XV. Debt Approval for the University of Alaska Southeast Freshman Residence Hall, Phase 2

The president recommends that:

MOTION

"The Board of Regents authorizes (1) the chief financial officer to arrange for and execute all documents necessary to issue debt, either general revenue bonds, a bank loan, internal working capital loan or other financing arrangement in an amount not to exceed $1,000,000 for the University of Alaska Southeast Freshman Residence Hall Project, and (2) directs the chief financial officer to execute the Internal Revenue Service notice of intent to issue reimbursement bonds so as to not preclude reimbursement from future university general revenue bonds. This motion is contingent upon the proposed sale of the Bill Ray Center and upon approval of the University of Alaska Southeast Freshman Residence Hall Phases 1 and 2 and is effective June 6, 2013."

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

Dr. Roy, vice president for finance and administration, will answer any questions regarding the debt approval.

XVI. Approval of the 2013 Edna Bay Timber Development and Disposal Plan

Reference 6

The president recommends that:

MOTION

"The Board of Regents approves the 2013 Edna Bay Timber Development and Disposal Plan and authorizes University of Alaska Land Management, with the approval of the chief financial officer, to respond to the current offer for timber harvesting and enter into a contract. This motion is effective June 6, 2013."

POLICY CITATION
Regents' Policy 05.11.060, Negotiation, Approval, and Execution of University Real Property Transactions, states:

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

A. Only individuals authorized in writing by the chief finance 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".

RATIONALE AND RECOMMENDATION
With previous board agreement to advertise for bids, the University of Alaska, Facilities and Land Management Office (FLM) received a competitive offer on May 1, 2013, to purchase timber from the university at Edna Bay, Kosciusko Island. The evaluation team (including counsel) met and considered Alcan Forest Products' ("Alcan") offer on May 3, 2013, and found that while the Alcan offer contained many respo

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RATIONALE AND RECOMMENDATION

President Gamble and Associate Vice President Rizk will discuss the legislative appropriations and propose an operating budget distribution plan for board approval. Governor Parnell is expected to sign the state's operating and mental health budget bills into law without any vetoes of University of Alaska programs or projects. Below is a system budget summary and distribution plan considerations. UA's final operating budget state appropriation increased by $13 million (3.6 percent). State appropriations, include general funds, technical vocational education program funds (TVEP), and mental health trust general funds, total $376.7 million, up from $363.7 million in FY13. This amount includes a reduction of $69.1 thousand in TVEP funding. UA's total budget for FY14 is $914.2 million compared to $924.3 million in FY13, a decrease of 1.1 percent. This amount includes a reduction of $36.0 million in unrealizable university receipt authority.

Approximately 88.6 percent of UA's fixed cost increases were covered ($11.7 million of $13.2 million, excluding utilities). No base funding was included in the budget for utility cost increases; however, the budget includes one-time utility funding to state agencies to offset increased fuel and utility costs. The university expects to continue to receive additional one-time funding to cover utility cost increases through the "fuel trigger."

Of the $12.9 million increase, $1.6 million is directed to the board's priority program requests for: student achievement and attainment ($650.0 thousand); productive partnerships with public entities and private industries ($901.1 thousand), health/biomedical ($55.0 thousand), workforce development ($356.1 thousand), consolidated Alaska mining initiative ($290.0 thousand), and fostering knowledge of Alaska issues/culture/history through the UA press ($200.0 thousand). A complete list of programs receiving funding and program descriptions begin on page 8 of Reference 8. Below are highlights of the Strategic Direction Initiatives these program investments will support.

Student Achievement and Attainment: the university is delivering quality education to more students through improved eLearning and technology, increased access and increased advising support in order to realize increased certificate and degree attainment for more Alaskans.

Productive Partnerships with Public Entities and Private Industries: the university is uniquely positioned to provide the training needed to fill Alaska's demand for skilled employees. Through partnerships with public entities and private industries, the university can assess workforce needs and develop educational training programs to fill those needs.

As in the past, the legislature has included intent language regarding future UA budget requests. It is the intent of the legislature that UA requests for unrestricted general fund increments do not exceed the amount of additional university receipts requested for that year and that unrestricted general funds move toward a long-term goal of 125 percent of

actual university receipts for the most recently closed fiscal year. The state funded portion of UA's budget had been increasing as a percentage of the total budget over the last

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POLICY CITATION

Regents' Policy 09.07.050 requires student government organizations to submit annual budgets, including the amount of any mandatory student government fees, to the Board of Regents for approval.

RATIONALE AND

POLICY CITATION

Regents' Policy 05.07.030.A., Endowment and Quasi-Endowment Fund, states: "All endowment and quasi-endowment assets will be transferred to the University of Alaska Foundation for care, custody, investment and administration, to the extent feasible and not prohibited by donor agreement. Endowments will be transferred to the foundation as follows:

1. unrestricted endowment principal and income funds will be transferred to the foundation upon approval of the chief finance officer,
2. quasi-endowment and restricted endowments will be transferred to the foundation upon specific approval by the board."

RATIONALE/RECOMMENDATION

The Art Acquisition Endowment was established more than 15 years ago when the museum sold several Korean paintings for a considerable amount of money; these funds were placed in a new endowment which stipulated that its earnings be used only for purchasing new art. It is an accepted practice, endorsed by the American Alliance for Museums and the Association of Art Museum Directors, that funds obtained from selling art can also be used to maintain and care for existing collections. The museum would like to have the option to use the earnings from the Art Acquisition Endowment to also maintain and care for existing art collections, to ensure that they are properly stored in appropriate temperature and climate-controlled spaces, adequate measures are taken to prevent deterioration, and, when necessary, objects are conserved.

XXIII. Authorization to Sign a Joint Rescission Agreement and to Sign and to File a Joint Motion for Relief from Judgment with the Superior Court References 10-13

The president recommends that:

MOTION

"The Board of Regents authorizes the president of the University of Alaska to sign a Recession Agreement with Alaska Pacific University to rescind certain land restrictions and to join Alaska Pacific University's Motion to Rescind the 1998 Agreement of the Parties and Final Judgment in the case of University of Alaska vs. Alaska Pacific University, Case No. 97-779 Civ. This motion is effective June 6, 2013."

ALASKA STATUE AND POLICY CITATIONS

The Board of Regents has the duty and authority to manage real property interests under AS 14.40.250. This statute provides, in relevant part,

Eventually the parties settled this case and entered into an Agreement of the Parties and Final Judgment (Reference 11). The court signed this judgment on September 24, 1998, and the parties recorded it.

In the Agreement and Final Judgment the parties described the 1972 Agreement as Alaska Pacific University's dedication "in perpetuity the above referenced land and existing and future buildings to nonprofit education, health, recreation and conservation or related public purposes." The parties also agreed that UA "will not unreasonably challenge land usage by APU that is in keeping with the spirit of the Bureau of Land Management language in the patents that originally conveyed the land to APU."

At present, the land use restriction on the land Alaska Pacific University received under the 1958 patent has expired (on or about March of 2003) and the only restriction on (di)-2(ng)10(s)-1( )-10k(nd F).210 Td [(h)-8(aci)-6(f)-1(i)-6(c)]TJ /CS1 cs 1 0 0 scn 0 Tc 0 Tw ( )Tj

Friday, June 7, 2013

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

Public testimony will be heard at approximately 9:00 a.m. on Friday, June 7, 2013.

XXVI I. Approval of Revisions to Regents' Policy 05.10.080 – Tuition and Fee Waivers

Reference 19

The president recommends that:

MOTION

"The Board of Regents approves revisions to Regents' Policies 05.10.080 as presented. This motion is approved on June 7, 2013."

RATIONALE AND RECOMMENDATION

The policy for the senior citizen tuition waiver was last updated in 2005. The proposed edits eliminate unneeded verbiage and add further clarity to the policy. Associate Vice President Oba will answer any qu(5)Tj (.)tr aAmot.r ad [(a.096 7(unne)4(e)-8aTj (.)t.14(s)-1(e)496 7(

XXX. Approval of FY15 Capital Budget Development Guidelines Reference 21

The president recommends that:

MOTION
"The Board of Regents approves the FY15 Capital Budget Development Guidelines as presented. This motion is effective June 7, 2013."

POLICY CITATION
Regents' Policy 05.01.01.A., Budget Policy, states: "The budget of the University of Alaska represents an annual operating plan stated in fiscal terms. All budgetary requests shall be adopted by the board prior to submittal to the Office of the Governor or the legislature."

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XXXI . Consent Agenda

MOTION
"The Board of Regents approves the consent agenda as presented. This motion is effective June 7, 2013."

A. Academic and Student Affairs Committee

1. Approval of a Bachelor of Arts in Secondary Education at the University of Alaska Fairbanks Reference 23 s23

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C. Facilities and Land Management Committee

1. Approval of the Campus Master Plan Amendment for the University of Alaska Fairbanks Campuswide Solar Array Installation Reference 39

MOTION
"The Board of Regents approves the University of Alaska Fairbanks

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