



UNIVERSITY OF GUAM
UNIBETSEDAT GUAHAN
BOARD OF REGENTS

RESOLUTION NO. 11-05

**RELATIVE TO AUTHORIZING THE PRESIDENT TO REALLOCATE, REALIGN AND REDUCE
UNIVERSITY OPERATIONS AND PERSONNEL COSTS AS WELL AS TO SEEK TUITION
INCREASES AS NECESSARY**

WHEREAS, the University of Guam is the primary U.S. Land Grant institution accredited by the Western Association of Schools and Colleges (WASC) serving the post-secondary needs of the people of Guam and the region; and

WHEREAS, the governance and well-being of the University is vested in the Board of Regents; and

WHEREAS, FY11 budget law PL30-196 reduced University appropriations by a net \$2.7 million and appropriated only \$27.2 million of the \$31.5 million requested by the University for its general operations base budget (86%), of which \$9.7 million (94%) has been requested but is unpaid as of this date; and

WHEREAS, the University has developed a FY12 general operations budget, identifying \$29.9 million of government appropriation funding required for a base budget that can sustain academic quality and student learning including; and

WHEREAS, following the issuance of Executive Order 2011-01, which identified revenue shortfalls and unbudgeted/ under budgeted expenditures and liabilities, and a substantial cumulative deficit in the government of Guam's General Fund, the Directors of BMR and DOA have advised that the University (and other government entities) can anticipate further allotment payment shortfalls and, likely, permanent allotment reserves in FY11 as well as difficulties in obtaining higher levels of FY12 budget appropriations; and

WHEREAS, to the extent possible in response to reductions in appropriations and cash shortfalls, the University has acted to reapportion budgets, implement austerity controls, increase revenues, cutback expenditures and manage working capital, based upon its financial management plan and academic and institutional priorities; and

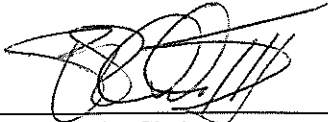
WHEREAS, given the conditions above, the University may be required to take further steps to sustain its mission and protect its highest priority of sustaining academic quality and student learning within its current and forecasted cash position and budget; and

WHEREAS, the Board's Executive Committee has reviewed the Administration's financial management plan in response to these conditions and recommends it to the Board.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents hereby authorizes the President, in consultation with its Budget, Finance, Investments and Audit Committee, to reallocate funding as necessary to the highest priority areas; to realign and reduce University operations and personnel costs; and to seek tuition increases following a public hearing as required to meet cash shortfalls and balance the FY11 and FY12 budgets; and


BE IT FURTHER RESOLVED, that this resolution expires on 31 December 2011.

Adopted this 17th day of February, 2011.



P. Sonny Ada, Chairman

ATTESTED:



Dr. Robert Underwood, Executive Secretary