



UNIVERSITY OF GUAM
UNIBETSEDÁT GUÅHAN
Board of Regents

Resolution No. 22-19

RELATIVE TO APPROVING A LOAN FROM THE INTERNAL ENDOWMENT FUND TO FUND A SHORTFALL IN THE BUDGET FOR THE CONSTRUCTION OF THE PLANNED WATER ENVIRONMENTAL RESEARCH INSTITUTE BUILDING AND NURSING ANNEX FOR THE SCHOOL OF HEALTH

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

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

WHEREAS, the Investment Committee oversees the University's Internal Endowment made up mostly of the Land Grant Endowment, however, there is about \$8 million in funding that is not subject to external restrictions;

WHEREAS, the University received grant funding of \$8.5 million to construct a new building for the Water and Environmental Research Institute (WERI) as well as a Nursing Annex for the School of Health;

WHEREAS, due to the increased cost of construction on the island, it has been determined that the funding sources for the projects are not sufficient to complete the projects;

WHEREAS, the Research Corporation of the University of Guam (RCUOG) has committed their excess revenues which they believe to be near \$250,000 per year to the projects but does not have the lump sum needed to complete the projects;

WHEREAS, the University is seeking to make a loan from its Internal Endowment Fund at an interest rate of 3.5% or less, and the revenue from RCUOG as the source of repayment; and

WHEREAS, the President and the Investment Committee have reviewed this resolution and recommends its approval by the BOR.

NOW, THEREFORE, BE IT RESOLVED, that the President is authorized to withdraw up to \$3 million from the unrestricted portions of the Internal Endowment Fund including the International Accounting Institute Fund with the monies to be paid back through the annual contribution of RCUOG at an interest rate of 3.5% or less over a 15-year payment term; and

BE IT FURTHER RESOLVED, that the President is authorized to borrow an additional amount up to \$1 million if he determines that the \$3 million is not sufficient to complete construction of the projects.

Adopted this 23rd day of May, 2022.

ATTESTED:

Thomas W. Krise, Ph.D., Executive Secretary

Liza J. Provide, Chairperson