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News Release

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University President Stunned at Failure to Fund UA Contracts

On Saturday, the House Finance Committee singled out the University of Alaska for a new kind of program reduction that one UA official refers to as a “fake funding scheme”. The Committee approved an amendment to the House budget that directs payment of negotiated increases for state employees and university faculty and staff, including \$11 million to pay for the state contracts, but specifically excluding the \$6.9 million in general funds needed by the university to pay for its costs.

President Mark Hamilton is stunned that the House Finance Committee would approve negotiated compensation increases without providing the necessary funding. “What kind of game are they playing? Do they think the university employees will be fooled by this false gesture of support? We negotiated contracts in good faith with our employees, using guidelines the legislature expressed regarding annual increases that were far less than we felt our employees deserved,” Hamilton said. The resulting contracts were approved by the legislature. In addition to cutting the university budget by \$2.3 million below the current year funding level, President Hamilton said. “The House Finance Committee is effectively levying an additional 3.5% program reduction to pay for increases from existing resources...and more importantly, it is singling the university out from other state entities for this penalty.”

Wendy Redman, Vice President of University Relations for the statewide university system, and their chief spokesperson in Juneau, asked Chairman John Harris for clarification at the Saturday House Finance meeting, seeking to understand why the Finance Committee would approve funding for state employee contracts and not do so for the university. Representative Harris responded that there was a feeling the university had the ability to generate additional funding to meet its contractual obligations that the State did not. Ms. Redman responded that other funding was already factored in to the UA salary request, explaining that the full salary costs -- \$10.6 million -- included \$6.9 million in state funds and \$3.7 million in non-state funding. Following the meeting, Redman reiterated that it is true the

