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News Release

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Regents To Take Action on University Budget

Members of the University of Alaska Board of Regents will consider the university's proposed budget for the coming fiscal year when they gather in Fairbanks Tuesday.

The one-day meeting will be held from 9 a.m. to 4 p.m. at the Carol Brown Ballroom of the Wood Center on the University of Alaska Fairbanks campus. Public testimony will be taken at approximately 10:30 a.m.

UA President Mark Hamilton and Pat Pitney, associate vice president for planning and budget development, will present a blueprint for operating expenses totaling \$790 million for the 16-campus system, a 10.6 percent increase over the current fiscal year. The budget would require \$291.7 million from the state treasury, up 17.6 percent from \$248 million the current year. The rest would be paid for with university receipts, federal funding, tuition and other sources.

The operating budget plan includes a \$10.6 million state investment in growth for existing successful programs such as health occupations, teacher education, distance education and business and public policy programs. It also provides funding to build capacity in programs required for gas line and mining projects, including engineering, construction and project management, mining training and vocational education.

In addition, the state investment would provide matching funds for competitive university research, focusing on bio-medical, behavioral health and Arctic related research, as well as opportunities in fisheries and transportation research. Every \$1 in state money invested in university research leverages \$7 from other sources.

"We must invest in our university, make it stronger than ever before, if we want to keep moving this state forward during a time of major economic development opportunities," Hamilton said Friday. "And we must continue to offer an excellent array of educational programs and choices that will keep the best and brightest of our young people right here, at home."

A large chunk of the budget is eaten up by fixed costs, including employee benefits such as retirement and health care; contract and policy mandated salary increases; and a spike in utilities, such as heating oil. The university's spending blueprint also includes \$3 million in state money for a multi-phased approach to facilities renewal and replacement.

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“The costs of keeping the doors open, the lights on and the faculty and staff in place, continue to rise,” Hamilton said. “The university has taken many proactive steps to reign in costs. While we grapple with this ongoing issue along with many other public and private institutions, we must not lose sight of the prize—an excellent education. It’s a necessity for the future success of this state.”

The university’s proposed capital budget, at \$331.4 million (\$250 million in state general funds), focuses heavily on major maintenance and renewal projects on existing buildings. Topping the list is \$98.3 million in state general funds toward major maintenance of existing facilities and equipment, code compliance, safety improvements and renovations.

The capital plan also calls for the final phase of funding for the Integrated Science Facility at the University of Alaska Anchorage (\$55 million); the UAF Biological Sciences Facility, including the West Ridge heating and cooling plant (\$64.5 million); UAF’s portion of the state virology lab (\$2.5 million); the Alaska Cultural Center and Prince William Sound Community College Training Center addition (\$2 million); and purchase and interior remodeling of the Gitkov Building at University of Alaska Southeast, in Juneau (\$1.9 million).

After the regents’ final approval on the university budget request, it next goes to the governor for his consideration, then the state Legislature.

For a complete agenda, go to www.alaska.edu/bor and click on “agendas.”

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