Tuition Grants Target Cash-Strapped Students

The University of Alaska Board of Regents at its Juneau meeting Feb. 15 & 16 established a new tuition grant program aimed at financially needy students in their first two years of college.

The vote was unanimous, following a year of discussion at numerous board meetings. Regents have repeatedly expressed a desire to increase efforts to help financially strapped students.

“This is a very significant step that we’ve taken to help our students who need it most,” said Jacob Gondek, student regent from Anchorage. “This program will help 2,200 students get off to a great start in their college career and reduce the amount of loans they must take out.”

The UA plan, which will be administered consistently throughout the university’s 16 campuses, would provide $400 per semester, or $800 per academic year, for up to 2,200 students.

The program, which would cost approximately $1.8 million a year, would be funded by redirecting some existing financial aid and shuffling some internal funding priorities.

University officials expect the program to be in place within the next two fiscal years.

New Programs Approved

Several new academic programs were also approved, including an associate of applied science degree in digital art at the University of Alaska Anchorage, offered at Kenai Peninsula College; a graduate certificate in supply chain management at UAA; and post-baccalaureate certificates in elementary and secondary education, and for school counselor licensure, at the University of Alaska Fairbanks.

Lunch with the governor

The University of Alaska Board of Regents is the governing body responsible for the university policy and management through the president. Regents are appointed by the governor for eight-year terms, subject to legislative confirmation. A student regent is appointed for two years from candidates nominated on each campus. (Regents’ term of office shown in parentheses.)
Land Plan Ok'd

The packed agenda also included a review of the university's land development plan for 2006. Regents approved the plan, which allows UA land managers to now go forward with a more detailed financial and environmental evaluation of the parcels, which range from a residential subdivision near North Pole to timber prospects near Petersburg. For a complete look at the 2006 plan, go to www.ualand.com.

NORP Changes Endorsed

Board members also approved changes to the university's optional retirement program for new employees hired on or after July 1. The plan, called the New Optional Retirement Program, would require a three-year vesting period for employer contributions, currently capped at 12 percent. In addition, eligibility for the University Pension Plan, a separate benefit, would require an employee to select the optional plan rather than the state sponsored retirement programs known as TRS and PERS. The changes also open up the optional program to new staff after July 1, whereas currently it is offered as an option for faculty and executives only.

The changes to the New Optional Retirement Program will affect only new hires who choose the optional program over PERS or TRS.

The changes do not affect current employees participating in the program.

In Other Business

Board members heard a report from the Juneau consulting firm, the McDowell Group, about a recent public opinion survey that shows strong support for the university across the state; as well as reports on new technologies and traditional Native culture from President's Professors Richard Dauenhauer and Jason Ohler, of the UAS campus. Board members also met with individual state representatives and senators about university funding and legislative issues; attended a luncheon with Gov. Frank Murkowski at the Governor's Mansion; and attended a dinner honoring former regent Mike Burns.

Budget Food For Thought

Regents meet with elected representatives of the House and Senate each year during the February board meeting in Juneau. The board adjourns midday during one of its meeting days, providing regents with time to do this important service on behalf of the university.

In preparation for those meetings, President Hamilton offered an interesting perspective on the UA budget. Rather than focusing on next year’s seemingly steep increase in state general funds over the current fiscal year ($42 million, per Gov. Murkowski’s proposed budget), Hamilton pointed out the following:

In 1986, UA’s general fund requirement from the state treasury was $167 million, and accounted for 60 percent of the total UA budget. The oil crash ensued, and along with many other state agencies and government entities, the university was forced to cut back.

It took a long time for the state portion to rebound to 1986 levels. While it climbed back up in the early 90s and spiked to $171 million in 1994, it dipped back down again and, by 1999, was once again at $167 million.

In 2004, the state’s share of UA’s budget, at $212 million GF, represented 40 percent of the university’s budget. Increased tuition, federal receipts, indirect cost recovery, private donations and other sources of funding made up the rest. And this year, as many UA supporters know, the university asked for $291 million from the state treasury and Gov. Murkowski proposes funding nearly all of that, at $289.9 million.

Extraordinary increases in fixed costs such as PERS/TRS and health care increases make up the lion’s share of the budget increment.

Assuming a 5 percent annual rate of growth, which other universities in the Lower 48 see on average, would have put the state’s share for 2004 at $403 million, Hamilton noted. In 2007, it would be $466 million.

Hamilton said the entire amount of state GF during his tenure at the university has been $7 million less than fixed costs, such as wages, fuel and health-care benefits. Over 18 years, from 1986 to 2004, the state’s share of UA’s budget represented a 1.33 percent compounded rate of increase.

Future Board Meetings

April 11, 2006
Kotzebue

April 12-13, 2006
Nome

June 7-8, 2006
Kodiak