



Seeking to continue the upward momentum of the University of Alaska over the last two years, University President Mark R. Hamilton and the Board of Regents are submitting to the state an operating budget request that calls for a \$17 million increase in general funds for FY03, and also asks for \$800,000 to support the UA Scholars program.

The proposed increases would move the state's general fund investment in the university from \$203 million to \$221 million. The university would generate more than \$400 million from other sources for a total operating budget statewide of \$621.6 million. From the proposed \$17 million increase, the university estimates it could raise another \$50 million in grants and other funding over FY02.

UA Revenue Up

For the year ended June 30, 2001, fueled by a state funding increase of 9%, UA invested heavily in programs responsive to state needs resulting in total initiative program investments of \$21 million, of which \$10 million was funded by the state. Overall, the university experienced a 14% increase in revenue largely due to federal, state, corporate and private partnerships.

This fiscal year (FY02), UA can expect overall revenue increases of 10-14% given that state funding increased by 6%. Partnerships continue to increase, and

more importantly, with the introduction of initiative programs, student recruitment, retention and overall enrollment are on the rise.

"You are seeing in this budget the results of a maturing university that is regaining very quickly the ability to generate significant amounts of dollars," Hamilton told a reporter who covered the Board of Regents meeting in Fairbanks.

Covering Base Costs

Of specific note in this request, is the university's renewed ability to carry an increasing portion of the incremental costs associated with base services. Over the four-year period FY00-FY03, the university increment request is \$2 million less from general fund for these base requirements while the university expects to cover \$5.2 million more from external sources. Specific to salary maintenance requirements, UA's state funding increment request is only \$50,000 higher than UA's state request in FY00. Through non-general fund sources, the university will carry an additional \$2.1 million of the salary increment request.

Slowing the "Brain Drain"

Slowing Alaska's "brain drain" by attracting and retaining Alaska students remains a major goal for the university, which has experienced remarkable success in the last two years in attracting Alaska's college-bound students. One of the first programs started by President Hamilton was the UA Scholars Program which offers four-year, \$11,000 scholarships to the top 10% of the graduates from qualified Alaska high schools each year. Specific to UA Scholars and classic first-time freshmen, UA's numbers have increased more than 10% annually. Preliminary figures show UA has 371 new

Board of Regents

Chair

Michael Burns (1997-2005)

Vice Chair

Elsa Demeksa (1997-2005)

Secretary

Frances Rose (1999-2007)

Treasurer

Brian Rogers (1999-2007)

Mark Begich (2001-2009)

Chancy Croft (1995-2003)

Joe Hardenbrook (2001-2003)

Marlene Johnson (2001-2009)

Kevin Meyers (2000-2007)

Joe Thomas (1995-2003)

Joe Usibelli, Jr. (1999-2007)

Board Office

Jeannie Phillips

202 Butrovich Bldg.

P.O. Box 755300

Fairbanks, AK 99775-5300

(907) 474-7908

www.alaska.edu/bor/

sybor@alaska.edu

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.)

Future Board Meetings

December 6-7, 2001

Anchorage

March 6-8, 2002

Juneau

scholars, which represents 41% of those eligible. This is approaching the university's goal of enrolling 50% of eligible UA scholars. Taking a strategic approach to enrollment management by targeting programs and students is expected to increase total enrollment in FY03 by 5%. In fall 2000, on a consolidated basis, UA experienced its first enrollment growth in six years, up 1%. Growth has continued this fall with an estimated 3.2% increase over last fall.

The primary emphasis for the proposed FY03 general fund increase is to attract even more of Alaska's college-bound students, provide the necessary training/retraining opportunities to build Alaska's existing workforce, and with primarily external funding, to develop faculty expertise in areas of strategic importance to Alaska's economic future, including education, global climate change, Alaska Native language and culture, global logistics and health sciences.

Regents also approved a \$221.8 million capital budget request, specifying that for new facility construction. The top four priorities are

the Fisheries and Ocean Sciences facility at Lena Point near Juneau, phase one of the Bio Science building at UAF, the acquisition of space as necessary for growth by UAA and UAF, and phase one of the integrated science facility at UAA. Specific to the category of Attracting and Retaining Alaska's Students, the Board of Regents prioritized the UAS joint recreation facility and small renovation projects around the system.

The university's health care costs are on the rise this year, just as they are across Alaska and the rest of the country. Despite efforts to slow the rise in costs, market forces and claims experience will result in an increase in employee charges this year for both of the university's plans: the UA2000 plan which covers non-union staff, and the Traditional Plan which was chosen by the unions for the faculty and staff they represent.

Despite increases, the university continues to pay over 90 percent of employee health care costs through a defined contribution on behalf of every faculty and staff member. University costs have increased be-

cause of an increase in the average number of claims submitted, a higher average cost per claim, and several very large claims, according to Janet Jacobs, executive director of the university's Human Resources office.

The board approved a 1.5 percent increase to the university's non-union staff salary schedule for FY03, contingent upon legislative funding. A similar grid adjustment was made this year following six years with a static grid. President Hamilton told regents that he considered these adjustments vital to protect the university's ability to recruit and retain high quality staff.

The Finance, Facilities and Land Management Committee of the board assured the completion of the Egan Library Classroom Wing Addition at UAS in Juneau by authorizing the administration to bid and award contracts to complete the \$8 million project.

The first phase of construction is nearly finished, and the second and final phase of construction is to be completed in September 2002.

Published after each Board of Regents' meeting by the Office of Public Affairs, 206 Butrovich Building, P.O. Box 755340, Fairbanks, AK 99775-5340. (907) 474-7272, syserve@alaska.edu. Written by Director of Public Affairs Bob Miller, layout by Adela Batin.

University of Alaska
Board of Regents
202 Butrovich Bldg.
P.O. Box 755300
Fairbanks, AK 99775-5300