



Regents of the University of Alaska

have once again taken steps to increase the university's self-generated income even as they began discussions about how much the university should seek from the state in FY05.

University President Mark Hamilton told the regents that as work continues on the operating and capital budget requests, his administration is exploring whether there are ways to trim expenses around the system without reductions in critical programs.

The regents, meeting at UAA's Mat-Su campus near Palmer on September 17-18, 2003, approved a 10% increase in tuition for resident and non-resident students for the 2004-05 academic year, plus an additional 10% surcharge for the non-resident students. Last year the regents approved a 10% tuition hike for the current school year, and this month's action was a continuation of the board's effort to increase the university's self-generated revenue.

From 1995 to 2002, tuition at the university increased each year, but only by the rate of higher education inflation, about 3.5%. During the same period the average increase nationally was just over 7%, or about twice the rate of inflation.

Over the years, the University of Alaska's non-resident surcharge rate has been at a level far below the average of similar institutions. In a sample of 16 four-year public institutions for '03 only North Dakota and South Dakota charge less

non-resident tuition than UA.

Regents also approved a policy change that extends from one to two years the time a student would need to be physically present in Alaska before qualifying for in-state tuition. Currently registered students will continue under the policy that was in effect at the time of their registration.

This year it is estimated that student tuition and fees will generate \$68.8 million for the university, and next year's increase is estimated to raise an additional \$9.2 million.

The regents spent some time discussing the university's operating budget request to the state for FY05, but will not make a final decision on the university's operating and capital budget requests until November 6. The proportion of the university's budget that is funded by the state has decreased from 60% in 1990 to an estimated 41% for FY03. University President Mark Hamilton is recommending that the university seek \$226.1 million for FY05, an increase of 5% or \$10.5 million. The increase would cover about half of the increases to the university's fixed costs and include funds for expanding nursing and health programs. Last year the university received \$215.6 million from the state general fund, about \$4.6 million more than the year before. It had requested an increase of about \$13.5 million.

Regents also dealt with two land sales. They authorized the administration to proceed with the sale of a 4.7 acre parcel

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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.)

of land in Homer, and directed that the proceeds, minus sale costs, be utilized for the expansion of the Kachemak Bay Branch of the Kenai Peninsula College. They also authorized the administration to sell 560 acres in a remote location about five miles north of Fairbanks. In addition, the regents authorized the administration to continue negotiations for the trade of about 14 acres of university land for about 10 acres of land owned by Providence Hospital in Anchorage. UAA's Anchorage Campus Land Acquisition Plan was modified to include appropriate residential subdivision properties, and the regents want to review the revised plan as soon as it is available.

In other actions, the regents:

- Approved the establishment of a Business Enterprise Institute at UAA.
- Authorized the administration to proceed with design development for the Alaska Native Science and Engineering Program at a total plan-

ning cost not to exceed \$500,000.

- Approved a funding plan to complete the expanded UAF West Ridge Research Building at a total project cost not to exceed \$15.2 million.
- Approved the UAF Biological and Computational Sciences Facility Central Animal Facility Project, and authorized the administration to proceed with the complete design and development of schematics at a total project cost not to exceed \$14.25 million.
- Approved an increase of one percent to the university's salary grid for regular exempt and nonexempt staff effective the first full payroll period after July 1, 2004.
- Approved the university's Strategic Plan 2009.

During the Palmer meeting

the Facilities and Land Management Committee of the board authorized the administration to complete design development and preparation of a project agreement for the expansion of the Kachemak

Bay Branch of the Kenai Peninsula College. The planning cost for the branch, located in Homer, is not to exceed \$500,000 from the state general obligation bonds approved by voters in November 2002.

Future Board Meetings

November 6, 2003
Fairbanks



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