

**University of Alaska**  
**FY10 Operating and Capital Budget Summary**  
**April 20, 2009**

The first session of the 26<sup>th</sup> Legislature adjourned on Sunday, April 19<sup>th</sup> after passing several bill affecting the operating and capital budgets of the University of Alaska. The bills are as follows:

- HB81 & HB83 Operating and Mental Health Appropriations, the Conference Committee (CC) proposed operating budget for UA is a \$12.9 million increase, 4.1%, over the current fiscal year (\$313.1). The proposed budget is \$14.7 million less than the Regents request and \$2.2 million less than the Governor's budget. The CC proposed budget does not fully cover the university's fixed costs, the shortfall is \$4.7 million, excluding \$1.7 million for utility cost increase. The fuel trigger mechanism (Sec. 17 of HB81) addresses the utility cost increases; unfortunately it is unlikely UA will receive sufficient funding through this mechanism to cover projected FY10 utility cost increases. The legislature provided \$922.0 million for health programs, \$950.0 million in one-time funding for energy and cooperative extension services programs, and \$2.2 million (excluded from \$12.9 above) in pass-through funding for the Graduate Medical Education Family Practice Residency Program at Providence Hospital in Anchorage. Also of note the legislature followed the FY09 appropriation structure which splits the university into seven separate appropriations.
- HB113 FY09 Supplemental Appropriations, the university requested funding for FY09 utility cost increases (\$1.272 million) in excess of the funding received through the FY09 fuel trigger mechanism and for funding of two catastrophic workers' compensation claims (\$746.2 thousand), both requests were denied by the legislature.
- SB75 Capital Appropriations, the legislature appropriated \$3.2 million toward the University's annual renewal and renovation (R&R) request of \$50 million and authorized federal receipt authority for \$30 million for capital projects (\$15 million); Energy Projects (\$5 million); and Climate Projects (\$10 million). The legislature also re-appropriated \$2.5 million, FY08 appropriation to purchase Homer City Hall, for Kenai Peninsula College to pursue property acquisition and improvements to the Kachemak Bay Campus.
- HB199 Non-Transportation Stimulus Appropriation, the legislature authorized the University to accept American Recovery and Reinvestment Act (ARRA) funding for the Alaska Region Research Vessel (\$116 million) and pursue competitive grants from various federal agencies (\$1 million). If UA's grant receipt success exceeds the \$1 million blanket authority in the bill, the University can request an increase in federal economic receipt authority from Legislative Budget and Audit (LB&A).

The legislature has transmitted the bills to the governor for her signature. The University's proposed operating and capital budget distributions will be presented to the Board of Regents' in June for their approval.

**University of Alaska**  
**FY10 Operating Budget Request Summary**  
**Compared to Gov's Amended & Conference Committee Proposed Budgets**  
**State Appropriation (in thousands)**

	UA BOR Request	Gov's Proposed Budget Amended	Conf. Committee HB81 & HB83
<b>FY09 Operating Budget</b>	<b>313,107.1</b>	<b>313,107.1</b>	<b>313,107.1</b>
<b>FY09 GF/MHT GF Base</b>	<b>308,383.5</b>	<b>308,383.5</b>	<b>308,383.5</b>
<b>Adjusted Base Requirements</b>			
Compensation Increases	9,098.4	9,098.4	8,698.4
Non-Personnel Services Fixed Cost Increases	3,214.9	825.0	825.0
Compliance Mandates (personnel)	654.0		
Utility Cost Increases <sup>1</sup>	1,700.0		
New Facility Operating and Maintenance Costs	2,790.5	1,525.0	1,525.0
<i>Integrated Science Building (ISB)</i>	<i>2,177.5</i>	<i>1,025.0</i>	<i>1,025.0</i>
<i>Virology Operating Costs</i>	<i>263.0</i>	<i>150.0</i>	<i>150.0</i>
<i>Bragaw Building Lease Expense</i>	<i>350.0</i>	<i>350.0</i>	<i>350.0</i>
<b>Subtotal - Adjusted Base Requirements</b>	<b>17,457.8</b>	<b>11,448.4</b>	<b>11,048.4</b>
<b>Priority Program Enhancement and Growth</b>			
K-12 Outreach	2,628.1	800.0	
<i>Bridging Programs, Tech Prep and Career Awareness</i>	<i>1,490.0</i>	<i>800.0</i>	
<i>Outreach, Testing, Placement and Teacher Prep.</i>	<i>1,138.1</i>		
Energy, Engineering, Climate	3,823.4	1,000.0	950.0
<i>Energy and Cooperative Extension Service</i>	<i>1,438.4</i>	<i>1,000.0</i>	<i>950.0</i>
<i>Engineering</i>	<i>1,560.0</i>		
<i>Climate</i>	<i>825.0</i>		
Health Programs	3,073.2	1,843.9	922.0
<i>BioMed Capacity</i>	<i>1,229.3</i>		
<i>Academic Programs</i>	<i>1,843.9</i>	<i>1,843.9</i>	<i>922.0</i>
Workforce and Campus Programs	2,341.8		
<i>Workforce Programs</i>	<i>1,216.5</i>		
<i>Advanced Indigenous Studies</i>	<i>335.3</i>		
<i>Student Achievement</i>	<i>790.0</i>		
<b>Subtotal - Priority Programs</b>	<b>11,866.5</b>	<b>3,643.9</b>	<b>1,872.0</b>
<b>Total FY10 Increment Request</b>	<b>29,324.3</b>	<b>15,092.3</b>	<b>12,920.4</b>
<b>Total FY10 Operating Budget Request</b>	<b>342,431.4</b>	<b>328,199.4</b>	<b>326,027.5</b>
% Change FY09 Budget to FY10 Request	9.4%	4.8%	4.1%
<b>Adjustments</b>			
Nat'l Guard Tuition Waiver trf from Dept. of Military & Vet. Affairs	328.5	328.5	328.5
National Guard Tuition Waiver Increment	171.5		
Additional Mental Health Trust and MHTAAR Funding	257.5		
Graduate Medical Education Family Practice Residency Program	2,200.0	2,200.0	2,200.0
Reverse Prior Year MHTAAR		(95.0)	(95.0)
Reverse OIT for Stipends		(234.4)	(234.4)
<b>Subtotal - Adjustments</b>	<b>2,957.5</b>	<b>2,199.1</b>	<b>2,199.1</b>
<b>Total FY10 Operating Budget Request w/Adj.</b>	<b>345,388.9</b>	<b>330,398.5</b>	<b>328,226.6</b>
<b>Total FY10 Operating Budget Request w/Adj.</b>	<b>340,665.3</b>	<b>325,674.9</b>	<b>323,503.0</b>

1. Assumes the \$1.7M utility cost increases will be funded through the trigger mechanism.

**University of Alaska**  
**FY10 Capital Budget Request Summary**  
**Compared to Gov's Amended & Proposed Final Legislation**  
**(in thousands)**

	<b>BOR Capital Request Revised</b>	<b>Governor's Proposed Budget Amended</b>			<b>Final Legislation (Pending Governor's Signature)</b>		
		<b>State Approp.</b>	<b>Receipt Auth.</b>	<b>Total</b>	<b>State Approp.</b>	<b>Receipt Auth.</b>	<b>Total</b>
<b>FY10 BOR Priority Capital Needs</b>							
R&R Annual Requirement	50,000.0	8,000.0		8,000.0	3,200.0		3,200.0
UA-Anchorage Priority R&R	11,400.0	1,714.0		1,714.0	685.6		685.6
UAA-Community Campuses Priority R&R	1,922.7	365.2		365.2	146.1		146.1
UA-Fairbanks and TVC Priority R&R	28,921.1	5,018.1		5,018.1	2,007.2		2,007.2
UAF-Community Campuses Priority R&R	926.0	175.9		175.9	70.4		70.4
UA-Juneau Priority R&R	2,850.0	367.3		367.3	146.9		146.9
UAS-Community Campuses Priority R&R	2,940.0	193.1		193.1	77.2		77.2
UA-Statewide Priority R&R	1,040.2	166.4		166.4	66.6		66.6
UAF Life Sciences Facility	102,820.0		20,625.0	20,625.0			
UAS Auke Lake Way Improvements	4,130.0						
UAA Sports Arena	65,000.0						
New Facilities Planning & Design	63,100.0		15,800.0	15,800.0			
UAA & UAF Engineering Facilities	25,000.0						
UAF Energy Technology Building	30,600.0		15,300.0	15,300.0			
UAA Cogeneration Plant (PROV/ML&P)	2,000.0						
UAF Fire Station/Student Training Center	1,500.0		500.0	500.0			
Feasibility Studies Community Campus	4,000.0						
R&R and DM Backlog	150,000.0						
Federal Receipt Authority	15,000.0		15,000.0	15,000.0		15,000.0	15,000.0
<b>FY10 BOR Priority Capital Needs</b>	<b>450,050.0</b>	<b>8,000.0</b>	<b>51,425.0</b>	<b>59,425.0</b>	<b>3,200.0</b>	<b>15,000.0</b>	<b>18,200.0</b>
<b>FY10 Project and Equipment Requests</b>							
Energy Projects	25,950.0		5,000.0	5,000.0		5,000.0	5,000.0
Climate Projects	31,500.0		10,000.0	10,000.0		10,000.0	10,000.0
Alaska Education Policy Project	700.0						
University Equip Refresh (Admin/Acad)	90,000.0	1,072.0		1,072.0			
Compliance/Business Efficiency Solutions	10,000.0						
<b>FY10 Project and Equipment Requests</b>	<b>158,150.0</b>	<b>1,072.0</b>	<b>15,000.0</b>	<b>16,072.0</b>		<b>15,000.0</b>	<b>15,000.0</b>
<b>Other Capital Funding</b>							
Grad Medical Ed/ Practice Residency <sup>1</sup>		2,200.0		2,200.0			
<b>Other Capital Funding</b>		<b>2,200.0</b>		<b>2,200.0</b>			
<b>Total Capital Bill (SB75)</b>	<b>608,200.0</b>	<b>11,272.0</b>	<b>66,425.0</b>	<b>77,697.0</b>	<b>3,200.0</b>	<b>30,000.0</b>	<b>33,200.0</b>
<b>Economic Stimulus Funding</b>							
UAF Alaska Region Research Vessel	116,000.0		116,000.0	116,000.0		116,000.0	116,000.0
Economic Stimulus Fed. Receipt Auth.	9,000.0		1,000.0	1,000.0		1,000.0	1,000.0
<b>Total Econ Stimulus Bill (HB199)</b>	<b>125,000.0</b>		<b>117,000.0</b>	<b>117,000.0</b>		<b>117,000.0</b>	<b>117,000.0</b>
<b>FY10 Capital Budget Request Total</b>	<b>733,200.0</b>	<b>11,272.0</b>	<b>183,425.0</b>	<b>194,697.0</b>	<b>3,200.0</b>	<b>147,000.0</b>	<b>150,200.0</b>

<sup>1</sup>Passthrough funding for Providence Hospital, which was moved to and funded in the Operating Bill (HB81)