



Regents of the University of Alaska are asking the governor and legislature for an increase of \$13.6 million in state general fund and an increase of \$22.1 million in authority to receive revenue from other sources for the university's FY04 operating budget.

Meeting in Anchorage on November 12, the regents also voted to increase tuition rates by 10% for next year, but gave the system's community campus directors discretion in the matter of implementing part of the increase.

Tuition at the University of Alaska has increased annually by about 3.2% each year since 1995. It has been calculated based on the rate of inflation using HEPI (Higher Education Price Index). University President Mark Hamilton recommended that for next year there be an increase of approximately 6.4% in addition to the HEPI increase for a total increase of 10%.

Nationally, the average tuition and fees increased 9.6% this year and 10.5% the year before. During the

same period, tuition and fees at the University of Alaska increased only 3.3% and 3.2%.

In approving the tuition rate hike, the regents stipulated that the directors of community campuses outside Anchorage, Fairbanks and Juneau may decide to waive the portion of the tuition increase other than HEPI on a campus-wide or case-by-case basis.

Following public testimony in which 11 students spoke against the increase, President Hamilton suggested the modification could help students at the university's community college campuses in rural Alaska.

The 10% tuition increase will go into effect for all campuses, but community campus directors outside the urban centers will have the option of waiving up to 6.4% of the increase. Whatever tuition amount is waived will reduce that campus' share of tuition receipts.

The university's operating budget request was developed using assumptions that include a 5% enrollment increase and the tuition rate increase of 10% and that's why it was necessary for the regents to consider both issues at the November meeting. It is estimated that the tuition

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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.)

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increase, coupled with the projected 5% enrollment increase, will bring in an additional \$8.1 million.

The university administration also requested a 10% tuition increase for FY05, but the regents decided not to take action on that proposal.

Last year the university received \$211.1 million in general funds and \$400.6 million in receipt authority for a total operating budget of \$611.7 million. The request for FY04 is \$224.7 million in general funds and \$422.6 million in receipt authority for a total budget of \$647.3 million.

By law, the university must request receipt authority for the revenue it generates itself and for federal and other grants. The total university budget must be authorized by the legislature regardless of the source of the funds.

The request of a \$13.6 million increase in general funds represents a 6.4% increase over FY03. The overall proposed budget for FY04 of \$647.3 million is 5.8% over the FY03 authorized budget.

For capital projects in FY04, the regents also approved the administration's request for \$42.4 million in state funds and \$108.5 in receipt authority. The capital budget request will be submitted to the state in the context of the university's capital budget plan for FY2004-FY2009. The six-year capital plan includes \$46 million average per year in state funds, and \$44 million per year in university-funded projects.

Last year the university received \$2.9 million in state capital funds and \$17.2 million in receipt authority. In addition, the legislature included \$61.7 million for university capital projects in the general

obligation education bond issue that was approved by voters on Nov. 5, and \$19.4 million in debt service reimbursement for a total \$101 million of FY03 capital appropriations.

In other business, the regents approved this year's (FY03) UA Natural Resources Fund budget. It includes a provision or designation of \$436,500 to fund land management operating costs, \$150,000 for the NOAA/UA fisheries research project facility and \$2 million for the UA Scholars Program prior to making an allocation to resources-related and other programs.

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