



Regents Approve University Budget Request

The University of Alaska Board of Regents at its November meeting unanimously approved UA's budget request for the coming fiscal year.

The FY 07 budget, which would require \$291.7 million from the state's treasury, next goes to Gov. Frank Murkowski for his consideration.

"I believe the governor understands this budget is the amount we need to keep the University of Alaska on track," Hamilton said. "We are at a pivotal point in Alaska's future. There's no question we are a wealthy state. But I want us to be a rich state—rich in the form of growing our own and rich in the form of controlling our economic destiny. Wealth is insignificant compared to richness."

Board Chair Brian Rogers said he expects some surprise at the size of the budget request. "This budget actually just finishes what's unfinished and prepares the state for economic growth. It's a reasonable budget, and an investment in the future of this state."

The operating blueprint for the university's 16-campus system, including federal, tuition, private donations, university receipts and other funds, totals \$790 million, a 10.6 percent increase over the current fiscal year.

The regents also approved the university's proposed capital budget for the coming fiscal year, which totals \$331 million, of which \$250.4 million would come from the state's general fund and the rest from other sources.

Members of the board adopted a two-tiered capital budget, singling out the university's highest priority needs for maintaining existing facilities and equipment at \$98.3 million (state GF) as the most important, and the remaining \$152 million (state GF) in new construction projects and other capital initiatives as the next priority.

While new construction is important, board members agreed, taking care of existing buildings and equipment is extremely important.

"I think that's a very strong and appropriate message that we are sending to the governor's office and the legislature," said Regent Tim Brady.

Highlights of the operating plan include:

- A \$2.5 million state investment in growth for existing successful programs such as health occupations, teacher education, distance education and business and public policy programs;
- \$3 million in funding to build capacity in programs required for gas line and mining projects, including engineering, construction and project management, mining training and vocational education;
- And \$4 million in matching funds for competitive university research, focusing on bio-medical, behavioral health and Arctic related research, as well as opportunities in fisheries and transportation research. Every \$1 in state money invested in university research leverages \$7 from other sources.

A large chunk of the budget is eaten up by fixed costs, including employee benefits such as retirement and health care; contract and policy mandated salary increases; and a spike in utilities, such as heating oil.

Board members also approved two motions seeking a current-year supplemental appropriation of \$3.3 million due to high fuel costs and \$15.4 million for an unfunded Public Employee Retirement System liability.

Future Board Meetings

December 7-8, 2005
Anchorage

February 15-16, 2006
Juneau

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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.)