



University of Alaska

Empower Alaska

Proposed Legislation

University of Alaska (UA) Major Maintenance and Modernization Fund

UA Board of Regents

November 9, 2023



UNIVERSITY
of ALASKA
Many Traditions One Alaska

University of Alaska (UA) Major Maintenance and Modernization Fund

SUMMARY: The University of Alaska Major Maintenance and Modernization Fund Act aims to establish a fund, known as the “University of Alaska Major Maintenance and Modernization Fund,” to ensure the ongoing maintenance and modernization of the UA’s facilities and infrastructure. The fund will be funded annually through the language section of the state’s annual appropriation bills, providing a stable and predictable source of funding for critical infrastructure needs at the UA.

- This is about stability.
- This is about meeting a need before critical failures.



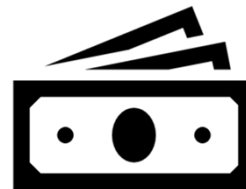
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Section 1 – Short Title:

- The bill’s short title is established as the “University of Alaska Major Maintenance and Modernization Fund Act.”

Section 2 – Purpose and Intent:

- The purpose of this bill is to create a fund to finance major maintenance and modernization projects for the UA’s facilities and infrastructure. The fund will receive annual funding through the appropriations process to address the UA’s critical infrastructure needs.



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Section 3 – University of Alaska Major Maintenance and Modernization Fund:

- Subsection (a) establishes the University of Alaska Major Maintenance and Modernization Fund (the “fund”) in the state treasury. This fund is separate from the general fund and consists of appropriations, investment income, transfers authorized by the Board of Regents, and donations.
- Subsection (b) specifies that a minimum of \$35 million may be appropriated to the fund.
- Subsection (c) grants the Board of Regents the authority to use the money in the fund for major maintenance and modernization projects in section 4, without requiring further legislative appropriation.
- Subsection (d) emphasizes that the Fund shall be funded annually through the appropriations process.

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Section 4 – Use of Funds:

- Subsection (a) outlines the purposes for which the funds from the University of Alaska Major Maintenance and Modernization Fund can be used, including building renovation, energy efficiencies, and payments on financing arrangements.
- Subsection (b) mandates the UA to develop and maintain a comprehensive plan detailing projects to be funded through the Fund, including an initial plan listed in an uncodified section of the State's laws.
- Subsection (c) establish a process for adding projects to the plan, subject to legislative approval or modification.
- Subsection (d) reaffirms the UA's obligations to comply with AS 14.40.253 regarding notices to the legislature for annual payment on university obligations anticipated to exceed \$2,500,000.

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Section 5 – Reporting:

- This section requires the UA to include in its annual report to the Alaska Legislature a section detailing the use of funds from the University of Alaska Major Maintenance and Modernization Fund, as well as the progress of projects funded by the Fund and other funding sources.

Section 6 – Repeal University Building Fund:

- This section repeals AS 37.05.555 and transfers assets, funds, and resources previously allocated to the University Building Fund to the University of Alaska Major Maintenance and Modernization Fund.

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Section 7 – Amendment of AS 14.40.170(a) (“Duties and Powers of the Board of Regents”):

- This section amends AS 14.40.170(a)(10)(the “duties and powers of the Board of Regents”) to include the nomination and submission of projects for expenditures under the University of Alaska Major Maintenance and Modernization Fund.

Section 8 – Initial Plan:

- This section amends the uncodified law of the State of Alaska to include an initial set of projects on which the Board of Regents is authorized to make expenditures under Section 4 of the Act, with specific projects to be inserted in the bill.

Section 9 – Effective Date:

- Immediate upon passage.



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Questions?