



27th Alaska State Legislature
 House Finance Budget Subcommittee of the Whole
 University of Alaska
 FY 12 Operating Budget

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 Capitol Room 501
 465-3777

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 465-4958

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Rep. Mark Neuman
 Capitol Room 513
 465-2679

Rep. Tammie Wilson
 Capitol Room 415
 465-4797

Committee Aide:

Kim Skipper
 465-6412 direct
 465-2819 fax

**UNIVERSITY OF ALASKA
 FY2012 HOUSE FINANCE BUDGET SUBCOMMITTEE NARRATIVE REPORT
 February 22, 2011**

RECOMMENDATIONS:

The House Finance Budget Subcommittee for the University of Alaska submits a recommended operating budget for FY2012 to the House Finance Committee as follows:

Unrestricted General Funds (UGF)	\$ 342,832.6
Designated General Funds (DGF)	\$ 318,493.5
Other Funds	\$ 79,534.3
Federal Funds	\$ 134,058.7
TOTAL	\$ 874,919.1

BUDGET ACTION:

The House Finance Budget Subcommittee for the University of Alaska held 6 meetings with the University and analyzed all of the Governor's budget transactions. The following are budget action highlights:

- The Subcommittee recommends authorizing \$ 1,484.5 less general funds and the same number of full-time positions as the Governor's Amended FY2012 request.
- The Subcommittee recommends a total increase from the FY2012 Adjusted Base of \$1,207.2 UGF and \$8,878.7 DGF for a total General Fund change of \$10,085.9. The increase from Adjusted Base in Other Funds is \$5,081.5 and from Federal Funds is \$1,260.0. The total change from the Adjusted Base is an increase of \$16,427.4 and no change in the 4,694 full-time positions.

Accepted

1. U of A Facilities Maintenance, Repair and Operations:

\$901.3 UA Receipts (DGF) - Increment for existing facility maintenance to continue to address deferred maintenance backlog; \$591.0 (UGF) - Increment for new UAA Health Sciences Building

2. Statewide Office of Information Technology Compliance Mandates

\$250.0 UA Receipts (DGF) - Increment for replacement and update of security equipment

3. UAA Conoco Phillips Integrated Science Building – Operations & Maintenance

\$314.2 (UGF) - Increment to maintain existing staff levels for the maintenance & operation and include in base funding.

4. Non-Personal Services Fixed Costs Increases - \$4,541.1 UA Receipts (DGF)

\$927.2 - Increment for library cost increases; \$90.0 - Increment for leased space for parking for UAF Community and Technical College facility in downtown Fairbanks; \$175.0 – Increment for leased facility space for UAF Community and Technical College in downtown Fairbanks; \$3,348.9 – Increment for other fixed costs excluding personal services, utilities, maintenance and repairs, and libraries.

5. Utility Cost Increases

\$875.7 UA Receipts (DGF) - Increment for projected utility costs **Subcommittee accepted as Inc OTI not as base increase**. Anticipate future savings with weatherization and energy efficient upgrades.

6. University of Alaska Receipt Authority

\$3,600 UA I/A Receipts (Other) – Partial Increment to increase authority for internal charges for services provided by central departments. This receipt authority category had actual and projections exceeding existing authority.

7. Technical Vocational Education Program (TVEP)

(\$817.0) TVEP Receipts (DGF) –Decrement based on the most recent calculations from the Department of Labor & Workforce Development.

8. Contractual Salary and Health Increases - \$10,354.4 (UGF)

\$5,177.2 (UGF) and \$5,177.2 UA Receipts (DGF) –Revise increment fund sources to obtain a 1 to 1 ratio between UGF and UA Receipts in an effort to move to the long-term goal of future budget requests for unrestricted general funds not exceed 125 percent of actual University of Alaska receipts for the most recently closed fiscal year.

Denied

1. Future Provider Workforce Development/Training

\$40.0 – I/A (Other) - Increment for support for the Domestic Violence and Sexual Assault Initiative. The intent of subcommittee is to minimize/reduce growth or expansion of new programs.

2. UAF Individual Technology Based Math Summer Bridge Programs - \$190.0

\$150.0 (UGF) and \$40.0 UA Receipts (DGF) - Increment for Math Summer Bridge. The intent of subcommittee is to minimize/reduce growth or expansion of new programs and this item is an academic responsibility of K-12 education.

3. UAF Summer Research Academy – Engineering Component - \$120.0

\$75.0 (UGF) and \$45.0 UA Receipts (DGF) - Increment for Summer Research Academy at UAF. The intent of subcommittee is to minimize/reduce growth or expansion of new programs.

4. University of Alaska Receipt Authority

\$3,520.0 (FED), \$900.0 I/A (Other), \$1,900 CIP Receipts (Other) and \$3,000.0 UA I/A (Other) - Increments to increase receipt authority. Current receipt authority exceeds actual and projected amounts.

AMENDMENT ACTION:

The House Finance Budget Subcommittee for the University of Alaska also analyzed the Governor's budget amendments submitted on February 16, 2011, and took the following action:

Accepted

1. University of Alaska Receipt Authority

\$980.0 (FED) - Increment to increase receipt authority for Pell grants.

2. Technical Vocational Education Program (TVEP)

\$657.7 TVEP Receipts (DGF) –Increment revises the FY2012 allocation based on the most recent calculations from the Department of Labor & Workforce Development for a net decrement of (\$159.3)

Modified

1. United Academics Adjuncts (UNAD) Tentative Agreement

\$122.9 (UGF) and \$122.9 UA Receipts (DGF) –Increment fund sources to obtain a 1 to 1 ratio between UGF and UA Receipts in an effort to move to the long-term goal of future budget requests for unrestricted general funds not exceed 125 percent of actual University of Alaska receipts for the most recently closed fiscal year.

2. United Academics (UNAC) Tentative Agreement

\$1,263.1 (UGF) and \$1,263.1 UA Receipts (DGF) –Increment fund sources to obtain a 1 to 1 ratio between UGF and UA Receipts in an effort to move to the long-term goal of future budget requests for unrestricted general funds not exceed 125 percent of actual University of Alaska receipts for the most recently closed fiscal year.

ITEMS OF INTEREST:

- The Subcommittee supports the Governor's budget structure of a single appropriation.
- The Subcommittee supports amending the FY11 intent language that the University of Alaska submits a FY13 budget in which unrestricted general fund increments do not exceed the amount of additional University Receipts requested for that year. It is the intent of the legislature that future budget requests of the University of Alaska for unrestricted general funds move toward a long-term goal of 125 percent of actual University Receipts for the most recently closed fiscal year.

ATTACHED REPORTS:

The House Finance Budget Subcommittee for the University of Alaska adopts the attached reports:

Subcommittee generated reports

Budget Action Worksheet

Legislative Finance Division Reports – House Structure

1. Agency Totals – FY2012 Operating Budget
2. Appropriation/Allocation Summary (All Funds)
3. Appropriation/Allocation Summary (GF)
4. Transaction Comparison between ADJ Base and H Subcomm
5. Transaction Comparison between Gov Amd and H Subcomm
6. Wordage Report – FY2012 Operating Budget

Anna S. Fairclough

Representative Anna Fairclough, Chair

House Finance Budget Subcommittee for the University of Alaska

February 22, 2011