



House Finance Subcommittee on the University of Alaska Budget Fiscal Year 2014 Operating Budget Action Narrative Report

Representatives Cathy Muñoz, chair, Eric Feige, David Guttenberg, Shelley Hughes, Andy Josephson, Bennie Nageak, and Lora Reinbold.

February 26, 2013

The House Finance Subcommittee on the University of Alaska Budget submits an operating budget for Fiscal Year 2014 as follows:

Funding Sources

Unrestricted general funds (UGF)	\$366,413,600
Designated general funds (DGF)	\$341,365,500
Other funds	\$86,567,800
<u>Federal funds</u>	<u>\$150,852,700</u>
Total	\$945,199,600

Positions

Permanent Full Time (PFT)	4,727
Permanent Part Time (PPT)	222
<u>Temporary</u>	<u>0</u>
Total positions	4,949

Budget Action

The House Finance Subcommittee on the University of Alaska Budget held four meetings on January 29 and February 5, 12, and 19, 2013. It reviewed missions, core services, performance measures, accomplishments, challenges, budget trends since Fiscal Year 2005, the Fiscal Year 2014 budget request, and more. It heard from University of Alaska President Patrick Gamble, Chancellor John Pugh of the University of Alaska Southeast, Chancellor Tom Case of the University of Alaska Anchorage, Chancellor Brian Rogers of the University of Alaska Fairbanks, and David Teal, director of the Legislative Finance Division.

The subcommittee accepted the Governor's amended proposal – including funding for University of Alaska contractual salary and health increases and reverting to a single appropriation budget structure – with the following adjustments:

- Provided an unallocated increment of \$407,800 Unrestricted General Funds and \$50,000 General Fund/Mental Health in the University of Alaska's Budget Reductions/Additions – Systemwide allocation that the University may distribute at its own discretion. (To see how this figure was derived, see the attached Legislative Finance worksheet.)
- This unallocated increment is in lieu of approval of individual Unrestricted General Fund increments requested by the Governor.
- Base funding of \$250,000 General Funds is included for the second year of the Institute of Social and Economic Research (ISER) – Alaska Education Policy (Fiscal Year 2013-Fiscal Year 2014).

These actions result in a reduction of \$2,409,200 Unrestricted General Funds to the Governor's Amended Fiscal Year 2014 Operating Budget Request.

Item of Interest

The Chair plans to bring the following amendment to the full House Finance Committee:

- Reducing the Fiscal Year 2014 budget request by \$40,000,000 in unrealized University Receipts (Designated General Funds) – sometimes known as “hollow receipts.”

Attached Reports (Numbers Only)


The House Finance Subcommittee on the University of Alaska Budget adopts the attached reports that relate to the House Structure:

1. Budget Action Worksheet – 2013 Legislature – Operating Budget – House Structure
2. Agency Totals
3. Allocation Summary (All Funds)
4. Allocation Summary (General Funds)
5. Transaction Comparison between Adjusted Base and House Subcommittee
6. Transaction Comparison between Governor’s Amended Request and House Subcommittee
7. Wordage Report – Fiscal Year 2014 Operating Budget that includes the following:

“It is the intent of the legislature that the University of Alaska submits a Fiscal Year 2015 budget in which requests for 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.”

“It is the intent of the legislature that the University of Alaska submits a Fiscal Year 2015 budget that includes a debt service allocation or an effective alternative that attains that goal.”

Respectfully submitted,


Representative Cathy Muñoz, Chair
The House Finance Subcommittee on the University of Alaska Budget

UNIVERSITY OF ALASKA		
House Subcommittee FY14 Proposal		
a	Univ Rcpts increase requested by the Governor	8,149.9
b	Total UGF increase to achieve a dollar-for-dollar ratio of Univ Rcpts and UGF	8,149.9
c	GF/MH increase	<u>50.0</u>
d=b-c	Net increase in GF (code 1004)	8,099.9
e=a	Univ Rcpts increase requested by the Governor	8,149.9
f	Less TVEP formula reduction	<u>-69.1</u>
g=e+f	Total DGF increase from Mplan	8,080.8
h=d+g	Total GF increase from Mplan	16,180.7
i	GF Salary adjustments account for	<u>12,475.8</u>
j=h-i	Leaving this amount for other items/programs	3,704.9
k=b	UGF required to meet 1:1 ratio	8,149.9
l	less UGF Salary adjustment	<u>-7,692.1</u>
m=k+l	Change from Adjusted Base	457.8
n=c	less GF/MF	<u>-50.0</u>
o=m+n	Amount of UGF (1004) required to match the increase in Univ Rcpts. This amount is not associated with any particular increment requested by the University; it is an unallocated increment in the systemwide allocation and may be distributed at the University's discretion.	407.8