

University of Alaska FY2017 Budget Update

Governor's proposed budget
December 9, 2015

Operating Budget

The Governor's proposed FY2017 operating budget for UA includes the following unrestricted general fund items: a \$25.6 million base reduction, and a \$9.8 million increase for salary and benefits for union represented employees and benefits only for other employees. The net unrestricted general fund reduction for UA is \$15.8 million (4.5 percent). (Summary: Table 1)

The budget includes a small request (.6%) that enhances our ability to serve high priority state research and workforce needs more cost effectively. We will continue the discussion with the governor and legislators during the coming legislative session and advocate for investment in these areas, as well as for full funding of our fixed cost increases.

Table 1: UA Board of Regents' FY2017 Operating Budget and Governor's Proposed Budget Comparison (in thousands of \$)

	UA Board of Regents' Budget		Governor's Proposed Budget	
	State \$ ⁽¹⁾	Total	State \$	Total
FY2016 Operating Budget	350,787.0	915,593.8	350,787.0	915,593.8
Reverse FY2016 One-time Funded Items	-	(1,932.3)	-	(1,932.3)
Base - FY2016 Operating Budget	350,787.0	913,661.5	350,787.0	913,661.5
Governor's Budget Reductions				
Reverse One-time Salary Adjustments			(10,073.0)	(10,073.0)
Target Reduction			(5,712.4)	(5,712.4)
Increment Reduction			(9,818.5)	(9,818.5)
Governor's Budget Reduction Subtotal			(25,603.9)	(25,603.9)
FY2017 Adjusted Base Requirements				
Compensation ⁽²⁾	12,903.2	25,806.4	9,818.5	19,483.3
Facility Cost Increases	10,068.0	13,636.0		-
Unfunded Federal Mandates	1,025.0	1,150.0		-
Other Fixed Costs	800.0	800.0		-
Adjusted Base Subtotal	24,796.2	41,392.4	9,818.5	19,483.3
	7.1%	4.5%	2.8%	2.1%
FY2017 High Demand Program Requests				
Student Achievement and Attainment	500.0	741.0		-
Productive Partnerships with Alaska's Schools	200.0	200.0		-
Productive Partnerships with Public Entities and Private Industries	520.0	970.0		-
R&D & Scholarship to Enhance AK's Communities & Economic Growth	727.0	3,377.0		-
High Demand Programs Subtotal	1,947.0	5,288.0	-	-
	0.6%	0.6%		
Budget Adjustments ⁽³⁾	-	2,373.7	-	2,373.7
FY2017 Change	26,743.2	47,121.8	(15,785.4)	(5,679.2)
FY2017 Operating Budget Total	377,530.2	962,715.6	335,001.6	909,914.6
% Chg. FY2016-FY2017 Operating Budget	7.6%	5.1%	-4.5%	-0.6%

(1) State \$ include: General Fund, General Fund Match, and General Fund Mental Health Trust

(2) Does not include UAF Firefighters Union contract which is currently under negotiation.

(3) UA Board of Regents budget approved in November 2015 has been revised to include the following state budget adjustments; Technical Vocational Education Program, Mental Health Trust Authority, and License Plate Revenue.

University of Alaska FY2017 Budget Update (continued)

Capital Budget

The Board of Regents' top priorities for state funding include: \$34.8 million to complete the UAF engineering facility and \$100.0 million for facility maintenance (deferred and current). The Governor's proposed capital budget for UA includes \$10.0 million for deferred maintenance on UA facilities. (Summary: Table 2)

Table 2: UA Board of Regents' FY2017 Capital Budget and Governor's Proposed Budget Comparison (in thousands of \$)

	UA Board of Regents' Budget		Governor's Proposed Budget	
	State \$ ⁽¹⁾	Total	State \$	Total
New Starts/Continuation				
<i>UAF</i> Engineering Facility Completion (including ACEP Office Infill)	34,800.0	39,800.0		0.0
Facilities Deferred Maintenance (DM) /Renewal & Repurposing (R&R)	50,000.0	50,000.0	10,000.0	10,000.0
<i>UAA Main Campus</i>	12,772.3	12,772.3		0.0
<i>UAA Community Campuses</i>	2,953.1	2,953.1		0.0
<i>UAF Main Campus</i>	28,125.6	28,125.6		0.0
<i>UAF Community Campuses</i>	2,119.8	2,119.8		0.0
<i>UAS Main & Community Campuses</i>	2,439.0	2,439.0		0.0
<i>SW Statewide</i>	1,590.2	1,590.2		0.0
Annual Renewal & Repurposing Sustainment	50,000.0	50,000.0		0.0
FY2017 Capital Budget	134,800.0	139,800.0	10,000.0	10,000.0

The Board of Regents' FY2017 Operating and Capital Budget Requests are available online <http://www.alaska.edu/swbir/budget/>