

University of Alaska
Impact Statements in Response to
House Finance Subcommittee Budget Proposals
Date: April 1, 2003
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The House Finance Subcommittee budget reduces University of Alaska's request by \$10,304,000 from the Governor's amended budget request.

Impact Title: Failure to support maintenance level funding will significantly impact the University's ability to meet highest priority state needs.

Impact Analysis:

The House Finance Subcommittee budget represents 10.3 million less than the amount needed to meet the minimum FY2004 fixed costs. These fixed costs include negotiated pay increases and other costs that are not optional. They represent the normal increases involved in maintaining the base level of services.

In the last four years UA's state funding requests have totaled \$67million while appropriations have totaled \$42 million. Approximately \$12 million of the total appropriations approved were for new and expanded program activities, while the balance covered fixed costs increases to maintain existing programs. The House Finance Subcommittee proposal will wipe out all of the program advances made over the past four years.

The new program activities funded by the legislature over the last four years allowed the University to move forward with new programs in high demand employment areas, including nursing, allied health, logistics, information technology, engineering, workforce education and teacher preparation. The University was able to enhance student services and academic support, renovate and modernize laboratories and classrooms, provide breadth and depth to its liberal arts curriculum, and update its business practices to provide greater accountability and efficiencies. The response to these enhancements has been significant. In just the past three years:

- Enrollments are up 9% -- with attendance by the top 10% of Alaska's high school graduates up 277%;
- Private and federal dollars have increased nearly 80%;
- Dependence on state funds has decreased from 60% in 1990 to 40% in FY03.

The Governor's budget included a \$10.3 million increase for the UA this year – sufficient to maintain the momentum and meet the basic fixed costs. This represents the governor's recognition that the University is essential to the economic growth and vitality of the state.