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Wendy Redman is the representative for the University of Alaska System before the Alaska Legislature.

Scott Sterling, interviewer

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Scott Sterling said they will be discussing what is going on with the capital and operating budgets as the Alaska Legislature gets closer to adjournment. Wendy Redman said it has been an active two weeks with the operating budget. She said they are down to the wire. The house has taken up the university budget in some detail. She talked about what the state house and senate are doing relative to the operating budget. They have come up with a set of criteria that are being applied to all agency budgets including the university. It is a detriment process. There is a general feeling there isn't enough to fund all request levels or even continuation levels. The criteria involve five separate steps: 1. It is a return to the FY83 level funding for all line items except all travel and personnel. 2. Return to FY83 levels less ten percent for travel. 3. A reduction in personnel services for the university from three percent increments (which the university included for step and performance) back to one percent. 4. No new positions in any budget. 5 Reduction of all replacement equipment by 50 percent. Redman said when the criteria came out a couple of weeks ago she went and spoke with the Alaska House and Senate Finance Committees and tried to make some adjustments in the final criteria as they related to the university especially in the replacement section. There was an agreement they wouldn't touch the library books since they were not aware that the library books were carried in that replacement equipment line item.

Redman said the detriment process took the university down to the 145 million dollar level from 152. At the same time they were doing the detriment they were also setting caps on the budget. The house was set at 152 which was their continuation level. In the senate the cap was set a little below that at 147-48. When they combined the process of detriment and setting a cap they opened up the possibility of real legislative tinkering. The house subcommittee that had been dealing with the university budget had been going through the process of identifying increments they felt they would like to fund. They identified approximately ten million dollars worth of increments. During the process they were identified as new money. When the two processes were put together they came together in a very negative way from the university's perspective. The detriment was done in an equitable percentage for each unit, but the increment process was not done equitably. UAF and the community colleges did not fare well why UAA did much better than any of the other units. The net effect is the legislature by making major changes in the appropriation level is taking over the planning responsibilities of the Board of Regents. The university does not think that is an appropriate task for the legislature. She described her attempts to protect the university budget. They did reach some decisions beginning with starting with the governor's level of funding (152 million) which included a 3.9 million dollar undistributed reduction. They reduced the three percent step and performance increment to one percent. They reduced replacement equipment except for library books by fifty percent. Those two actions generated about four million dollars. That was enough to offset the undistributed reduction from the governor's level. There was also a funding source change which was applied to the statewide administration budget which generated another half million dollars in the general fund resources which were placed in the UAA budget. This plan will be taken by the subcommittee to the floor finance committee and she hopes

it will fare well there. She thought there wouldn't be full consensus. She said the budget is big and vulnerable.

Sterling asked if the Alaska House had already passed judgment on the other state agencies. Redman said on most. There are having some difficulties with some other state agencies as well. She said relatively speaking the university is still in good shape. Many agencies are far below continuation levels. She thought 152 million was as high as they can expect.

Sterling asked about the ten percent reduction in travel. Redman thought the figure was arbitrary. There is a general feeling that there is too much travel. Sterling asked about equipment reductions. Redman said this is for replacement equipment only.

Sterling asked how the Alaska Senate was treating the university operating budget. Redman said they deal with the budget as a committee as a whole. They have not done any work at all as a committee on the university budget. They will probably go the same way as the Alaska House did. Their cap was 147-148 million. She didn't know what they will be adding back in. She talked about when they are scheduled for closeout.

Sterling asked about the capital budget. Redman said there are several pieces to the capital budget that are floating around right now. The supplemental capital budget bill was now on the governor's desk. The university had multiple projects in that bill. The additions to the Duckering Building were in the bill. She talked about S.B. 19 which has been amended and amended. It is the student housing bill. She said there is strong support in the house and senate for the bill. She thought there might be an increase funding for student housing in Anchorage when the bill gets into the Alaska House. There is also a classroom bill. Senator Kertulla has been sponsoring the bills. The governor sent down his capital bill to the legislature last week. It was approximately 250 million. She said the legislature will probably add 200 million to the bill before it is returned to the governor. The governor's bill had 14 million for projects including 10 million for land acquisition in Anchorage. Redman said there is a serious land problem at UAA. Redman said they hope to pick up additional money for all units of the university for repair, renovation, and equipment. Those are items the legislature has not been able to fund in their regular bills that have been going through.

Sterling asked about cuts to replacement equipment and impacts on the university's instruction mission. Redman said the administration has already been discussing the potential of reduced revenue this year. They have had several meetings to discuss contingency plans. There is a strong commitment that instructional programs will not be cut. Organized research has been the least understood of all the elements of the university this session. Redman thought it may be newer legislators who are not familiar with this university element. They are facing additional cutbacks at the federal levels.

Sterling talked about declining revenues and the state. Redman said they are not going to have to face major retrenchment or major budget cuts. They are looking at decreased level of increase over the next few years. It does require some major scaling back as well as some psychological adjustments. She is betting that the Alaska Legislature will adjourn on May 10th at the latest.

