

## **FY15 OPERATING BUDGET AMENDMENT #1**

**OFFERED IN:** The House Finance Education Budget Subcommittee

**TO:** HB 266

**OFFERED BY:** Rep. Josephson

**DEPARTMENT:** University of Alaska

**APPROPRIATION:** University of Alaska

**ALLOCATION:** Budget Reductions/Additions – Systemwide

**ADD:** \$14,900,000 1004 Gen Fund (UGF)

**EXPLANATION:** This increment will restore the unallocated reduction in the Governor's budget. This reduction represents a 4% cut to UA's base unrestricted general fund budget. Because UA must fund 50% of its cost increases for FY15, it already must absorb \$12.5 million in new costs for negotiated salary increases, utility cost increases, facility maintenance and repair, and new facility operating costs. Adding \$14.9 million to that number requires UA to find a way to fund \$27.4 million through cuts or additional revenue, an exceptionally large number to impose in one budget year.