



UNIVERSITY



## Proposed FY15 Operating Budget

### Reference #2

Board of Regents  
November 6, 2013  
Anchorage, Alaska

Approved by BOR 11/6/13

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**University of Alaska**  
**Proposed FY15 Operating Budget**  
**Introduction**

The proposed FY15 operating budget incorporates the recommendations and decisions of the Board of Regents, UA's budget priorities, the assumptions underlying the FY15 request, and the impact of the requested high demand program requests on student outcomes and measures. Administration is seeking Board approval for submission of the FY15 UA Operating Budget.

**Current FY14 Operating Budget: Context**

In FY14, \$1.6 million was directed to the Board's priority program requests for: student achievement and attainment (\$650 thousand); workforce development (\$356 thousand), health (\$55 thousand), consolidated Alaska mining initiative (\$290 thousand); and fostering knowledge of Alaska issues, culture & history (\$200 thousand).

**FY15 Operating Budget: Assumptions and Request**

The Proposed FY15 Operating Budget will include the necessary resources to cover adjusted base increases (i.e., contractual and fixed cost increases) plus prioritized high demand program requests that specifically support Shaping Alaska's Future (formerly SDI).

The FY15 program priorities include approximately \$3.4 million of the requests submitted by UAA, UAF, UAS and Statewide. With the state's emphasis on reducing growth, and as we move into the last phase of Shaping Alaska's Future, the request level for new programs in FY15 is going to be much more reliant on internal offsets than on general fund increase requests.

The FY15 budget identifies the categories below where focused program investment can successfully transition the university into the "doing phase" of Shaping Alaska's Future, positioning UA to become more productive and much more closely aligned with the priorities of students, employers and the people of the state. Program descriptions begin on page 8.

- **Student Achievement and Attainment**  
The requested funding will build on the very successful FY14 investment in advising by spreading out the advising services offered across the UA System, much of which will go to the community campuses. Focus will be placed on new students as they navigate admission, enrollment, advising and financial aid processes, including assisting at-risk and underrepresented populations of students to stay on track for graduation.
- **Productive Partnerships with Alaska's Schools**  
These requests support the joint UA/Department of Education and Early Development (DEED) efforts to work with the K-12 system to strengthen pathway opportunities for all categories of high school students looking to transition to the University of Alaska, and strengthening the education and placement process of teachers throughout the state.

- **Productive Partnerships with Public Entities and Private Industries**  
Funding investments in Health/Biomedical, Workforce Development, and Consolidated Alaska Mining Initiative (CAMI) programs are priorities for the State and the University of Alaska to meet the State's need for trained workforce professionals. UA is pursuing both public and private partnership funding opportunities.
- **Research and Development to Sustain Alaska's Communities and Economic Growth**  
This request support UAA's Alaska specific research efforts, and promotes growing entrepreneurship activities throughout the University of Alaska system that have the potential to benefit Alaska's economy.

The adjusted based requirement includes contractual and annual staff employee compensation increases as well as non-personal, must pay fixed cost increases. The cost increases are based on the following expectations:

- The compensation estimate assumptions for 5 unions renewing contracts, plus UA staff:
  - UA Federation of Teachers (UAFT) and Fairbanks Firefighters Union: FY15 contract renewal amounts are included.
  - Non-unionized employees: a 2% pay increase (plus an additional day of leave) are included.
  - Local 6070: contract expired on December 31, 2012 and no increase has been negotiated as of yet. Talks are very slow to produce agreements.
  -

University of Alaska  
Proposed FY15 Operating Budget  
(in thousands of \$)

	State Approp.	Rcpt. Auth.	Total
Base - FY14 Operating Budget	376,613.1	535,773.8	912,386.9
<b>Compensation by Employee Group</b>			
UA Federation of Teachers (UAFT)	400.2	400.2	800.4
Local 6070 (under negotiation)			-
United Academics Faculty (UNAC) (under negotiation)			-
UA Adjuncts (UNAD) (under negotiation)			-
Fairbanks Firefighters Union	16.4	16.4	32.8
UA Staff	2,553.5	2,553.5	5,107.0
Subtotal - FY15 Compensation Increase Subtotal	2,970.1	2,970.1	5,940.2
<b>Additional Operating Cost Increases</b>			
Utility Cost Increases	Note (1)	1,415.0	1,415.0
Facility Maintenance and Repair	1,081.5	1,081.5	2,163.0
New Facilities Estimated Operating Costs	3,260.0	2,289.0	5,549.0
UAA AK Airlines Center (Sports Arena) Operating Costs	2,720.0	1,789.0	4,509.0
UAA Mat-Su Valley Center for Arts & Learning Operating Costs	540.0	75.0	615.0
UAS Freshman Residence Hall Operating Costs		425.0	425.0
Leases		1,500.0	1,500.0
UAF P3 Housing Development		1,500.0	1,500.0
Non-Personal Services Fixed Cost Increases	410.0	-	410.0
UAF Rasmuson Library Electronic Subscriptions	250.0		250.0
UAF Smart Classroom Technology Refresh	160.0		160.0
Subtotal - FY15 Additional Operating Cost Increases	4,751.5	6,285.5	11,037.0
Subtotal - FY15 Adjusted Base Requirements	7,721.6	9,255.6	16,977.2
	2.1%	1.7%	1.9%
<b>High Demand Program Requests</b>			
Student Achievement and Attainment	997.1	463.4	1,460.5
Productive Partnerships with Alaska's Schools	400.0	25.0	425.0
Productive Partnerships with Public Entities and Private Industries	1,654.9	361.8	2,016.7
R&D to Sustain Alaska's Communities and Economic Growth	300.0	50.0	350.0
Subtotal-High Demand Programs	3,352.0	900.2	4,252.2
	0.9%	0.2%	0.5%
<b>Budget Adjustments</b>			
Technical Vocational Education Program	51.8	-	51.8
Mental Health Trust Authority	652.9	1,865.0	2,517.9
Subtotal-Budget Adjustments	704.7	1,865.0	2,569.7
FY15 Increment	11,778.3	12,020.8	23,799.1
FY15 Operating Budget	388,391.4	547,794.6	936,186.0
% Chg. FY14-FY15 Operating Budget	3.1%	2.2%	2.6%

(1) Assumes state funding for utility increases will continue to be covered through the fuel trigger mechanism

University of Alaska  
FY15 Operating Budget Request Items

Compensation Increases

(GF: \$2,970.1, NGF: ~~\$~~2,970.1, Total: \$5,940.2)

The compensation estimate includes the FY15 contract renewal amount for UA Federation of Teachers (UAFT) and Fairbanks Fire

FY15 Operating Budget Request Items (continued)

credit hours will be impacted starting in FY15 by theatre operations and additional classes held in the facility.

- o UAS Freshman Residence Hall Operating Costs

(GF: \$0.0 NGF: \$425.0, Total: \$425.0)

The facility is scheduled to be operational as of fall 2014. This request covers the additional operating and maintenance costs associated with this 35,000 square foot facility.

Leases

(GF: \$0.0, NGF: \$1,500.0, Total: \$1,500.0)

- o UAF P3 Housing Development

(GF: \$0.0, NGF: \$1,500.0, Total: \$1,500.0)

As part of the Student Life: Transforming the UAF Experience project, UAF proposes to provide new student housing units through a public private partnership arrangement. The housing will be





STUDENT ACHIEVEMENT AND ATTAINMENT

UAF	Alaska 2+2 Collaborative Veterinary Medicine Program with Colorado State	200.0	243.0	443.0	2.0
UAS/ UAF/ CRCD	Mandatory Comprehensive Advising and New Student Services	357.1	67.4	424.5	4.0
UAF	Increased Student STEM Capacity	140.0	53.0	193.0	1.0
UAF	e-Learning Expansion for Online High Demand Job Degree Areas	300.0	100.0	400.0	1.0
Student Achievement and Attainment Total		997.1	463.4	1,460.5	8.0

PRODUCTIVE PARTNERSHIPS WITH ALASKA'S SCHOOLS

SPS	College Dual Enrollment for Tech-Prep Programs	300.0		300.0	
UAA	Strengthen Education Methodologies for Alaska Native Students	100.0	25.0	125.0	1.0
Productive Partnerships with Schools Total		400.0	25.0	425.0	1.0

PRODUCTIVE PARTNERSHIPS WITH PUBLIC ENTITIES AND PRIVATE INDUSTRIES

Health/Biomedical

UAA	Alaska Health Workforce Pipeline (AHEC)	652.9	75.0	727.9	
UAF	Essential Faculty Clinical - Community Ph.D. & Undergraduate Psychology Programs	200.0		200.0	2.0
UAA	Sustaining Alaskan's Access to Health Care Through the Office of Health Workforce Development	190.0	40.0	230.0	
Health/Biomedical Sub-Total		1,042.9	115.0	1,157.9	2.0

Workforce Development

UAS/ KET	Career Pathways Partnership Coordinator		71.0	24.0	95.0	1.0
UAF/ BBC/ IAC	Workforce Development in High Demand Areas: Nursing and Construction Trades	96.0	20.0	116.0		
Workforce Development Sub-Total		167.0	44.0	211.0	1.0	

Consolidated Alaska Mining Initiative (CAMI)

UAS	*Director of UAS Center for Mine Training and Assistant Professor of Mining Training	90.0	27.8	117.8	
UAA	Response to Mining Industry Needs in Geology	200.0	20.0	220.0	1.0
UAF	Alaska Critical & Strategic Minerals, Fossil Fuels and Energy	155.0	155.0	310.0	1.5
Consolidated Alaska Mining Initiative (CAMI) Sub-Total		445.0	202.8	647.8	2.5

1,654.9 361.8 2,016.7 5.5

R&D TO SUSTAIN ALASKA'S COMMUNITIES AND ECONOMIC GROWTH

UAA	Alaska Center for Economic Development Entrepreneurship Activities	300.0	50.0	350.0	1.0
		300.0	50.0	350.0	1.0

FY15 High Demand Program Request 3,352.0 900.2 4,252.2 15.5

\*Program funded one-time in FY14

## FY15 Operating Budget Program Descriptions

### Student Achievement and Attainment

(GF: \$997.1, NGF: \$463.4, Total: \$1,460.5)

- o UAF Alaska 2+2 Collaborative Veterinary Medicine Program with Colorado State  
(FT Positions: 2)

(GF: \$200.0, NGF: \$243.0, Total: \$443.0)

Based on a 2010 statewide needs assessment, an internal review, and a 2013 initial state investment, the University of Alaska Fairbanks created a Department of Veterinary Medicine within the College of Natural Sciences and Mathematics (CNSM). This request is the remaining portion of the priority program request not funded in FY13. Students will start the pre-veterinary program (typically 4 years to complete) at UAF with the first 2 years of the professional program. The final 2 years will be at the veterinary teaching hospital at Colorado State University (CSU). This project will enhance veterinary coverage in Alaska by training veterinarians with an understanding of Alaskan needs. Specific interests include, but are not limited to: public health, rural veterinary medicine, quality and safety of subsistence food, population health of Alaskan wildlife, toxicology, environmental contaminants, emerging disease and the effects of global warming.

- o UAS/UAF Mandatory Comprehensive Advising and New Student Services (FT Positions: 4)  
(GF: \$357.1, NGF: \$67.4, Total: \$424.5)

UAS First Year Advisor (FT Positions: 1)

The most critical transition in every student's career happens during the first six weeks. UAS acknowledged that fact recently by implementing

## FY15 Operating Budget Program Descriptions

Students seeking accommodations for disabilities are one of the fastest growing sub-populations at UAS. On the Juneau campus, there has been a 76% increase in requests from 2009 to 2012. Federal ADA guidelines now require Disability Services Offices to start the process of accommodation for students with disabilities before official documentation is provided. This significantly increased the workload in the Disability Services Office, and we anticipate that UAS will see this upward trend continue in future years.

UAF College of Rural and Community Development (CRCD) (FT Positions: 2)  
UAF CRCD campuses deliver place-based courses that allow students to receive education and training in or near their home community. "Gatekeeper" courses such as Developmental

## FY15 Operating Budget Program Descriptions

There is growing interest in the state legislature for a dual enrollment system and the time is right for the University of Alaska to take the leadership role. After 10 years of building successful relationships with secondary schools and business partners to provide credit aligned courses for students focused on Career and Technical Education, UAA Plans of Study working group is ready to expand the model into a Career Pathways model to create a systemic dual enrollment program.

- o UAA Strengthen Education Methodologies for Alaska Native Students (FT Positions: 1)  
(GF: \$100.0, NGF: \$25.0, Total: \$125.0)

While Alaska's indigenous students comprise approximately 25% of the State's student population, representation of Alaska Native in the education workforce is only 5-7%. The College of Education (COE) seeks support to establish a Center of Alaska Native Education and Pedagogical Studies. The mission of this unique Center will be to transform education for Alaska's indigenous peoples through the preparation of Alaska Native educators who are knowledgeable about both Western and indigenous educational practices, histories and philosophies. The pedagogical studies component will seek not only to impart best practice for the education of indigenous students, but also to contribute to the field through research conducted by students and faculty. Outreach programs for non-Native students and other interested parties will be developed in partnership with appropriate entities. The Center of Alaska Native Education and Pedagogical Studies will draw on current COE faculty expertise for resources and research currently located in the COE. Additional funds are requested to support one new position: a facilitator for the center who will coordinate internal efforts, facilitate collaboration between UAA faculty/staff and outside agencies and organizations, connect with schools and district offices, liaise with potential and current students and publicize center efforts and issues.

### Productive Partnerships with Public Entities and Private Industries (GF: \$1,654.9, NGF: \$361.8, Total: \$2,016.7)

#### x Health/Biomedical

(GF: \$1,042.9, NGF: \$115.0, Total: \$1,157.9)

- o UAA Alaska Health Workforce Pipeline (AHEC)  
(GF: \$652.9, NGF: \$75.0, Total: \$727.9)

Alaska's small population and remote geography creates a challenge in recruiting and retaining a quality healthcare workforce, particularly in rural and underserved communities. Eight years ago, UAA and multiple public and private stakeholders organized an effort to receive federal Area Health Education Center (AHEC) funding to address the health care workforce needs of Alaska. The AHEC mission is to achieve three goals:

- Developing and sustaining a strong local health workforce in Alaska by engaging youth and others to enter health careers.
- Recruiting health students to consider working in rural and underserved areas of the state by providing clinical experiences in these communities during their training.
- Retaining health professionals in these regions by providing accessible continuing education and professional development opportunities.

This healthcare pathway effort has been very successful in Alaska, supporting 3,733 students to complete 7,999 clinical rotations across Alaska; reaching over 2,492 youth through engagement activities, and providing 505 continuing education opportunities to professionals. Since 2006, 1,089 students have graduated and employed, 762 locations were tracked through the State of Alaska Department of Labor and Workforce Development (DOLWD). According to DOLWD, 18% work in

## FY15 Operating Budget Program Descriptions

a rural borough or census tract compared with national rural retention rates for new graduates of 8-12%.

Today, the Alaska AHEC program is at a critical juncture due to a scheduled 70% reduction in federal grant funding for four of the five AHEC regional partner sites: Bethel, Fairbanks, Ketchikan and Anchorage. This request will maintain support to these communities. Without funding, engaging, preparing, recruiting and retaining health professionals will be critically compromised, negatively affecting access to quality health care for Alaska residents. Without stable funding, at least two regional Centers will likely close since the reduced federal funds do not cover the salary of even one staff person. Other statewide AHEC activities will have to be greatly curtailed, impacting Alaska's ability to develop and recruit health professionals locally. In the past 3 years, AHEC's clinical students (2,205) were recruited at a rate of 18% back to Alaska's rural communities, as compared with a national average of only 10%.

The AHEC system is a high priority of the University's partners in the Alaska Health Workforce Coalition, including the Alaska Mental Health Trust Authority, Alaska Hospital and Nursing Home Association, Alaska Native Tribal Health Consortium, Alaska Primary Care Association, and many others. This request is also part of the Alaska Mental Health Trust Authority recommendations for UA.

- o UAF Essential Faculty Clinical – Community Ph.D. & Undergraduate Psychology Programs (FT Positions: 2)  
(GF: \$200.0, NGF: \$0.0, Total: \$200.0)  
This request supports the UAF clinical training component of the UAA-UAF Joint Ph.D. program in Community-Clinical Psychology, as well as the undergraduate programs in psychology. Extensive, high-quality clinical training is essential for the Ph.D. program to retain specialized accreditation (American Psychological Association) and for graduates to become licensed for clinical practice. The Ph.D. program emphasizes training individuals to work with rural and indigenous populations and communities; clinical psychologists are in short supply in Alaska, particularly outside urban areas.
- o UAA Sustaining Alaskan's Access to Health Care Through the Office of Health Workforce Development  
(GF: \$190.0, NGF: \$40.0, Total: \$230.0)  
The Office of Health Workforce Development (UAA) works collaboratively with the colleges and campuses of the University of Alaska system to implement, improve and articulate health professions programs to respond to Alaska's health workforce needs, and to distribute them through e-learning across the state whenever feasible. The Office manages activities of the Alaska Health Workforce Coalition, a collaborative partnership of health care industry, educational and government entities. It coordinates the implementation of the Coalition's 2010 Workforce Plan, and is responsible for many of the Plan's action items.

The Office manages the Recruitment and Retention of Alaska Natives into Nursing (RRANN) program and supports other health pathways programs. Working with school districts and communities to engage youth into health careers and providing required continuing education for health professionals are core functions of the Office. Previously supported by federal infrastructure funding that is no longer available, the Office requires state funding to maintain the existing personnel and level of effort.



FY15 Operating Budget Program Descriptions

x Consolidated Alaska Mining Initiative (CAMI)  
(GF: \$445.0, NGF: \$202.8, Total: \$647.8)

o UAS Director of UAS Center for Mine Training and Assistant Professor of Mining Training  
(GF: \$90.0, NGF: \$27.8, Total: \$117.8)

The Director of Center for Mine Training was created after receiving a \$300,000 donation from Hecla Greens Creek in June of 2011. The Director holds the title of Assistant Professor teaching courses to support the HGC donation by creating and providing curriculum for the Hecla Greens Creek Mine Training Career Pathway. The Director teaches two introductory courses which is the first two steps in the career pathway. After these courses, the student will enter into the UAS Mine Mechanics Occupational Endorsement (OE) and the Power Technology Associates of Applied Science (AAS) with an emphasis in Diesel (CAMI II in 2U1 is until a small portion of the course is taught in the Diesel course).

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## FY15 Operating Budget Program Descriptions

### Research and Development to Sustain Alaska's Communities and Economic Growth (GF: \$300.0, NGF: \$50.0, Total: \$350.0)

- o UAA Alaska Center for Economic Development Entrepreneurship Activities (FT Positions: 1)  
(GF: \$300.0, NGF: \$50.0, Total: \$350.0)

The University of Alaska Center for Economic Development (UACED) requests base funding for the Entrepreneurship Initiative (CEDEI) to promote and encourage entrepreneurial activities throughout the University of Alaska system and throughout Alaska. A new CEDEI Director will develop and teach entrepreneurship interdisciplinary courses, conduct research, and develop a UA student consulting program. The Director will coordinate programs, such as the veteran's Boot Camp prisoner entrepreneurship program, Lemonade Day, other community and regional efforts, to establish entrepreneurial capacity and support systems. Funding will create student intern positions to support specific industry sectors (fishing, mining and energy) as well as conduct analysis of student/faculty ideas that have a high potential for commercialization. An Entrepreneurship and Leadership seminar series will include successful entrepreneurs, researchers, investors and innovators who are focused on emerging market sectors important to Alaska's economy. Funding will educate and encourage new and innovative thinking, venture agencies, and leadership to assist local businesses, and positively influence the economic growth of Alaska. The UACED serves the entire State of Alaska—with special attention focused on rural and largely native Alaskan community areas.

Approved by BOARD