



UNIVERSITY



Proposed FY14 Operating Budget

Reference #1

Board of Regents
November 7, 2012
Anchorage, Alaska

Prepared by Statewide Planning & Budget
450-8191

University of Alaska
Proposed FY14 Operating Budget
Introduction

The proposed FY14 operating budget incorporates the recommendations and decisions of the Board of Regents, UA's budget priorities, the assumptions underlying the FY14 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 FY14 UA Operating Budget.

Current Operating Budget Context

In FY13, \$4.4 million is directed to the Board's priority program requests for honors programs and initiatives to improve graduation rates (\$1.5 million); high demand jobs in engineering (\$400 thousand), health (\$940 thousand), teacher education (\$250 thousand), and workforce development (\$749 thousand); and Alaska research (\$550 thousand). An additional \$671 thousand was added by the legislature for other priority programs.

FY14 Operating Budget Request and Assumptions

The proposed FY14 Operating Budget for the University of Alaska System is designed to meet the Governor's guidance to maintain tight budget discipline while limiting growth, and yet preserving and investing in infrastructure necessary to operate and develop Alaska's economy. UA's comprehensive plan for higher education began in FY13, with the Strategic Direction Initiative (SDI). SDI will lead UA on the path to fulfilling the Governor's guidance by: holding incremental expense increases down, reducing the tuition burden on students and families, leveraging only highly selected programs that represent inter-campus cooperation and internal reallocation of programmatic baseline dollars.

For the first time, our UA budget introduces the five fundamental overarching themes comprising SDI as

x Productive Partnerships with Alaska's Public and Private Industries

Funding investment is requested for UA's rapidly growing Health/Biomedical programs, expanded

University of Alaska
FY14 Operating Budget Request Items

Compensation Increases

(GF: \$7,692.1, NGF: \$7,692.1, Total: \$15,384.2)

The compensation request includes the FY14 negotiated amounts for UA Federation of Teachers (UAFT), United Academics Faculty (UNAC) and UA Adjuncts (UNAD). The Local 6070 contract expires on December 31, 2012 and no increase has yet been negotiated for FY14. No request will be included in the budget until a collective bargaining agreement has been negotiated and ratified for this unit.

Staff benefit rates are expected to increase slightly due to rising healthcare costs. Employer defined contributions for health care are expected to go fr

FY14 Operating Budget Request Items(continued)

UAF Process Technology Program Lease and Operating Costs (GF: \$275.0, NGF: \$0.0, Total: \$275.0)

Technical and Vocational Education Program (TVEP) funding has been used to cover the lease costs associated with the Process Technology program facility. This request will allow TVEP funding to be available for other program priorities. This space is needed to meet essential instructional and program needs for the Process Technology, Instrumentation, and Safety/Health/Environmental Awareness programs.

UAF P3 Dining Project (GF: \$0.0, NGF: \$1,500.0, Total: \$1,500.0)

UAF has contracted with a private company to develop the new dining residence hall facilities adjacent to the Wood Center Student Union. Construction of the dining facility, which will replace the aging Lola Tilly Commons is slated to begin in March 2013. The 34,000 square foot dining facility would be an addition to the Wood Center and would include a gourmet coffee shop, a new marche-style dining area and remodeled student services offices. UAF will fund the lease payments with housing & dining receipts.

UAF Life Sciences Debt Service (GF: \$0.0, NGF: \$1,520.0, Total: \$1,520.0)

The UAF Life Science building is scheduled to be completed and ready for occupancy in summer of 2013. Once completed, the Life Sciences Building will provide multiuse teaching and research labs, classrooms, and office space for research and academic purposes. The research portion will provide nearly 60,000 gross square feet of modern research lab space for biology programs. The teaching portion will provide 40,000 gross square feet of academic classroom and lab space for biology and wildlife degree programs. In 2010, Alaskans overwhelmingly approved passage of Proposition B, the statewide general obligation bond that included \$88 million for the Life Sciences building. UA also issued an additional \$20.6 million in bonds to construct the building for a total project cost of \$108.6 million. The receipt authority allows UA to service the bonds issued by the University.

UAF Parking Garage Operating Costs Community and Technical College (GF: \$75.0, NGF: \$0.0, Total: \$75.0)

The Barnette street parking garage provides parking for the UAF Community and Technical College facility in downtown Fairbanks. Total operating costs of the facility are shared between the University and the Department of Administration for the State of Alaska per a land use agreement. UA's request provides the base funding for the University's share of the facility operating costs.

FY14 Operating Budget Request Items(continued)

resources every year. A 2011 study, commissioned by the Department of Justice through Community Oriented Policing Services (COPS), says that most campus departments use the formula of 1.8 to 3 officers per 1000 students with the number of buildings adding an additional element to the equation. The UAA main campus has approximately 60 buildings with 2,255,395 square feet of operating space and new buildings currently on the design table. With enrollment numbers currently more than 20,000, and with calls to UPD increasing by 45 percent over the past 6 years, it is clear there is a need to increase the number of first responders. Funding is requested for one additional officer and one additional emergency communications dispatcher for the UAA main campus. Funding will also increase the Consortium Library student Seawolf Safety Patrols necessary to cover the extended library hours.

The Kenai Peninsula Campus is requesting funds for contract security services to respond to calls for the new housing unit and to coordinate emergency management requirements. Additional funds are also requested for contract security services at the UAA campus to patrol the area and perform proactive enforcement.

UAF Western Collegiate Hockey Association (WCHA) Conference Requirements (GF: \$130.0, NGF: \$60.0, Total: \$190.0)

Beginning in FY14, the UAF Division I hockey team will begin competing in the Western Collegiate Hockey Association (WCHA) with other higher Division I hockey programs, including Bowling Green State, Ferris State, Lake Superior State, and Northern Michigan. Under the new conference requirements and the National Collegiate Athletic Association (NCAA), members of the new WCHA conference are expected to incur general cost increases. Transition to the WCHA will also allow UAF and UAA to participate in the same hockey conference. As part of the WCHA, UAA and UAF will be scheduled to play one another approximately six times per season, which is typically a highly-attended event in Anchorage and Fairbanks. This in-competitive play invigorates the hockey program in both communities.

Non-Personal Services Fixed Cost Increases (GF: \$580.0, NGF: \$320.0, Total: \$900.0)

UAF Rasmuson Library Electronic Subscriptions (GF: \$200.0, NGF: \$0.0, Total: \$200.0)

As Alaska's premier research university, desktop and remote access to the most current information resources and scientific knowledge is vital for our students, faculty, staff, and researchers for exploration of subject matter and teaching in the classroom and the field. These resources directly impact instruction, grant funding, research and accreditation. Additionally, the UAF Libraries are responsible for the delivery of resources to the Kuskokwim, Nome, and Kotzebue campuses and all e-Learners. Without additional funding, reductions in subscriptions will be necessary.

UAF Custodial Service (GF: \$380.0, NGF: \$320.0, Total: \$700.0)

UAF will be rebidding for custodial services and anticipates an increase in the proposed costs for these services.

FY14 Operating Budget Request Items(continued)

High Demand Program Requests

(GF: \$6,173.2, NGF: \$1,560.0, Total: \$7,733.2)

Program requests further Strategic Direction Initiatives (SDI) by enhancing advising services to help students achieve their educational objectives, improving technology to meet the needs of students in rural and urban Alaska, building on innovations to return value to the University and State, and producing graduates who can support Alaska's public and private business sectors. A number of these requests support MA specific accreditation needs and requirements.

Budget Adjustments

(GF: \$683.8, NGF: \$1,245.0, Total: \$4,928.8)

Technical Vocational Education Program Funding (TVEP)

(GF: \$-69.1, NGF: \$0.0, Total: \$-69.1)

This funding, commonly referred to as workforce development, is focused on priority workforce development areas established by the Alaska Workforce Investment and Development Board (AWIDB). This amount is the projected decrease for UA in FY4.

Mental Health Trust Authority (MHT/MHTAAR)

(GF: \$752.9, NGF: \$1,745.0, Total: \$2,497.9)

This funding is a net increase of \$1,016.4 over FY13 and will be directed toward University of Alaska projects and programs in support of initiatives of mutual interest to the Trust, the University, and the Alaska Health Workforce Coalition.

Capital Improvement Project Receipts (CIP)

(GF: \$0.0, NGF: \$1,000.0, Total: \$1,000.0)

FY14 revenue projections indicate that UA requires additional budget authority to cover expenditures in the area of capital improvement project receipts. UA has received an increase in capital appropriation funding over the last several years. Capital Improvement Projects Receipts (CIP) is generated by charge-backs to capital improvement projects for personal services administrative costs. Additional CIP authority is necessary to record personal services expenditures related to capital projects.

UA Intra-Agency Receipts (UAAR)

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

The rationale for this increase is to accommodate internal Reimbursable Service Agreements (RSA) that have been necessary due to the multiple appropriations structure. UA Agency Receipts include all internal charges for services provided by central service departments to other university departments. This includes services such as physical plant work orders, printing and computer repairs, and certain administrative functions such as risk management and labor relations.

Program Transfers

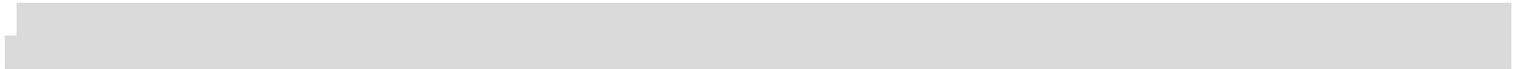
(GF: \$0.0, NGF: \$0.0, Total: \$0.0)

Behavioral Health Programs Mental Health Trust Transfer

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

This request seeks to eliminate the need for an annual reimbursable service agreement (RSA) for the Behavioral Health Program by transferring \$405.0 MHT from the Statewide Services allocation to the Anchorage Campus allocation (\$355.0) and the Fairbanks Campus allocation (\$50.0) where the programs are being delivered.

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FY14 Operating Budget Program Descriptions

x Student Achievement and Attainment
(GF: \$1,556.1, NGF: \$20.8, Total: \$,876.9)

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FY14 Operating Budget Program Descriptions

supplement services in advising to maintain enrollment growth and to direct additional resources to retention initiatives for targeted populations of students. A Student Success Advisor would provide transitional advising, such as career planning, choosing degree programs, and registering for courses, for a caseload of approximately 400 new and continuing students. Additionally, this position would monitor enrollment for special populations, including military veterans and their dependents, and work with those in danger of losing their funding due to academic difficulties. (FY14 request: \$68.4)

Kenai Peninsula College Kachemak Bay Campus (~~KBC~~), serving an area population of 14,000, requests their first permanently funded advising position dedicated to providing year-round consistent and comprehensive advising services. Duties will include conducting retention and student success activities, academic and financial aid advising, completing admissions, selecting classes and developing academic plans. The position will significantly strengthen recruitment with the area high schools' graduating seniors, including area Native Alaskan and

FY14 Operating Budget Program Descriptions

Admissions office to improve communication with potential students, increase outreach efforts and improve relationships with industry partners, high school and community campus partners through travel and consistent communication and updates, and identify gaps in student retention and devise solutions. Through these efforts the School of Management seeks to improve enrollment as well as the overall visibility of the School to the State.

- o UAF STEM Capacity in General Chemistry
(GF: \$200.0, NGF: \$53.0, Total: \$253.0)

Introductory chemistry has become the "bottleneck" course that is slowing down growing enrollments in engineering and life sciences. Funding is requested to hire a full-time instructor to teach additional sections of general chemistry (CHEM 105x and CHEM 106x) and to create the "Chemistry Learning Center", which will assist students to do better in general chemistry. The additional instructor and two teaching assistant positions will provide for additional capacity in the class and las(ougs)-1. T Jlon(hr)3o(a)](a)ide for addit on (l)-2(pr) course

FY14 Operating Budget Program Descriptions

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Northwest) serving large geographic regions of Alaska, which focus on: developing and sustaining a strong health workforce in Alaska by engaging youth and others to enter health related careers; recruiting health students to consider working in rural and underserved areas of the State through clinical rotations in rural areas; and retaining health professionals in rural areas by providing continuing education opportunities. The AHEC system plays an important part in developing the health workforce in the state and works closely with a variety of partners to attract Alaskans into health careers, beginning with courses in UA health programs. In upcoming years the healthcare sector is predicted to produce Alaska's largest job growth; funding for the AHEC system is a key factor in fulfilling the UAA mission as the lead university at UA for health matters, and is a high priority of the Alaska Health Workforce Coalition and the Mental Health Trust Authority.

- o UAA/UAF Joint Doctoral Program in Clinical-Community Psychology
(GF: \$485.0, NGF: \$0.0, Total: \$525.0)

Mortality rates in Alaska are dominated by behavioral health diseases. The leading causes of death, cancer and heart disease are often highly associated with known patterns of behavior, including alcohol, drug use, diet and physical activity. The next highest causes of death, injuries, suicide, and alcohol related deaths are similarly predicted by known psychological factors. The psychology departments at the University of Alaska Anchorage and the University of Alaska Fairbanks train practitioners and researchers to address Alaska's health needs. The Alaska workforce desperately needs licensed psychologists and other psychological professionals who are able to work in at least three domains: Clinical Health Intervention, Community and Organization Development, and Applied Research.

CBHRS is entering its 14th year and has grown substantially to an annualized budget of \$3.2M (all from external research grants and contracts). The new UAA-UAF Psychology Ph.D. program requests base funding for one director/tenured professor in Psychology position for the Center for Behavioral Health Research and Services (CBHRS) at UAA. Partial funding of a Deputy Director of Research to support administration of this premier new research center. research support positions are essential to maintaining the productivity and extramural funding for the program. The program is also seeking funding for three Psychology faculty positions for the Fairbanks campus, to maintain the recently earned American Psychological Association Accreditation. UAF must employ at least four (FTE) clinically licensed psychologists to provide the UAF clinical training component of the UAA-UAF Joint Ph.D. program in Clinical-Community Psychology. Extensive, high quality clinical training is essential for graduates to become licensed for clinical practice. This joint PhD program is a significant step up the institutional quality scale for both UAA and UAF.

- o UAA Dietetics and Nutrition Pro02 Tc 0.002 Tw 1.2 0w [(T)-3(h)-4(-2(i)-2((bot)-2(h U)2(0.214 Tw [

FY14 Operating Budget Program Descriptions

courses including online courses, support other majors such as Nursing, Mechatronics, Radiology, Dental Hygiene and Early Childhood Education. Approximately 500 Nursing majors completed DN courses in 2011.

x Consolidated Alaska Mining Initiative (CAMI)
(GF: \$90.0, NGF: \$12.8, Total: \$102.8)

o SPS Mining Regulatory Training and Certification
(GF: \$200.0, NGF: \$75.0, Total: \$275.0)

Expansion of federal mine training requirements on small mining operations and the rapidly growing expansion of large hard rock and underground mining has surpassed Mining and Petroleum Training Service (MPTS) ability to meet the state's need for mine safety instruction, new miners, additional faculty regulatory compliance and refresher certifications in health, safety, and environmental topics. Funding will support projected growth of simulator training, regulatory compliance, and new miner training. It should be noted that the State of Alaska is also supporting significant investment in mine training simulators.

Additional revenue will be generated through the expanded new miner training programs, specific onsite customized mine training programs related to oil & gas exploration and production and fees associated with non-credit recertification courses.

o UAA Mineral and Environmental Resources
(GF: \$100.0, NGF: \$20.0, Total: \$120.0)

UAA's Geology program has partnered with the Mining Industry to produce graduates that are well trained to meet the growing needs of Alaska's resource extraction economy. However, an assessment of industry needs facilitated by the Department of Geology's Community Advisory Board and conversations with mining industry representatives highlighted two unmet important needs. First, a more extensive coverage of economic geology and second, the need to be more thoroughly grounded in environmental geology. To meet these needs, one additional faculty in Economic Geology is requested to replace temporary funding by industry. Geology is a recent degree at UAA and in a short time has grown to a program of over a hundred students, who are experiencing excellent job placement within the field.

o UAS Center for Mine Training
(GF: \$90.0, NGF: \$27.8, Total: \$117.8)

The UAS Center for Mine Training (CMT) was created after receiving a \$300,000 donation from Hecla Greens Creek (HGC) in June of 2011. The UAS Center for Mine Training is becoming an

FY14 Operating Budget Program Descriptions

students enter into the UAS Mine Mechanics Occupational Endorsement (OE) program and then the Power Technology Associates of Applied Science (AAS) certificate program with an emphasis in Diesel, all funded by the HGC donation. The Director also operates the Mine Simulator and represents the UAS Center for Mine Training locally, regionally, in state, nationally, and internationally.

o UAF Mining Research and Development Initiative (MRDI)

(GF: \$100.0, NGF: \$90.0, Total: \$190.0)

Funding is requested to support the UAF Mining Research and Development Initiative (MRDI). MRDI plays an important role in furthering the State's mineral industry by providing research support in the areas of mine safety, training and placer mining, mine engineering, and sustainability by assessing the socio-cultural impacts of large mining projects and being familiar with mine environmental impacts and solutions.

Due to budget reductions MRDI's role in the state's mineral industry has diminished. The bright future in state mining, especially in areas like rare earth elements, has created a new opportunity for MRDI to serve the state in several ways, such as 1) be an unbiased Alaska consulting source on mineral projects, 2) assess effectiveness of mine technologies proposed in permit documents, 3) develop engineering solutions for Alaskan challenges, 4) enhance the mine safety culture, and 5) offer customized training relevant to the mining industry.

x Workforce Development

(GF: \$1,031.1, NGF: \$45.0, Total: \$1,076.1)

o UAA Alaska Center for Economic Development

(GF: \$340.0, NGF: \$5.0, Total: \$345.0)

The University of Alaska Center for Economic Development (UACED) is one of 52 U.S. University Centers so designated by the U.S. Economic Development Administration. UACED requests funding to support leading the entrepreneurship, innovation, and economic development activities of the University of Alaska system. The UACED serves the entire State of Alaska—with special attention focused on rural and large Alaskan community areas. Funding will further strengthen cross disciplinary and cross campus collaborations and allow UACED to leverage additional funds through other state, private industry and federal funding sources. UACED is expected to leverage approximately \$100 thousand in state funding provided through College of Business and Public Policy (CBPP) into over \$1.1 million in external funding.

A critical component of the proposal is developing systems to more fully engage faculty and students in the work of the UACED. Faculty with interest will be provided opportunities to consult on projects within their fields of interest. Students will be provided greater access to internships and service learning opportunities. Another important component is to enhance the economic stability of rural communities and villages through greater technical assistance and

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three main universities (UAA, UAF, and UAS) as well as their satellite campuses by extension the entire state of Alaska.

The UA Press is the only book publisher operating in Alaska that focuses on scholarly and educational books and e-books. Publications cover an expanding range of subject areas for readers of all ages, including politics and history, Alaska Native languages and cultures, and science and natural history. Currently, revenue earned from the sale of 30,000 books per year is not sufficient to maintain the present rate of publications of approximately two books per year. About 20% of the titles published over the past five years are Alaska Native culture publications and about 52% of the titles published over the past five years are by Alaskan or Alaska Native authors. The Press also disseminates publications by other University of Alaska entities such as the titles published by the Alaska Native Language Center.

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

o UAF Office of Intellectual Property and Commercialization

(GF: \$200.0, NGF: \$100.0, Total: \$300.0)

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There has been increased recognition of the necessary function of campus and regionally focused providers of high-end computing and storage. The concept of “campus bridging” refers to the fact that large national computer sources (notably the National Science Foundation’s XSEDE) are comparatively less effective than regional computers for many purposes. This is because they do not guarantee timely localized support; instead, they must be accessed over expensive, long-haul networks, and are geared mainly towards elite top end users, rather than the broad crosssection of disciplines and levels of user sophistication needed here in Alaska. ARSC trains and supports this full range of users. Another recent report specifically addressed the importance

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