



UNIVERSITY  
*of* ALASKA

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*Many Traditions One Alaska*

## First Review of FY2017 Operating Budget

Board of Regents  
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Juneau, Alaska

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**University of Alaska**  
**Proposed FY2017 Operating Budget**  
**Introduction**

The operating budget discussion at the Board of Regents' (BOR) meeting will provide Regents with a status of UA's current operating budget, UA's proposed FY2017 operating budget, and the impact of the high demand program requests on student outcomes and measures. Administration is seeking BOR feedback on key priorities and anticipates the Board will have questions.

**Current FY2016 Operating Budget: Context**

FY2016 final legislation decreased UA's overall operating budget state appropriation by \$19.8 million (5.3%) from \$370.6 million to \$350.8 million. The \$19.8 million net decrease includes a general fund reduction of \$31.4 million, a \$10.1 million one-time increment for compensation, and increments for a few specific programs. Specific program increments restored the FY2015 one-time funding for facilities maintenance and repair (\$1.1 million) and student services (\$400.0 thousand), and provided UAF with \$1.86 million to continue funding the Alaska Center for Unmanned Aircraft Systems Integration (ACUASI) program and \$250.0 thousand (\$125.0 general funds and \$125.0 mental health trust funds) for the UAA Alaska Justice Information Center. During the budget discussion, administration will discuss the budget reduction impacts.

**FY2017 Operating Budget: Assumptions and Request**

The Proposed FY2017 Operating Budget includes the necessary resources to cover adjusted base increases (i.e., contractual and fixed cost increases) plus selective high demand program requests to continue UA forward toward achieving the intended effects of Shaping Alaska's Future (SAF).

The FY2017 program priorities include \$2.2 million (state appropriation), submitted by UAA, UAF, UAS and System-wide (descriptions begin on page 9). The president is evaluating one-time funds that may be available to jump start some of the programs in FY2016 as UA is committed to these initiatives that cannot wait until FY2017.

Prior to the Board approving the budget on November 4, 2015, program request amounts and descriptions will be further refined.

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

- The FY2017 compensation estimate includes:
  - Contractual salary and benefit increases for unionized staff (UAFT, Local 6070, UNAC, UNAD)
  - Comparable salary and benefit increases for non-bargaining staff
- Retirement rates are expected to remain the same
- Additional must pay fixed cost increases include:
  - Utilities
  - Facilities Maintenance and Repair (M&R)
  - New Facilities Estimated Operating Costs
  - Unfunded Federal Mandates

**University of Alaska**  
**Proposed FY2017 Operating Budget Request Summary**  
*(in thousands of \$)*

	State Approp. (UGF)	Non-State Funding (DGF, Fed, Other)	Total
<b>FY2016 Operating Budget</b>	<b>350,787.0</b>	<b>564,806.8</b>	<b>915,593.8</b>
Reverse FY2016 One-time Funded Items	-	(1,807.3)	(1,807.3)
<b>Base - FY2016 Operating Budget</b>	<b>350,787.0</b>	<b>562,999.5</b>	<b>913,786.5</b>
<b>Unallocated General Fund Reduction <sup>(1)</sup></b>			
<b>FY2017 Adjusted Base Requirements</b>			
<b>Compensation by Employee Group</b>			
UA Federation of Teachers (UAFT)	716.0	716.0	1,432.0
Local 6070	1,179.2	1,179.2	2,358.4
United Academics Faculty (UNAC)	2,701.5	2,701.5	5,403.0
UA Adjuncts (UNAD)	124.4	124.4	248.8
Fairbanks Firefighters Union (FFU) (under negotiation)			-
UA Staff	8,182.1	8,182.1	16,364.2
<b>FY2017 Compensation Increase Subtotal</b>	<b>12,903.2</b>	<b>12,903.2</b>	<b>25,806.4</b>
<b>Additional Operating Cost Increases</b>			
<b>Utility Cost Increases</b>	<b>1,750.0</b>	<b>1,250.0</b>	<b>3,000.0</b>
<b>Utility Replacement Funding</b>	<b>4,600.0</b>	<b>-</b>	<b>4,600.0</b>
<b>Facility Maintenance and Repair</b>	<b>2,318.0</b>	<b>2,318.0</b>	<b>4,636.0</b>
<b>New Facilities Estimated Operating Costs</b>	<b>1,400.0</b>	<b>-</b>	<b>1,400.0</b>
UAF Engineering Building O&M	1,400.0		1,400.0
<b>Unfunded Federal Mandates</b>	<b>1,025.0</b>	<b>125.0</b>	<b>1,150.0</b>
UA Support Services for Students with Disabilities	250.0		250.0
UA Title IX Compliance Coordinators	500.0		500.0
UA Compliance Officers	275.0	125.0	400.0
<b>Other Fixed Costs</b>	<b>800.0</b>	<b>-</b>	<b>800.0</b>
UA Electronic Journal Subscriptions	800.0		800.0
<b>Additional Operating Cost Increases Subtotal</b>	<b>11,893.0</b>	<b>3,693.0</b>	<b>15,586.0</b>
<b>FY2017 Adjusted Base Subtotal</b>	<b>24,796.2</b>	<b>16,596.2</b>	<b>41,392.4</b>
	<i>7.1%</i>	<i>2.9%</i>	<i>4.5%</i>
<b>FY2017 High Demand Program Requests (program descriptions begin on page 9)</b>			
Student Achievement and Attainment	500.0	241.0	741.0
Productive Partnerships with Alaska's Schools	447.0	-	447.0
Productive Partnerships with Public Entities and Private Industries	520.0	450.0	970.0
R&D & Scholarship to Enhance Alaska's Communities & Economic Growth	727.0	2,650.0	3,377.0
<b>FY2017 High Demand Programs Subtotal</b>	<b>2,194.0</b>	<b>3,341.0</b>	<b>5,535.0</b>
	<i>0.6%</i>	<i>0.6%</i>	<i>0.6%</i>
<b>FY2017 Increment</b>	<b>26,990.2</b>	<b>18,129.9</b>	<b>45,120.1</b>
<b>FY2017 Operating Budget Total</b>	<b>377,777.2</b>	<b>582,936.7</b>	<b>960,713.9</b>
% Chg. FY2016-FY2017 Operating Budget	<i>7.7%</i>	<i>3.2%</i>	<i>4.9%</i>

(1) The State Office of Management and Budget (OMB) Guidance proposes a 4.5% (\$15.8 million) reduction for UA (page 14)

### **Compensation Increases**

**(GF: \$12,903.2, NGF: \$12,903.2, Total: \$25,806.4)**

The compensation estimate includes the FY2017 contract renewal amount for UA Federation of Teachers (UAFT), Local 6070, United Academics Faculty (UNAC), and UA Adjuncts (UNAD). The Fairbanks Firefighters Union (FFU) contract is under negotiation for FY2017. Upon the recommendation and support of the Chancellors, President Johnsen is recommending to the Board of Regents a raise for the UA staff of 2.5% for FY2017.

### **Utility Cost Increases**

**(GF: \$1,750.0, NGF: \$1,250.0, Total: \$3,000.0)**

This request covers the projected FY2017 utility and fuel oil cost increases, estimated at a 5% increase over FY2016 and partial funding to improve water quality issues on the Fairbanks Campus.

In April of 2015, UAF water quality levels on the Fairbanks Campus were found to exceed federal pollutant limits, and although safe to drink, are important to monitor. UAF is currently staffing a high-level of filtration and monitoring operations to mitigate water risks to the Fairbanks Campus community; however, this is not easily sustainable and purchasing water from College Utilities would reduce long term costs and health and safety risks.

### **Utility Replacement Funding**

**(GF: \$4,600.0, NGF: \$0.0, Total: \$4,600.0)**

Since FY2006, UA has relied on state funding through the fuel trigger mechanism to help cover utility cost increases. The funding was based on the price per barrel of oil, thus with low oil prices comes no additional funding. Unfortunately, the cost of utilities has not dropped as quickly as the funding. This request covers replacement funding for the utility cost shortfall as a result of the elimination of the trigger mechanism.

### **Facilities Maintenance and Repair**

**(GF: \$2,318.0, NGF: \$2,318.0, Total: \$4,636.0)**

UA's annual maintenance and repair is calculated as a percentage of current building value, plus a component that accrues directly with building age. Each university annually dedicates a portion of its operation budget to facilities maintenance, often referred to as M&R. As the deferred maintenance and renewal/repurposing backlog continues to grow, the amount of funding necessary to maintain buildings increases and more M&R funding must be re-directed to cover unforeseen deferred maintenance costs that cannot be deferred any longer without risking safety or localized mission failure.

### **New Facilities Estimated Operating Costs**

**(GF: \$1,400.0, NGF: \$0.0, Total: \$1,400.0)**

- **UAF Engineering Facility O&M (based on partial facility completion)**

**(GF: \$1,400.0, NGF: \$0.0, Total: \$1,400.0)**

This increment provides the funding necessary to meet the ongoing operating costs associated with the partial completion of the UAF Engineering Facility. This estimate is based on a percent of the total project cost for utilities, custodial, grounds/landscaping, insurance and maintenance and repair (M&R). The remaining O&M funding will be requested upon completion of the facility.

**Unfunded Federal Mandates**

**(GF: \$1,025.0, NGF: \$125.0, Total: \$1,150.0)**

○ **UA Support Services for Students with Disabilities**  
**(GF \$250.0, NGF \$0.0, Total \$250.0)**

UAA (GF \$100.0, NGF \$0.0, Total \$100.0)

Providing reasonable accommodation for otherwise qualified students with documented disabilities is a requirement under Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990. UAA Disability Support Services (DSS) is charged with providing academic adjustments for all qualified students with documented disabilities who make reasonable requests for accommodation.

According to the 2011 National Center for Educational Statistics “First Look” report, 11% of all college students self-identify as experiencing disabilities resulting in an increase in the numbers and diversity of students requiring services. Larger populations of students with more involved and specialized needs such as those with autism, psychological/emotional disorders, and veterans require a more complex level of collaborative services.

While DSS provides a wide range of support services, some of the accommodation needs of the Deaf and Hard of Hearing population have an especially dramatic impact on budget. Most students with hearing loss require real-time communication access strategies, which are most often American Sign Language (ASL) Interpreters. Interpreters typically work in pairs, with each well-credentialed independent contractor earning \$50 per hour with minimum hour requirements regardless of assignment.

Since FY13, DSS has experienced dramatic increase in the demand for communication access as a disability related accommodation. DSS’ interpreting services budget is funded to provide approximately 3,000 billable hours annually, however the need for services is almost twice that number (5,363 billable hours in FY14). As seen nationally, the increased demand for interpreting services is expected continue. This request remedies the growing problematic gap between the increase in demand for interpreting services and the lack of necessary funds to provide these

UAF Disability Support Coordinator and Services (GF \$150.0, NGF \$0.0, Total \$150.0)  
Providing reasonable accommodation for otherwise qualified students with documented disabilities is a requirement under Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 (ADA). The 2008 amendments to the ADA expanded the definition of disability and extended protections to a greater number of persons. The amendment significantly increased the workload in the Disability Services Offices, and UA anticipates that this upward trend will continue in future years. Failure to adequately fund appropriate and timely accommodation of students puts the institution at risk of violating the law. Current staffing levels struggle to meet the needs of our students. Since the ADA amendments took effect, the Disability and Support Services (DSS) offices across the UA System have experienced increased demand for services and required accommodations. A growing number of students are expected to request accommodation in future years as UA expects to attract and retain students, including

FY2017 Operating Budget Request Items (continued)

military veterans who frequently present physical, as well as mental, disabilities. This joint funding request is intended to ensure UA Disability Support Services meets its federally mandated obligations to students with disabilities. Positions and services will be located in Anchorage and Fairbanks, but will also provide support services to rural Alaska locations.

- **UA Title IX Compliance Coordinators**  
**(GF: \$500.0, NGF: \$0.0, Total: \$500.0)**  
(UAA \$200.0; UAF \$205.0; and UAS \$95.0)

The State of Alaska has the highest rate of sexual and domestic violence in the country. Because of this statistic there is heightened scrutiny by the federal Office of Civil Rights (OCR) on UA's compliance with Title IX mandates to combat sexual assault and harassment. Universities are required to do more to protect the rights and educational access of students who are affected by sexual misconduct. With locations throughout the State, the compliance challenge affects a significant portion of the UA campus communities. Title IX mitigates the detrimental effects of sexual misconduct by promoting, fair and impartial investigations and requiring remedies to eliminate the effects of harassment. Investigations include, but are not limited to, allegations related to dating violence, gender discrimination, sexual violence, sexual harassment, domestic violence and stalking on UA's campuses.

Federal requirements are increasing and the establishment of an additional staff position at UA will maximize the institution's ability to address OCR requirements, educate constituents about their rights/responsibilities and take necessary steps to prevent the recurrence.

Investigations require recorded interviews to capture the evidence stated by the accused, the complainant and any witnesses. For efficiency and for timely response (as required by law), UAF is also requesting funding for transcriptionist services.

Title IX works to return complainants of such violations to their pre-incident status as well as provide mandated training and preventative programming creating a zero-tolerance environment and culture of reporting all instances of discrimination without fear of reprisal. It is equally important for the Title IX team to build partnerships with university and local police departments, Standing Together Against Rape (STAR), Abused Women's Aid In Crisis (AWAIC), Green Dot (a domestic violence prevention program), and Aiding Women in Abuse and Rape Emergencies (AWARE Inc.), to serve as leadership in addressing gender discrimination and violence in Alaska.

The provisions of Title IX and related regulations are specifically intended to ensure that students are able to succeed (student success) and that the teaching and learning may take place in an environment free from violence, discrimination and harassment. These issues inherently impact and are impacted by the local community. Responding to these issues will involve a coordinated approach between the campus, local law enforcement, and community support organizations.

○ **UA Compliance Officers**  
**(GF: \$275.0, NGF: \$125.0, Total: \$400.0)**

UAA (GF \$150.0, NGF \$0.0, Total \$150.0)

The UAA College of Health is under increased scrutiny to be compliant with statutes, regulations and policies as a result of the Healthcare Information Protection and Portability Act (HIPPA) and re: student clinical, practicum and field placements, health research and faculty conduct. Based on a recent COH compliance assessment by Aegis Compliance & Ethics Center, LLP using Federal Sentencing Guidelines and various Office of Inspector General, U.S. Department of Health and Human Services (HHS-OIG) compliance directives, it was determined the COH is significantly at risk. At risk for lawsuits, grievances, fines and negative publicity.

The number one compliance program requirement is the designation of a single person to accept responsibility for the program and manage its day-to-day operations to ensure the Compliance Program remains visible, active, and accountable. A full-time COH Compliance Officer will develop, implement and oversee an effective compliance program to address areas of risk via written standards and procedures, conducting training and education, providing hotline oversight, conducting internal monitoring and auditing, and developing corrective actions to ensure COH has taken steps to fix noncompliant situations. With a Compliance Officer in place, COH could avoid recent situations where impaired faculty had continued access to students, with negative impact on public opinion and student outcomes.

UAF (GF \$125.0, NGF \$125.0, Total \$250.0)

The UAF Office of Research Integrity (ORI) promotes integrity in research and teaching while ensuring a safe and productive work environment. ORI facilitates the responsible conduct of research through educational, preventive, and service activities. Ensuring the integrity of the research record is one of the central goals of responsible conduct in research training. Researchers in all fields rely on others to limit or acknowledge bias and to accurately report their findings. Although the burden for ensuring the integrity of the research record lies predominantly with the researchers themselves everyone involved in the research process, whether they are collaborators, students, technicians, administrators, or volunteers, has a role to play in supporting the responsible conduct of research.

This request for one regulatory personnel position (1 FTE) will facilitate required training/certification and post-approval monitoring components that are currently not staffed at an acceptable level, which presents a risk to the university. Compliance officers are charged with monitoring of the Animal Care and Use Program (strategic as it is closely connected to the expansion of the Veterinary Medicine high demand program), Human Protections, Biosafety, and other Federal regulations (often associated with international grants or moving intellectual property/assets across geographic/international boundaries). This request will allow the institution to realize a robust compliance program to withstand the level of oversight and inspection to which it is subject. A high degree of training and education is required for this position.



**Other Fixed Costs**

**(GF: \$800.0, NGF: \$0.0, Total: \$800.0)**

- **UA Electronic Journal Subscriptions**  
**(GF: \$800.0, NGF: \$0.0, Total: \$800.0)**  
(UAA \$180.0; UAF \$600.0; and UAS \$20.0)

Access to the most current information resources and scientific knowledge is vital for students, faculty, staff and researchers. Providing online access to current information resources requires ongoing annual licensing agreements with a percentage increase each year. Access to online scholarly and research information is essential for on campus and distance education, faculty and student research, and for applying for grant funding and patent applications.

In addition to serving Anchorage, the Consortium Library provides access to the UAA students, staff and faculty in MatSu, Valdez, Kodiak, Soldotna, and Homer and the Library manages the Joint Library Catalog for most of the university, public and special libraries in Southcentral and Southeast Alaska. The MatSu and Sitka school libraries are also included in the Joint Library Catalog. In addition to serving the Juneau campus, the Egan Library provides access to information resources to the UAS students, staff, and faculty in Sitka and Ketchikan.

Technology enables and enhances every function, every business process, every facet of UAF. Typically these systems require an ongoing annual licensing renewal with a percentage increase each year. These renewals are essential and required to continue using the technology that run the university. These resources are essential for instruction, research, and applying for grant funding. In addition to serving Fairbanks, the Rasmuson Library is responsible for the delivery of library resources to UAF students, faculty, researchers and staff throughout Alaska at UAF rural campus and learning centers, including Northwest Campus, Chukchi Campus, Bristol Bay Campus, Interior Aleutians Campus and its learning centers, Kuskokwim Campus, and all eLearning and Distance Education students.

Whenever possible, journal subscriptions and other media resources are shared with all of the UA campuses to offer broader access in a more cost-efficient manner. In FY16, expenses in this area were reduced by over \$120 thousand via subscription cancelations; however, the journal subscription costs continue to rise at a rate of 10 percent per year. Without additional funding, further reductions in popular and high-use subscriptions will be required.

**University of Alaska  
FY17 High Demand Program Requests by Initiative**

<b>University / Program Title</b>	<b>State Approp. (UGF)</b>	<b>Non-State Funding (DGF, Fed, Other)</b>	<b>Total FT PT</b>	
<b>STUDENT ACHIEVEMENT AND ATTAINMENT</b>				
UAA/UAF/UAS Course Redesign for Large Enrollment/Entry-level Classes	300.0		300.0	
UAF Complete the Establishment of the Collaborative 2+2 Alaska Veterinary Medicine Program with Colorado State University	200.0	241.0	441.0	2
Student Achievement and Attainment Subtotal	500.0	241.0	741.0	2 0
<b>PRODUCTIVE PARTNERSHIPS WITH ALASKA'S SCHOOLS</b>				
UAF Community Campus and Tribal College Partnerships	200.0		200.0	
UA Teacher Education	247.0		247.0	
Productive Partnerships with Alaska's Schools Subtotal	447.0	0.0	447.0	0 0
<b>PRODUCTIVE PARTNERSHIPS WITH PUBLIC ENTITIES AND PRIVATE INDUSTRIES</b>				
UAS Fisheries Initiative BS Marine Biology and Fisheries Program	120.0		120.0	1
UAF Chemical Engineering (ChemE) Degree Demand to Support Growth of LNG/Oil/Gas Refining Industries	400.0	450.0	850.0	4 1
Productive Partnerships with Public Entities and Private Industries Subtotal	520.0	450.0	970.0	5 1
<b>R&amp;D &amp; SCHOLARSHIP TO ENHANCE ALASKA'S COMMUNITITES &amp; ECONOMIC GROWTH</b>				
UAF Understanding the Impact of Ocean Conditions on Commercial Fisheries	227.0	400.0	627.0	2
UAA Increase Institute of Social and Economic Research (ISER) Capacity	250.0	250.0	500.0	
UAF Energy Partnerships for Alaska's Future (ACEP)	250.0	2,000.0	2,250.0	1
R&D & Scholarship to Enhance Alaska's Communities & Economic Growth Subtotal	727.0	2,650.0	3,377.0	3 0
<b>FY17 High Demand Program Requests Total</b>	<b>2,194.0</b>	<b>3,341.0</b>	<b>5,535.0</b>	<b>10 1</b>

**FY2017 High Demand Programs**

(GF: \$2,194.0, NGF: \$3,341.0, Total: \$5,535.0)

**Student Achievement and Attainment**

(GF: \$500.0, NGF: \$241.0, Total: \$741.0)

○ **UAA/UAF/UAS Course Redesign for Large Enrollment/Entry-level Classes**

(GF: \$300.0, NGF: \$0.0, Total: \$300.0)

As the e-learning environment matures, institutions are beginning to move away from courses developed and offered by individual faculty, to courses developed by a team that includes faculty, instructional designers, graphic designers and others. These strategies commonly build a set of supporting materials from copyrighted, open source, and locally developed materials. These efforts are commonly initiated to provide students a better learning environment while reducing costs. In many ways, this is best characterized by NCAT's "course redesign" efforts.

Course redesign is the process of redesigning whole courses (rather than individual classes or sections) to achieve better learning outcomes by taking advantage of the capabilities of groups of faculty as well as of information technology. Course redesign is not just about putting courses online. It is about rethinking the way we deliver instruction in light of the possibilities that new technology offers. While this work requires significant upfront costs, often times these are recouped both through efficiencies in delivery as well as through improved student learning. This work commonly focuses on the set of 25-50 classes that generate more than 50% of the SCH's transcribed nationally each year.

○ **UAF Complete the Establishment of the Collaborative 2+2 Alaska Veterinary Medicine Program with Colorado State University**

(GF: \$200.0, NGF: \$241.0, Total: \$441.0)

Throughout the state, there is demand for veterinarians who understand the unique needs of Alaska's pets and farm and work animals. In addition, Alaska's young people are eager to pursue a career in veterinary medicine but face challenges because veterinary programs in the Lower 48 usually have a strong preference for in-state students. To address that need, UAF formed a partnership with Colorado State University (CSU) that will allow students to complete their undergraduate veterinary education plus the first two years of their professional program at UAF. Students will complete their final two years at the veterinary teaching hospital at CSU. The Legislature provided \$200 thousand in initial funding (FY14) to hire veterinarians to design the program. Through strategic reinvestment, UAF allocated additional funding to hire faculty and staff, and renovate space for the program. A special tuition surcharge will also help support the program. The first class has been admitted and will enroll at UAF in fall 2015. This request is for the funding for the final two faculty positions, needed primarily to teach year two classes. This program will address both Alaskan workforce needs and provide a specialized education that will appeal to many of Alaska's students.

**Productive Partnerships with Alaska's Schools**

(GF: \$447.0, NGF: \$0.0, Total: \$447.0)

○ **UAF Community Campus and Tribal College Partnerships**

(GF: \$200.0, NGF: \$0.0, Total: \$200.0)

This request supports planning and development for College of Rural & Community Development (CRCDD) community campus partnerships with new and existing tribal colleges in Alaska. Tribal colleges present a unique opportunity for rural campuses to partner with tribal governments and

## FY2017 Operating Budget Program Descriptions

institutions to expand academic and administrative capacity, increase student completion rates, and help sustain delivery of post-secondary education throughout Alaska. The American Indian College Fund reports that 86 percent of Tribal College and University (TCU) students complete their chosen program of study. This funding will support initial planning and development of at least one new tribal college in Alaska and assess expanded partnership with Alaska's only current tribal college, Iilisagvik. Accredited Tribal Colleges have access to dedicated federal funding unavailable to the UA system, which will support higher education access and affordability throughout Alaska.

### o **UA Teacher Education**

(GF: \$247.0, NGF: \$0.0, Total: \$247.0)

Our state needs Alaska prepared educators who can meet the needs of students in a face-to-face environment as well as reach out through technology to impact the lives of students in rural and remote communities. Data show that educators prepared in Alaska report being better prepared for the realities of teaching in their home state than those prepared outside of Alaska and have far less turnover (Hill, A & Hirshberg, D; 2013). However, only 3% of teachers hired in non-urban districts are new teachers educated in Alaska

The University of Alaska (UA) is uniquely positioned to provide teacher preparation that allows Alaska residents to participate from either their traditional cultural base or one of our campuses. UA has the capacity through the collaborative efforts of the three Schools and College of Education in partnership with the office of K-12 Outreach and our rural campuses, to offer teacher preparation programs both traditionally and completely on-line. Our faculty work with school districts around the state and travel long distances, often sleeping on the school's gym floor in order to provide pre-service teachers with the supervision and mentoring needed to produce excellence in teaching. This proposal seeks support to bring our individual efforts together to maximize resources while at the same time expanding efforts to reach as many rural students as possible so that we can increase the number of qualified Alaska teachers available to our schools.

## **Productive Partnerships with Public Entities and Private Industries**

(GF: \$520.0, NGF: \$450.0, Total: \$970.0)

### o **UAS Fisheries Initiative BS Marine Biology and Fisheries Program**

(GF: \$120.0, NGF: \$0.0, Total: \$120.0)

This initiative focuses on planned expansion of the existing UAS Bachelor of Science (B.S.) Marine Biology program to include Marine Fisheries. More than one-quarter of all work-related income in Southeast Alaska is in maritime and fisheries sectors, including over 4000 jobs in the seafood sector alone. This initiative will fund an additional tenure-track fisheries faculty position and allow UAS to offer a combined BS in Marine Biology and Fisheries degree. This signature program within the UA system is expected to significantly expand the number of undergraduate marine biology and fisheries graduates. The request directly supports state workforce needs identified in the Alaska Maritime Workforce Development Plan. UAS is truly a destination-of-choice campus for undergraduates with interests in marine biology and fisheries. The addition of marine fisheries to the existing program builds on existing assets and opportunities. UAS already has a strong teaching-focused faculty, a supportive campus-based learning environment, and state-of-the-art classrooms and labs located on Juneau's marine shoreline. UAS has an excellent track record of engaging undergraduates from communities throughout Southeast and coastal Alaska. This enhancement opens doors for further partnerships involving Alaska Native populations—including students, corporations, and tribes—as well as with the Alaska Native Science and Engineering Program (ANSEP).

## FY2017 Operating Budget Program Descriptions

- **UAF Chemical Engineering (ChemE) Degree Demand to Support Growth of LNG/Oil/Gas Refining Industries**

(GF: \$400.0, NGF: \$450.0, Total: \$850.0)

This increment will serve as the State portion of a planned partnership to build a Baccalaureate degree in Chemical Engineering (ChE) in Alaska to meet industry demand. A three-part funding approach is envisioned for this program, including state support, chemical engineering industry funds and tuition revenue. Petroleum and petroleum products, the energy conversion process, and minerals processing industries need to be supported by chemical engineers with fundamental appreciation for, and experience with, living in Alaska. Currently all engineers working in Alaska on projects demanding chemistry expertise were educated outside of Alaska or hold degrees in different engineering disciplines. A Bachelor of Science (BS) Chemical Engineering program will create a highly trained workforce to meet existing and future needs in Alaska. UAF already offers many of the courses necessary for an accredited ChE program. However, additional funding is needed to develop and offer the remaining courses and to have sufficient teaching faculty to meet anticipated enrollment growth of 120 students annually. State funding, in conjunction with private match and tuition funds, will support three full-time, tenure-track, chemical engineering faculty, and additional part-time faculty and administrative support. These faculty will provide instruction and advising, and will work closely with employers of the graduates to ensure that the program is meeting their needs. These faculty will also secure external funding for research projects relevant to industry needs that will provide experiential learning opportunities for students.

## **Research and Development and Scholarship to Enhance Alaska's Communities and Economic Growth (GF: \$727.0, NGF: \$2,650.0, Total: \$3,377.0)**

- **UAF Understanding the Impact of Ocean Conditions on Commercial Fisheries**

(GF: \$227.0, NGF: \$400.0, Total: \$627.0)

This is an extension of the ocean acidification capital research funding received in FY13 for assessing the impact on Alaska's fisheries. This request provides core operating support. Climate change and ocean acidification are especially likely to impact Alaska's waters and have considerable potential to affect the State's marine resources, both those harvested commercially and those used for subsistence. UAF needs faculty members with expertise in these critical areas of research who are also committed to education of the next generations of resource managers and marine scientists. UAF's School of Fisheries and Ocean Sciences (SFOS) is the sole State entity conducting research and disseminating knowledge through its academic program and public service.

- **UAA Increase Institute of Social and Economic Research (ISER) Capacity**

(GF: \$250.0, NGF: \$250.0, Total: \$500.0)

ISER requests incremental funding of \$250,000 to maintain and grow its capacity for critically-needed Alaska fiscal and economic analysis. The funding will enable immediate recruitment of one new faculty member and one fulltime research professional as well as increase base funding for current ISER faculty and research professionals engaged in fiscal and economic research. It will also jump-start ISER's ability to raise a similar amount of funding from other sources by increasing ISER's research capacity and demonstrating the university's commitment, and will significantly enhance ISER's ability to recruit high-quality young researchers who will become ISER's core capacity for decades into the future.

This request responds directly to the very serious fiscal and economic challenges facing Alaska. Over the next five years Alaska will need critical, objective and trusted analysis of a very wide range of complex issues relating to public needs and demands for state services and infrastructure, how these services and infrastructure can be efficiently provided, how they can be paid for, and how our ability

## FY2017 Operating Budget Program Descriptions

to provide and pay for them affects the future of Alaska's economy, population and society. For decades, ISER research has helped Alaskans and policy-makers understand Alaska's economy, government, finances, population and society—and how they are affected by public policy choices. ISER is very prominently engaged in the current fiscal discussion—both in explaining the challenges faced by the state as well as in developing and analyzing options for addressing them. The state critically needs ISER to continue and grow this research as it faces imminent and complex choices with far-reaching consequences.

Additional base funding is essential for ISER's ability to respond to this need. Almost all ISER base funding now goes to supporting ISER administration, faculty teaching, public service, and research proposal development: almost all ISER research is supported by grants and contracts. This hampers ISER's ability to research broader questions of how and why Alaska's economy, population, government and society function and are changing over time, and to systematically develop and maintain economic and fiscal databases and modeling tools. Grant and contract funding is uncertain and unstable, making it difficult to maintain long-term research programs, and inevitably raises questions about the independence and objectivity of research on controversial policy issues. Finally, higher base funding will be critical to ISER's ability to recruit highly-qualified and motivated young scholars to replace several long-time key faculty and staff who have retired or will be retiring soon, most prominently Scott Goldsmith.

- **UAF Energy Partnerships for Alaska's future (ACEP)**

(GF: \$250.0, NGF: \$2,000.0, Total: \$2,250.0)

This program builds on the Alaska Center for Energy and Power's (ACEP) existing collaboration with Alaska's energy industry to leverage the State's first-mover advantage in the global microgrid space, which is forecast to expand to \$40 billion per year by 2020. Alaska is considered a global leader in this technology field with 12 percent of the world's diesel renewable hybrid microgrids. This presents a significant opportunity to develop new market opportunities for Alaska expertise and create jobs and revenue for Alaska-based organizations.

This funding will be used to develop tools and strategies in conjunction with Alaska's energy sector businesses to market Alaska expertise globally, expand the Alaska Microgrid Commercialization Center as a partnership between UA and private industry to accelerate Alaska innovation in this area. This will help organize a university-style United Nations microgrid training program that expands global awareness of Alaska's intellectual and business resources and establishes relationships with future decision-makers across the globe. Nonstate funding for this program includes a combination of private and federal (US Economic Development Administration and Department of Energy) funds. One position will be hired to support this program.

**FY13-FY16 Authorized Budget by Allocation** (in thousands of \$)

University/Campus	FY13 BOR Authorized			FY14 BOR Authorized			FY15 BOR Authorized			FY16 BOR Authorized		
	State Approp. (UGF) <sup>(1)</sup>	Non-State Funding (DGF, Fed, Other) <sup>(2)</sup>	Total Funds	State Approp. (UGF) <sup>(1)</sup>	Non-State Funding (DGF, Fed, Other) <sup>(2)</sup>	Total Funds	State Approp. (UGF) <sup>(1)</sup>	Non-State Funding (DGF, Fed, Other) <sup>(2)</sup>	Total Funds	State Approp. (UGF) <sup>(1)</sup>	Non-State Funding (DGF, Fed, Other) <sup>(2)</sup>	Total Funds
<b>Systemwide Components Summary</b>												
Reduct's & Addt's	1.0	15,001.1	15,002.1	0.8	(1,498.9)	(1,498.1)		0.6	0.6		0.4	0.4
Total Sysbra	1.0	15,001.1	15,002.1	0.8	(1,498.9)	(1,498.1)		0.6	0.6		0.4	0.4
<b>Statewide Programs &amp; Services</b>												
Statewide Services	15,849.7	24,756.7	40,606.4	16,387.4	23,316.6	39,704.0	15,958.6	22,108.8	38,067.4	12,683.8	21,804.4	34,488.2
Office Info. Tech.	11,371.0	11,537.7	22,908.7	11,538.1	8,255.0	19,793.1	11,121.4	8,681.4	19,802.8	9,620.9	9,495.3	19,116.2
System Education & Outreach	1,830.1	11,912.4	13,742.5	1,500.3	9,919.7	11,420.0	1,288.9	10,902.1	12,191.0	1,153.7	9,797.5	10,951.2
Total SPS	29,050.8	48,206.8	77,257.6	29,425.8	41,491.3	70,917.1	28,368.9	41,692.3	70,061.2	23,458.4	41,097.2	64,555.6
<b>University of Alaska Anchorage</b>												
Anchorage Campus	111,725.6	157,911.9	269,637.5	114,920.6	158,753.8	273,674.4	113,309.3	161,457.1	274,766.4	107,884.0	165,738.1	273,622.1
Small Business Development Ctr	807.2	2,109.0	2,916.2	1,163.3	2,109.0	3,272.3	1,103.4	2,109.0	3,212.4	1,031.5	2,146.6	3,178.1
Kenai Peninsula College	7,339.5	6,718.6	14,058.1	7,902.5	8,661.9	16,564.4	7,651.8	9,305.4	16,957.2	7,249.5	9,648.4	16,897.9
Kodiak College	2,897.4	1,656.9	4,554.3	2,951.6	2,078.1	5,029.7	2,848.3	3,054.8	5,903.1	2,717.4	3,416.3	6,133.7
Mat-Su College	4,720.4	5,838.7	10,559.1	5,039.9	5,865.1	10,905.0	5,444.2	5,999.2	11,443.4	5,204.4	6,321.0	11,525.4
Prince William Sound College	3,399.6	4,070.0	7,469.6	3,746.9	4,028.7	7,775.6	3,430.5	4,388.8	7,819.3	3,298.3	4,303.5	7,601.8
Total UAA	130,889.7	178,305.1	309,194.8	135,724.8	181,496.6	317,221.4	133,787.5	186,314.3	320,101.8	127,385.1	191,573.9	318,959.0
<b>University of Alaska Fairbanks</b>												
Fairbanks Campus	119,647.1	143,183.6	262,830.7	124,659.8	136,241.1	260,900.9	127,916.8	143,749.5	271,666.3	129,492.8	153,495.5	282,988.3
Fairbanks Org. Res.	22,672.8	119,460.1	142,132.9	23,748.7	123,939.3	147,688.0	24,443.5	119,480.3	143,923.8	23,616.8	119,834.9	143,451.7
Coop. Ext. Service	5,062.3	6,024.3	11,086.6	5,183.0	6,145.0	11,328.0	4,499.9	6,235.9	10,735.8			
Bristol Bay	1,456.1	2,403.8	3,859.9	1,718.7	2,512.7	4,231.4	1,550.2	2,607.5	4,157.7	1,412.0	2,673.2	4,085.2
Chukchi Campus	1,049.0	1,320.9	2,369.9	1,093.3	1,404.7	2,498.0	1,058.6	1,427.7	2,486.3	970.8	1,462.3	2,433.1
Interior Alaska Campus	1,904.0	4,305.6	6,209.6	1,977.4	4,298.0	6,275.4	1,916.6	3,869.6	5,786.2	1,655.9	4,033.8	5,689.7
Kuskokwim Campus	3,356.6	3,371.3	6,727.9	3,655.6	3,546.8	7,202.4	3,425.6	3,474.5	6,900.1	3,000.8	3,565.5	6,566.3
Northwest Campus	1,798.7	1,339.0	3,137.7	1,853.1	1,378.2	3,231.3	1,782.6	2,865.7	4,648.3	1,521.4	2,939.2	4,460.6
Col. of Rural & Comm. Dev.	6,262.0	7,107.1	13,369.1	6,467.9	5,724.0	12,191.9	6,434.7	5,188.7	11,623.4	5,406.7	5,145.3	10,552.0
UAF Comm. & Tech. College	6,205.3	7,942.3	14,147.6	6,471.4	8,130.4	14,601.8	6,262.9	8,194.1	14,457.0	5,713.7	8,615.6	14,329.3
Total UAF	169,413.9	296,458.0	465,871.9	176,828.9	293,320.2	470,149.1	179,291.4	297,093.5	476,384.9	172,790.9	301,765.3	474,556.2
<b>University of Alaska Southeast</b>												
Juneau Campus	22,687.2	21,866.7	44,553.9	23,360.9	20,474.8	43,835.7	22,921.9	21,556.4	44,478.3	21,297.2	22,466.3	43,763.5
Ketchikan Campus	2,758.3	3,034.2	5,792.5	2,789.9	2,867.0	5,656.9	2,697.4	2,883.3	5,580.7	2,564.2	2,966.9	5,531.1
Sitka Campus	3,463.8	4,691.4	8,155.2	3,655.6	4,746.8	8,402.4	3,532.6	4,723.6	8,256.2	3,291.2	4,936.8	8,228.0
Total UAS	28,909.3	29,592.3	58,501.6	29,806.4	28,088.6	57,895.0	29,151.9	29,163.3	58,315.2	27,152.6	30,370.0	57,522.6
<b>Total University</b>	<b>358,264.7</b>	<b>567,563.3</b>	<b>925,828.0</b>	<b>376,703.9</b>	<b>537,518.8</b>	<b>914,222.7</b>	<b>370,599.7</b>	<b>554,264.0</b>	<b>924,863.7</b>	<b>350,787.0</b>	<b>564,806.8</b>	<b>915,593.8</b>

(1) UGF - Unrestricted General Funds;

(2) DGF - Designated General Funds (University Receipts, Technical and Vocational Education Program); Fed - Federal Funds; and Other: State Inter-Agency Receipts, Mental Health Trust Authority Authorized Receipts, CIP Receipts, and UA Intra-Agency Receipts.

# State of Alaska

*Bill Walker, Governor*

*Office of Management and Budget*

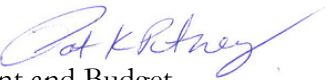
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## MEMORANDUM

**To:** Commissioners, Executive Directors, and Administrative Services Directors

**From:** Pat Pitney, Director   
Office of Management and Budget

**Date:** July 16, 2015

**Subject:** 10-year Fiscal Plan Executive and Department Summary and FY2017 Budget Development Instructions

This memorandum provides guidance on:

- (1) 10-year fiscal plan executive and department summary development, and
- (2) FY2017 budget development

In light of the continuing low price of oil, the Office of Management and Budget (OMB) is providing two unrestricted general fund (UGF) scenarios for departments to use as targets in developing both their 10-year fiscal plan and FY2017 budget scenario plans. OMB requests that departments focus their efforts in describing how their department will meet the challenge of maximizing service delivery within the constraints of the two budget scenarios and describe what programs or services will be maintained and what programs or services will be discontinued or reduced.

### **I. 10-Year Fiscal Plan Preparation and Submission**

The Executive Budget Act requires OMB to develop a 10-year fiscal plan. This year, the 10-year fiscal planning process will be used in tandem with the FY2017 budget development process.

Department narrative submitted to OMB by **August 23, 2015** will be used to prepare the executive summary and department level 10-year fiscal plan which will be completed by September 15, 2015.



Attached are two 10-year unrestricted general fund UGF budget scenarios. Projections for each agency will be rolled up and published in two separate tables for each agency to reflect the attached scenarios:

**1. 14% Reduction Scenario** – This scenario reduces the UGF operating budget by an additional 3.3% in FY2017 and 2% in FY18, which along with the 9.2% reduction in FY16, is a total reduction of 14% from FY15 management plan. Agency reduction targets range from 0%-20% from FY16 to FY17 and between 7% and 50% from FY15 through FY2019. Keep in mind, these are planning scenarios and do not denote a decision for FY17 or FY18 budgets.

**2. Flat Scenario** – This scenario maintains UGF funding levels at the FY16 level through FY18.

To put these projections into perspective, below is the stated goal of the 10-year fiscal plan:

- *The plan's primary goal is to inform Alaskans on the State's long-term fiscal situation given the circumstances that are known today. The intent is to provide the public with the knowledge of the state's long-term fiscal outlook which will in turn inform spending decisions by putting them into a long-term context.*

It is a statutory requirement that expenditure projections must balance to the available revenue sources over the 10-year period. Lower oil prices will significantly impact the available revenue and the draws on reserves. OMB will use the Department of Revenue's 10-year revenue projections when the Fall 2015 forecast is released in early December. Departments should consider the reduced revenue picture in evaluating future planning needs.

OMB will rely on departments to provide their best estimates of future existing program costs and the costs of any proposed initiatives over the 10-year period covering FY2017-FY2026. The current level of service budget which will be used as the baseline is FY2016 Authorized.

Where maintenance of FY2016 level of service is not possible within the scenario targets, agencies should describe the impact to service levels, and how the agency proposes to meet the target. Please note: OMB anticipates that the UGF capital budget for FY2017-FY2019 will not likely exceed \$150 million. Any change to the deferred maintenance appropriation level will be done at the statewide level. Continue to document the deferred maintenance expenditure and backlog information as usual.

For each scenario, departments must submit two items to OMB by **August 23, 2015**:

1. **Department level 10 year-plan summary** in narrative format as a Word document. Please use Garamond 12 font and round bullets. For examples, look at the first several pages of the 10-Year Plans by Department at: <https://www.omb.alaska.gov/html/information/10-year-plan/fy15-10-year-plan.html>. Include the mission, core services and narrative at the department level and for each program or component that will have a significant budget

impact. Also include any assumptions and rates (such as inflation or population growth) and the source used. Do not include inflation or bargaining unit terms in personal service costs. Unless approved, do not include one-time items, programs that will sunset, or RPLs, or supplemental requests.

2. **Department level Budget Summary by fund group** as an Excel document. Use the attached spreadsheet template to show the funding level by fund group and by Operations, Formula Programs, Non-formula, and Capital appropriations. The Total Appropriation amount should automatically calculate through a formula.

Departments must describe service delivery, system, or process changes and how they will do business differently to meet the budget targets for each of these budget scenarios. Among the questions that departments should answer are:

- What high priority programs will be maintained?
- What lower priority programs should be terminated?
- What are the impacts to programs and services?
- What other funding sources are available or may be impacted?
- What system or process efficiencies can be implemented?

As in previous years, OMB will work directly with key department contacts for projections on certain statewide items (so do not include them on your fiscal plan scenarios). These items include projections of debt payments, all fund capitalizations, future bargaining unit terms, direct appropriations to retirement systems, municipal revenue sharing, and oil and gas tax credits. The department-wide fuel allocation will be discontinued and is excluded from the current level of service agency budgets.

Details relating to additional work on the 10-year plan in the ABS Fiscal Plan Module will be provided at a later date.

We look forward to receiving your projections and discussing them with you. For your reference, pertinent portions of AS 37.07.020(b) are attached to this memorandum. If you have questions, please contact Mike Barnhill at [mike.barnhill@alaska.gov](mailto:mike.barnhill@alaska.gov).

## **II. FY2017 Budget Development**

Based on the FY2017 department target appropriation level, departments will present the FY2017 proposed budget changes in a one hour meeting during the months of August and September. These meetings will include the budget change proposals for the departments' independent agencies – a separate meeting will not be scheduled. While these meetings are of relatively short duration, additional budget meetings will be scheduled as needed. Meetings on select topics of particular budget or policy interest will also be scheduled separately. For example, separate meetings may be

scheduled for the Alaska Marine Highway System, Medicaid, Criminal Justice, Workforce Development, etc. and may involve several departments.

Change records and capital projects should be submitted in ABS to OMB prior to the department meeting. These can be submitted at the RDU/appropriation level with detail by component or allocation submitted when the final approved submission to OMB is due.

For planning purposes, please be planning to discuss each of the following topics for approximately 15 minutes each:

- a) Using the narrative submitted **August 23, 2015** as part of the 10-year plan fiscal development (in section I), discuss how to meet the FY2017-FY2026 target budget at the department level. How will the department change organizationally or in the services provided, what programs and services will be maintained, what will be discontinued, and what are the issues or high risk areas/projects? Include department mission considerations, 2-3 key performance indicators, and general statutes/regulations that impact the budget or services provided. Include cross-department efficiencies, revenue, spending reductions, or consolidation opportunities.
- b) Using the narrative submitted **August 23, 2015** as part of the 10-year plan fiscal development (in section I) and the change records/capital projects submitted in ABS, discuss how the department will meet the FY2017 and FY2018 budget targets and the resulting impacts to service levels at the appropriation/allocation (RDU/component) level.
- c) Using the change records/capital projects submitted in ABS, discuss the specific operating changes and capital project proposals and the amount, fund source, and number of positions. Include any fee/revenue, organizational, policy, and specific statute/regulation changes needed. Also discuss any critical high-risk deferred maintenance needs, available capital balances, and fund/account balance issues. Be able to differentiate between reductions to state services versus reductions to services provided by non-state entities (grants/contracts). Also discuss any potential supplementals and measures being taken to avoid them.
- d) Conclusion. Additional information, opportunities, or final thoughts regarding the department budget proposal.

You will be contacted to schedule your department budget meeting. If you have questions regarding the FY2017 budget development instructions please contact your OMB budget analyst.

cc: OMB ABS Contacts

Attachment: Executive Budget Act AS 37.07.020(b)

Reduction Scenario (UGF)

	FY 2015 Mgmt Plan	FY 2016 Enacted	Allocation of FY16 Unallocated Reduction	FY 2016 Enacted w/ Reduction	reduction from FY15	FY 2017	\$ reduction from FY16	% reduction from FY16	FY 2018	reduction from FY17	reduction from FY15	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
	<b>\$5,422,968.3</b>	<b>\$5,061,740.0</b>		<b>\$5,061,740.0</b>		<b>\$4,909,893.4</b>			<b>\$4,814,125.3</b>			<b>\$4,752,925.3</b>	<b>\$4,821,553.4</b>	<b>\$4,882,134.7</b>	<b>\$4,954,392.0</b>	<b>\$5,027,948.0</b>	<b>\$5,097,826.3</b>	<b>\$5,173,150.5</b>
Administration NonFormula	\$86,030.2	\$76,383.9	-\$1,216.6	\$75,167.3	-12.6%	\$71,408.94	-\$3,758.37	-5.0%	\$69,266.67	-3.0%	-19.5%	\$69,266.7	\$70,513.5	\$71,782.7	\$73,074.8	\$74,390.1	\$75,729.2	\$77,092.3
Administration Formula	\$2,148.1	\$2,026.3	\$0.0	\$2,026.3	-5.7%	\$1,924.99	-\$101.32	-5.0%	\$1,867.24	-3.0%	-13.1%	\$1,867.2	\$1,900.8	\$1,935.1	\$1,969.9	\$2,005.4	\$2,041.4	\$2,078.2
Commerce	\$40,454.3	\$27,707.3	-\$1,100.0	\$26,607.3	-34.2%	\$21,285.84	-\$5,321.46	-20.0%	\$20,647.26	-3.0%	-49.0%	\$20,647.3	\$21,018.9	\$21,397.3	\$21,782.4	\$22,174.5	\$22,573.6	\$22,980.0
Corrections	\$297,654.4	\$281,178.0	-\$3,891.5	\$277,286.5	-6.8%	\$268,967.91	-\$8,318.60	-3.0%	\$260,898.87	-3.0%	-12.3%	\$260,898.9	\$265,595.0	\$270,375.8	\$275,242.5	\$280,196.9	\$285,240.4	\$290,374.8
Educ & Early Devel NonFormula	\$57,419.6	\$42,363.3	-\$674.8	\$41,688.5	-27.4%	\$37,519.65	-\$4,168.85	-10.0%	\$36,394.06	-3.0%	-36.6%	\$36,394.1	\$37,049.2	\$37,716.0	\$38,394.9	\$39,086.0	\$39,789.6	\$40,505.8
Educ & Early Devel Formula	\$1,351,502.2	\$1,259,958.6	\$0.0	\$1,259,958.6	-6.8%	\$1,259,958.60	\$0.00	0.0%	\$1,259,958.60	0.0%	-6.8%	\$1,259,958.6	\$1,282,637.9	\$1,305,725.3	\$1,329,228.4	\$1,353,154.5	\$1,377,511.3	\$1,402,306.5
Environ Conservation	\$22,472.1	\$20,468.5	-\$375.2	\$20,093.3	-10.6%	\$18,083.97	-\$2,009.33	-10.0%	\$17,541.45	-3.0%	-21.9%	\$17,541.5	\$17,857.2	\$18,178.6	\$18,505.8	\$18,838.9	\$19,178.0	\$19,523.3
Fish and Game	\$79,387.8	\$66,443.3	-\$1,347.9	\$65,095.4	-18.0%	\$58,585.86	-\$6,509.54	-10.0%	\$56,828.28	-3.0%	-28.4%	\$56,828.3	\$57,851.2	\$58,892.5	\$59,952.6	\$61,031.7	\$62,130.3	\$63,248.6
Governor	\$33,609.5	\$23,538.9	-\$388.9	\$23,150.0	-31.1%	\$22,687.00	-\$463.00	-2.0%	\$22,006.39	-3.0%	-34.5%	\$22,006.4	\$22,402.5	\$22,805.8	\$23,216.3	\$23,634.1	\$24,059.6	\$24,492.6
Health & Social Svcs NonFormula	\$388,277.2	\$368,277.9	-\$5,864.3	\$362,413.6	-6.7%	\$355,165.33	-\$7,248.27	-2.0%	\$344,510.37	-3.0%	-11.3%	\$344,510.4	\$350,711.6	\$357,024.4	\$363,450.8	\$369,992.9	\$376,652.8	\$383,432.5
Health & Social Svcs Formula	\$865,373.0	\$802,836.1	\$0.0	\$802,836.1	-7.2%	\$762,694.30	-\$40,141.81	-5.0%	\$739,813.47	-3.0%	-14.5%	\$739,813.5	\$753,130.1	\$766,686.5	\$780,486.8	\$794,535.6	\$808,837.2	\$823,396.3
Labor & Workforce	\$33,448.0	\$26,249.6	-\$418.1	\$25,831.5	-22.8%	\$25,056.56	-\$774.95	-3.0%	\$24,304.86	-3.0%	-27.3%	\$24,304.9	\$24,742.3	\$25,187.7	\$25,641.1	\$26,102.6	\$26,572.5	\$27,050.8
Law	\$61,275.3	\$53,973.3	-\$927.7	\$53,045.6	-13.4%	\$50,393.32	-\$2,652.28	-5.0%	\$48,881.52	-3.0%	-20.2%	\$48,881.5	\$49,761.4	\$50,657.1	\$51,568.9	\$52,497.2	\$53,442.1	\$54,404.1
Military & Veterans Affairs NonFormula	\$18,105.3	\$16,765.8	-\$274.2	\$16,491.6	-8.9%	\$15,996.85	-\$494.75	-3.0%	\$15,516.95	-3.0%	-14.3%	\$15,516.9	\$15,796.3	\$16,080.6	\$16,370.0	\$16,664.7	\$16,964.7	\$17,270.0
Alaska Aerospace Corp	\$6,084.3	\$100.2	-\$100.2	\$0.0	-100.0%	\$0.00	\$0.00	0.0%	\$0.00	0.0%	-100.0%	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Military & Veterans Affairs Formula	\$627.3	\$734.5	\$0.0	\$734.5	17.1%	\$697.78	-\$36.73	-5.0%	\$676.84	-3.0%	7.9%	\$676.8	\$689.0	\$701.4	\$714.1	\$726.9	\$740.0	\$753.3
Natural Resources	\$88,072.8	\$71,464.3	-\$1,138.3	\$70,326.0	-20.2%	\$68,216.22	-\$2,109.78	-3.0%	\$66,169.73	-3.0%	-24.9%	\$66,169.7	\$67,360.8	\$68,573.3	\$69,807.6	\$71,064.1	\$72,343.3	\$73,645.5
Public Safety	\$171,553.2	\$163,274.3	-\$2,600.6	\$160,673.7	-6.3%	\$155,853.49	-\$4,820.21	-3.0%	\$151,177.88	-3.0%	-11.9%	\$151,177.9	\$153,899.1	\$156,669.3	\$159,489.3	\$162,360.1	\$165,282.6	\$168,257.7
Revenue	\$33,831.4	\$29,515.2	-\$532.2	\$28,983.0	-14.3%	\$28,113.51	-\$869.49	-3.0%	\$27,270.10	-3.0%	-19.4%	\$27,270.1	\$27,761.0	\$28,260.7	\$28,769.4	\$29,287.2	\$29,814.4	\$30,351.0
Transportation	\$278,604.6	\$247,963.9	-\$3,949.5	\$244,014.4	-12.4%	\$219,612.96	-\$24,401.44	-10.0%	\$213,024.57	-3.0%	-23.5%	\$213,024.6	\$216,859.0	\$220,762.5	\$224,736.2	\$228,781.5	\$232,899.5	\$237,091.7
University of Alaska	\$370,599.7	\$355,787.0	-\$5,000.0	\$350,787.0	-5.3%	\$335,001.59	-\$15,785.42	-4.5%	\$324,951.54	-3.0%	-12.3%	\$324,951.5	\$330,800.7	\$336,755.1	\$342,816.7	\$348,987.4	\$355,269.1	\$361,664.0
Judiciary	\$111,866.3	\$110,402.9	\$0.0	\$110,402.9	-1.3%	\$102,674.70	-\$7,728.20	-7.0%	\$99,594.46	-3.0%	-11.0%	\$99,594.5	\$101,387.2	\$103,212.1	\$105,069.9	\$106,961.2	\$108,886.5	\$110,846.5
Legislature	\$77,622.0	\$73,397.9	\$0.0	\$73,397.9	-5.4%	\$68,994.03	-\$4,403.87	-6.0%	\$66,924.21	-3.0%	-13.8%	\$66,924.2	\$68,128.8	\$69,355.2	\$70,603.6	\$71,874.4	\$73,168.2	\$74,485.2
Branch-wide Unallocated Approps	\$27,000.0	-\$29,800.0		\$0.0		\$0.0			\$0.0			\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Dept Operating</b>	<b>\$4,503,018.6</b>	<b>\$4,091,011.0</b>	<b>-\$29,800.0</b>	<b>\$4,091,011.0</b>	<b>-9.1%</b>	<b>\$3,948,893.4</b>	<b>-\$142,117.64</b>	<b>-3.5%</b>	<b>\$3,868,225.3</b>	<b>-2.0%</b>	<b>-14.1%</b>	<b>\$3,868,225.3</b>	<b>\$3,937,853.4</b>	<b>\$4,008,734.7</b>	<b>\$4,080,892.0</b>	<b>\$4,154,348.0</b>	<b>\$4,229,126.3</b>	<b>\$4,305,250.5</b>
<b>Summary</b>																		
Formula	\$2,219,650.6	\$2,065,555.5		\$2,065,555.5		\$2,025,275.7			\$2,002,316.1	-1.1%	-9.8%	\$2,002,316.1	\$2,038,357.8	\$2,075,048.3	\$2,112,399.1	\$2,150,422.3	\$2,189,129.9	\$2,228,534.3
NonFormula	\$2,283,368.0	\$2,025,455.5		\$2,025,455.5		\$1,923,617.7			\$1,865,909.2	-3.0%	-18.3%	\$1,865,909.2	\$1,899,495.5	\$1,933,686.5	\$1,968,492.8	\$2,003,925.7	\$2,039,996.3	\$2,076,716.3
Total Dept Operating	\$4,503,018.6	\$4,091,011.0		\$4,091,011.0		\$3,948,893.4			\$3,868,225.3		<b>3yr reduction total</b>	\$3,868,225.3	\$3,937,853.4	\$4,008,734.7	\$4,080,892.0	\$4,154,348.0	\$4,229,126.3	\$4,305,250.5
Change		-9.1%		-9.1%		-3.5%			-2.0%		<b>-14.1%</b>	0.00%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%

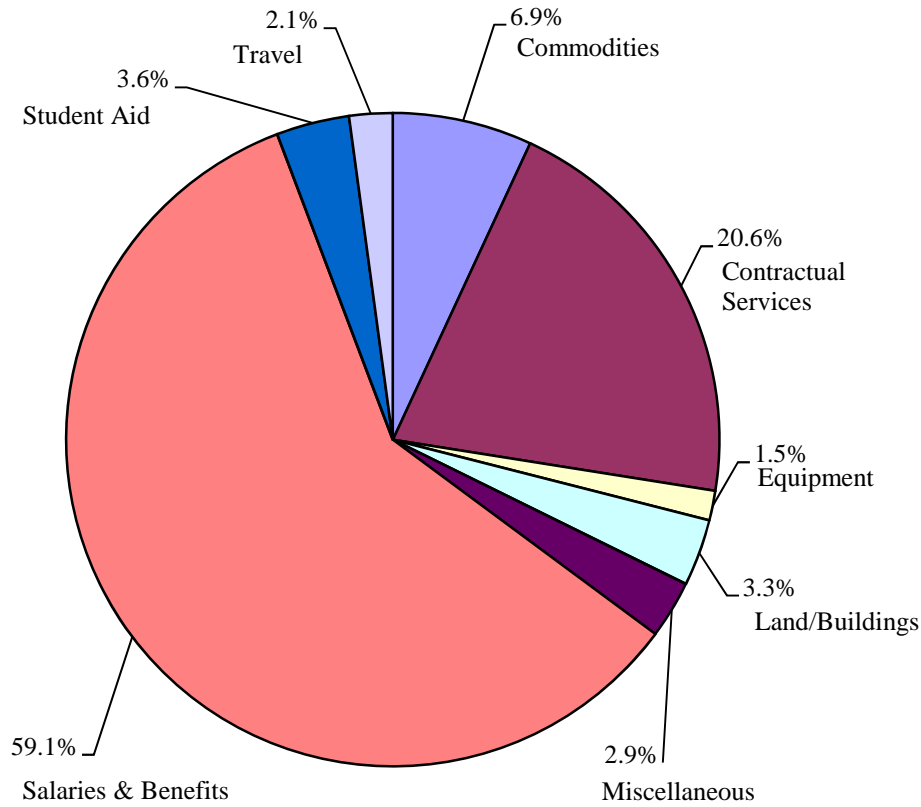
FY16 Status Quo Scenario (UGF)

	FY 2015 Mgmt Plan	FY 2016 Enacted	Allocation of FY16 Unallocated Reduction	FY 2016 Enacted w/ Reduction	reduction from FY15	FY 2017	reduction from FY16	FY 2018	reduction from FY17	reduction from FY15	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
	\$5,422,968.3	\$5,061,740.0		\$5,061,740.0		\$5,052,011.0		\$5,036,911.0			\$4,975,711.0	\$5,048,349.2	\$5,113,012.9	\$5,189,425.9	\$5,267,212.6	\$5,341,397.6	\$5,421,106.2
Administration NonFormula	\$86,030.2	\$76,383.9	-\$1,216.6	\$75,167.3	-12.6%	\$75,167.30	0.0%	\$75,167.30	0.0%	-12.6%	\$75,167.3	\$76,520.3	\$77,897.7	\$79,299.8	\$80,727.2	\$82,180.3	\$83,659.6
Administration Formula	\$2,148.1	\$2,026.3	\$0.0	\$2,026.3	-5.7%	\$2,026.30	0.0%	\$2,026.30	0.0%	-5.7%	\$2,026.3	\$2,062.8	\$2,099.9	\$2,137.7	\$2,176.2	\$2,215.4	\$2,255.2
Commerce	\$40,454.3	\$27,707.3	-\$1,100.0	\$26,607.3	-34.2%	\$26,607.30	0.0%	\$26,607.30	0.0%	-34.2%	\$26,607.3	\$27,086.2	\$27,573.8	\$28,070.1	\$28,575.4	\$29,089.7	\$29,613.3
Corrections	\$297,654.4	\$281,178.0	-\$3,891.5	\$277,286.5	-6.8%	\$277,286.50	0.0%	\$277,286.50	0.0%	-6.8%	\$277,286.5	\$282,277.7	\$287,358.7	\$292,531.1	\$297,796.7	\$303,157.0	\$308,613.8
Educ & Early Devel NonFormula	\$57,419.6	\$42,363.3	-\$674.8	\$41,688.5	-27.4%	\$41,688.50	0.0%	\$41,688.50	0.0%	-27.4%	\$41,688.5	\$42,438.9	\$43,202.8	\$43,980.4	\$44,772.1	\$45,578.0	\$46,398.4
Educ & Early Devel Formula	\$1,351,502.2	\$1,259,958.6	\$0.0	\$1,259,958.6	-6.8%	\$1,259,958.60	0.0%	\$1,259,958.60	0.0%	-6.8%	\$1,259,958.6	\$1,282,637.9	\$1,305,725.3	\$1,329,228.4	\$1,353,154.5	\$1,377,511.3	\$1,402,306.5
Environ Conservation	\$22,472.1	\$20,468.5	-\$375.2	\$20,093.3	-10.6%	\$20,093.30	0.0%	\$20,093.30	0.0%	-10.6%	\$20,093.3	\$20,455.0	\$20,823.2	\$21,198.0	\$21,579.5	\$21,968.0	\$22,363.4
Fish and Game	\$79,387.8	\$66,443.3	-\$1,347.9	\$65,095.4	-18.0%	\$65,095.40	0.0%	\$65,095.40	0.0%	-18.0%	\$65,095.4	\$66,267.1	\$67,459.9	\$68,674.2	\$69,910.3	\$71,168.7	\$72,449.8
Governor	\$33,609.5	\$23,538.9	-\$388.9	\$23,150.0	-31.1%	\$23,150.00	0.0%	\$23,150.00	0.0%	-31.1%	\$23,150.0	\$23,566.7	\$23,990.9	\$24,422.7	\$24,862.3	\$25,309.9	\$25,765.4
Health & Social Svcs NonFormula	\$388,277.2	\$368,277.9	-\$5,864.3	\$362,413.6	-6.7%	\$362,413.60	0.0%	\$362,413.60	0.0%	-6.7%	\$362,413.6	\$368,937.0	\$375,577.9	\$382,338.3	\$389,220.4	\$396,226.4	\$403,358.4
Health & Social Svcs Formula	\$865,373.0	\$802,836.1	\$0.0	\$802,836.1	-7.2%	\$802,836.10	0.0%	\$802,836.10	0.0%	-7.2%	\$802,836.1	\$817,287.1	\$831,998.3	\$846,974.3	\$862,219.8	\$877,739.8	\$893,539.1
Labor & Workforce	\$33,448.0	\$26,249.6	-\$418.1	\$25,831.5	-22.8%	\$25,831.50	0.0%	\$25,831.50	0.0%	-22.8%	\$25,831.5	\$26,296.5	\$26,769.8	\$27,251.7	\$27,742.2	\$28,241.5	\$28,749.9
Law	\$61,275.3	\$53,973.3	-\$927.7	\$53,045.6	-13.4%	\$53,045.60	0.0%	\$53,045.60	0.0%	-13.4%	\$53,045.6	\$54,000.4	\$54,972.4	\$55,961.9	\$56,969.2	\$57,994.7	\$59,038.6
Military & Veterans Affairs NonFormula	\$18,105.3	\$16,765.8	-\$274.2	\$16,491.6	-8.9%	\$16,491.60	0.0%	\$16,491.60	0.0%	-8.9%	\$16,491.6	\$16,788.4	\$17,090.6	\$17,398.3	\$17,711.4	\$18,030.2	\$18,354.8
Alaska Aerospace Corp	\$6,084.3	\$100.2	-\$100.2	\$0.0	-100.0%	\$0.00	0.0%	\$0.00	0.0%	-100.0%	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Military & Veterans Affairs Formula	\$627.3	\$734.5	\$0.0	\$734.5	17.1%	\$734.50	0.0%	\$734.50	0.0%	17.1%	\$734.5	\$747.7	\$761.2	\$774.9	\$788.8	\$803.0	\$817.5
Natural Resources	\$88,072.8	\$71,464.3	-\$1,138.3	\$70,326.0	-20.2%	\$70,326.00	0.0%	\$70,326.00	0.0%	-20.2%	\$70,326.0	\$71,591.9	\$72,880.5	\$74,192.4	\$75,527.8	\$76,887.3	\$78,271.3
Public Safety	\$171,553.2	\$163,274.3	-\$2,600.6	\$160,673.7	-6.3%	\$160,673.70	0.0%	\$160,673.70	0.0%	-6.3%	\$160,673.7	\$163,565.8	\$166,510.0	\$169,507.2	\$172,558.3	\$175,664.4	\$178,826.3
Revenue	\$33,831.4	\$29,515.2	-\$532.2	\$28,983.0	-14.3%	\$28,983.00	0.0%	\$28,983.00	0.0%	-14.3%	\$28,983.0	\$29,504.7	\$30,035.8	\$30,576.4	\$31,126.8	\$31,687.1	\$32,257.4
Transportation	\$278,604.6	\$247,963.9	-\$3,949.5	\$244,014.4	-12.4%	\$244,014.40	0.0%	\$244,014.40	0.0%	-12.4%	\$244,014.4	\$248,406.7	\$252,878.0	\$257,429.8	\$262,063.5	\$266,780.7	\$271,582.7
University of Alaska	\$370,599.7	\$355,787.0	-\$5,000.0	\$350,787.0	-5.3%	\$350,787.00	0.0%	\$350,787.00	0.0%	-5.3%	\$350,787.0	\$357,101.2	\$363,529.0	\$370,072.5	\$376,733.8	\$383,515.0	\$390,418.3
Judiciary	\$111,866.3	\$110,402.9	\$0.0	\$110,402.9	-1.3%	\$110,402.90	0.0%	\$110,402.90	0.0%	-1.3%	\$110,402.9	\$112,390.2	\$114,413.2	\$116,472.6	\$118,569.1	\$120,703.4	\$122,876.0
Legislature	\$77,622.0	\$73,397.9	\$0.0	\$73,397.9	-5.4%	\$73,397.90	0.0%	\$73,397.90	0.0%	-5.4%	\$73,397.9	\$74,719.1	\$76,064.0	\$77,433.2	\$78,827.0	\$80,245.8	\$81,690.3
Branch-wide Unallocated Approps	\$27,000.0	-\$29,800.0		\$0.0		\$0.00		\$0.00			\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Dept Operating</b>	<b>\$4,503,018.6</b>	<b>\$4,091,011.0</b>	<b>-\$29,800.0</b>	<b>\$4,091,011.0</b>		<b>\$4,091,011.0</b>		<b>\$4,091,011.0</b>			<b>\$4,091,011.0</b>	<b>\$4,164,649.2</b>	<b>\$4,239,612.9</b>	<b>\$4,315,925.9</b>	<b>\$4,393,612.6</b>	<b>\$4,472,697.6</b>	<b>\$4,553,206.2</b>
<b>Summary</b>																	
Formula	\$2,219,650.6	\$2,065,555.5		\$2,065,555.5		\$2,065,555.5		\$2,065,555.5			\$2,065,555.5	\$2,102,735.5	\$2,140,584.7	\$2,179,115.3	\$2,218,339.3	\$2,258,269.4	\$2,298,918.3
NonFormula	\$2,283,368.0	\$2,025,455.5		\$2,025,455.5		\$2,025,455.5		\$2,025,455.5			\$2,025,455.5	\$2,061,913.7	\$2,099,028.1	\$2,136,810.7	\$2,175,273.2	\$2,214,428.2	\$2,254,287.9
Total Dept Operating	\$4,503,018.6	\$4,091,011.0		\$4,091,011.0		\$4,091,011.0		\$4,091,011.0	<b>3yr reduction total</b>		\$4,091,011.0	\$4,164,649.2	\$4,239,612.9	\$4,315,925.9	\$4,393,612.6	\$4,472,697.6	\$4,553,206.2
Change		-9.15%		-9.15%		0.00%		0.00%	<b>-9.15%</b>		0.00%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%

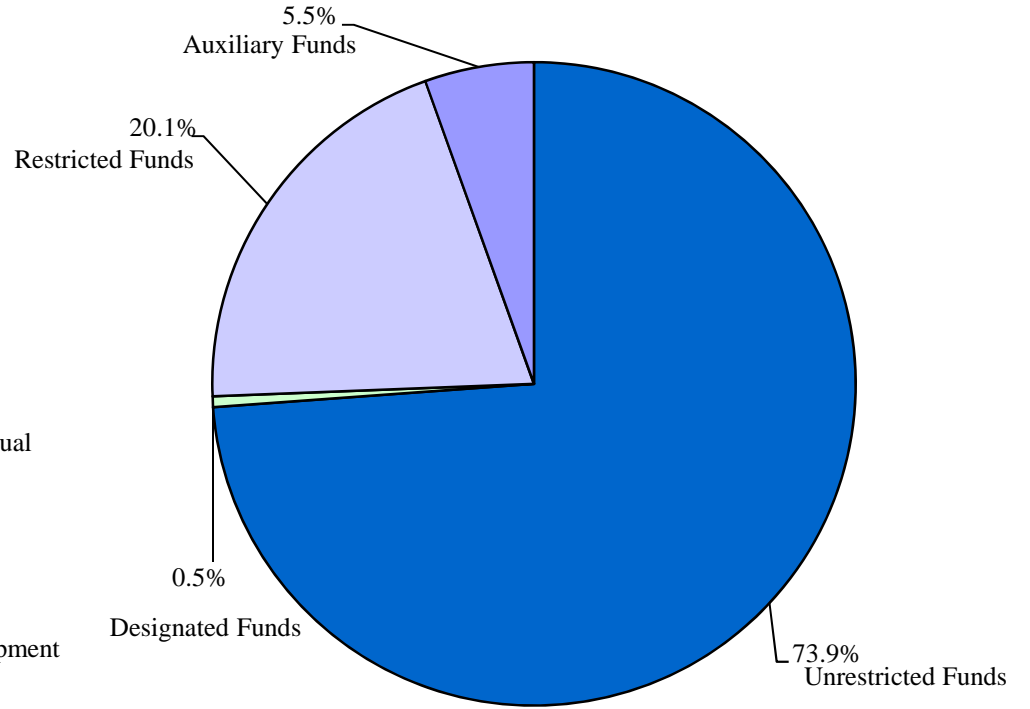
# References

# University of Alaska Expenditure by Category and Revenue by Fund Type FY15 Preliminary

Expenditure by Category

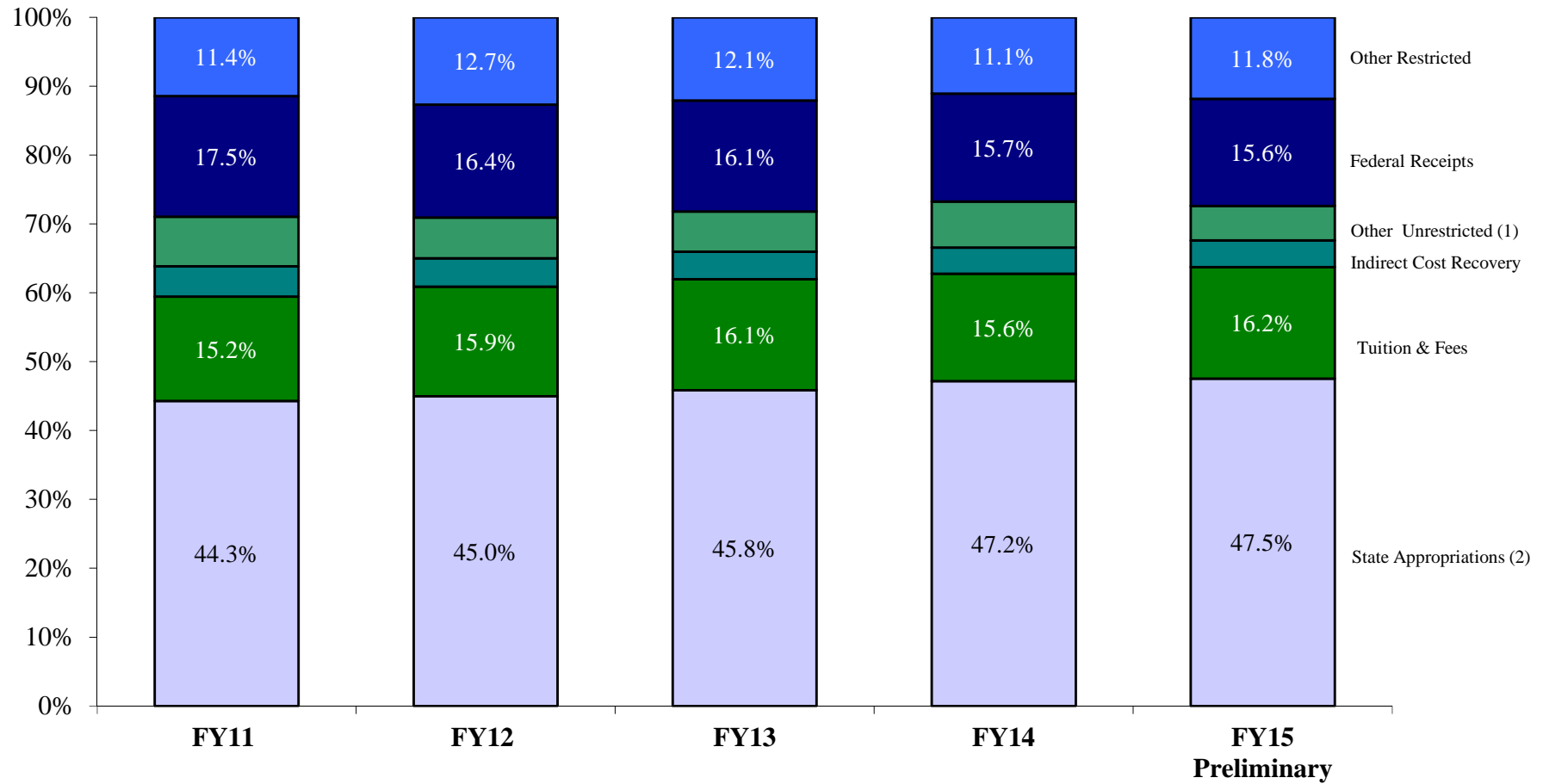


Revenue by Fund Type



Unrestricted Funds	\$623.2
Restricted Funds	169.9
Designated Funds	4.5
Auxiliary Funds	<u>46.3</u>
Sub-Total	843.9
UA Intra-Agency (UAIAR)	<u>(54.6)</u>
Total (in millions)	\$789.3

# University of Alaska Revenue by Source FY11-FY14, FY15 Preliminary



1. Other Unrestricted funds include Technical Vocational Education Program (TVEP) funds and exclude UA Intra Agency Receipts.

2. State Appropriations (unrestricted general funds) include one-time funding for utility cost increases: FY11 \$3,080.0; FY12 \$3,960.0; FY13 \$4,680.0; FY14 \$6,280.0; and FY15 \$4,590.0.



**University of Alaska  
FY16 High Demand Program Requests by Initiative**

University / Program Title	UA BOR Budget			Proposed Distribution		
	State Approp. (UGF)	Non-State Funding (DGF, Fed, Oher)	Total	State Approp. (UGF)	Non-State Funding (DGF, Fed, Oher)	Total
<b>STUDENT ADVISING AND COMPLETION</b>						
UAA Rural Student Transition Specialist (RSTS)	73.0		73.0			
UAA Center for Alaska Native Education Research	100.0		100.0			
UAF Comprehensive Rural Student Advising (BBC & KUS) Program Completion <sup>(1)</sup>	278.0		278.0	218.5		218.5
UAS Coordinator for Student First Year Experience Retention <sup>(1)</sup>	136.8		136.8	115.7		115.7
UA Degree Completion Initiative	250.0	25.0	275.0			
Student Advising and Completion Subtotal	837.8	25.0	862.8	334.2		334.2
<b>TEACHER EDUCATION</b>						
UAA Teacher Recruitment, Preparation and Mentoring	903.2	90.3	993.5			
UAF Teacher Recruitment, Preparation and Mentoring	224.4	22.4	246.8			
UAS Teacher Recruitment, Preparation and Mentoring	204.1	20.4	224.5			
SW Teacher Recruitment, Preparation and Mentoring	1,450.1	145.0	1,595.1			
Teacher Education Subtotal	2,781.8	278.1	3,059.9			
<b>HEALTH EDUCATION</b>						
UAA Alaska Health Education Center (AHEC) System: Health Workforce Pipeline	330.0		330.0			
UAF Complete the Establishment of the Collaborative 2+2 Alaska Veterinary Medicine Program with Colorado State University	200.0	241.0	441.0			
UAF Build Alaska's Undergraduate & Clinical Ph.D. Psychology Program	200.0	100.0	300.0			
Health Education Subtotal	730.0	341.0	1,071.0			
<b>FISHERIES, SEAFOOD AND MARITIME INITIATIVE (FSMI)</b>						
UAF Understanding Ocean Acidification Impact on Alaska	227.0	65.0	292.0			
UAA Vessel and Maritime Industries Workforce Coordinator	103.0	20.0	123.0			
UAS Joint Fisheries Degree UAS with UAF	77.0	19.3	96.3			
UAF Meet Alaska Commercial Seafood Processing Training	113.0	135.0	248.0			
Fisheries, Seafood and Maritime Initiative (FSMI) Subtotal	520.0	239.3	759.3			
<b>ECONOMIC DEVELOPMENT AGENDA</b>						
UAA "Innovation To Commercialization" Prototype Development	100.0		100.0			
UAF Support Core Infrastructure for Continuing the Unmanned Aircraft Systems (UAS) FAA Test Project <sup>(2)</sup>	570.0	1,000.0	1,570.0	1,862.3		1,862.3
UAF Meet Chemical Engineering Degree Commercial Demand to Support Growth of Alaska LNG/Oil/Gas Refining Industries	400.0	450.0	850.0			
UAF Research To Open Up Alaska's Rare Earth Element	150.0	150.0	300.0			
UAF Support Alaska's Participation in Arctic Policy Development	200.0		200.0			
UAF Develop Film Industry Workforce	232.0		232.0			
Economic Development Agenda Subtotal	1,652.0	1,600.0	3,252.0	1,862.3		1,862.3
<b>LEGISLATIVE PRIORITY PROGRAMS FOR UA</b>						
UAA Alaska Justice Information Center				125.0	125.0	250.0
Legislative Priority Programs for UA Subtotal				125.0	125.0	250.0
<b>FY16 High Demand Program Requests Total</b>	<b>6,521.6</b>	<b>2,483.4</b>	<b>9,005.0</b>	<b>2,321.5</b>	<b>125.0</b>	<b>2,446.5</b>

(1) Partial one-time funding in FY15;

(2) Alaska Center for Unmanned Aircraft Systems Integration (ACUASI) funding will be used to partially fund both the operating and capital program needs.