First Review of FY16 Operating Budget

Board of Regents
September 18-19, 2014
Juneau, Alaska

Prepared by Statewide Planning & Budget
450-8191

Table of Contents

Proposed FY16 Operating Budget

Introduction 1

Proposed FY16 Operating Budget Summary 3

FY16 Operating Budget Request Items 4

FY16 High Demand Program Requests 8

FY16 Operating Budget Program Descriptions 9

Operating Budget Trend by Allocation 21

Approved FY15 Operating Budget Development Guidelines 22

Office of Management and Budget (OMB) "Heads Up" Meeting Memo 25

References

FY14 Expenditures by Category and Revenue Source 31

FY10-FY14 Revenue Source Comparison 32

FY15 Operating Budget Program Funding Summary 33

University of Alaska
Proposed FY16 Operating Budget

- Continue emphasis on efficient and effective student enrollment, advising, retention, and timely completion at all levels (complete the advising initiative). Indicators are strongly positive, even best ever.
- Prepare Alaskans for well-paying jobs. (Engineering, fisheries, mining, health).Certificates have reached their greatest yet.

Prior to the Board approving the budget on November 5, 2014, program request amounts and descriptions will be further refined. Program descriptions begin on page 9.

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 FY16 compensation estimate:
  - Incremental salary and benefit increases for Local 6070, UNAC, UNAD, non-bargaining staff, and temporary labor.
  - The UA Federation of Teachers (UAFT) contract. It expires on December 31, 2014 and bargaining is continuing for FY16. Therefore, no request will be included in the budget until a collective bargaining agreement has been negotiated and ratified for this unit and approved by the Board of Regents.
  - A student employee pay increase, dollar amount to be determined.
- Retirement rates are expected to remain the same
- Additional must pay fixed cost increases include:
  -

	State Approp.	Rcpt. Auth.	Total
Base - FY15 Operating Budget	373,845.1	546,090.0	919,935.1
Adjusted Base Requirements			
Compensation by Employee Group			
UA Federation of Teachers (UAFT)[1]	-	-	-
Local 6070	310.0	310.0	620.0
United Academics Faculty (UNAC)	1,660.0	1,660.0	3,320.0
UA Adjuncts (UNAD)	178.4	178.4	356.8
Fairbanks Firefighters Union (FFU)	21.7	21.7	43.4
UA Staff	3,866.5	3,866.5	7,733.0
Student Employees[2]			-
Temporary Employees	165.8	165.8	331.6
Subtotal - FY16 Compensation Increase	6,202.4	6,202.4	12,404.8
Additional Operating Cost Increases			
Utility Cost Increases[3]	3,100.0	1,600.0	4,700.0
Facility Maintenance and Repair	2,028.5	2,028.5	4,057.0
New Facilities Estimated Operating Costs	2,742.8	1,652.0	4,394.8
UAA Alaska Airline Center	1,120.0		1,120.0
UAA Engineering and Industry Building	1,622.8		1,622.8

x-non3D3.97D 60 5F2D05.19x-non3D3.97D 60

University of Alaska
FY16 Operating Budget Request Items

Compensation Increases
(GF: $6,202.4, NGF: $6,202.4, Total: $12,404.8)

The compensation estimate includes the FY16 contract renewal amount for Local 6370 United Academics Faculty (UNAC), UA Adjuncts (UNAD), and Fairbanks Firefighters Union (FFU). Upon the recommendation and support of the Chancellors, President Gamble is recommending to the Board of Regents a raise for the UA staff of 3.1% for FY16.

Also included in the request is a minimal grid increase for temporary employees as well as a placeholder for the cost impact of a student employee pay increase. Both categories received no increases in 2015

The contract for UA Federation of Teachers (UAFT) expires on December 31, 2014 and bargaining is continuing for FY16. Therefore, no request will be included in the budget until a collect-13 he costb ofngnto baub8( )10r(e)14(no)10( )]TJ -9.12 b(s)8( )13(e)4()10(6)10(c(c)14(o)10

FY16 Operating Budget Request Items (continued)

The State of Alaska has the highest rate of sexual and domestic violence in the country. As such, these challenges affect a significant portion of the UAS campus communities and distance education locations off campus. Title IX mitigates the detrimental effects of these challenges, as required by law, by conducting promotes, fair and impartial investigations and works to remedy the effects of harassment and preventing the recurrence. Federal requirements are increasing and the establishment of full W L P H S R V L W L R Q Z L O O P D [L P L] H W K H L Q V W L W requirements, educate constituents of their rights/ responsibilities and take necessary steps to prevent the recurrence. In ensuring a safe campus for employees, students and the public, this effort impacts the UAS core themes of Student Success, Teaching and Learning, and Community Engagement.

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, community support organizations.

- UAS Disability Support Coordinator
  (GF: $82.2, NGF: $0.0, Total: $82.2)
  Students seeking accommodations for disabilities are one of the fastest growing sub-populations at UAS. On the Juneau campus, there has been a 73% increase in requests from 2009 to 2012. This request for ongoing funds will replace the one-time funding provided by the Alaska legislature in FY15.

  Federal ADA guidelines now require Disability Services Offices to start the process of accommodation for students with disabilities before official documentation is provided. This significantly increased the workload in the Disability Services Office, and UAS anticipates that this upward trend will continue in future years. Currently UAS has a .5 FTE professional staff dedicated to providing this service. In order to meet student need, and additional 1.0 FTE is needed. The campus has been utilizing temporary hires to meet current need.

  This position will assist in building retention among students with disabilities: Increase both credit hours and completion rates; Engage students upon their entry to the UA System and give them a solid basis from which to determine what program of study they need and the tools with which to complete the program. Align with three UAS strategic plan core themes: Student Success: Directly provides necessary services for successful completion of courses; Teaching and Learning: By connecting students with disabilities prior to the beginning of their classes Disability Support is able to connect with both the student and their instructors to confirm any additional support needed;

more students into upper division courses, (3) and more students taking distance learning courses and increased instructor required out-of-classroom learning activities, which require greater individualized interpreting time and therefore expense. As seen nationally, the increased demand for interpreting services is expected to continue.

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 DSS is charged with providing academic adjustments for all qualified students with documented disabilities who make reasonable requests for accommodation.

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.

Funding L V U H T X H V W H G W R H Q V X U H 8 $ $ ' L V D E L O L W \ 6 X S S R U W obligations to students who are Deaf or Hard of Hearing. Failure to adequately fund appropriate and timely accommodation of students puts the institution at risk for violation of the law. This U H T X H V W F O H D U O \ F R Q W U L E X W H V W R 6 K D S L Q J $ O D V N D ¶ V Attainment as students with disabilities will not be successful in their academic pursuits if the institution is not able to mediate barriers by implementing appropriate accommodation in a timely manner.

Campus/Program Title			State Approp.	Rcpt. Auth.	Total	FT	PT
STUDENT/TEACHER							
UAA		Rural Student Transition Specialist (RSTS)	73.0		73.0		1
UAF	BBC/KU	Comprehensive Rural Student Advising	278.0		278.0	3	
UAS							

Student/Teacher
(GF: $8,021.4, NGF: $805.0, Total: $8,826.4)

- UAA Rural Student Transition Specialist (RSTS)
  (GF: $73.0, NGF: $0.0, Total: $73.0)
  The first-to- V H F R Q G \ H D U U H W H Q W L R Q U D W H D P R Q J 8 $ $ ¶ V $ O D V N
  O R Z H U W K D Q W K H L Q V W L W X W L R Q D O G U D G X D W L R Q U D W H).
  Starting in fall 2012, UAA piloted a new rural student transition program through a generous donation from the Eyak Corporation, to ensure prospective rural college bound students were
  S R V L W L Y H O \ F R Q Q H F W H G W R V X F F H V V I X O O \ D G Y
  dona-2(pe(pr)-6r10(e0.024 Tc 44.876 0 Td (to)Tj 0 Tc 9.36 0 Td (-)Tj ti)-3(p)4(r r)-6r)- onn4(ial)-3tedn

The FYE Advisor supports first year students through mentorship, programming, and significant interaction within the first year residence hall and campus events. UAS currently has a limited FYE program. The opening of the new 120-bed freshmen residence hall in fall 2014: Provides an excellent opportunity to build a FYE program among the freshmen residents, commuter freshmen and transfer and exchange students. A First Year Experience Advisor will assist in engaging these students in their programs and the university as a whole.

- UA Concurrent (Dual) Enrollment Proposal
  (GF: $3,500.0, NGF: $350.0, Total: $3,850.0
  High school student concurrent enrollment (earning high school credit and college credit
  V L P X O W D Q H R X V O \ E \ F R P S O H W L Q J D X Q L Y H U V L W \ F R X U V H
  anddecrease student indebtedness according to well documented national data. Tech-prep, college courses offered within the high schools are currently fee based and would not be included in this proposal.

  State income per capita is strongly associated with the proportion of the population with a postsecondary credential and that relationship has strengthened over the past 30 years. Alaska has not kept pace with other states on the proportion of the population with postsecondary education attainment. Many states have made progress in increasing postsecondary attainment through concurrent (dual) enrollment programs for high school students. For example, Colorado students who take dual enrollment classes are twice as likely to complete college. Washington's
  Running Start initiated by the Legislature as a component of the 1990 parent and student Learning by

$4.3M would be distributed as $1M ANTEP (placeholder amount), $0.5M paraprofessional program, $1.5M teacher prep, $100K ATP, and $700K ASMP/Admin Coaching. NGF is estimated at 10% of GF

- UA Degree Completion Initiative
  (GF: $250.0, NGF: $25.0, Total: $275.0)
  Target: Previous undergraduate students who stopped out and have not enrolled in any UA courses since the prior spring and are within 30 c U H G L W V R I D Q D V V R F L D W H V R U E D F K
  Goal: Continue and expand the successful implementation of several ongoing degree completion programs at UA - including: the Kodiak Homestretch Scholarship, the Kenai River Campus Scholarship, the Kachemak Bay KPC Final Push Scholarship, Kuskokwim Studentship Completion Campaign, Ketchikan the Homestretch Scholarship and at Fairbanks the Ididadegree Scholarship. Provide funding for additional degree completion programs at other UA campuses. Objectives: Increase UA completion graduation rates among the Alaskan population with significant college credit by encouraging students to return to UA and complete a degree.

  Facilitate the processes from admittance to fee payment for students by making appropriate referrals for learning and financial assistance. Provide comprehensive advising to students receiving the scholarship award and track their progress towards degree. Encourage students to add the Associate of Arts degree to their baccalaureate program for returning students or as a terminal goal for students who do not wish to complete a bachelor's degree. Consider reverse transfer where appropriate.

  Evaluation: A year-end reports including student identified, contacted, admitted, and enrolled will be produced. Students receiving support will be expected to sign a statement of agreement outlining the privilege of being chosen for the program. These students will be tracked using comprehensive advising methods and their academic progress will be included in the report.

3 U H S D U L Q J $ O D V N D ¶ V W H P R U N I R U F H Q R Q
(GF: $1,565, NGF: $720.0, Total: $2,285.0)

- UAA Alaska Health Education Center (AHEC) System: Health Workforce Pipeline
  (GF: $330.0, NGF: $0.0, Total: $330.0)
  The University of Alaska Anchorage is the grantee and headquarters for the statewide Alaska Area Health Education Center (AHEC) system that oversees five, regionally-based Centers. The federal program requires this program exist within a University and be located within a School of Medicine or School of Nursing since the goal is to build and sustain a primary care workforce. Alaska AHEC is affiliated with the WWAMI School of Medicine and the UAA School of Nursing.

- UAA Kodiak College Maritime Industries Coordinator
  (GF: $103.0, NGF: $20.0, Total: $123.0)
  Kodiak City is the third-largest port in the U.S. by landed value of seafood. The Kodiak region is also recognized as having the highest percentage of local resident involvement in commercial fishing.

FY16 Operating Budget Program Descriptions

Cultural Context program, as well as educational videos for the International Polar Year. The Alaska Legislature initiated growth of the Alaska Film industry with tax incentives. The Film program is dedicated to helping sustain this growth with a qualified workforce. In order to fully meet the demands of the film industry, and for more Alaskans to be employed, this increment will help to

FY16 Operating Budget Program Descriptions

- o

- UAF Establish Core Infrastructure for Continued Unmanned Aircraft Systems Operations and FA

Perspective, Science and Research, Planning and Infrastructure, Oil, Gas, and Mineral Resources, Security and Defense, Marine Transportation, Search and Rescue/Oil Pollution, Energy and Power,

- UAA Diagnostic Medical Sonography
  (GF: $121.5, NGF: $0.0, Total: $121.5)
  Diagnostic Medical Sonography (DMS), also referred to as ultrasound, is a diagnostic medical procedure that uses high frequency sound waves to produce dynamic visual images of organs, tissues or blood flow inside the body.

  In February 2008 the UAA Advisory Committee for Medical Imaging Sciences met and discussed the need for a DMS program within the state. The US DOL Occupational Outlook projects DMS at a

UNIVERSITY OF ALASKA

FY16 OPERATING BUDGET DEVELOPMENT GUIDELINES
(revised per President Gamble 9/9/14)

INTRODUCTION

The University is in the midst of a major institutional directional change called 6 K D S L Q J $ O D V N D Future*, which is our map for navigating the challenging terrain ahead, and will guide decisions about people, programs and resources at UA for years to come. 6K D S L Q J $ O D V N D ¶ V) X W X U H U H of feedback received through listening sessions held across the state and national best practices. There are five major themes: 1) Student Achievement and Attainment; 2) Productive Partnerships with $ O D V N D ¶ V 3) 63FUKRRGRXOFWLYH 3DUWQHUVKLSV ZLWK $ODV4N D ¶V 3XE Research & Development (R&D) and 6 F K R O D U V K L S W R (Q K D Q F H $ O D V N D ¶ V & Growth; and 5) Accountability to the People of Alaska.

Based on both the Alaska listening sessions and a robust state and national dialogue, specific issue statements were developed within each theme that express a compelling need for action. Effect statements associated with each issue statement collectively express what UA intends to accomplish (outcomes) specific to that issue. The budget request and dialog with the governor and legislature will focus on progress toward attaining the 23 intended effects (* see page 6 of 6K D S L Q J $ O D V N D ¶ V) X within and across all three universities.

As part of this strategic planning process, the University will continue to look at ways of being more effective while capping unneeded gro a83.68v morJã–3 I¥ X ù V p á Ä fÄ š]Ö¥IÂ /3 ,sTf .BDC T* d wit w

- Program review and program prioritization.
- Becoming better known for quality student consideration.

PROGRAM PRIORITIES

Educational output, across UA in Alaska aligns well with legislative intent:

- Initiatives to help more students graduate (sooner) and to retain more students.
- Continued partnerships with K-12 resulting in students ready to enter the UA workforce.
- Research that tackles pressing Alaskan and National issues that UA is uniquely positioned to address, and that have the potential to attract high interest and create a source of alternative revenue.
- Ensure college and workforce readiness. Create attractive institutional conditions to help recruit excellent students, staff, and faculty.
- Continue emphasis on efficient and effective student enrollment, advising, retention, and timely completion.
- Prepare graduates for jobs in demand.
- Win more competitive research grants and create commercial value from UA intellectual property. Screen grant requests to recover the associated Facilities & Administrative (F&A) costs required to support the research.
- Develop a growing culture of collaboration that will continue to improve everything we do.

As usual we will continue our efforts to be transparent, responsive, and align with the public interests, conduct outreach, and pursue community engagement efforts. International opportunities will continue to be encouraged at all three universities.

FIXED COSTS

Fixed Costs/Administrative Requests will be developed using system wide standards. Information Technology (IT) and business process improvement initiatives will be vetted through the Information Technology Executive Council (ITEC) and other System-wide Leadership groups. As part of the fixed cost review process, each university will evaluate and improve space utilization, identifying substandard space for elimination, and follow the approval plan for new or upgraded facilities space. Program deletions and additions will continue to be vetted through the Statewide Academic Council (SAC) and approved by the Board of Regents.

PERFORMANCE MANAGEMENT FUNDING POOL

In the University of Alaska there is a performance funding pool, with UAA, UAF, UAS and Statewide each controlling the source and distribution of its FY16 performance funding pool, used in support of performance management. Funds are internally reallocated each year and applied in support of strategic priorities and maintaining performance. The size of the pool is determined by annual circumstances and typically represents at least one percent of general funds. Reallocations are made in support of Shaping $ O D V N D ¶ V and other priorities.

BUDGET ASSUMPTIONS

The budget will be developed using the following assumptions:

- The enrollment demographics outlook is challenging. However, various strategies are being considered to minimize any net enrollment downturn, such as increasing the number of Alaska

Performance Scholarship (APS) students attending UA, new efforts to increase retention and, thereby, increase the number of students getting to attainment and degree completion.

- x Expanding cross university cooperation and collaboration (e.g., common procurement, common calendar) continues.
- x Expect externally funded research activity and indirect cost recovery (ICR) to be flat to slightly down increasing the importance of exploring additional partnership opportunities and revenue enhancements.
- x Expect tuition rate increases to be very modest. Expect a long overdue facility fee to be enacted.
- x Compensation increases for staff and faculty will be P R G H V W « D J D L Q
- x Retirement system employer contribution rates will remain at the FY15 level.
- x We will continue to look for ways to mitigate healthcare cost increases.
- x Hiring will continue to undergo close scrutiny, as will vacancy management and net growth.

FY16 BUDGET TIMELINE

Below are key dates in the FY16 budget development process associated with BOR Action. In addition, the FY16 budget meeting with the three Universities and Statewide is scheduled for August 7th and Board members are welcome to attend.

June

Date: August 1, 2014

Department Preparation - Using RESULTS - the performance framework - to describe the budget is a powerful tool to inform the public about where their funds are being invested and what services Alaskans receive as a result. Focus on your department's mission and core services. How are resources being allocated to support agency priorities? Is the agency meeting measurement targets and objectives? Are there existing resources that could be reallocated to high priority projects and programs?

1-800-315-6338, CODE: 46601#.

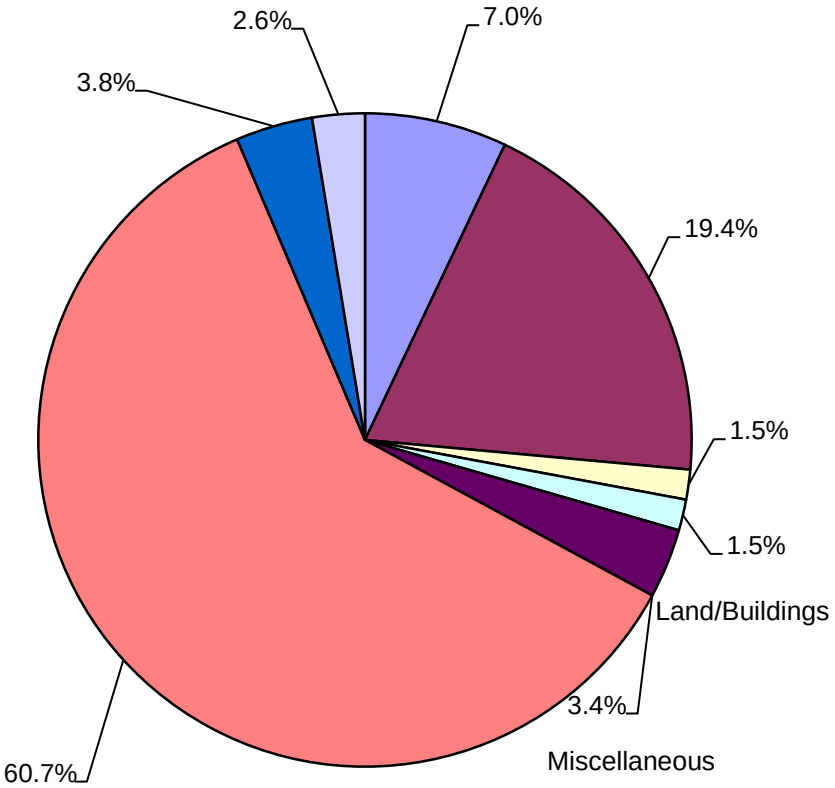
15 minutes

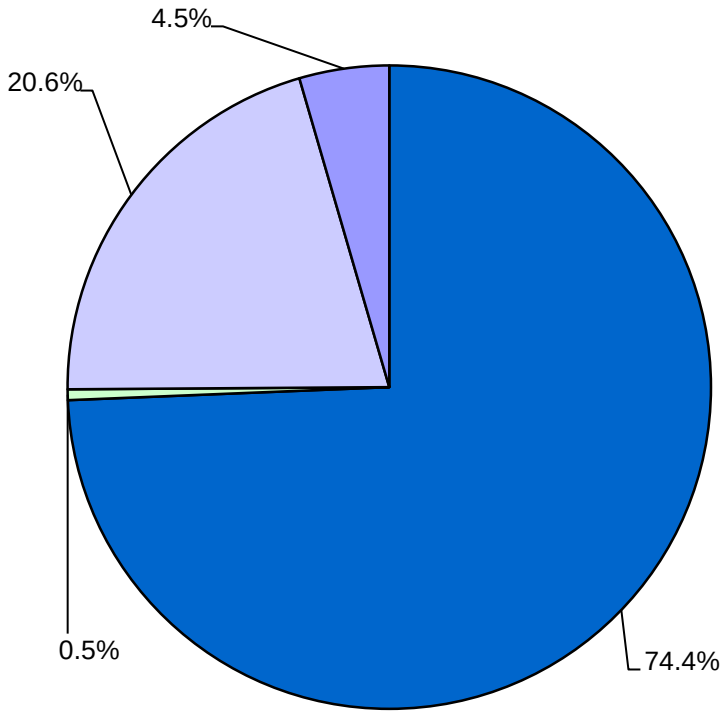
August 1, 2014

1:30 – 3:30 PM	Open
9:00 - 11:00 AM	Open
1:30 – 3:30 PM	Open
Monday, September 8	
	Office of the Governor
1:30 – 3:30 PM	
Tuesday, September 9	
9:00 - 11:00 AM	
1:30 – 3:30 PM	Education
Wednesday, September 10	
9:00 - 11:00 AM	Labor
1:30 – 3:30 PM	Law
Thursday, September 11	
9:00 - 11:00 AM	DVSA
1:30 – 3:30 PM	Health & Social Services
1:30 – 3:30 PM	
Monday, September 15	
	Energy Meeting (REV, DNR, DCCED, AGDC)
	Fish and Game
Tuesday, September 16	
9:00 - 11:00 AM	Natural Resources
3:00 – 5:00 PM	University
Wednesday, September 17	
9:00 - 10:30 AM	
11:00 – 12:00	
1:30 – 3:30 PM	DCCED
Thursday, September 18	
	Public Safety
1:30 – 3:30 PM	Transportation
Friday, September 19	
	Corrections
Monday, September 22	
	Permanent Fund
1:30 – 3:30 PM	Revenue
Tuesday, September 23	
9:00 - 11:00 AM	Administration
1:30 – 3:30 PM	AHFC
Wednesday, September 24	
9:00 - 10:30 AM	
1:30 – 3:30 PM	Open

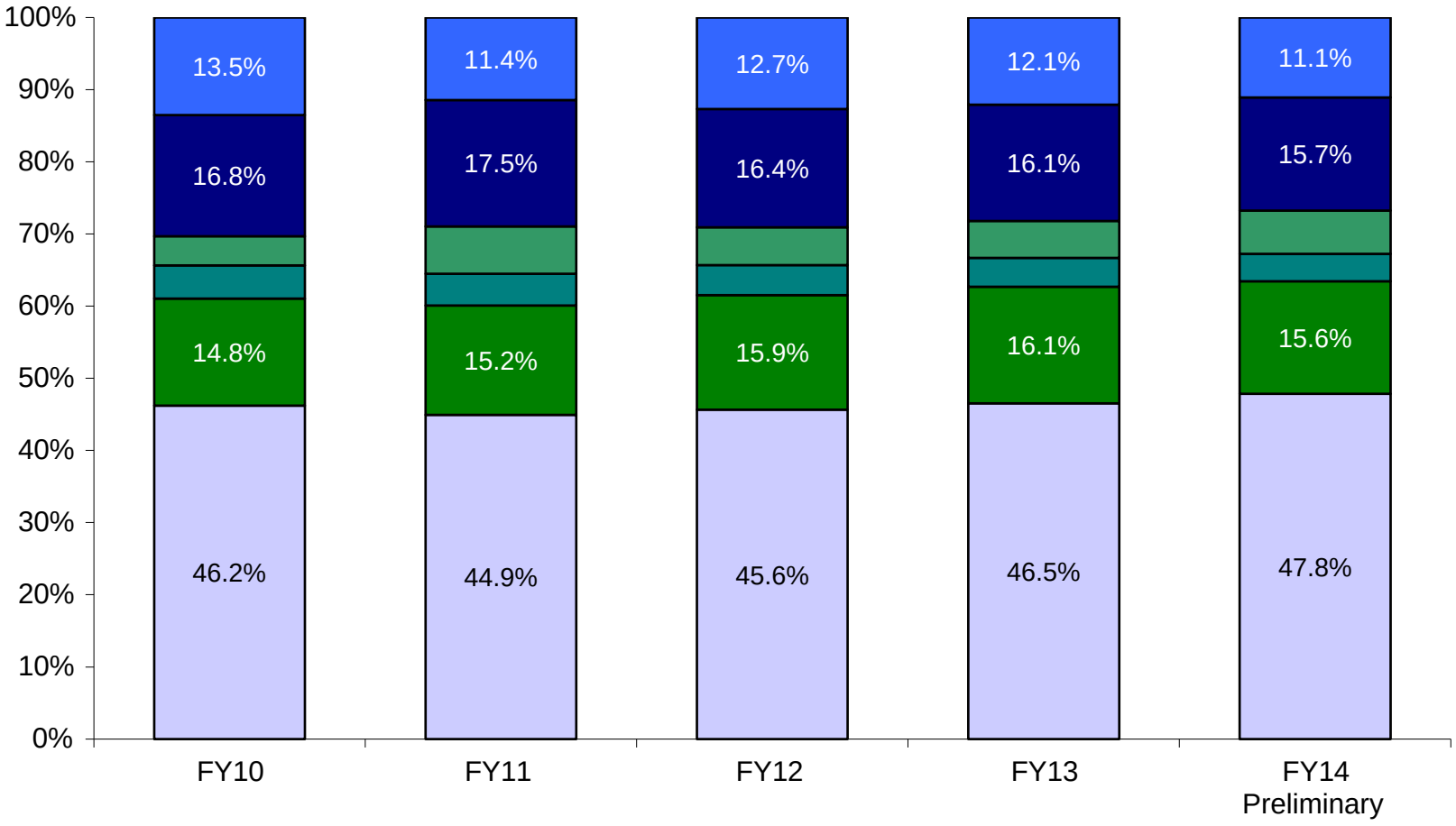
References

University of Alaska
Expenditure by Category and Revenue by Fund Type
FY14 preliminary





University of Alaska Revenue by Source
FY10-FY13, FY14 Est.



1. UA Intra Agency Receipts are excluded from this table, but are included in the totals in the rest of the publication.

2. State Appropriations include one-time funding for utility cost increases: FY10 $3,630.0; FY11 $3,080.0; FY12 $3,960.0

STUDENT ACHIEVEMENT AND ATTAINMENT						
UAF	Alaska 2+2 Collaborative Veterinary Medicine Program with Colorado State	200.0	243.0	443.0		
UAS/ UAF	Mandatory Comprehensive Advising and New Student Services	357.1	67.4	424.5	400.0	400.0
UAF	Increased Student STEM Capacity	140.0	53.0	193.0		
UAF	e-Learning Expansion for Online High Demand Job Degree Areas	300.0	100.0	400.0		
	Student Achievement and Attainment Total	997.1	463.4	1,460.5	400.0	400.0
PRODUCTIVE PARTNERSHIPS WITH ALASKA'S SCHOOLS						
SPS	College Dual Enrollment for Tech-Prep Programs	300.0		300.0		