

Proposed FY2017 Operating Budget

Board of Regents
November 4, 2015
Anchorage, Alaska

Prepared by: University of Alaska
Statewide Office of Strategy, Planning and Budget

Table of Contents

Proposed FY2017 Operating Budget

Introduction.....1

Proposed FY2017 Operating Budget Summary3

FY2017 Operating Budget Request Items4

FY2017 High Demand Program Requests by Initiative9

FY2017 Operating Budget Program Descriptions10

References

FY2015 Expenditures by Category and Revenue by Type.....14

FY2011-FY2016 Revenue Source Comparison15

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.

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 budget proposal is UA's "base case" budget. It does not assume a budget cut in FY2017 rather it assumes our fixed costs and a few high priority programs will be funded.

The FY2017 program priorities include \$1.9 million (state appropriation), submitted by UAA, UAF, UAS and

and state for years to come. The contingency budget will take time and a process to build and will be informed by higher education experts, state leaders, the Regents, and our internal stakeholders. A wide variety of options will be considered during the process ranging from the preliminary recommendations from the Statewide Transformation report, administrative and academic program consolidation and elimination, increased partnerships and outsourcing and other options in between. The Board has also identified e-Learning, general education requirements (GERs), developmental education and teacher education as high priority areas that will be evaluated during the process.

University of Alaska
FY2017 Operating Budget Request Items

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 rel2(r)tg

FY2017 Operating Budget Request Items (continued)

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.), and 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

FY2017 Operating Budget Request Items (continued)

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 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.

FY2017 Operating Budget Request Items (continued)

Campus, Interior Alaska 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,

University of Alaska
 FY2017 High Demand Program Requests by Initiative

University / Program Title	Unrestricted General Funds (UGF)	Designated, Federal and Other Funds	Total
STUDENT ACHIEVEMENT AND ATTAINMENT			
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
Student Achievement and Attainment Subtotal	500.0	241.0	741.0
PRODUCTIVE PARTNERSHIPS WITH ALASKA'S SCHOOLS			
UAF Community Campus and Tribal College Partnerships	200.0		200.0
Productive Partnerships with Alaska's Schools Subtotal	200.0	0.0	200.0
PRODUCTIVE PARTNERSHIPS WITH PUBLIC ENTITIES AND PRIVATE INDUSTRIES			
UAS Fisheries Initiative BS Marine Biology and Fisheries Program	120.0		120.0
UAF Chemical Engineering (ChemE) Degree Demand to Support Growth of LNG/Oil/Gas Refining Industries	400.0	450.0	850.0
Productive Partnerships with Public Entities and Private Industries Subtotal	520.0	450.0	970.0
R&D & SCHOLARSHIP TO ENHANCE ALASKA'S COMMUNITITES & ECONOMIC GROWTH			
UAF Understanding the Impact of Ocean Conditions on Commercial Fisheries	227.0	400.0	627.0
UAA Increase Institute of Social and Economic Research (ISER) Capacity	250.0	250.0	500.0
UAF Energy Partnerships for Alaska's Future	250.0	2,000.0	2,250.0
R&D & Scholarship to Enhance Alaska's Communities & Economic Growth Subtotal	727.0	2,650.0	3,377.0
FY2017 High Demand Program Requests Total	1,947.0	3,341.0	5,288.0

FY2017 Operating Budget Program Descriptions

Student Achievement and Attainment
(GF: \$500.0, NGF: \$241.0, Total: \$741.0)

o

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 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 an expanded partnership with Alaska's only current tribal college, Ilisagvik. Accredited Tribal Colleges have access to dedicated federal funding unavailable to the UA system, which will support higher education access and affordability throughout Alaska.

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

FY2017 Operating Budget Program Descriptions

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

- o 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 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.

- o 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. This 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 jumpstart 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 to provide and pay for them affects the future of Alaska's economy, population and society. For decades, ISER research has helped Alaskans and policymakers understand Alaska's economy, government, finances, population and society—and 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,

FY2017 Operating Budget Program Descriptions

- o UAF Energy Partnerships for Alaska's Future
(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 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

References



