

**UNIVERSITY OF ALASKA
FY15 - Increment/ Decrement Status**

Governor's Budget Items Approved as Requested

Item #	Approp/Allocation	Description	Amount/Fund Source	FY15 CC Book Comment	GF Dec?	LFD Notes/Questions	Agency Comments
1	University of Alaska/ University of Alaska Anchorage	New Facility Operating Costs for UAA AK Airlines Center (Sports Arena)	\$3,399.9 Total (\$1,610.0 UGF/ \$1,789.9 University Receipts (DGF))	The legislature approved the Governor's request of \$3.4 million for operating costs of this 196,000 gross square foot facility, scheduled to be operational in July 2014. In FY11, this project was funded as part of a state general obligation bond package.		When did the UAA AK Airlines Center Sports Arena open? Any revisions to operating cost projections?	The Alaska Airlines Center was substantially complete in July and the grand opening ceremonies held in August, 2014. The building maintenance and operations costs remain consistent at an estimated \$2.72 million UGF. In FY2015, UAA received partial funding of the maintenance and operating costs of \$1.61 million UGF. DGF authority received in FY2015 of \$1.789 million is still a valid projection.
2	University of Alaska/ Matanuska-Susitna College	New Facility Operating Costs for UAA Mat-Su Valley Center for Arts and Learning	\$615.0 Total (\$540.0 UGF/ \$75.0 University Receipts (DGF))	The Mat-Su Valley Center for Arts and Learning was also funded as part of the state issued general obligation bonds in FY11. Start-up, operating and maintenance costs requested by the Governor totaled \$615.0 for FY15. Theatre operations and additional classes will be held in this facility. The 30,000 square foot facility is scheduled to open by July 2014.		Did this facility open on schedule? What work remains to be done? Any changes anticipated to these operating projections?	The Mat-Su Valley Center for Arts and Learning is scheduled for completion in December 2014 and will open in spring semester 2015. The design, bid, build took longer to get awarded than UAA had planned. Of the \$465,000 UGF for operating the facility 1/2 of the funding will be spent to operate the facility from January-June 2015. The remaining funding will be spent on utility fees and assessment, personnel costs, theater lighting, and equipment required to operate the facility. The remaining \$150,000 (\$75,000 UGF and \$75,000 DGF) was used to hire key staff to manage operations of the facility. The Theater Manager was hired in December 2013 in preparation for opening and to begin booking events for the new facility. A Theater Technician was also hired in November 2014 to assist with preparations for opening the new building.
3	University of Alaska/ Fairbanks Campus	UAF Public Private Partnership Housing Development	\$1,500.0 University Receipts (DGF)	As part of the "Student Life: Transforming the UAF Experience" project, the University of Alaska Fairbanks proposes to provide new student housing units through a public private partnership (P3) arrangement. With construction beginning as early as August 2014, a 90-bed dormitory will be the beginning phase in this plan to increase the quality and quantity of available housing within the campus core. The legislature funded this increment which will provide UAF the use of housing receipts to make lease payments.		What is the current projected amount of University Receipts related to this partnership? Do these receipts cover the lease payments?	UAF has completed initial planning for new student housing units through a public private partnership (P3) arrangement. Once constructed, the housing receipts generated by the units will be used to cover the lease payments, projected at approximately \$1.5 million.
4	University of Alaska/ Juneau Campus	Restore UAS Director of UAS Center for Mine Training and Assistant Professor of Mining Training	\$117.8 Total (\$90.0 UGF/ \$27.8 University Receipts)	The legislature approved continuing funding for the Director of the UAS Center for Mine Training / Assistant Professor of Mining. This position was created after receiving a \$300.0 donation from Hecla Greens Creek (HGC) in June 2011. This position is responsible for teaching courses to support the Hecla Greens Creek Mine Training Career Pathway. The Director works in cooperation with University of Alaska Mining and Petroleum Training Service (MAPTS) to provide free Mine Safety and Health Administration (MSHA) training and entry-level miner training that leads to jobs in local mines. This position was initially added by the legislature as a one-time increment in FY14. The FY15 action will maintain this funding in the base budget.		Is this position staffed (was it ongoing from FY14)?	The former Mine Training Director retired in spring 2014. The position is not currently staffed due to unsuccessful negotiations with potential candidate in fall 2014. However, an interim person is in place for spring 2015 to cover the courses and workload. The recruitment is ongoing and will continue until filled. If the position is not permanently filled, an interim will be named for FY2016.
5	University of Alaska/ Juneau Campus	New Facility Operating Costs for UAS Freshmen Residence Hall	\$425.0 University Receipts (DGF)	The Governor's request for funding authority to provide money to cover ongoing costs associated with the Fall 2014 opening of the new 35,000 gross square foot Juneau campus facility was approved by the legislature.		What was the opening date of this building? What is the current FY15 projected amount of University Receipts related to the opening of this residence hall?	The UAS Freshman Residence Hall opened August 2014. The total year-to-date revenue from this building is \$232.1. Estimated revenues from spring 2015 are \$215.0. Summer revenue will be earned from conference housing during May and June, approximately \$50.0. Total projected revenue for FY2015 is \$497.1.

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Governor's Budget Items Approved with Modifications

Item #	Approp/Allocation	Description	Gov Request	Amount Approved	FY15 CC Book Comment	GF Dec?	LFD Notes/Questions	Agency Comments
6	Departmentwide	Unspecified Reductions in Expenditure Level	(\$14,900.0) UGF	(\$15,900.0) UGF	<p>In accordance with the Governor's desire to cut state spending, the University of Alaska's FY15 budget reflected an unspecified 4% Unrestricted General Fund <i>reduction</i> of \$14.9 million. The legislature reduced the University's budget by another \$1 million UGF. The Board of Regents will allocate cuts and align budgets with projected available revenue to manage all University resources. The University's authorized position count was not reduced, but vacancies may ensue depending on the ability to reduce personal services throughout the University system.</p> <p>NOTE: The University has submitted a FY15 Mgmt Plan that eliminates 15 full-time authorized positions as part of the effort to accommodate this UGF decrement.</p>		Please provide examples of cuts that are anticipated to meet this \$15.9 million general fund reduction in FY15.	To meet the \$15.9 million general fund reduction, the university implemented the following. 1. Personnel related cost reductions, examples: eliminating positions, combining positions, replacing positions at lower levels/ranks, reducing 12 month contracts to 11 month contracts, and using more temporary labor and students; 2. Academic program and service reductions, examples: began program prioritization and accelerated program review, reduced shuttle service operations, reduced library times; 3. Technology and process improvements, examples: campuses sharing library catalog systems, more electronic documents to reduced printing costs; 4. Energy improvements and conservation, examples: energy usage competitions, power management software; 5. Off-campus lease reductions, examples: moved programs and services from off-campus to on-campus; 6. Reducing or eliminating contracts, examples: UAS cancelled security contract and is partnering with the Juneau Police Department; 7. Reducing subsidies, examples: UAS Bookstore, UA Foundation; 8. Outsource, examples: UAF Printing Services

Legislative Additions and Deletions

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7	Departmentwide	Unallocated Travel Reduction	(\$1,066.2) UGF	The legislature removed a total of \$2,634.1 of UGF as an "unallocated travel reduction" from various agencies' travel expenditure level. The University of Alaska's share of this UGF reduction is \$1,066.2.		What restrictions have been put in place to meet this reduction?	In FY2015, the central budget offices implemented a reduced travel budget target at the unit level and are monitoring for compliance on a monthly basis.
8	University of Alaska/ Juneau Campus and College of Rural and Community Development	Comprehensive Student Advising	\$400.0 UGF IncOTI	The legislature added \$400.0 UGF to support mandatory comprehensive student advising. Strategies are needed to increase the number of degree-seeking students completing degrees, while simultaneously decreasing the time it takes for them to finish. As students navigate admission, enrollment, advising and financial aid processes, advisors will provide special emphasis focused on aiding at-risk and under-represented populations of students to stay on track for graduation. The research and literature on college student success indicates that quality academic advising is critical to student success, retention, and degree completion.		<p>How many students are affected by these funds?</p> <p>Have existing positions been filled or have new positions been added in utilizing these funds?</p>	<p>UAS received \$181.5 in one-time funding for a First Year Advisor and Disability Support Provider. Ninety-two (92) students moved into the new Residence Hall and were directly affected by the new funding. The new First Year Advisor position is located in the building and students have direct access to this advisor. The new Disability Support Provider position was also filled and allowed a larger number of students to be served both at the beginning of the semester and with follow-up concerns during the academic year.</p> <p>UAF-CRCD received \$218.5K in one-time funding in FY2015. Approximately \$78K is in use at each Bristol Bay (BBC) and Kuskokwim (KuC), with another \$63K in use at the Rural College. CRCD serves a large geographic and student population through advising efforts. KuC, serves over 400 students per semester, used funds to enhance support through existing Student Services positions for student counseling, village-based student outreach, and student life wellness for incoming freshmen. BBC, serves approximately 700 students each semester, used funds to hire a Student Services Manager, making connections with communities and stakeholders, and working with Academic Advisors to develop an online orientation for newly admitted students. Rural College hired a temporary position to perform degree audits for students taking courses within CRCD. Greater awareness around requirements for certificate and degree completion help increase student success.</p>

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Legislative Additions and Deletions (continued)

Item #	Approp/Allocation	Description	Amount/Fund Source	FY15 CC Book Comment	GF Dec?	LFD Notes/Questions	Agency Comments
9	Departmentwide	Facilities Maintenance and Repair	\$2,163.0 Total (\$1,081.5 UGF/ \$1,081.5 University Receipts (DGF)) IncOTI	The legislature added about \$2.2 million towards UA's annual maintenance and repair (which is calculated as a percentage of current building value, plus a component that accrues directly with building age). Each campus annually designates a portion of its operation budget for 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 has to be used to take care of unforeseen deferred maintenance needs that cannot be deferred any longer without risking safety.		What is the current estimated University M&R backlog?	As this was a one-time maintenance and repair increment, UA choose to distribute the funding to each university for specific M&R related projects as follows: UAA-Replace interior/exterior lighting with energy efficient fixtures and implement energy audit recommendations on the UAA Main and Community Campuses, minor parking area and sidewalk repairs/improvements; UAF-Sewer & Storm Water project and an Energy Audit & Conservation project; and UAS-Egan Library A/C replacement project
10	University of Alaska/ Fairbanks Campus	Hydrocarbon Optimization as a one-time increment for FY15	\$500.0 UGF IncOTI	The legislature added one-time funding at UAF which will allow the Institute of Northern Engineering (INE) to begin addressing aspects of specific concern to the oil industry in Alaska. According to the University, applied research in the areas of heavy and viscous oil, shale oil and gas, and enhanced oil recovery are of particular interest to the industry. Research and development will be focused in the Petroleum Development Laboratory (PDL) in INE. Funding provided for hydrocarbon research will also allow INE to directly address broader needs of the oil industry such as permitting, ice formation in TAPS, and ice road/ pad construction.		How are these one-time funds being used? Does the University anticipate an increase in industry-funded research related to this one-time addition?	Thus far, funds have been allocated to several groups within the UAF Institute of Northern Engineering (INE) to further heavy oil research and development, environmental and transportation issues important to Alaska's resources. The Water and Environmental Research Center is conducting research associated with use of chemical herders for Arctic oil spill response and has an industry funded partnership for analyzing emissions associated with crude oil burning (the burn test is scheduled for April 2015). The Petroleum Development Laboratory is currently exploring the impact of thawing permafrost in relation to oil well stability (testing beginning January 2015), chemically enhanced oil recovery research in collaboration with the Univ. of Texas Austin (core lab equipment expected to arrive in spring 2015), and pressure drop studies to measure and analyze multi-phase flow loops - a mix of oil/water/gas and sand in a pipeline (lab design in progress, equipment expected to arrive in spring 2015). Each of these tests has industry interest and discussions are underway to leverage long-term funding for this research. UAF through the Alaska Center for Energy and Power is currently coordinating with the National Petroleum Council (NPC) to host an engagement workshop in Fairbanks (November 2014) and is actively seeking industry partners.

Fiscal Notes

Item #	Bill #	Title	Amount/Fund Source	FY15 CC Book Comment	GF Dec?	LFD Notes/Questions	Agency Comments
11	SB 218 (Chapter 24, SLA 2014)	Muni Bond Bank - UAF Heat & Power Plant	\$7,000.0 UGF	University of Alaska/ Budget Reductions/Additions - Systemwide SB 218 provides authorization of debt for UA for the UAF heat and power plant boilers and plant construction and will result in debt service payments annually by UA to repay bonds issued by the Alaska Municipal Bond Bank Authority. The debt service amount assumes 5%, 20 years, with semi-annual payments. If debt is not issued in FY15, the debt service operating increment of \$7 million will be used to reduce future debt service costs. If funding had not been included with this fiscal note, UA could not make required bond payments authorized under SB 218. The heat and power plant provides electricity and steam heat to more than 3.1 million square feet of public facilities on the Fairbanks campus. It is anticipated that in FY15 and FY16, the \$7 million will be directed to the Heat & Power Plant capital project and starting in FY17, it will be dedicated to debt payments.		When do you anticipate issuing debt? What is the progress on the Heat & Power Plant capital project? To what purpose have these funds been directed for FY15?	UAF anticipates issuing debt as early as FY2016. As agreed upon, \$7 million UGF in FY2015 and FY2016 will be directed to supplement the total cost of the project. Three major milestones have been met thus far on the project: the boiler contract has been awarded; the construction manager for the project has been selected; and the turbine contract has been awarded. The boiler and the turbine contracts (in progress) are the necessary first steps for the full design to be accomplished.