

#2

FY13 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 284/HB 285

OFFERED BY: Rep. Mike Doogan

DEPARTMENT: Administration

APPROPRIATION: Enterprise Technology Services

ALLOCATION: Alaska Land Mobile Radio

ADD: \$2,650,000 Fed (1002)

DELETE: \$2,500,000 UGF (1004); \$150,000 GF/Prgm (1005)

EXPLANATION: This amendment deletes \$2.5 million UGF and \$150,000 DGF for the Alaska Land Mobile Radio system, and gives the Department of Administration the receipt authority to request full funding for the system from the federal government.

In 2010, the federal government announced it would no longer pay to help maintain infrastructure for the ALMR system and would shift infrastructure costs to the State of Alaska. The State of Alaska and local municipalities were compelled to switch to the ALMR system by federal law, and federal agencies continue to use the ALMR system.

(In the FY13 capital budget, there is also \$8,697,500 UGF in spending for ALMR hardware and software infrastructure upgrades. It is the intent of the amendment sponsor to transfer the responsibility for ALMR infrastructure back to the federal government.)



governments SOA represents). Federal agencies will develop a method to apportion the costs among themselves. State and Local governments will also develop their own method to apportion the costs among themselves.

The 50/50 cost sharing between the Federal government and State/Local government for the OMO and SMO is unaffected by the USARAK divestiture. However, the State of Alaska will be responsible for an increased share of the annual infrastructure equipment maintenance. This is illustrated in Table 11 and Table 12 below:

Table 11: SOA Fiscal Year 2012 Equipment Maintenance

	No. of Sites Maintained	FY12 Equip. Maintenance
SOA	30	37.5% \$1,265,718 40.1%
DOD	50	62.5% \$1,891,853 59.9%
ALMR total	80	100.0% \$3,157,571 100.0%

Table 12: SOA Fiscal Year 2013 Equipment Maintenance

	No. of Sites Maintained	FY13 Equip. Maintenance
SOA (original)	30	37.5% 1,329,004 40.1%
SOA (from divestiture)	41	51.3% 1,288,855 38.9%
SOA (total)	71	88.8% 2,617,859 79.0%
DOD	9	11.3% 697,590 21.0%
ALMR total	80	100.0% 3,315,449 100.0%

After accepting the USARAK equipment transfer, the State of Alaska will be responsible for funding nearly 79% (up from 40%) of the total annual infrastructure equipment maintenance cost which ranges from approximately \$3M (FY11) to \$6M (FY25). The SOA differential cost will be close to \$1.3M in FY2013 and increases at 5% per year to \$2.3M in FY2025 for a total additional infrastructure equipment maintenance cost of \$22.8M. Periodic system upgrades will cost the SOA additional \$8.1M. Both differentials combined total \$30.1 million for the SOA over the ALMR system lifetime. This cost is minimal compared to the capital cost of a different system with comparable coverage that also provides interoperability levels similar to those currently achieved with ALMR.

Infrastructure equipment maintenance is the primary cost driver of the total annual ALMR system O&M cost. In addition to this component there also the shared costs for OMO, SMO and circuit O&M. The cost distribution for both shared and unshared O&M is broken down for FY2011 in Figure 4.

6 **AMENDMENT**

9 OFFERED IN THE HOUSE BY REPRESENTATIVE DOOGAN

10 TO: CSHB 284(FIN), Draft Version "X"

11

12

13 Page 5, line 22:

14 Delete "22,721,400"

15 Insert "14,721,400"

16 Delete "19,484,200"

17 Insert "11,484,200"

18

19 Page 5, line 23:

20 Delete "22,721,400"

21 Insert "14,721,400"

22

23 Page 5, following line 27:

24 Insert new material to read:

25 "That portion of the amount appropriated by this appropriation that is for tourism marketing is
26 contingent on a qualified trade association as defined in AS 44.33.125(j) providing a dollar-
27 for-dollar match for the amount appropriated. The amount of the dollar-for-dollar match may
28 not exceed \$8,000,000."

Revenue Sources	FY'07	FY'08	FY'09	FY'10	FY'11	FY'12
Cruise Lines	\$ 1,714,568.00	\$ 611,061.00	\$ -	\$ -		
Visitors Bureaus	\$ 549,689.00	\$ 562,587.00	\$ 196,919.00	\$ 183,675.00	\$ 180,188.00	\$ 79,040.00
Annual Meeting	\$ 287,315.00	\$ 280,906.00	\$ 261,899.00	\$ 64,978.00	\$ 62,861.00	\$ 29,217.00
Collateral, Vacation Planner and Research	\$ 1,136,351.00	\$ 1,432,907.00	\$ 1,014,851.00	\$ 1,069,398.00	\$ 1,049,668.00	\$ 1,023,798.00
Advertising and Lead Sales	\$ 660,146.00	\$ 793,561.00	\$ 673,318.00	\$ 897,031.00	\$ 742,816.00	\$ 276,997.00
Hot Links and Online Advertising	\$ 246,478.00	\$ 215,791.00	\$ 204,989.00	\$ 179,928.00	\$ 218,116.00	\$ 172,033.00
Public Relations (Media Roadshow, NY Media, Taste of AK)	\$ 183,500.00	\$ 151,728.00	\$ 146,470.00	\$ 131,000.00	\$ 142,350.00	\$ 107,595.00
Taste of Alaska Event Participation			\$ -			
Tourism North	\$ 161,063.00	\$ 350,000.00	\$ 220,000.00	\$ 190,000.00	\$ 300,000.00	\$ 298,350.00
Trade and International	\$ 186,020.00	\$ 227,637.00	\$ 291,850.00	\$ 297,077.00	\$ 285,374.00	\$ 143,147.00
Total Revenue	\$ 5,125,130.00	\$ 4,626,178.00	\$ 3,010,296.00	\$ 3,013,087.00	\$ 2,981,373.00	\$ 2,130,177.00

Total Revenue Submitted for Match	\$ 5,000,000.00	\$ 4,200,000.00	\$ 2,700,000.00	\$ 2,700,000.00	\$ 2,700,000.00	
Match Required	\$ 5,000,000.00	\$ 4,200,000.00	\$ 2,700,000.00	\$ 2,700,000.00	\$ 2,700,000.00	
State Appropriation	\$ 5,000,000.00	\$ 4,200,000.00	\$ 9,000,000.00	\$ 9,000,000.00	\$ 9,000,000.00	

Updated by ATIA with numbers from Audited Financials FY07-FY11

FY12 numbers are as of 1/31/2012 unaudited

FY12 Collateral, Vacation Planner and Research collections are for the 2012 Travel Planner, however, actual collections occurred in both the prior and the current fiscal years.

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State of Alaska - Tourism Marketing Appropriations
FY2003 through FY2013

Appropriations	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13 Request
Qualified Trade Association (QTA) Contract (Operating)	4,005.1	3,463.3	4,005.1	5,005.1	5,005.1	4,205.1	9,000.0	9,000.0	9,000.0		
QTA Independent Traveler Grants (Operating)					600.0	893.2					
Grant to Named Recipient (Operating)									5,000.0		
Grant to Named Recipient (Capital)					750.0				2,000.0		
Appropriation to DCCED (Capital)									12,000.0		
<u>Appropriation to DCCED (Operating/DED)</u>											16,000.0
Total Appropriated	4,005.1	3,463.3	4,005.1	5,005.1	6,355.1	5,098.3	9,000.0	9,000.0	16,000.0	12,000.0	16,000.0

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 Leg. Finance

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 Rep. Daagan

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Sec. 44.33.125. Tourism marketing contracts.

(j) In this section, "qualified trade association" means a private, nonprofit organization whose primary purposes include the promotion of tourism within the state and encouraging tourists to visit the state and that has a statewide membership consisting of representatives of all major sectors of the visitor industry, including hotels, airlines, cruise lines, wholesale and retail travel agencies, visitor attractions, convention and visitors bureaus, bed and breakfast enterprises, wilderness lodges and outfitters, and charter operations.

4

FY13 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 284 / HB 285

OFFERED BY: Representative Guttenberg

DEPARTMENT: Department of Corrections

ADD: Intent: It is the intent of the legislature that the Department of Corrections not implement the blended staffing model until after January 1, 2013, when the Department shall provide an analysis to the legislature showing the potential costs or savings and the impact on minimum staffing levels at the institutions. It is also the intent of the legislature that the Department of Corrections work with and gain the approval of the legislature before implementing such a model.

5

FY13 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 284 / HB 285

OFFERED BY: Rep. Gara, Rep. Guttenberg

DEPARTMENT: Education and Early Development

APPROPRIATION: Teaching and Learning Support

ALLOCATION: Early Learning Coordination

ADD: \$300,000 GF (1004)

Intent: It is the intent of the legislature that these funds will be provided in addition to the Governor's existing FY13 request for Early Learning Coordination, including Parents as Teachers.

EXPLANATION: This amendment will support pre-kindergarten, parent-based Parents as Teachers programs throughout the state.

#6

FY13 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 284 / HB 285

OFFERED BY: Rep. Gara, Rep. Guttenberg

DEPARTMENT: Education and Early Development

APPROPRIATION: Teaching and Learning Support

ALLOCATION: Early Learning Coordination

ADD: \$4,000,000 GF (1004)

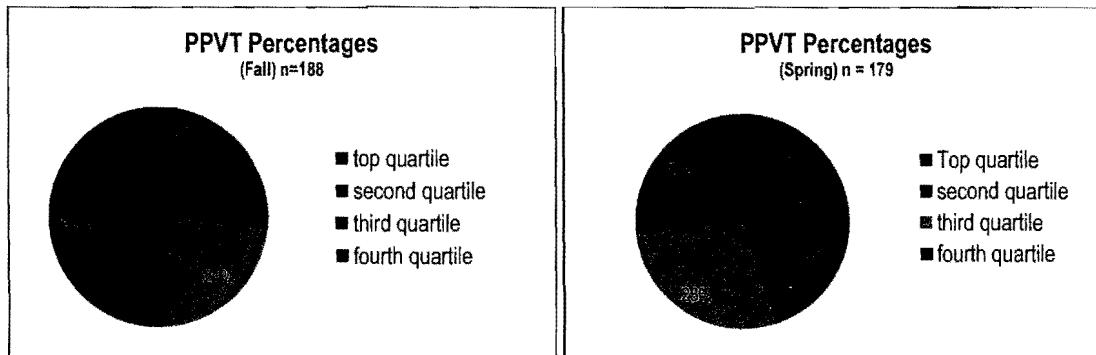
DELETE: \$1,500,000 GF (1004) OTI

EXPLANATION: This amendment removes the existing \$1.5 million OTI appropriation and places \$4.0 million in the base budget for the successful, proven pre-k program. The initial intent upon launching the pilot pre-k program was to expand the program by increasing funding by \$2 million each year for five years.

PPVT - Peabody Picture Vocabulary Test. This is an English language assessment that has been in use with large numbers of early childhood settings for many years.

State Aggregate PPVT Child Outcomes

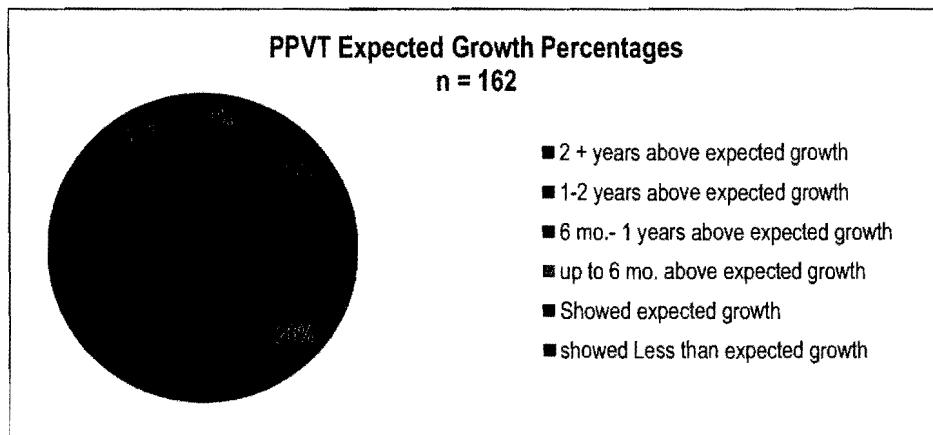
These two charts illustrate the significant improvement in percentile ranking from fall to spring compared to same age peers nationally.



18% of the children have moved from the bottom 2 quartiles to the top two.

25% of the children have moved out of the bottom quartile.

In terms of Age Equivalence, the PPVT data shows greater depth of growth of the students' vocabulary. The Age Equivalence data shows information on the children's (and the programs') success in closing gaps in vocabulary development.

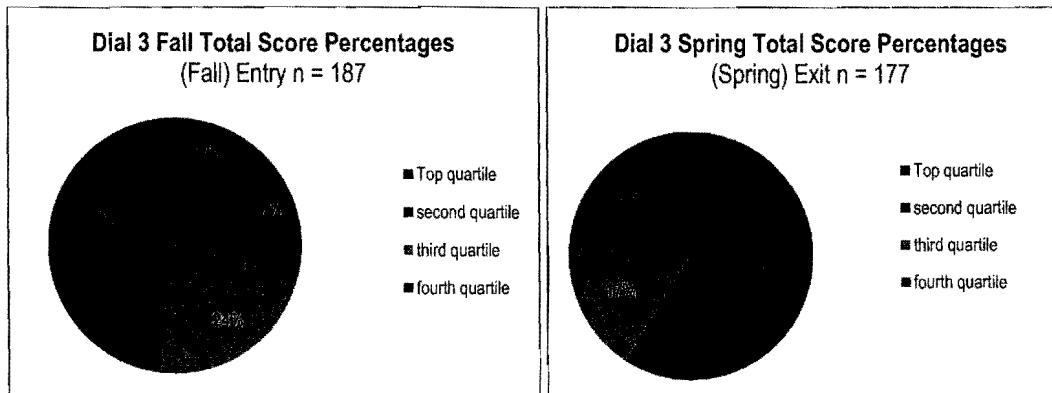


The chart above illustrates children's actual growth in terms of months of growth, as compared to the expected growth for the time between assessments. As an example, 20% of children showed 19 to 31 months of growth in the seven months between the pre and post tests.

78% of students have shown above-expected growth.

State Aggregate Results

Total Score Fall & Spring



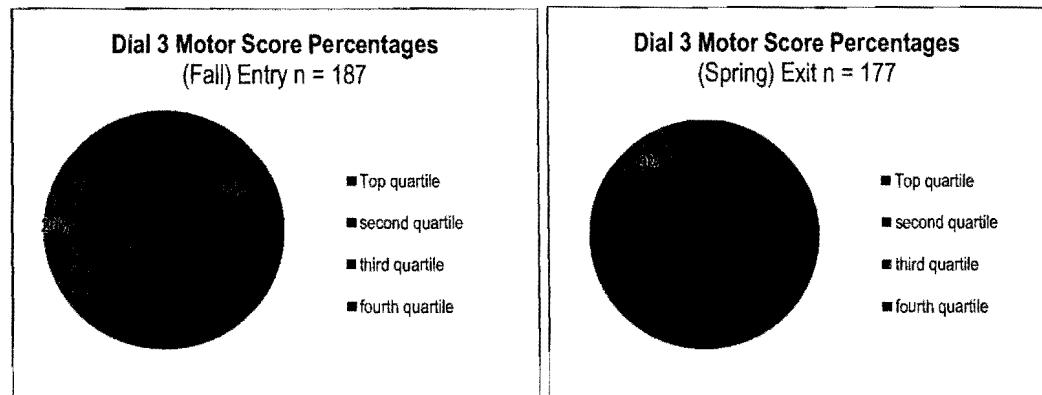
The charts above illustrate the large numbers of children entering the AP3 program significantly below their same age peers nationally, in the three areas tested, and the numbers of children showing significant improvement in percentile ranking compared to same age peers nationally.

41% of the children are now in the top quartile, more than tripling the percentage of children at or above the 76th percentile.

23% of the children have moved out of the bottom quartile (almost half of the children who started the program in the bottom quartile have moved up).

Motor Development, Concept & Language Development Scores Fall & Spring DIAL – 3

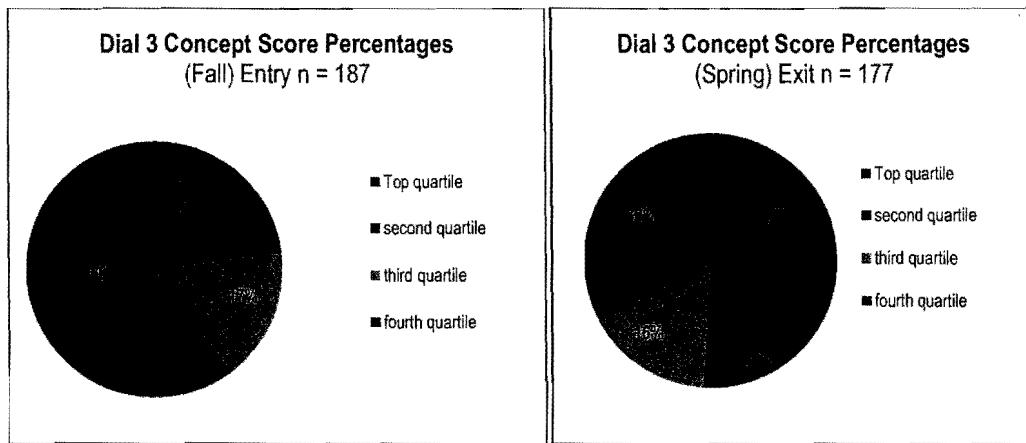
The following charts illustrate placement in the three measured areas of motor, concept, and language development for fall entry and spring exit.



The charts above show the large numbers of children entering the AP3 program significantly above their same age peers nationally in motor development and the improvement of children in the AP3 program.

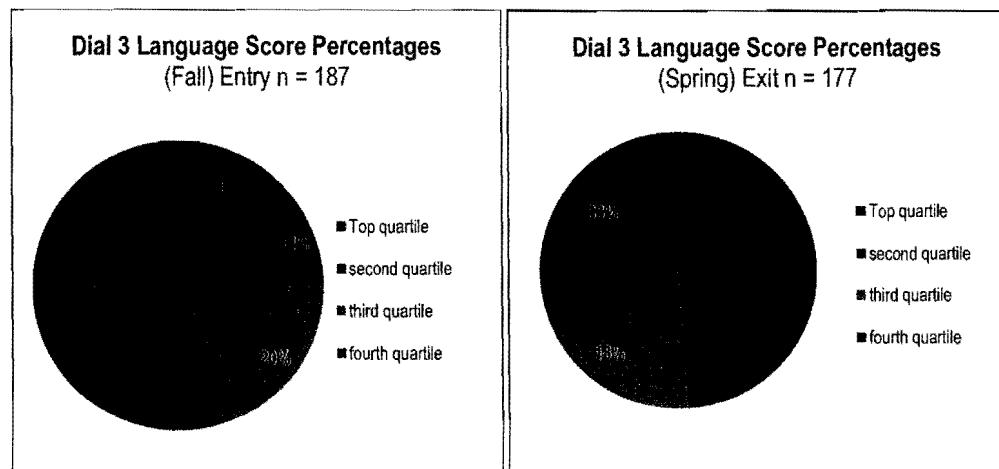
64% of AP3 children are entering the program in the top two quartiles.

85% of AP3 children are finishing the program in the top two quartiles.



The charts above show the large numbers of children entering the AP3 program significantly below their same age peers nationally in concept development, and the improvement of children participating in the AP3 program.

77% of our AP3 children are entering the program in the bottom two quartiles
51% of our AP3 children are finishing the program in the top two quartiles.
28% have moved from the bottom two quartiles to the top two.



These Language charts show the large numbers of children entering the AP3 program significantly below their same age peers nationally in language development, and the improvement the children made in the AP3 program.

75% of AP3 children are entering the program in the bottom two quartiles.
49% of AP3 children are finishing the program in the top two quartiles.

#7

FY13 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 284 / HB 285

OFFERED BY: Rep. Gara, Rep. Guttenberg

DEPARTMENT: Education and Early Development

APPROPRIATION: Teaching and Learning Support

ALLOCATION: Early Learning Coordination

ADD: \$300,000 GF (1004)

Intent: It is the intent of the legislature that these funds will be provided in addition to the Governor's existing FY13 request for Head Start funding.

EXPLANATION: This amendment will support Head Start programs throughout the state. These funds are in addition to the Governor's existing FY13 request for Head Start funding. Proposed FY13 state funding for Head Start is approximately \$2 million less than in FY04. There are currently over 1,200 students on Head Start waitlists across the state. This increment will help reduce that waitlist and allow more children to receive the academic benefits of Head Start.

**Head Start Waitlist by Community
as Reported in January 2012**

Head Start	City	School District	3 - 5 total	0 - 2 total
Aleutian Pribilof Islands Association	King Cove	Aleutians East		
	Sand Point	Aleutians East		
	St. Paul	Pribilof Islands	2	
	Unalaska	Unalaska		
Total EHS				
Total HS			2	
Association of Village Council Presidents	Akiachak	Yupiit		
	Bethel	LKSD		
	Chefornak	LKSD		
	Kalskag	Kuspuk		
	Kotlik	LYSD		
	Kotli HB			
	Nightmute	LKSD		
	Quinhagak	LKSD		
	Russian Mission	LYSD		
	Scammon Bay HB			
	Scammon Bay	LYSD		
	Tuluksak	Yupiit		
	Tuntutuliak	LKSD		
Total EHS				
Total HS				
Bristol Bay Native Association	Dillingham	Dillingham	38	
	Manokotak	SW Region	3	
	Naknek	Bristol Bay		
	New Stuyahok	SW Region	9	
	Togiak 1	SW Region	6	
	Togiak 2			
Total EHS				
Total HS			56	
Central Council of Tlingit & Haida Indian Tribes of Alaska	Angoon	Chatham	1	
	Craig	Craig	10	
	Hoonah	Hoonah	0	
	Douglas	Juneau	17	
	Gastineau	Juneau	6	
	Glacier Valley	Juneau	2	
	Taashuka	Juneau	12	
	Salmon	Juneau	4	
	Valley	Juneau	15	
	Klawock	Klawock	1	
	Petersburg	Petersburg	2	
	Saxman	Ketchikan	8	
	Sitka	Sitka	10	
	Wrangell	Wrangell	5	
	Yakutat	Yakutat	2	
Total EHS				
Total HS			61	
Chugachmiut	Nanwalek	Kenai	1	
	Port Graham	Kenai		
	Seldovia	Kenai		
Total EHS				

Head Start	City	School District	3 - 5 total	0 - 2 total
Total HS			1	
CCS Early Learning	Chugiak/Eagle River	Anchorage	13	
	Meadow Lakes	Mat-Su	24	
	Palmer	Mat-Su	13	
	Wasilla	Mat-Su	58	
Total EHS				
Total HS			108	
Cook Inlet	Anchorage		44	26
				26
Total EHS				
Total HS			44	
Council of Athabascan Tribal Governments	Arctic Village	Yukon Flats		12
	Beaver	Yukon Flats		
	Birch Creek	Yukon Flats		
	Chalkyitsik	Yukon Flats		
	Circle	Yukon Flats		
	Fort Yukon	Yukon Flats		20
	Stevens Village	Yukon Flats		
	Venetie	Yukon Flats		10
Total EHS				42
Total HS				
Fairbanks Native Association	Based	Fairbanks	61	56
	Home Based		28	
Total EHS				56
Total HS			89	
Kawerak	Brevig Mission	Bering Strait	4	5
	Diomede	Bering Strait		
	Elim	Bering Strait		9
	Gambell	Bering Strait	6	
	Golovin	Bering Strait		
	Koyuk	Bering Strait		
	Nome	Nome	50	10
	Shishmaref	Bering Strait	4	
	St. Michael	Bering Strait	1	
	Shaktoolik	Bering Strait		
	Teller	Bering Strait		
	Wales	Bering Strait		
	White Mountain	Bering Strait		
Total EHS				24
Total HS			65	
Kenaitze	Kenai	Kenai	30	
Total EHS				
Total HS			30	
Kids' Corp Inc.	Anchorage	Anchorage	197	80
Total EHS				80
Total HS			197	
Metlakatla	Metlakatla	Annette Island	40	
Total EHS				
Total HS			40	

Head Start	City	School District	3 - 5 total	0 - 2 total
Play N Learn	Fairbanks	Fairbanks	107	47
Thrivalaska	North Pole	Fairbanks	32	
Total EHS				47
Total HS			139	
RURAL- CAP	Akiak	Yupiit	0	0
	Alakanuk	LYSD	20	
	Chevak	Kashunamiut	8	
	Emmonak	LYSD	3	
	Haines	Haines	1	
	Homer	Kenai	5	
	Hooper Bay	LYSD	7	3
	Hydaburg	Hydaburg	1	
	Kake	Kake	1	
	Ketchikan	Ketchikan	8	
	River	Copper River	3	
	Kodiak	Kodiak	12	
	Kwethluk	LKSD	3	0
	Marshall	LYSD	1	
	Mt. Village	LYSD	5	
	Napaskiak	LKSD	1	
	Nunapitchuk	LKSD	0	5
	Pilot Station	LYSD	2	1
	St. Mary's	St. Mary's	0	0
	Savoonga	Bering Strait	4	
	Stebbins	Bering Strait	0	
	Sterling	Kenai	10	
	Selawik		2	
	Tok/Tanacross	Alaska Gateway	1	
	Toksook Bay	LKSD	4	
Total EHS				9
Total HS			102	
Tanana Chiefs Conference	Allakaket	Yukon-Koyukuk		
	Fort Yukon	Yukon Flats		
	Grayling	Iditarod		
	Holy Cross	Iditarod		
	Hughes	Yukon-Koyukuk		
	Huslia	Yukon-Koyukuk		
	Kaltag	Yukon-Koyukuk		
	McGrath	Iditarod		
	Nenana	Nenana		
	Nikolai	Iditarod		
	Nulato	Yukon-Koyukuk		
	Ruby	Yukon-Koyukuk		
	Tanana	Tanana		
	Tetlin	Alaska Gateway		
Total EHS				
Total HS				
Grand Total			984	284

HEAD START GRANTS
COMPONENT HISTORY
EDD FY1993 Authorized - FY2013 Governor

	FY1993	FY1994	FY1995	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013 (Gov)	
Unrestricted General Fund (UGF)	5,344.5	5,344.5	5,383.4	5,733.4	5,734.5	5,728.4	5,729.2	3,400.0	3,310.4	3,661.0	3,601.0	6,076.0	6,076.0	6,080.3	6,084.1	6,068.9	6,682.2	7,292.6	7,292.6	7,299.2		
Designated General Fund (DGF)																						
Federal Receipts		100.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	235.6	239.3	244.2	250.1	254.2	260.2	256.7	256.7	260.6	267.1	
Other Funds	375.0	375.0	375.0									6,066.4	2,556.5									273.2
Total	5,719.5	5,819.5	5,908.4	5,883.4	5,884.5	5,878.4	5,929.2	6,029.2	6,034.6	10,188.2	9,903.0	8,871.8	6,320.2	6,330.4	6,338.3	6,329.1	6,936.9	7,549.3	7,553.2	7,566.3	7,572.4	

Head Start Grant Line	FY1993	FY1994	FY1995	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013 (Gov)
77000 (Grants Line)	5,512.2	5,568.5	5,640.3	5,615.1	5,615.1	5,615.1	5,665.1	5,773.1	5,773.1	9,389.6	8,912.0	9,045.3	5,953.3	5,953.3	5,993.3	6,593.3	7,193.3	7,193.3	7,193.3	7,193.3	7,193.3

8

FY13 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 284 / HB 285

OFFERED BY: Rep. Gara, Rep. Guttenberg

DEPARTMENT: Health and Social Services

APPROPRIATION: Public Health

ALLOCATION: Epidemiology

ADD: \$145,000 GF (1004)

EXPLANATION: This amendment will support efforts to decrease chlamydia rates in Alaska. Alaska has the highest rate of chlamydia infection in the nation in 2010, and has had the highest rate or second highest rate every year since 2000. Untreated chlamydia can cause infertility in both men and women.

\$100,000 will be used for a media campaign to inform high risk individuals and providers about chlamydia so these people can seek testing and treatment, if necessary. \$45,000 will be used to provide medications for the treatment of chlamydia to patients and partners of patients who do not have insurance.

#9

FY13 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 284 / HB 285

OFFERED BY: Rep. Gara, Rep. Guttenberg

DEPARTMENT: Health and Social Services

APPROPRIATION: Children's Services

ALLOCATION: Children's Services Management

ADD: \$250,000 GF (1004)

Intent: It is the intent of the legislature that these additional funds be used for the Education and Training Voucher program within the Independent Living Program.

EXPLANATION: Supplement Employment and Training Vouchers to train and improve the success of youth covered by the Independent Living Program.

Education and Training Vouchers (ETV) are primarily federally funded through the Chafee Act, and are used to assist foster youth in attaining post-secondary education and vocational training. These funds are used not only for tuition, but can also be used for books, other school fees, dorm space, meal plans and other expenses related to the student's pursuit of a degree or certification.

In the FY11 budget, the state provided an \$85,000 increment to the ETV program. This was the first time state funds were used to augment this program. Because these funds are not bound by the federal requirements, OCS has been able to assist youth in attending non-accredited training programs, such as a welding course in the Mat-Su or mining training courses in rural Alaska. Additional state funds will expand the number of job training opportunities available to Alaska's foster youth, especially non-traditional courses offered in rural and other areas.

[State of Alaska](#)>[Health & Social Services](#)>[Office of Children's Services](#)>[Independent Living](#)

Education and Training Vouchers (ETV)

The Education and Training Voucher (ETV) program was authorized under the Chafee Foster Care Independence Act, signed into law in January 2002. The funds are going to assist foster youth and eligible former foster youth in attending post secondary education and training programs.



The education or training program must meet the following criteria:

- Awards a bachelor's degree or not less than a 2 year program that provides credit towards a degree **or**
- Provides not less than 1 year of training towards gainful employment **or**
- Is a vocational program that provides training for gainful employment and has been in existence for at least two years.

And must meet all three of the following criteria:

- Admits as regular students only persons with a high school diploma or equivalent; or admits as regular students persons who are beyond the age of compulsory school attendance
- Public or Non-Profit
- Accredited or pre accredited and is authorized to operate in that state

More information about the ETV funding and federal regulations can be found at:
<http://www.nrcys.ou.edu/NRCYD/etv.html>

#10

FY13 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 284/HB 285

OFFERED BY: Rep. Mike Doogan

DEPARTMENT: Military & Veterans Affairs

APPROPRIATION: Alaska Aerospace Corporation

ALLOCATION: Alaska Aerospace Corporation

DELETE: \$1,569,000 GF(1004)

DEPARTMENT: Military & Veterans Affairs

APPROPRIATION: Alaska Aerospace Corporation

ALLOCATION: Alaska Aerospace Corporation Facilities Maintenance

DELETE: \$6,473,300 GF(1004)

EXPLANATION: This amendment deletes all general fund dollars for the Alaska Aerospace Corporation. The corporation was founded to develop the aerospace industry in Alaska.

In FY12, the legislature appropriated one-time funding of \$4 million due to a lack of private contracts and insufficient federal funding. In FY13, the department is requesting \$8 million in general funds for their base budget to continue to support what was supposed to be a self-sustaining corporation.

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Rep. Doogan

cannot provide launch services for two customers, at the same time, due to launch pad limitations.

In the contract between MDA and AADC, various types of services are reimbursed using different funding formulas. One component of the funding formula for various services is a percentage paid for what is termed "fees or profit." The amount paid for fees and profit depends on the type of service involved. Smaller contracts with other customers may also provide for fees and profit for the corporation.

These fees and profit revenues offer the most promising source of possible dividends to the State. However, these funds are used to pay for AADC operational expenses that are not, or cannot be billed to customers. Such expenses are termed "non-billable" by AADC.

The funding of scholarships, business development expenses, and bonuses¹⁵ are examples of non-billable expenditures that were paid from the fees and profits of the corporation. Exhibit 6 summarizes AADC's non-billable expenditures that were paid from AADC's fees and profit by account category for FY 06.

A relatively small dividend can possibly be paid from the fees and profits of the corporation. However, the current operations of the corporation will limit the amount of any periodic dividend payment. This assessment is based on the following:

Exhibit 5 AADC Gross Operating Income (Loss) (Unaudited)				
Fiscal Year	Operating Revenues	Operating Expenses ¹	Gross Operating Income (Loss) ¹	Net Operating Income (Loss) ²
1993	0	216,000	(216,000)	(221,000)
1994	0	678,000	(678,000)	(690,000)
1995	0	702,249	(702,249)	(717,551)
1996	0	1,076,860	(1,076,860)	(1,104,270)
1997	0	856,478	(856,478)	(880,917)
1998	65,000	852,968	(787,968)	(810,506)
1999	1,266,238	1,725,085	(458,847)	(485,128)
2000	877,797	1,260,897	(383,100)	(409,925)
2001	4,225,231	3,100,614	1,124,617	1,097,633
2002	7,483,866	6,900,950	582,916	(1,160,415)
2003	3,627,954	3,663,516	(35,562)	(1,917,521)
2004	13,902,160	12,282,012	1,620,148	(677,961)
2005	18,321,495	16,464,593	1,856,902	(1,566,424)
2006	17,188,193	16,547,990	640,203	(3,073,566)

For comparability purposes, cooperative agreement revenues and expenses included as operating. ¹Does not include depreciation. ²Does include depreciation.
Source: AADC financial statements and State CAFRs

Exhibit 6 AADC FY 06 Non-billable Operating Expenditures (Unaudited)	
Account Category Name	Amount
Personal Services	\$ 44,510
Travel	33,267
Services	
scholarship program:	\$100,000
open house functions:	\$ 22,578
space explorers program:	\$ 50,080
employee recruitment:	\$ 25,940
business develop video:	\$126,445
economic impact study:	\$ 47,000
business development:	<u>\$159,309</u>
Total Services	531,352
Supplies	1,540
Furniture and Equipment	20,669
Total	\$ 631,338

Source: AADC financial documents

¹⁵In FY 06 no bonuses were paid. However, in FY 05 and FY 07, bonuses were captured as a non-billable expenditure under personal services.

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FINANCIALS

Statement of Revenues, Expenses, and Changes in Net Assets

Year Ended June 30, 2011 (With Comparative Amounts for 2010)

	2011	2010
Operating revenues	\$ 14,172,047	11,336,598
Operating expenses:		
Personnel services	6,216,905	5,518,223
Travel	377,584	281,822
Contractual services	4,693,657	4,594,975
Supplies	714,715	723,056
Equipment	149,640	198,926
Depreciation and amortization	6,757,410	6,003,661
Total operating expenses	<u>18,909,911</u>	<u>17,320,663</u>
Net operating loss	(4,737,864)	(5,984,065)
Nonoperating revenues:		
Interest income unrestricted	4,533	8,349
PERS relief from State of Alaska	213,174	138,140
Cooperative agreement	23,234	3,112
Total nonoperating revenues	<u>240,941</u>	<u>149,601</u>
Loss before capital contributions	(4,496,923)	(5,834,464)
State of Alaska capital appropriation	-	3,500,000
Capital contributions	2,054,683	3,951,608
Change in net assets	(2,442,240)	1,617,144
Net assets - beginning of the year	<u>93,117,095</u>	<u>91,499,951</u>
Net assets - end of the year	<u>\$ 90,674,855</u>	<u>93,117,095</u>

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FINANCIALS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Year Ended June 30, 2010
(With Comparative Amounts for 2009)

	2010	2009
Operating revenues	<u>\$ 11,336,598</u>	<u>18,620,231</u>
Operating expenses:		
Personnel services	5,518,223	5,318,685
Travel	281,822	404,154
Contractual services	4,594,975	10,163,075
Supplies	723,056	1,728,930
Equipment	198,926	96,125
Depreciation and amortization	6,003,661	5,876,154
Total operating expenses	<u>17,320,663</u>	<u>23,587,123</u>
Net operating loss	(5,984,065)	(4,966,892)
Nonoperating revenues:		
Interest income unrestricted	8,349	44,114
Gain on disposal of capital assets	-	500
PERS relief from State of Alaska	138,140	355,300
Net pension obligation (NPO) write-off (special item)	-	582,579
Cooperative agreement	3,112	72,372
Total nonoperating revenues	<u>149,601</u>	<u>1,054,865</u>
Loss before capital contributions	(5,834,464)	(3,912,027)
State of Alaska capital appropriation	3,500,000	3,500,000
Capital contributions	<u>3,951,608</u>	<u>1,946,107</u>
Change in net assets	1,617,144	1,534,080
Net assets - beginning of the year	<u>91,499,951</u>	<u>89,965,871</u>
Net assets - end of the year	<u>\$ 93,117,095</u>	<u>91,499,951</u>

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Kodiak Launch Complex – Mission Support History



YEAR	MONTH	SPONSOR	MISSION
1998	NOV	USAF	AIT-1
1999	SEP	USAF	AIT-2
2001	MAR	USAF	QRLV-1
	SEP	NASA/USAF	Kodiak Star
	NOV	USASMDC	STARS/WCRRF
2002	APR	USAF	QRLV-2
2004	DEC	MDA	IFT-13C
2005	FEB	MDA	IFT-14
2006	FEB	MDA	FTG-04-1
	SEP	MDA	FTG-02
2007	MAY	MDA	FTG-03
	SEP	MDA	FTG-03a
2008	JUL	MDA	FTX-03
	DEC	MDA	FTG-05
2010	NOV	USAF	STP S26
2011	SEP	ORS/USAF	TacSat-4

Additional Details

- AAC has demonstrated that KLC can support vehicle processing and launch operations year round.
- KLC was originally run as a basic launch facility requiring the customer to bring most of their own equipment.

Over time, AAC has taken ownership of most aspects of range operations to include :

- Ground safety
- Communications (Including Classified)
- Meteorology
- Instrumentation
- Launch Operations
- Governmental Coordination

Denotes Winter Launches (~44% of total)

Note

KLC served as a satellite ground station in support of the NFIRE-2B mission executed at Vandenberg Air Force Base.

11

FY13 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 284 / HB 285

OFFERED BY: Rep Guttenberg

DEPARTMENT: Department of Natural Resources

APPROPRIATION: Parks and Outdoor Recreation

ALLOCATION: Parks Management and Access

ADD: \$199,900 GF (1004)

1 PFT

EXPLANATION: This amendment adds a much needed Fairbanks Park Ranger position to actively manage the Lower Chathanika State Recreation Area (LCSRA). Without this position, Division of Parks and Outdoor Recreation will be forced to shut down access and remove improvements to the popular Olnes Pond/ Whitefish Campground area. The 400 – acre parcel contains two boat launches and two developed campgrounds. The area is extremely popular with the public for boating, fishing, camping, ATV riding, hiking, spear fishing, hunting, trapping, skiing and snow machining.

Moving the LCSRA from passive management to active management will decrease the amount of damage, crime and misuse the area experiences. Between spring 2009 and spring 2011 four fatalities have occurred in the Lower and Upper Chathanika State Recreation Areas under passive management. Of the four deaths, two involved ATV's, one was due to drowning and one involved a person found in a van.

The funds include Park Ranger salary, benefits, and equipment and training costs. The LCSRA alone could provide an estimated \$8,000 in additional revenue from park fees if it was cleaned, refurbished and staffed.

If this position is funded, DPOR would immediately work to establish, recruit and hire the position, and begin the training process.

12

FY13 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 284 / HB 285

OFFERED BY: Representative Guttenberg

DEPARTMENT: University of Alaska

APPROPRIATION: University of Alaska Fairbanks

ALLOCATION: Fairbanks Campus

ADD: \$400,000 GF (1004); \$443,100 Univ Rcpt (1048)

EXPLANATION: Alaska Veterinary Program Partnership

Based on a 2010 statewide needs assessment and an internal review, the University of Alaska Fairbanks is planning a new Department of Veterinary Medicine within CNSM. According to the US Department of Labor, veterinarians are the 18th fastest growing occupation and veterinary technicians are the 13th fastest. This new professional program is possible thanks to many years of recruiting key faculty and investing in infrastructure capable of supporting biomedical research and academics. The foundation of this new program will be an accredited "2+2 program" between UAF and the College of Veterinary Medicine and Biomedical Sciences, Colorado State University.

Students will complete their pre-veterinary program (3-4 years) and the first 2 years of their professional program at UAF. Their final 2 years will be at the veterinary teaching hospital at CSU.

One of our primary goals is to promote the "one health" concept - a collaborative effort between human medical, veterinary medical, and public health professions. We will enhance veterinary coverage in Alaska by training veterinarians with an understanding of Alaskan needs. Specific interests include but are not limited to: public health, rural veterinary medicine, quality and safety of subsistence foods, population health of Alaskan wildlife, zoonotic disease, sustainable agriculture, toxicology, environmental contaminants, emerging disease and the effects of global warming.

Equally important for the state are research, graduate veterinary education, professional services for the veterinary community, and continuing education in animal health and disease. The state funding requested will support the hire of two essential faculty members, a veterinary anatomist and a veterinary clinical sciences faculty member to take the lead on second year anesthesiology and surgery courses. UAF will seek Board approval for a special professional tuition rate of \$20,000/year. Tuition revenue will cover one support staff member, other operating expenses, and additional faculty.

FY13 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 284 / HB 285

OFFERED BY: Rep. Guttenberg, Rep. Gara

DEPARTMENT: University of Alaska

APPROPRIATION: University of Alaska Fairbanks

ALLOCATION: Fairbanks Campus

ADD: \$300,000 GF (1004)

\$332,325 Univ Rept (1048)

\$632,325 Total

EXPLANATION: Based on a 2010 statewide needs assessment and an internal review, the University of Alaska Fairbanks is planning a new Department of Veterinary Medicine within CNSM. According to the US Department of Labor, veterinarians are the 18th fastest growing occupation and veterinary technicians are the 13th fastest. This new professional program is possible thanks to many years of recruiting key faculty and investing in infrastructure capable of supporting biomedical research and academics. The foundation of this new program will be an accredited "2+2 program" between UAF and the College of Veterinary Medicine and Biomedical Sciences, Colorado State University.

Students will complete their pre-veterinary program (3-4 years) and the first 2 years of their professional program at UAF. Their final 2 years will be at the veterinary teaching hospital at CSU.

One of our primary goals is to promote the "one health" concept - a collaborative effort between human medical, veterinary medical, and public health professions. We will enhance veterinary coverage in Alaska by training veterinarians with an understanding of Alaskan needs. Specific interests include but are not limited to: public health, rural veterinary medicine, quality and safety of subsistence foods, population health of Alaskan wildlife, zoonotic disease, sustainable agriculture, toxicology, environmental contaminants, emerging disease and the effects of global warming.

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14

FY13 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 284 / HB 285

OFFERED BY: Representative Gara

DEPARTMENT: University of Alaska

APPROPRIATION: UA Community Campuses

ALLOCATION: College of Rural and Community Development

ADD: \$144,000 GF (1004)

EXPLANATION: This increment would provide funding for Early Childhood Program Support – College of Rural and Community Development. The additional funds would allow for increased capacity for early childhood educators to take the curriculum necessary to meet new federal requirements.

Back-up from the University of Alaska FY13 Budget Requests (Camouflage Book)

UAF Early Childhood Program Support - College of Rural and Community Development

(GF: \$144.0, NGF: \$0.0, Total: \$144.0)

This request, in addition to enabling rural residents statewide to qualify for jobs, is very important to the education of pre-K children. The Early Childhood Education AAS and Child Development and Family Studies BA program graduates are in high workforce demand within Alaska and the United States as a whole. Federal mandates state that all Head Start teachers must have an AAS in Early Childhood by October 1, 2011 and 50% of all Head Start teachers must have a BA by October 1, 2013. The program staff and faculty within the distance Early Childhood programs plays a critical role supporting the high demand educational needs of all Head Start grantees within the State of Alaska. The program has made alterations to the curriculum content of the programs to meet the diverse cultural training needs as well as meeting standards developed by the National Association for the Education of Young Children (NAEYC). UAF CRCD works in conjunction with UAS School of Education.

#15

FY13 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 284 / HB 285

OFFERED BY: Representative Guttenberg

DEPARTMENT: University of Alaska

APPROPRIATION: University of Alaska Fairbanks

ALLOCATION: Fairbanks Campus

ADD: \$300,000 GF (1004); \$236,300 Univ Rcpt (1048)

EXPLANATION: Resilience and Climate Adaptation Program (RAP) in Graduate Studies

The Resilience and Adaptation Program (RAP) at UAF was established through two grants from the National Science Foundation and has operated with that funding for nine years. NSF has a time limit for support of graduate programs and that limit has been reached, so the NSF funding will not continue. However, the RAP program has been very successful and directly addresses Alaska's needs. Hence funds are requested to allow it to continue. RAP is a graduate education and training program focusing on interdisciplinary studies in northern sustainability, resilience, and adaptation to change. The mission of RAP is to prepare scholars, policy-makers, educators, community leaders, and managers to address issues of sustainability in an integrated fashion. Through coursework, an internship experience, thesis research, and other training, students address the challenge of sustaining the desirable features of Earth's social-ecological systems at a time of rapid change. To date thesis research by RAP students has focused on: Climate-Disturbance-Human Interactions, Food Systems and Food Security, Adaptive Resource Co-Management, Sustainable Fisheries and Forestry, Alternative Energy, Rural Community Resilience and Adaptation, and Wildlife and Subsistence Resources. Since 2002 over 80 graduate students have joined RAP and 31 students have graduated from the program. Currently over 50 PhD and masters students are participating in RAP. Additional students have taken RAP course classes and participated in its many activities. Over 41 faculty members have or are currently serving as major advisors to RAP students, with six UAF schools and colleges and more than 9 home departments involved. Additional departments at UAA have also been involved. The goal for establishing RAP as a permanent program at UAF is to create the very best interdisciplinary graduate program in high-latitude sustainability science in the world.

#16

FY13 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 284 / HB 285

OFFERED BY: Rep. Guttenberg, Rep. Gara

DEPARTMENT: University of Alaska

APPROPRIATION: University of Alaska Fairbanks

ALLOCATION: Fairbanks Campus

ADD: \$150,000 GF (1004)

\$236,300 Univ Rcpt (1048)

\$386,300 Total

EXPLANATION: The Resilience and Adaptation Program (RAP) at UAF was established through two grants from the National Science Foundation and has operated with that funding for nine years. NSF has a time limit for support of graduate programs and that limit has been reached, so the NSF funding will not continue. However, the RAP program has been very successful and directly addresses Alaska's needs. Hence funds are requested to allow it to continue. RAP is a graduate education and training program focusing on interdisciplinary studies in northern sustainability, resilience, and adaptation to change. The mission of RAP is to prepare scholars, policy-makers, educators, community leaders, and managers to address issues of sustainability in an integrated fashion. Through coursework, an internship experience, thesis research, and other training, students address the challenge of sustaining the desirable features of Earth's social-ecological systems at a time of rapid change. To date thesis research by RAP students has focused on: Climate-Disturbance-Human Interactions, Food Systems and Food Security, Adaptive Resource Co-Management, Sustainable Fisheries and Forestry, Alternative Energy, Rural Community Resilience and Adaptation, and Wildlife and Subsistence Resources. Since 2002 over 80 graduate students have joined RAP and 31 students have graduated from the program. Currently over 50 PhD and masters students are participating in RAP. Additional students have taken RAP course classes and participated in its many activities. Over 41 faculty members have or are currently serving as major advisors to RAP students, with six UAF schools and colleges and more than 9 home departments involved. Additional departments at UAA have also been involved. The goal for establishing RAP as a permanent program at UAF is to create the very best interdisciplinary graduate program in high-latitude sustainability science in the world.

FY13 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 284 / HB 285

OFFERED BY: Representative Guttenberg

DEPARTMENT: University of Alaska

APPROPRIATION: University of Alaska Southeast

ALLOCATION: Juneau Campus

ADD: \$90,100 UGF (1004); \$22,900 Univ Rcpt (1048)

EXPLANATION: Elementary Education Faculty with a Literary Focus

ALLOCATION: Sitka Campus

ADD: \$145,100 UGF (1004); \$50,000 Univ Rcpt (1048)

EXPLANATION: Alaska Technical Assistance Center Director

APPROPRIATION: University of Alaska Anchorage

ALLOCATION: Anchorage Campus

ADD: \$100,000 UGF (1004); \$20,000 Univ Rcpt (1048)

EXPLANATION: INBRE Cellular Development Biologist

ADD: \$250,000 UGF (1004)

EXPLANATION: ISER – Alaska Education Policy Research

ALLOCATION: Kenai Peninsula College

ADD: \$375,000 UGF (1004); \$94,000 Univ Rcpt (1048)

EXPLANATION: Process Technology Jobs for Resource Development

APPROPRIATION: University of Alaska Fairbanks

ALLOCATION: Fairbanks Campus

ADD: \$400,000 UGF (1004); \$400,000 Univ Rcpt (1048)

EXPLANATION: Support for Increased Engineering Retention and Graduation

ADD: \$210,000 UGF (1004); \$140,000 Univ Rcpt (1048)

EXPLANATION: Commercialization of University Intellectual Property for Business Development

ADD: \$250,000 UGF (1004); \$46,600 Univ Rcpt (1048)
EXPLANATION: Indigenous Studies Ph.D. and Alaska Native Knowledge Network

ADD: \$500,000 UGF (1004); \$226,400 Univ Rcpt (1048)
EXPLANATION: High Performance Computing for Alaskan Research

ADD: \$285,000 UGF (1004); \$178,900 Univ Rcpt (1048)
EXPLANATION: Preservation of Alaska's Art and Culture

ADD: \$547,200 Univ Rcpt (1048)
EXPLANATION: *Sikuliaq* On-shore Staff Support

APPROPRIATION: UA Community Campuses
ALLOCATION: College of Rural and Community Development
ADD: \$144,000 UGF (1004)
EXPLANATION: Early Childhood Program Support

APPROPRIATION: University of Alaska Statewide Program Services
ALLOCATION: System wide
ADD: \$350,000 UGF (1004)
EXPLANATION: Tech Prep High School to College Bridge Program – System wide

DETAILED NARRATIVES

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Southeast
ALLOCATION: Juneau Campus

ADD: \$90,100 UGF (1004); \$22,900 Univ Rcpt (1048)

EXPLANATION: Elementary Education Faculty with a Literary Focus

The UAS School of Education (SOE) seeks funding for a full-time tenure-track Education faculty position to meet growing demand for Alaska-educated teachers and to fulfill the expectations of the University of Alaska Teacher Education Plan. The great majority of Alaska's new teachers come from outside of the state. Few stay in the state for more than a few years. Alaskan students are shortchanged by this pattern, which this request will help to address. UAS has a strong history of success in educating Alaskan teachers. It will add a faculty member with significant knowledge in reading and literacy,

focusing on educating teachers working with elementary and middle school students. Mastery of literacy is fundamental to ensuring student success. This position expands the university's capacity to educate Alaskan teachers who are committed to Alaskan students and communities.

The foundations of literacy are established in the elementary years. The University of Alaska Southeast currently has four Elementary Education program options available to potential students in Alaska:

- Undergraduate B.A. program in Elementary Education
 - E-learning option
 - On-campus Juneau option
- Graduate MAT program in Elementary Education
 - E-learning option
 - On-campus Juneau option

These options have provided accessibility and flexibility for prospective teachers interested in a career in Elementary classrooms. In order to continue to meet the growing demand for teachers and ensure their ability to meet the needs of Alaska's students, the SOE needs an additional faculty member with significant knowledge in reading and literacy as well as expertise in meeting the literacy needs of P-8 students through differentiated instruction and Universal Design for Learning (UDL). These, as well as other literacy strategies help ensure the learning of all students and are crucial to the success of teachers.

The proposed elementary faculty member would have a service and research component to their workload. This will allow them to serve as a consultant to faculty in meeting the needs of all university students and to conduct research on meeting the literacy needs of Alaska's public school students.

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Southeast
ALLOCATION: Sitka Campus

ADD: \$145,100 UGF (1004); \$50,000 Univ Rept (1048)

EXPLANATION: Alaska Technical Assistance Center Director

Safe drinking water and proper community sanitation are essential for public health and economic development in rural Alaska. The Alaska Training/Technical Assistance Center (ATTAC) has been providing training and technical assistance to communities, Native health corporations, and Department of Environmental Conservation (DEC) for over 12 years with federal EPA funding. This funding ends in

the current year. Technical Vocational and Education Program (TVEP) funding is being used to continue this program for FY12.

Replacement of TVEP funding is being sought to move the Sitka-based ATTAC program from soft funding to GF to provide program funding stability. An active partnership between ATTAC and Alaskan Native health corporations, DEC, and individual Native Alaskan villages provides for the drinking water and wastewater training needs of Alaskan communities. This request will fund one staff position with general funds, and continue to generate NGF at approximately \$50.0 annually.

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Anchorage
ALLOCATION: Anchorage Campus

ADD: \$100,000 UGF (1004); \$20,000 Univ Rcpt (1048)

EXPLANATION: INBRE Cellular Development Biologist

The University of Alaska benefits from the NIH-sponsored IDeA Network of Biomedical Research Excellence (INBRE) program; it helps build research competency in biomedical research. The Alaska INBRE program provides laboratory scientists and clinical researchers with the tools and training needed to understand, detect, treat, and prevent a wide range of diseases. The program is in its second phase, supported by over \$12M in funding from NIH, and requires identification of the investments to meet matching requirements that contributes to the enhancement of biomedical research and education within the institution. This request is for a full-time, tenure-track faculty with expertise in Cellular and Developmental Biology to complement the existing research and teaching competencies within the University INBRE program.

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Anchorage
ALLOCATION: Anchorage Campus

ADD: \$250,000 UGF (1004)

EXPLANATION: ISER – Alaska Education Policy Research

The Center for Alaska Education Policy Research (CAEPR) was created with one-time seed funding by the University President (\$250.0K) from the University of Alaska Foundation. The Center identified a goal of addressing “the most important educational policy issues facing Alaska.” This request will provide base funding to operate the CAEPR within the Institute of Social and Economic Research (ISER). CAEPR enhances decision-making by policymakers, education professionals, and the

public through collaborative, interdisciplinary research, analysis, and dissemination. The Center conducts non-partisan research on policy issues around educational access, equity, and excellence in the Alaska context, across early childhood, primary and secondary, higher, and adult education.

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Anchorage
ALLOCATION: Kenai Peninsula College

ADD: \$375,000 UGF (1004); \$94,000 Univ Rcpt (1048)

EXPLANATION: Process Technology Jobs for Resource Development

Funds are requested for two faculty members and one coordinator for the Process Technology program. Demand has been huge, both by students interested in the program and by industry needing process operators. Graduates have almost doubled in five years from 26 in 2006 to 51 in 2010. During this period, KPC has produced 189 process technology graduates; 65 at the Anchorage Extension Site and 124 at the KPC campus. This request will replace the TVEP funding and add two additional positions for the program. The large number of retiring workers in oil, gas and mining activities, and student and industry demand makes it imperative that KPC increase its capacities in this high demand program. Additional faculty are needed to meet the demand, and a program coordinator will enable more internships, increased interaction with the Alaska Process Industries Career Consortium (APICC), and summer job opportunities.

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Fairbanks
ALLOCATION: Fairbanks Campus

ADD: \$400,000 UGF (1004); \$400,000 Univ Rcpt (1048)

EXPLANATION: Support for Increased Engineering Retention and Graduation

Student enrollment in the College of Engineering and Mines is booming. It has increased by 70% since 2006 and more than 120 degrees were awarded in FY11, a 50% increase since 2006. Despite the increases in enrollment and graduates, CEM has seen only very modest increases in faculty and teaching assistant (TA) support levels. Continuing expansion of engineering student enrollment at UAF since FY09 has continued to put pressure on the teaching resources of the college. It is now critical that additional faculty and teaching assistant resources be added. CEM currently has core Fund 1 support for 23 TA positions college-wide. This number of TA slots is insufficient given the current enrollment of nearly 750 undergraduate students majoring in engineering. For example, it is less than half the number of teaching assistants per student major (0.031 vs. 0.076) compared with the other colleges. This budget request would add

support for an additional 12 TA positions and provide a peer level of support more consistent with current enrollments. In addition to TA resources, increasing enrollments are placing additional pressure on class sizes and faculty resources, especially in the core Engineering Science course sequence. In order to better serve these additional students, the current request includes funding for two additional faculty slots in CEM.

DEPARTMENT:

University of Alaska

APPROPRIATION:

UA Community Campuses

ALLOCATION:

College of Rural and Community Development

ADD: \$144,000 UGF (1004)

EXPLANATION: Early Childhood Program Support

This request, in addition to enabling rural residents statewide to qualify for jobs, is very important to the education of pre-K children. The Early Childhood Education AAS and Child Development and Family Studies BA program graduates are in high workforce demand within Alaska and the United States as a whole. Federal mandates state that all Head Start teachers must have an AAS in Early Childhood by October 1, 2011 and 50% of all Head Start teachers must have a BA by October 1, 2013. The program staff and faculty within the distance Early Childhood programs plays a critical role supporting the high demand educational needs of all Head Start grantees within the State of Alaska. The program has made alterations to the curriculum content of the programs to meet the diverse cultural training needs as well as meeting standards developed by the National Association for the Education of Young Children (NAEYC). UAF CRCD works in conjunction with UAS School of Education.

DEPARTMENT:

University of Alaska

APPROPRIATION:

University of Alaska Fairbanks

ALLOCATION:

Fairbanks Campus

ADD: \$210,000 UGF (1004); \$140,000 Univ Rcpt (1048)

EXPLANATION: Commercialization of University Intellectual Property for Business Development

The Office of Intellectual Property and Commercialization works with University of Alaska Fairbanks employees to facilitate and protect UAF's innovative activities and bring the results to private business use through commercialization. The University of Alaska Fairbanks conducts approximately \$120M per year in research. Much of this research can lead to products, technologies, software codes, new plant varieties, and other intellectual property that, if licensed or sold to business, could provide competitive business advantage and create jobs. This investment would fund UA's initial commercialization effort, the critical step needed to translate University-wide research to economic development.

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Fairbanks
ALLOCATION: Fairbanks Campus

ADD: \$250,000 UGF (1004); \$46,600 Univ Rcpt (1048)

EXPLANATION: Indigenous Studies Ph.D. and Alaska Native Knowledge Network

College of Liberal Arts requests funding to allow recruitment of new faculty and infrastructural support for Cross-Cultural Studies, Indigenous Studies, and the Alaska Native Knowledge Network. The position will provide instructional support and research guidance for Masters and PhD candidates associated with the graduate programs in Cross-Cultural Studies, Indigenous Studies and related areas. The program has experienced rapid growth, and current enrollment in the M.A. (17) and Ph.D. (29) programs exceeds our capacity to provide adequate instructional and research support. A major portion of the requested funding is intended to recruit and refill a faculty position that was vacated by the death of a faculty member, Oscar Kawagley. Although he had retired (and his salary was lost to the indigenous studies program), he continued to make major contributions on a voluntary basis. In addition, the current director is nearing retirement, and it is important to bring a new faculty member on board before that happens to allow a smooth transition for students and a continuation of the program's mission. The online Alaska Native Knowledge Network, which provides critical support for the degree programs as well as information for the general public, requires an information specialist/technician. Although maintaining the website is a portion of his job, the larger part is gathering the information that appears there.

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Fairbanks
ALLOCATION: Fairbanks Campus

ADD: \$500,000 UGF (1004); \$226,400 Univ Rcpt (1048)

EXPLANATION: High Performance Computing for Alaskan Research

This proposal is to sustain and modernize cyber infrastructure capabilities for UA, as delivered by the Arctic Region Supercomputing Center (ARSC). Cyber infrastructure refers to the technology, personnel and support to enable a wide range of research and instruction based on advanced technologies. Services will be delivered to students and researchers at the University, and to residents and other stakeholders in Alaska.

Research and instruction are increasingly reliant upon large-scale computation and storage resources, across virtually all disciplines. Access to up-to-date and capable cyber infrastructure at UA is seen as essential for successful external grant seeking, as portrayed by researchers in dozens of University units. The requested funding will support ARSC's provisioning of resources to new and existing constituencies, and allow

expanded utilization of existing resources. A major targeted outcome is growth in external funding, through continued success in ARSC's current users, and enhanced access to cyber infrastructure for additional University constituencies.

A key area for sustaining and modernizing services is for ease of use through Web-based computational portals. Historically, only a subset of scientific and engineering disciplines have utilized supercomputers and their large-scale storage, and these resources were rather difficult to use. Today, however, ease of use for cyber infrastructure is undergoing a nation-wide transformation, thanks to the addition of Web-based portals for computation and analysis. The requested funding will support design, deployment, user support and ongoing maintenance of web-based computational portals, in order for a variety of stakeholders to more easily engage in computational modeling, data access, visualization, education, and outreach. Major current partners include INBRE/LSI, GINA, SNAP, the Dept. of Chemistry and Biochemistry, Geophysical Institute, and others.

Another key area for sustaining and modernizing services is a data portal. This will rely on ARSC's massive data storage, which is accessible within the UA system at much higher speeds, and far lower cost, than storage provided by commercial or academic institutions in the Lower 48. The requested funding is needed to expand accessibility and usability of data portal capabilities. The portal will be used for research and dissemination of research results, for instruction, by decision makers, and by other constituencies around the State. The portal will provide a listing of University data providers and information about their data sets. It will enable federated searching of data sets. It will also provide an online location for dissemination of many data sets that are not currently accessible online. Major current partners include Alaska EPSCoR, ASF, IARC, GINA, the Vice Chancellor for Research, WERC, and others.

A final key area for sustaining and modernizing services is an institutional repository. This will enable improved centralized access to the practical and academic outcomes of the University. This institutional repository will provide open access to theses and dissertations, to faculty biographical and bibliographical data, to undergraduate student research projects, and other products and outcomes. These items are already collected, but they are not centralized, standardized, or, in some cases, easily accessible to the public. The requested funding will support the design, deployment, support and maintenance of the needed cyber infrastructure for this institutional repository. Major current partners include the UAF Provost, the UAF Library, the UA Vice President for Academic Affairs, IARC, and the Graduate School. Additional UA partners will be identified.

ARSC has had long-term success in providing mainstream supercomputing and storage resources to researchers at UAF and elsewhere. The requested funding will support deploying these capabilities to reach a far broader constituency at UA and throughout the State. This increased breadth in the user base is intended to result in increased revenues from external grant sources, based on researcher's ability to demonstrate local access to world-class cyber infrastructure. It is also intended to greatly

enhance access, and add value, to the University's computational and data products, and other outputs. These will be useful for research, instruction, statewide decision makers, K-12 education, and outreach.

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Fairbanks
ALLOCATION: Fairbanks Campus

ADD: \$285,000 UGF (1004); \$178,900 Univ Rept (1048)

EXPLANATION: Preservation of Alaska's Art and Culture

The UA Museum of the North (UAMN) has an outstanding collection of Fine Art, from etchings made on Captain Cook's voyages to sculptures made in 2010, and includes many examples of Alaska Native art. UAMN is the most significant state repository for Alaskan art. The collections are a great resource for university students, the community, and scholars from around the world. The collection currently contains 5,000 paintings, prints, photographs, sculptures and multimedia works. In addition, there are hundreds of art collection objects distributed throughout the UAF campus. It is inappropriate for a university museum to have such a significant collection with so many items on display in a variety of venues and not have a curator who can oversee their care, documentation, interpretation, scholarly research and management. The magnitude of the collection also requires a collection manager, particularly to ensure the care and security of items on loan from the museum to other university units and the community. In addition to his or her museum duties, the curator would be a member of the teaching faculty, would bring undergraduate and graduate students into the collection to enhance their knowledge of Alaskan art. Two graduate student research assistantships are included in the request; the students will assist with documentation and scholarly research on the art collections. The curator would also teach art courses, particularly art history courses, including e-learning classes. The curator would participate in the very popular UAMN programs for K-12 students, adding knowledge and appreciation of fine art to the available activities. This position would strengthen the link between the Art Department, major donors, university benefactors, and the museum. In addition technical staff is needed to ensure the safety of all persons in the art studio labs where hazardous equipment and supplies are used. The Art Department has a variety of different specialized tools and many pieces of equipment throughout the department. The technician will also serve as the departmental safety coordinator for the area. The technician is needed to ensure a safer, more efficient work environment.

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Fairbanks
ALLOCATION: Fairbanks Campus

ADD: \$547,200 Univ Rcpt (1048)

EXPLANATION: *Sikuliaq* On-shore Staff Support

The *Sikuliaq* will be a 261-foot oceanographic research ship capable of bringing scientists to the ice-choked waters of Alaska and the polar regions. When complete in 2013, the vessel will be one of the most advanced university research vessels in the world and will be able to break ice up to 2.5 feet thick. Currently under construction at Marinette Marine Corporation, a shipyard in Marinette, Wisconsin, the *Sikuliaq* will be ready for unrestricted science operations in 2014 and will be homeported in Seward, Alaska. The vessel will be owned by the National Science Foundation and operated by the University of Alaska Fairbanks as part of the U.S. academic research fleet. Operating such a large and complex vessel will require considerable shore side staff support, and the School of Fisheries and Ocean Sciences will need to add three staff and increase the hours of a fourth. The additional positions are: a marine technician (APT), HR and purchasing specialists (non-exempt), and a warehouse staff person, whose position (non-exempt) will increase from part-time to full-time. The positions will be funded from indirect cost recovery from related federal and state grants and contracts. According to the current schedule for completion of the vessel, these positions will be hired or increased in March, 2013, and revenue/expenditures in FY13 will be about 1/3 those shown. The revenues and expenditures will increase to the amounts shown as the ship becomes fully operational in FY14.

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Statewide Program Services
ALLOCATION: System wide

ADD: \$350,000 UGF (1004)

EXPLANATION: Tech Prep High School to College Bridge Program – System wide

Tech Prep programs in Alaska have contributed to UA's outreach effort to secondary students and provided opportunities for dual secondary-UA credit towards graduation and degrees for thousands of students. Funding will institutionalize support for continuing activities necessary to provide plans of study for technical training leading dual academic credit in secondary and postsecondary education leading to university degrees and credentialing. This program has been specifically written into the Gas Pipeline Workforce Development Plan, and Alaska Career and Technical Education Plan.

FY13 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: CSHB 284(FIN), Draft Version "X"

OFFERED BY: Rep. Doogan, Rep. Gara, Rep. Guttenberg

Page 76, line 19:

INSERT: New Sec. 30 to read:

PERMANENT FUND. The sum of \$2,000,000,000 is appropriated from the general fund to the Alaska permanent fund (art. IX, sec. 15, Constitution of the State of Alaska).

Renumber sections accordingly.

EXPLANATION: This amendment deposits \$2 billion into the principal of the Alaska permanent fund.

19

27-GH2599\X.6
Bailey
3/7/12

AMENDMENT

OFFERED IN THE HOUSE BY REPRESENTATIVES GARA AND
TO: CSHB 284(FIN), Draft Version "X" GUTTENBERG

1 Page 76, line 24, following "FUND.":
2 Insert "(a)"
3
4 Page 76, following line 28:
5 Insert new subsections to read:
6 "(b) the sum of \$1,500,000 is appropriated from the budget reserve fund
7 (AS 37.05.540(a)) to the constitutional budget reserve fund (art. IX, sec. 17, Constitution of
8 the State of Alaska).
9 (c) the sum of \$1,500,000 is appropriated from the budget reserve fund
10 (AS 37.05.540(a)) to the constitutional budget reserve fund (art. IX, sec. 17, Constitution of
11 the State of Alaska)."
12
13 Page 77, line 6, following "29.":
14 Insert "31(b),"