

SENATE FINANCE COMMITTEE
January 30, 2013
9:05 a.m.

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CALL TO ORDER

Co-Chair Kelly called the Senate Finance Committee meeting to order at 9:05 a.m.

MEMBERS PRESENT

Senator Pete Kelly, Co-Chair
Senator Kevin Meyer, Co-Chair
Senator Anna Fairclough, Vice-Chair
Senator Click Bishop
Senator Mike Dunleavy
Senator Lyman Hoffman
Senator Donny Olson

MEMBERS ABSENT

None

ALSO PRESENT

Patrick Gamble, President, University of Alaska; Michelle Rizk, Associate Vice President, Statewide Planning and Budget, University of Alaska.

SUMMARY

Governor's FY14 Overview: University of Alaska

Co-Chair Kelly requested that questions be held till the end of the meeting.

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^Governor's FY14 Overview: University of Alaska

PATRICK GAMBLE, PRESIDENT, UNIVERSITY OF ALASKA, introduced himself and staff for the record. He believed that most of the committee members were familiar with the sequence of budget events that had led up to the current budget. He

discussed assessing the needs of Alaska and comparing them with what the University of Alaska was doing. He recalled that through examining various reports on the university and discussions during outreach meetings with students, faculty, and staff, the university had compiled a list of about 200 pages of comments regarding where it could improve, what it was doing well, and ideas on how it could be more efficient and effective; this effort was grouped into 5 themes. He explained that for the first year, the current budget was focused directly at those 5 themes. He discussed the strategic direction initiative (SDI), which took a more holistic view of how to systematically fix the university instead of fixing each suggestion one at a time; SDI would examine how many of the comments and recommendations were interconnected and tie them together to take a more holistic approach at systematically fixing the university in a way that was enduring and lasting. He pointed out that the university had come a long way in the last year since he had spoken to committee and recalled in-depth meetings the prior year in the House Finance Committee. He stated that the coming presentation's charts would show initiatives that had begun and were underway that did not exist during the prior year's discussions.

President Gamble related that the University of Alaska was about two-thirds of the way through SDI and stated that the hardest part of SDI was probably the statement of what the effect is in a particular theme area of the 5 themes. He discussed a situation involving a transfer of credits and mused what the effect was that the university wanted to achieve. He explained that the university wanted the credits to transfer, but that the question was what overall system effect it wanted in place when the transfer of credits was fixed; getting the effect statement right was important because it determined the path and plan of action. He related that the university was just entering into the stage of determining an effect statement and reiterated that SDI was ending phase 2 of 3. He explained that as SDI made corrections, the need for it dwindled because the approach was so different that the program became who the university was and not really like a program at all. He pointed out that the presentation would move swiftly and that there was a lot in the briefing that would not get mentioned. He urged members to ask questions.

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President Gamble spoke to the presentation titled "FY14 Budget Overview Senate Finance Committee January 30, 2013" (copy on file) and discussed slide 2 titled "Many Traditions, One Alaska." He pointed out that the University of Alaska system included 3 main, separately-accredited university campuses, underneath which were the community campuses and the community college in Valdez.

President Gamble spoke to slide 3 titled "UA Organizational Chart" and related that it depicted the main universities, as well as the community campuses under them.

President Gamble addressed slide 4 titled "UA's Mission."

"The University of Alaska inspires learning, and advances and disseminates knowledge through teaching, research, and public service, emphasizing the North and its diverse peoples."

President Gamble spoke to slide 4. He emphasized that the business of teaching was undergoing a revolution and that there was controversy sounding new ways of teaching and new ideas that were underlined by technology. He explained that the refresh rate of technology was much faster than the traditional way of teaching and lecturing and that as a result, the tempo of change had increased. He observed that after 235 years of the same basic teaching methods, there were many new ideas regarding how to connect with students, most of which involved uses of technology. He stated that the University of Alaska's community campuses were closely tied and very important to the cause public service. He related that the university had a niche with research in the Arctic and that it could be competitive in that regard with any other school in the country because it knew the region and industries; furthermore, the university had great researchers, graduate students, and classes. He offered that beating the other major schools in the country to win a competitive multi-million dollar grant for an Alaskan research effort was impressive and pointed out the university had been quite successful in the last year in doing that. He stated that the university had a responsibility to protect and enhance the culture of Alaska, which included things like the preservation of language; it was important to remember this aspect of the university's mission.

President Gamble pointed to slide 5 titled "Who Are We?"

- 34,000 students; more than 50 nationalities
- 3 urban campuses; thirteen community campuses; numerous outreach centers
- More than 500 degrees
- 4,174 graduates (FY12)

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President Gamble discussed slide 6 titled "Core Competencies."

- Higher Education
 - PhD
 - MA/MS
 - BA/BS
 - AA
- Workforce Development
 - Licenses
 - Certificates
 - Skilled labor training
 - Industry partnerships
- Research and Development (R&D)
 - State needs
 - Federal needs
 - International needs
 - Economic needs
- Cultural Priority and Integration
- Community Partners

President Gamble discussed slide 6. He shared that in the last year, the University of Alaska Anchorage (UAA) had become a doctoral university and had moved up from the master's level with its first joint-doctoral program with the University of Alaska Fairbanks (UAF).

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President Gamble addressed slide 7 titled "Performance Review" and stated that it depicted how the University of Alaska normally examined itself at the end of the year. He pointed out that the red and yellow arrows showed that the university was peaking after about 10 to 12 years of consistent growth. He surmised that the days of growth were over and that there was not any funding for future facilities planning in the university's current capital budget. He stated that the university had plenty of work that needed to be done before it would start new constructions; however, the university had been endowed with general obligation bonds from the public and had received support from the legislature for the construction of new buildings. He reiterated that the slide showed that growth in the university was peaking. He stated that there were some "good news" stories like the Veterinary Medicine Program with Colorado State University and the honors programs. He reported that the number of students in the university's honors programs in one year was amazing and that these students represented the best college students in the state; course load was going up despite reductions in the head count and the overall number of credit hours. He explained that students who were seeking a 4-year degree were taking more credit hours than before and reported that taking more hours resulted in getting through college faster and with less expense.

President Gamble discussed slide 8 titled "Challenges."

- Federal funding support – trending down
- State funding support – trending down
- Restrictions on internal budget reallocations
- Huge and aging facility complex
- Enrollment – leveling out
- Matching degrees and training to workforce needs
- Health care costs – unsustainable
- Bandwidth limitations – rural student impact

President Gamble spoke to slide 8. He related that although he could write several lists of challenges, the slide was meant as a cross section to illustrate the environment that the University of Alaska was working in. He spoke to the first bullet point and stated that the university expected the trending down of federal funding to particularly affect research. He stated that the university could take a guess at what sequestration would do in terms of the potential for budget cuts, but that it did not really know what would happen at the national level. He spoke to the second bullet point and related that state funding support was problematic given the budgets that the state was currently dealing with. He mentioned that the university represented the third largest budget and surmised that it would be affected by the state's budgetary decisions.

President Gamble continued to discuss slide 8 and spoke to the final bullet point. He explained that as education relied more and more on applications that were online, bandwidth and latency became very important. He explained that waiting for buffering when viewing a video or audio file online were latency and bandwidth issues at work; furthermore, a student who was having these types of problems while attempting to take a final exam or a lab online would not be able to take the course effectively. He stated that bandwidth for education was as important as runways for airplanes and highways for trucks and concluded that for Alaskans in particular, it would be very important for education. He related that there were initiatives in the Interior of Alaska to increase bandwidth by joining more fiber optics, but offered that the real question was how much of the infrastructure work the University of Alaska was supposed to pay for as opposed to connecting into the basic bandwidth that was available to the community and paying for the last 100 yards to hook up the students and facilities; currently, the university was expected to pay for "the whole thing," which was very expensive. He related that about \$25 million was needed in order to level out bandwidth for 50 years across the university and all of the community campuses; this was the cost that the university would have to pay to get the bandwidth it needed, which was probably not achievable by the university alone. He pointed out that adding the bandwidth would stretch fiber optics to the communities and that the question would be whose job it would be to build the infrastructure. He concluded that the fiber optics that would be laid would become the new infrastructure.

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President Gamble spoke to slide 9 titled "Meeting UA's Challenges- Strategic Direction Initiative (SDI)."

- Focus on Student Achievement
- Asking "Why...?"
 - Standards, credit transfer - common complaints
 - Student service - "hassle factor" very high
 - Limits to e-Learning - rural impact growing
 - Tuition can't keep up with cost of doing business
- Placing Emphasis Across UA System
 - Value
 - Quality
 - Throughput
 - Excellence
 - Attainment
 - 3 critical years
- Incorporate lessons learned - studies, reports

President Gamble addressed the third main bullet point on slide 9 and its value component. He related that a student attending college in Alaska could expect to spend about \$20,000 per year and that people wanted value for the cost of getting a degree in Alaska. He explained that people wanted to become critical thinkers, get a degree in a short amount of time, and not be extended in the process by happenstance that occurred in the University of Alaska. He explained that a happenstance could be the inability to get a course, which meant that it would need to be taken the following semester; furthermore, this should not happen when there were 3 universities in the state. He noted that a student should be able to go online, take the missed course, get the credits, and move through the system more rapidly. He shared that for the most part, the university could offer earlier courses online, but that it became more difficult to do so with the advanced and graduate courses; however, the direction was trending towards online class

availability and the university needed to be on forefront of that change.

President Gamble stated that getting through the University of Alaska's system was important because spending more time in college meant spending more money; students spending more time in college also represented a higher expense to the university. He pointed out that the cost per graduate went up the longer a student spent in the system, but that there was an exception to this; the exception was the fact that the majority of students who were attending some sort of class in the university system were typically referred to as a non-traditional students. In other words, non-traditional students were not going right into college, but were life-long learners and single parents who were working full-time or part-time and were attempting to get to the next level of higher education; this was an important customer of the university that could also be helped to move through the system more swiftly and easily without the "hassle factor."

President Gamble continued to speak to slide 9 and related that the University of Alaska believed that tuition had reached a peak; this would be problematic because it was a very important revenue source for the university. He surmised that the days of requesting 7 percent to 10 percent tuition increases every year were probably over, but that the problem was that the less the university asked for in tuition, the more likely it became that it would ask the legislature for more funding. He explained that SDI was attempting to rearrange resources internally in order to remove things from non-value-added work and add them in the areas where the money was needed before the university needed to ask for funding from the legislature; a single appropriation, which was at the discretion of chancellors and the president, could be very important to the process of being able to move money internally without having to ask for more funding.

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President Gamble discussed slide 10 titled "Major SDI Underway Since Last Year."

- Improved Student Services
 - Advising – e.g. MAP-Works

- UAS Honors Program
 - UAA VetSuccess
 - Stay on TRACK
 - Educational opportunities in rural Alaska
- Partnerships K-12
 - School board dialogues with DEED
 - Alaska Middle College
 - Cordova Campus relocated to Cordova High School
 - Dual enrollment

President Gamble related that there were programs on slide 10 that were not in existence when the University of Alaska had spoken with the committee the prior year. He discussed the first sub-bullet point and related that an advising program that used technology applications had been started at UAA; the test run of the program started with about 400 students, but was now up to over 5,000 students who had been fully advised in the first and second year with the Map-Works system. He stated that any student that was taking basic courses was enrolled in the MAP-Works system and pointed out that the university was currently looking to buy the second investment that would extend MAP-Works to all of the community campuses throughout the system; this comprehensive advising had shown improvements in the university's system. He pointed out that in the Lower-48, where the comprehensive advising programs had been operating longer, there had been significant improvement.

President Gamble continued to discuss slide 10 and pointed to the third sub-bullet point. He related that Stay on TRACK was an initiative that the University of Alaska had started in the last year to get students to take 15 credit hours per semester in order to get them through to system faster; in the first year of the initiative, the University of Alaska Southeast (UAS) had an 11 percent increase of students who signed up for 15 or more credit hours in a semester and UAF was up over 7 percent in the same category. He directed the committee's attention back to the MAP-Works system and related that it came with a module called "early warning," which was an intervention process that the university could use to identify students that were having trouble while there was still an opportunity for intervention; there had been 65 successful

interventions in which students were retained who probably would have dropped out otherwise. He pointed out that student retention meant dollars to the university's bottom line.

President Gamble continued to discuss slide 10 and pointed to the second main bullet point. He stated that the University of Alaska had some great meetings with the commissioner of the Department of Education and Early Development, the state school board, and the university's board in order to look at specific things that could reach back farther into secondary education in order to start students thinking about and working towards a college degree. He discussed the Alaska Middle College and related that it was a great new program at Eagle River that had 135 students. He mentioned the Future Educators of Alaska (FEA) program that focused on getting students energetic about becoming teachers and bringing them all the way through the system; FEA was similar to programs like the Rural Alaska Honors Institute (RAHI) and the Alaska Native Science and Engineering Program (ANSEP). He explained that the university wanted to put the same emphasis on teachers who were internal to Alaska as it did with RAHI and ANSEP. He related that the programs on the slide, as well as others, were currently doing well.

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President Gamble pointed to slide 11 titled "Major SDI Underway Since Last Year."

- Public & Private Partnerships
 - UAS Center for Mine Training (CMT); Consolidated Alaska Mining Initiative
 - UAF Sustainable Village
 - Dillingham nursing students trained and hired locally
 - FSMI – Fisheries, Seafood, Maritime Initiative
 - P3 Dining Facility

- Increased Alaska-Related Grant Funded Research
 - Alaska adapting to changing environments
 - Alaska Native health research

- Program Review
 - Common General Education Requirements (GERs)
 - Common cut scores

President Gamble stated that public and private partnerships were one of the University of Alaska's main themes. He relayed that the Center for Mine Training at UAS had been "stood up," and that he expected that there would be 3 centers for mines. He pointed out that there were a number of explorations currently underway that were expected to reach development and that the required workforce for these potential mines could be 3 times larger than what the university currently had; therefore, there was a significant amount of specific workforce development to conduct. He explained that the needed workforce development could not all be done in Juneau, where underground and hard-rock mining training took place as opposed to open pit mining training; Fairbanks looked like a good location for a new mine training center. He related that the university might have over 6,000 employees in the mines in several years if some of the potential mines reached development; additionally, the university thought that the labor force should to come from Alaska and that it needed to be the entity to setup the process to train that workforce.

President Gamble continued to speak to slide 11 and addressed the fourth sub-bullet point under the public and private partnerships component. He related that the University of Alaska had approached the Fisheries, Seafood, Maritime Initiative (FSMI) regarding what it needed specifically in its workforce and in its degreed employees; the university was trying to align itself with what Alaskan employers specifically needed and when it was needed in order to more appropriately channel the workforce. He pointed out that the governor had done a good job in talking to the class in the Juneau about opportunities. He related that university was creating its own focus and organization internally to handle the coordination instead of letting all 3 main campuses do it haphazardly, which was the way it had been done in the past; the university was growing and becoming more sophisticated about how it dealt with Alaskan employers.

President Gamble continued to discuss slide 11 and spoke to the final bullet point under the public and private

partnerships component. He recalled that there had been questions from the committees over the last 2 years regarding why the University of Alaska was not commercializing some its ideas and forming more partnerships. He relayed that the P3 dining facility at UAF was about a \$1.5 million project that the university had not approached the legislature for. He explained that the university had sold bonds to finance the project, secured a good interest rate, came in under what it expected to pay, and would use the profits from the dining facility to do the debt service on the bonds; this was all being done internally with UAF and the board's approval. He concluded that the P3 dining facility was an example of a first step the university was taking in a real public/private partnership and that others were being looked at as well.

President Gamble continued to speak to slide 11 and pointed to the program review component. He related that there was an extensive and accelerated course-by-course program review across the universities regarding which ones brought value and which ones did not. He spoke to the first sub-bullet point and related that in the past, the general education requirements (GERs), which were the basic courses for college freshmen and sophomores, had varied between the different state universities; however, through the leadership of the University of Alaska's Faculty Alliance, the faculty had sat down and examined GERs in order to try and normalize them across the system. He shared that the effort to normalize the GERs was the first positive step in that direction and that it should be completed for students who were entering in the fall of 2013. He spoke to the second sub-bullet point and related that regarding the common cut scores, the university used ACCUPLACER for all students coming into its system for placement purposes. He explained that what the university had discovered was that an ACCUPLACER score of 51 in English at UAF would get a student into the same level of placement that required a score of 55 at UAA; furthermore, it was the same test and the university did not have a good answer as to why the standards were different. He explained that the faculty had sat down, looked across the whole system, and had decided to have the same cut scores; this agreement had just been reached and the faculty were now looking at standardizing the common cut scores for math as well. He offered that there had been significant progress made in some of the system-wide anomalies and that the progress would continue through the rest of SDI.

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President Gamble addressed slide 12 titled "FY14 Budget Request." He related that the slide depicted the 5 themes of SDI and shared that all of the comments, written items, reports, and introspective looks that the university had received or conducted were grouped under these themes. He stated that the 5 themes were in the University of Alaska's operating budget request.

President Gamble discussed slide 14 titled "Student Achievement and Attainment."

- Student-Focused and Service-Based
- Enhanced Services for Students
 - STEM capacity increase
 - e-Learning opportunity becoming normalized across UA
 - On-line technology benefitting student services
- Mandatory Comprehensive Advising
 - FY13 investment results detected?
 - FY14 request with more emphasis on community campuses
- Retention, Completion, Graduation
- Community Engagement
 - K-12

UA request: \$1.6 M [This figure is one of the green-highlighted numbers President Gamble made reference to at the beginning of slide 14.]

President Gamble spoke to slide 14 and stated that the next several slides showed a number on bottom right that was highlighted in green; these highlighted numbers represented the University of Alaska's Board of Regents' request and did not represent the governor's budget. He stated that the slide detailed what was in the \$1.6 million request. He pointed out that the concept of service to students ran replete through the whole SDI process and explained that the only reason the university existed was for the

students; furthermore, the university was acting on behalf of the state of Alaska as a public servant and if there was something broken in the system, the university was obligated to fix it. He related that SDI was working well and that the cooperation had been tremendous. He spoke to the retention, completion and graduation bullet point and opined that the governor had recently announced a goal of having 90 percent of Alaskan graduates attending university by 2020. He pointed out that the demographics showed that high school graduation rate would level off, but that getting a 90 percent rate would be the equivalent of 1500 more students walking in the door, which represented a lot of tuition. He shared that the governor's goal would be difficult to achieve and that in order to do so, the university would have to go into the high schools in order to determine how it could provide incentives and hold on to students who "zoned out" or did not take opportunities to be engaged their senior year; achieving this would help the university get funding without having to ask the legislature for General Funds.

President Gamble pointed out that a 1 percent increase in student credit hours, which was about 6200 hours assuming each student took 15 credit hours per semester, would represent about \$1.2 million to the university's bottom line. He pointed out that 1500 new student enrolling who were taking 15 credit hours would be "amazing"; furthermore, the university saved about \$1 million for every 50 first-time/full-time freshmen students that it retained through the year and into the next. He concluded that there was a lot at stake regarding getting and retaining students.

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President Gamble spoke to slide 15 "Productive Partnerships with Alaska's Schools."

- Supports UA's Commitment to Working with the K-12 System
 - Cultural standards - must eventually balance with merit standards for graduation
 - MOOCs (massive open online classes) - potential for dramatic intervention
 - Testing norms: cut scores, admissions, scholarships

- P-20W – shared database of educational experience from childhood to workforce
- Work on "The 3 Critical Years"
 - Strengthen the most effective bridging opportunities from high school to the University
 - Dual credit
 - Tech prep
 - Summer academies
 - Live homework help
 - Internships
 - RAHI - Rural Alaska Honors Institute
 - RRANN - Recruiting and Retention of Alaska Natives into Nursing
- Teacher Education
 - Alaska Teacher Placement
 - Alaska Teacher Education Consortium
 - UAA Center for Alaska Education Policy Research (CAEPR)

UA request: \$500 K[This figure is one of the green-highlighted numbers President Gamble made reference to at the beginning of slide 14.]

President Gamble spoke to slide 15 and pointed to the fourth sub-bullet point titled "P-20W." He related that for the first time, the University of Alaska had received a \$4 million grant that would allow it populate a common database between high schools and the university that both institutions could use; the database could populate pertinent student-by-student information, such as what kind of courses they took, what their grades and test scores were, etc. He related that the ability to go back into high school and work students through to college with good advice and good advisors was important and that the state had never had a database before which enabled that. He explained that a student could get a number when they entered kindergarten in Alaska and would keep it till they graduated from high school; technology would enable the university to be much more efficient in holding on to those students. He referenced various successful programs including RAHI, RRANN, and a teacher education program at UAS and offered that they were excellent programs that worked.

President Gamble discussed slide 16 title "Productive Partnerships with Alaska's Public Entities and Private Industries."

- Leverage GF through better use of public and private partnerships
- Meet industry requirements job for job to fill high demand needs
 - Health/Biomedical
 - Workforce Development - requiring higher entry standards
 - Fisheries, Seafood and Maritime Initiative (FSMI)
 - Consolidated Alaska Mining Initiative (CAMI)
- Fostering Knowledge of Alaska Issues, Culture and History through the UA Press

UA request: \$3.3 M [This figure is one of the green-highlighted numbers President Gamble made reference to at the beginning of slide 14.]

President Gamble addressed slide 16. He discussed the process of guiding a high school student who had not yet decided which course of instruction they should take and informing them about the jobs that would most likely be available in 4 to 5 years in Alaska, including the expected pay and vacancy rates. He spoke about starting students thinking early about their life through high school, college, and into the workforce and opined that programs like RAHI made it so that anyone could make it through the system, even if they came from a village of 90 people. He offered that students thrived with good instruction, good technique, and motivation. He discussed the slide's final bullet point and shared that about 50 percent to 52 percent of all the printings from the University of Alaska Press (UA Press) were culturally related. He stated that, outside the Alaska's museums, the UA Press was probably the single source that did a really good job at preserving the culture of Alaska and breaking it down into its components. He related that university presses were disappearing and that it would be a shame to lose the UA Press over the small amount of money that it took to operate it. He shared that he had personally made sure that UA Press had received enough money to keep running, but that it was operating on a "shoestring" budget; the university wanted to increase

the UA Press's budget. He stated that the UA Press probably did not require more than \$200,000 per year to operate and that it did not represent a lot of money.

9:40:30 AM

President Gamble pointed to slide 17 titled "Research and Development to Sustain Alaska's Communities and Economic."

- Create Economic Value from UA Intellectual Property
 - UAA/UAF Offices of Intellectual Property and Commercialization
 - Venture capital
- Focus R&D Where UA has a Competitive Advantage
 - High performance computing
 - Specific research critically important to the Arctic and Alaska
 - Fisheries, seafood, oceans, alternative energy, mining, health care, Arctic engineering
 - Collaborative research
 - Unmanned Aerial Systems (UAS)
 - Alaska EPSCoR
 - Poker Flat

UA request: \$800 K[This figure is one of the green-highlighted numbers President Gamble made reference to at the beginning of slide 14.]

President Gamble stated that the focus on slide 17 was that the University of Alaska was not in the position to compete with other big name universities in certain fields of endeavor in the sciences or arts because it was not "who we are in Alaska"; additionally, the university would not be able compete with the these universities in those areas on a shrinking federal budget. He stated that the university was a world class leader in understanding the environment of the Arctic, including the construction and engineering aspects of operating in the region. He related that understanding the Arctic included the geo-physical aspects in the region, such as the surfaces that were built on, earth quake predictions, as well as climate change and thawing issues; the university knew more about these types of things that were specific to Alaska than most other

entities. He stated that Alaska had been referred to as a litmus test regarding climate change and related that the university had people who examined climate change exclusively; unfortunately, these researchers' funding was expected to shrink because of the anticipated drop in federal funding.

President Gamble continued to speak to slide 17. He pointed out that the National Science Foundation (NSF) currently supplied 42 percent of the University of Alaska's research dollars, but that sequestration would result in the NFS providing 10 percent less funding to every entity it gave money to. He related that in the future, the university would have to compete harder with bigger schools in order to get funding from the NSF. He concluded that the people in the NSF recognized Alaskan researchers and opined that if the university competed in the areas where it had the expertise, it would do well. He relayed that the university had recently secured a \$20 million EPSCoR grant and had competed with other top universities all over the country for the grant, which was a huge win. He discussed a teacher-mentoring grant that the university had recently received from the U.S. Department of Education, which was the only \$15 million grant of its type issued in the entire country. He concluded that the university could compete, but that it needed to focus and choose its battles.

President Gamble continued to speak to slide 17. He observed that the state had rarely contributed to research in the past and had left it up the federal government; however, the state stepping in with funding should be a consideration if federal funding was cut back. He spoke of the need to track king salmon in the river systems, study ocean acidification, ocean current studies, etc. and related that university could play in those areas. He opined that a lot of Alaskan research was going to outside consultants and researchers, but pointed out that the university could do that work.

[9:44:09 AM](#)

President Gamble discussed slide 18 "AU Board of Regents' FY14 Operating Budget." He related that the slide showed a comparison between the University Of Alaska Board Of Regents' budget, which included the items that the presentation just covered, and the governor's proposed operating budget. He reported that the slide showed that

aside from the compensation increases, which covered 90 percent of new facility/additions estimated operating costs, the program money had been removed from the budget; this was not a shock to the university because the same thing had "pretty much" happened the prior year. He recalled that the prior year, the university had come to the legislature and had won back most of the items that were taken out; furthermore, the items that were added back into the budget had not been vetoed by the governor. He acknowledged that the current year's financial situation was not the same as the prior year and expressed concern regarding the following year's funding. He pointed out that the university was greatly interested in the current year's funding because the trend would indicate what the following year would look like and stated that there was some focus on making changes to the budget this year, because it would not get any easier in the coming years.

President Gamble continued to speak to slide 18 and related that the University of Alaska's high-demand program request was about 0.8 percent above what it was the prior year; the year before that, the request had also been 0.7 percent to 0.8 percent over the previous year. He stated that university had produced several finely-tuned flat budgets and that if inflation was calculated, they were actually a decreasing. He expressed appreciation that the university's compensation and benefits were covered, but offered that if this number was removed, there would not be much left in the university's budget.

President Gamble continued to speak to slide 18 and commented on the receipt authority column. He pointed out for the record that receipt authority was a mix of internal dollars that the university raised and spent, but that it was also the permission to spend dollars one might not currently have. He pointed out that the \$579.661 million total at the bottom of the receipt authority column appeared like real cash dollars to an external observer; however, the number was actually a mix of possible dollars and internal dollars. He expounded that the size of the budget was not as big, in terms of actual dollars, as it appeared on the bottom line. He acknowledged that committee members understood what federal receipt authority was, but that the public might not.

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AT EASE

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RECONVENED

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President Gamble pointed to slide 20 titled "FY14 Capital Budget."

- Deferred Maintenance (DM)
 - UAF Co-gen Power Plant
- Renewal and Repurposing (R&R)
- UAF/UAA new engineering buildings completion
- Research specific to Alaska issues

President Gamble discussed slide 21 titled "Deferred Maintenance."

- UA floor space is 40% of ALL state facilities in Alaska
- 400+ buildings/infrastructure
- 6.7 million square feet... and growing
- \$2.6 billion adjusted value
- DM results from a chronic inconsistency to regularly fund O&M and R&R

President Gamble related that slide 21 depicted the size of the deferred maintenance problem and explained that normally a campus of 35,000 students, which was how many students the University of Alaska had, would have a much smaller footprint; however, in Alaska there were campuses all over the state. He reported that typically old buildings on a single campus would be torn down for a new construction, which would have a low fix-cost; because of its community campuses and the increased floor space, the university had to pay a higher fix-cost per student. He stated that the average age of the university's buildings was 32 years-old and explained that because operating and maintenance and renovation and repair dollars had been

inconsistent, the deferred maintenance was growing. He shared that the size of the deferred maintenance was getting so large that the actual dollar amounts that were required to mitigate the risk that resulted from the aging facilities were becoming huge. He recalled a recent newspaper article that claimed that the state had a \$1 billion deferred maintenance problem, but asserted that university's deferred maintenance alone was approaching \$1 billion. He concluded that deferred maintenance was a serious problem and stated that the university was asking for a programmatic approach, instead of an annual effort to spot dollars every year, to ensure that steady funding over time would arrest the growth in deferred maintenance and bring it back down.

President Gamble spoke to slide 22 titled "UA Board of Regents' FY14 Capital Budget." He related that the University of Alaska Board of Regents' request was on the left side of the chart and that the proposed capital budget from the governor was on the right side. He pointed out that the chart was not great and explained that the university was not requesting \$233.9 million; however, the university had to display what the issues were on the capital side of the budget, so it included them under state appropriations because it did not have another way to display them. He pointed to the \$37.5 million in the top row of the chart and related that it represented the funding for year 4 of the governor's 5-year program to try and buy down the deferred maintenance for the university; the program was paying \$37.5 million per year for 5 years.

President Gamble continued to discuss slide 22 and related that the \$37.5 million was like "treading water" regarding bringing the deferred maintenance curve down because the number was so large; it did not decrease the deferred maintenance, but also did not increase it a significant amount. He reported that the University of Alaska needed an additional infusion of dollars in order to actually bring the deferred maintenance down from \$750 million; the \$75 million on the chart's second row represented that additional infusion. He explained that the university normally asked for \$100 million for deferred maintenance because \$75 million barely bent the curve, even with the addition of governor's amount. He explained that the university would guarantee that instead of asking for another \$22 million to start the power plant in Fairbanks, it would take that amount out of the \$75 million in

deferred maintenance dollars; the \$22 million was depicted on the third row of the chart. He stated that the power plant was probably the number 1 priority, particularly at UAF.

President Gamble continued to speak to slide 22 and recalled that the prior year, there had been an issue of competing high-demand projects and that at the time, the University of Alaska was looking at 2 new engineering buildings, as well as the power plant at UAF; the university had internally agreed to go after the engineering buildings that year because they would probably be the last new buildings it would get for some time. He relayed that engineering buildings needed to be built because of concerns regarding accreditation and that the opportunity was there because the number of dollars on the capital side of the budget appeared as though they would be healthy; as a result, the power plant was deferred for another year, which was why it was appearing in the current budget. He pointed the \$108.9 million under the slide's state appropriations column and related that it was the second half of the funding for the 2 engineering buildings that were authorized the prior year for half funding. He pointed to the research dollars on the slide and stated that the university was fully capable of doing the research. He asked that the state consider utilizing the university regarding research instead of using outside resources. He stated that the university knew it would probably get the \$37.5 million for deferred maintenance and would like to have the \$22 million for the power plant, as well as the other half of the funding for the engineering buildings; other funds would be nice to have, but not expected.

[9:55:52 AM](#)

President Gamble addressed slide 23 titled "Getting Control of Deferred Maintenance."

Bottom Line

UA seriously needs programmatic solutions to acquiring annual funds for real property maintenance, R&R and DM reduction. Going back to the well each year is clearly not working in the state's best financial interest.

M&R R&R DM

President Gamble discussed slide 23's 3 subject areas. He shared that maintenance and repair (M&R) consisted of this year's money to fix this year's problems and that R&R came at the 20 or 25 year point when the building was rehabbed or repurposed; if neither of these were done well, everything was rolled into deferred maintenance (DM). He related that of the 3 subject areas, only M&R was programmatic. He stated that the university usually received money for M&R, but that there had been little for R&R and DM, other than what the governor had done. He related that 2 years prior, the university had received a requested \$100 million, but that it had been in receipt authority through which the university would sell bonds; this had finally been reduced in the governor's budget to \$50 million of receipt authority. He explained that the university had sold half of the bonds and was in process of selling and applying the second half. He stated that 71 percent of the deferred maintenance money that the university had received the prior year was "on the street" already; furthermore, over the last several years, the university had about 92 percent of its appropriated dollars on the street with projects completed. He concluded that the university put the money to work as fast as it received it in order to fix problems.

President Gamble pointed to slide 24 titled "Sustainment Funding Model for UA Facilities." He shared that the chart depicted the relationship and history of DM, M&R, and R&R and showed the connection between the 3 categories.

President Gamble discussed slide 25 titled "A Few Words About Research."

President Gamble addressed slide 26 titled "Research for Alaska."

- Chinook salmon production and decline
- Energy technology, analysis & development
- Expanded test-bed capabilities (diesel, wind-diesel, hydro-kinetic)
- More research on geothermal, wind & biofuel

- Strategic resource digital mapping

President Gamble relayed that it was likely that the federal government would reduce its outlays and that the University of Alaska would need to be competitive to get the dollars.

President Gamble discussed slide 27 titled "Federal Agencies Seek Out UA Research."

- \$133 million external research funding
- Growing recognition that Alaska should have more involvement in circumpolar research questions and answers
- To be competitive, complimentary Alaska funding for research is needed

[9:58:56 AM](#)

President Gamble spoke to slide 28 titled "Research - Economic Impacts."

- \$92 M payroll (50/50 split - UA & private sector)
- Alaska answers to Alaska questions
- Good value - each \$1 invested leveraged to at least \$5

President Gamble spoke to slide 28 and its final bullet point. He stated that outside dollars were leveraged very effectively and explained that federal research funding from the prior year had been leveraged and was secondarily created into about \$400 million of business by the University of Alaska.

Senator Hoffman referenced a target of 90 percent of Alaskan graduates going to the University of Alaska by the year the 2020 and inquired how the university anticipated accommodating students in the dorms. He queried if the new accommodations would be funded through additional tuition or whether it would reflect a capital cost to the state. President Gamble responded that the university had not had enough time since the target was set to answer the question. He stated that the university was trying to focus

on keeping freshmen and sophomores on campus as a tool for retention and explained that upperclassmen at UAS had to find a place to live. He pointed out that an additional 1500 students was a good number to look at, but that it represented challenges regarding logistics. He added that he would look into the matter further.

Senator Hoffman noted that the ANSEP program had a high success rate and a lot of private support. He requested that the University of Alaska comment on the ANSEP program. President Gamble responded that the ANSEP program had a long reach back and started in about the 6th grade. He explained that Herb Schroeder, who ran the ANSEP program, had discovered that students were being lost because they were not motivated, but that when students put their hands on something and interacted, they became engaged; furthermore, university's research showed that the same thing was true with 20-year-olds. He stated that Herb Schroeder had also discovered that if the state ever let go of a student that was engaged, it lost them; therefore, the ANSEP program had a progression that held on to students all the way through the system, even through to the college level. He explained that the conditions of the ANSEP program had proven to be very successful, particularly for Native Alaskan students and stated that the university wanted to apply the conditions of that program in other ways regarding its efforts in high school.

[10:03:01 AM](#)

Senator Hoffman noted that ANSEP solved problems non-traditionally by having a group of students identify a solution instead requiring an individual to learn on their own; additionally, this method had high success rates and was non-traditional to education system.

Senator Hoffman inquired if the power plant at UAF was anticipated to be primarily operated from coal or if it would be converted for gas that could be coming into Fairbanks in the future. President Gamble responded that because there was no solid commitment for gas in Fairbanks, the power plant would have to be a high-tech coal plant that would use about 30 percent waste and biomass and 70 percent coal. He stated that if there was a commitment to gas, the University of Alaska would prefer to build a gas powered plant because a coal plant could not be converted for other uses and furthered that the university was

holding on as long as it could before it had to commit and start building a new plant. He explained that the current plant was considerably past its useful life and pointed out that UAF's fresh water system ran through the plant. He discussed aging buildings, freezing and thawing issues, and the risks associated with the current aging power plant and offered that this was the year for some action on the new power plant. He pointed out that the question to ask was whether the new \$240 million power plant should be just for UAF; additionally, should it be a university plant, should it be a private or commercial venture, or should it be some kind of partnership that fed the university, but also had other benefits. He noted that \$240 million was an awfully big number to go to the university alone. He opined that in the next year, a final decision should be made regarding the power plant and the design phase needed to start; the \$22 million was just the money needed for the design.

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Co-Chair Meyer noted that \$240 million for one project scared him and offered that the sum could represent the entire capital budgets in future years. He pointed out that the entire community of Fairbanks had power needs and that spending \$240 million on an isolated part of the town was bothersome. He offered that if the state was going to spend \$240 million, it should heat part of the city in addition to the college and pointed out that UAS and UAA paid the local utility companies for electricity and heating, which would be his preference for UAF as well. He noted that there was hesitation on the part of the committee for the \$22 million and pointed out that it only covered the design of the project. He offered that the committee was committed to the new engineering buildings, but that \$108 million for the completion of both facilities would be a challenge. He liked the engineering programs that the University of Alaska had and observed that he wanted to see the ANSEP program expand. He noted that oil companies were trying to hire more Alaska Native engineering students if they were available.

Co-Chair Meyer inquired if the University of Alaska was working with the oil industry in order to provide a local workforce. He opined that many students did not understand where the funding for the university came from and offered that 90 percent of the money to fund the university was from the oil industry.

Co-Chair Meyer noted that it had been stated that tuition at the University of Alaska had peaked, but thought that the tuition at UAA was still one of the lowest in the nation. He requested to university to comment.

Co-Chair Meyer inquired what other sources of the revenue, besides asking for money from the state, the University of Alaska had been pursuing and wondered if the university had been pursuing alumni grants or land grants. He commented that the university was a large land owner and wondered if some of it could be sold or leased.

President Gamble responded to the first question. He related that he had recently talked with the Alyeska Pipeline Service Company and Exxon Mobile regarding engineers and what the two companies' needs were. He discussed the idea of conducting a gap analysis regarding specific needs in order for the university to be able to focus the right number of people in the right area; this aspect of the advising program could go all the way back to high school. He related that virtually all of the engineers featured in a British Petroleum (BP) brochure of employees had an engineering degree or were involved in getting an advanced degree from the University of Alaska; the university was the single biggest supplier of engineers for BP in Alaska. He related that Exxon Mobile had commented that it did not get enough graduate engineers and noted that it was difficult to get a PhD engineer into a company like Exxon Mobile. He stated that there were no scholarships for PhDs, which were usually enabled by federal grant funding. He mentioned an idea whereby Exxon Mobile would provide scholarships for advanced students and pointed out that the company had indicated it would take a look at the idea. He stated that Exxon Mobile was very interested in education, particularly regarding teachers.

President Gamble continued to answer the first question and stated that the University of Alaska was seeing a nice growth in engineering students. He observed that the university had engineering academies at some of the high schools and thought that the problem was being worked very well. He stated that the influx in interest in engineering was one of the reasons that the university had requested the funding the prior year for the 2 new engineering buildings. He pointed out that engineers that were being

hired in Alaska out of the University of Alaska system were getting hired into really good jobs.

President Gamble responded to the second question and stated that the University of Alaska had peaked tuition at 2 percent. He relayed that peaking the tuition at 2 percent had "cost" the university about \$6 million from what it needed from tuition and that raising the missing funds was dealt with internally. He stated that the chancellors had all agreed that peaking tuition was the right thing to do and that the tuition increases were not sustainable year after year. He related that the university had found efficiencies and had made the tuition level work, but pointed out that he did not know how many years it "could do that." He pointed out that some states were freezing tuition or dictating what the max tuition could be through legislation and observed that the Alaska State Legislature has seen fit to allow the university to work the tuition numbers without legislating how it operated with its students. He expressed expectation for the leeway.

President gamble continued to answer the second question. He observed that there were 143 initiatives out of 35 states in which the legislature was dictating how higher education would conduct itself and discussed examples. He related that the \$6 million would have gone a long ways towards solving some of the problems, but that holding the tuition at 2 percent may have allowed more students to attend college. He pointed out that there were 15 universities in the north-western states group and that about 6 years ago, the University of Alaska was at 106 percent of the average tuition of that group, which was 6 percent higher than the average. Currently, however, the university was at the 75 percent level compared to the average of those same colleges. He concluded that holding on to tuition and capping it made Alaska more competitive in those states for outside students and added that the university had not recruited heavily for outside or foreign students.

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President Gamble responded to the third question and related that recruiting foreign students would be an important tool to get additional revenue. He pointed out that when a foreign student attended the University of Alaska, they brought all the dollars to pay for everything;

in other words, the margin on a foreign student was better than the margin on the local student. He reported that there were some states in the Midwest that had universities with 30 percent to 40 percent foreign students. He was not sure that the university wanted to be comprised of 30 percent or 40 percent foreign students, but offered that it was an area that needed to be increased.

President Gamble continued to answer the third question and related that since the prior year, commercialization of the University of Alaska's ideas was an area that the House and Senate Finance Committees were interested in. He explained that the university had stood up offices at UAF and UAA with limited liability companies (LLC); there were now 2 commercialization offices and patents, possible awards, and the potential for spinoffs were already starting to appear in sizeable numbers. He furthered that the demand for the commercialization was something that was not being realized, but that opening the offices was leading to significant progress; the university would not pay all its bills with these kinds of offices, but it would help and could also create jobs in the state. He expounded that entrepreneurs would be interested in the commercialization of some of the ideas, which in turn could lead to small startup companies and relayed that the university was looking at alternative revenues.

President Gamble continued to respond to the third question, particularly regarding land grants. He reported that the University of Alaska had less than 150,000 acres in its land grant, which was second smallest land grant in the entire country. He shared that there was a long history of ups and downs over giving the university more land that involved the Alaska Supreme Court and several vetoes and stated that the university did not have mineral rights or much land; additionally, the university made about \$5 million annually off its land grants, about \$4 million of which went to the UA Scholars Programs. He explained that anyone in the top 10 percent of each class of any high school in the state can be a UA scholar and that the land grant money was what principally funded that program. He added that the Corporative Extension Service received about \$400,000 from the land grants per year and that there was about a \$1 million cost of operating the real estate and facilities office; this amount combined with the UA scholars funding was about the sum total that the university received from the land grants. He pointed out

for comparison that Texas brought in about \$400 million per year off of the land grants for its universities. He opined that Alaska had missed the opportunity to make money off of land as the Morrill Act had intended; he did not believe, however, that the state had missed the opportunity to do the equivalent of the dowry that it never quite received. He explained that the state might examine what the potential was in future oil and gas contracts for a small percentage of money to be put in an account in a way that was not a violation of the Alaska State Constitution; furthermore, out of the account, a predictable amount of money could be appropriated each year. He offered that this practice could be the equivalent for what original Morrill Act had intended, which was for the university to make use of its land; furthermore, the act's original intent would not happen in Alaska because the land was distributed in many ways and the university did not have the mineral rights.

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Vice-Chair Fairclough requested an "apples to apples" comparison of student enrollment hours in order to see if the University of Alaska's needs had increased because of enrollment. She wondered how many online credits versus classroom credits there were, so that the committee could see a trend moving out of the classroom. She additionally requested an analysis of the university's tuition costs, salary issues, etc. that was comparative to that of other schools of the same size.

Vice-Chair Fairclough noted that the Fisher Report had asked the University of Alaska to consider multiple ways to increase its revenues exclusive of requests for General Funds from state. She noted that Carla Beam, who had been acquired by the university, was a very dynamic individual who was very connected inside the state and wondered what kind of growth there had been in outside fundraising in the different major administration units (MAUs) since she had taken over those duties.

Vice-Chair Fairclough directed the committee's attention to slide 5 and its third bullet point, as well as slide 6 of the presentation. She discussed the 500 degree programs and recalled that the University of Alaska wanted to expand further programs. She mentioned that slide 6 had highlighted that UAF had moved from a master's level to a

doctoral level accreditation program and requested an analysis of the 500 programs regarding where students were actually accessing. She explained that regarding students that graduated, she wanted to see the distinctions in what programs the students were actually enrolling in and graduating from versus what was available; she offered that this could be depicted on pie or bar chart.

Vice-Chair Fairclough expressed appreciation that President Gamble was making it clear that the University of Alaska was actually 3 universities and observed that there were "walls" and "silos" inside each of the institutions. She expressed that it was important that the university should behave as one regarding a student's ability to transfer credits. She pointed out that after a student had invested time and money, as well as possibly incurring debt, they expected to be recognized for a least a certain level of courses in year 1 and 2 that would be able to cross through all of the MAUs. She acknowledged that the university accredited for higher levels in some programs and that some campuses attracted students like that; however, it was her expectation that credits for entry level courses would be able transfer. She discussed additional barriers that rural programs experienced. She wondered what the costs for accreditations were and how many accreditations the university actually offered; additional, what was the duration of the accreditation.

[10:25:53 AM](#)

Senator Bishop expressed his appreciation of the UA Press and its funding and inquired how ANSEP's expansion into the biological sciences was going. President gamble responded that he would return to the committee with an answer.

Senator Bishop wondered what the University of Alaska was doing in the field of heavy-oil research. He offered that he would discuss the issue with committee members, but that heavy oil was an area that the state needed to be looking at 50 years down the road. He agreed that the University of Alaska needed to be taking advantage of its research capabilities and also agreed that it was a leader in Arctic research that should be helping the industry on heavy oil. He stated that as law makers, the legislature had authorization of up to \$500 million under the Alaska Gasline Inducement Act. He thought that testing on pipeline protocol, permafrost, strain-based testing, etc. should be

maximized at the University of Alaska instead of being outsourced to another university out of the state. President Gamble replied that he would have his staff arrange the time to talk with Senator Bishop in more detail regarding these issues.

MICHELLE RIZK, ASSOCIATE VICE PRESIDENT, STATEWIDE PLANNING AND BUDGET, UNIVERSITY OF ALASKA, responded to an earlier question by Vice-Chair Fairclough regarding student enrollment and related that enrollment history was included on page 68 of the "candy striped book." She stated that related to e-learning, the university had 267 distinct degree, certificate, and endorsement programs that could be completed at least 50 percent online; furthermore, 50 percent of those programs were available completely online. She pointed out that there were also 1400 distinct e-learning classes that were taught in FY12, which represented a 34 percent increase from that statistic in FY08.

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Vice-Chair Fairclough stated that what she had requested was a chart that depicted the total accreditation hours and contrasted, in big ways, how many hours were taken in the classroom versus out of the classroom. She wanted the chart show where people were utilizing online courses heavily.

Co-Chair Kelly recalled visiting the UAF power plant several years prior and pointed out that it had an original turbine that was installed in 1961 or 1962; there were problems finding parts for the turbine because it was so old. He pointed out that the turbine would fail eventually. He discussed the cold temperature in Fairbanks in the winter and the negative effects that power plant issues could have on potential research dollars.

Co-Chair Kelly thought that the idea to have the power plant at UAF serve the rest of the community had merit, but pointed out that the plant would not be able to heat the community because it would require laying steam-heat pipes to neighborhoods, which would have an outrageous cost; however, there were probably opportunities to generate power for the community from the plant. He added that UAF could not simply hook up to the Golden Valley Electric Association, and that even if it could, it would only take care of electricity needs because the water, chilling, and

heat for the university came from the current facility. He observed that the current plant was a remarkably designed facility at the time, but that it had become a problem because its issues could not be fixed one at a time; the whole facility needed to be fixed.

Vice-Chair Fairclough queried about the regulatory hurdles associated with trying to license the UAF power plant. She wondered if the risks that the regulatory hurdles posed to the Fairbanks and university had been considered and further inquired if the university was actively looking at how the UAF power plant might be licensed. President Gamble responded that the University of Alaska had submitted the paperwork to the Alaska Department of Environmental Conservation to look at the beginning of the environmental licensing. He reported that the university anticipated that even if the plant was a high-tech coal-fired plant, which burned 30 percent bio and waste, there would still be "antibodies" created; those "battles" were yet to be fought.

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Co-Chair Meyer stated that he was fine with the plant using coal, but expressed concern regarding a research oriented university like UAF being in the power plant business. He hoped that the university had considered outsourcing the commercial aspects of the power plant in order to focus on research and education instead. He observed that commercializing the power plant would create frustrations and headaches for the university. President Gamble responded that outsourcing was being discussed; however, someone had to make money off of the plant and the business case was not very strong at the moment for outsourcing. He continued that it was currently unclear who would want to take the financial responsibility of the power plant given that the business case was not real strong. He stated that there were a lot of federal and state incentives in the power industry that were all woven into the business case and that UAF had indicated the incentives were "iffy" regarding outsourcing. He stated that a commercially operated plant that was owned by the university or the state was another possibility, but was not an area that he had seen a presentation on. He explained that most of the work on the UAF power plant had been done under the assumption that the university would continue to operate it.

10:36:34 AM

Co-Chair Kelly requested an explanation of the massive open online classes (MOOCs) that was on slide 15 of the presentation. He understood that MOOCs was a database, but queried its value and purpose. President Gamble replied that it was amazing how fast ideas were being developed regarding how to get students into and out of college. He explained that MOOCs was a new program that had been started at Stanford University by a professor who had put his computer science course online for free; the professor had enlisted 160,000 students. He shared that because the course was a Stanford level computer science course, only 10 percent of the students were left by the time the course was completed; additionally, no one received credit for the course or took a final exam, but it put university knowledge online for free with the idea that it belonged to everyone. He stated that the Massachusetts Institute of Technology, as well as several other prestigious schools, had adopted the MOOCs concept as well; the prior week, 40 more universities had signed up to produce courses and were offering them online for free. He wondered if the University of Alaska could offer the equivalent to MOOCs with some of the general education requirements that a freshmen took. He discussed that the university had a high attrition rate in the first year, particularly in math, but also in science and English; furthermore, there was a lot of remediation in these areas before a student entered their first year in college.

President Gamble continued to discuss MOOCs and related that the senior year in high school and the first 2 years in college were referred to as the "3 critical years"; if one charted everything that happened to a new student coming out of high school in a Bell Curve, the middle of the curve would be that 3-year period. He mused that the University of Alaska could create a basic math course, such as Math 107, that would be a MOOC that used the best high-tech presentation capability. He pointed out that the Khan Academy, as well as other high school and college presentations were being offered online; additionally, the presentations were excellent, students loved them, and they were not in lecture format. He furthered that Math 107 could be built as a MOOC and put online for free, so that the high schools, counselors, tutors, parents, and instructors in math all had the same course; this would

enable the backing of Math 107 all the way back to the 7th or the 8th grade in order to start the fundamentals that would be needed to pass the course.

President Gamble continued to address a potential MOOCs MATH 107 course. He related that putting the fundamentals of Math 107 into curriculum early would be like teaching the test piece by piece; this would ensure that by the time a student entered the university and was ready to take the actual MATH 107, they would have basically already taken the course. He relayed a need for seniors in high school to keep a full schedule. He pointed out that students in high school who had taken the MOOCs Math 107 course could pay the same tuition fee that a freshman in college would pay, take the final exam in order to test out of the course, and receive college credit if they passed; this could be done at any point in time in high school and for multiple subjects. He stated that when instituting MOOCs, the state should consider what problems it attacked and pointed out that college readiness was what the university was after.

President Gamble continued to talk about MOOCs. He reported that currently, the University of Alaska built bridging programs and that there were well over 200 of these programs aimed at getting students prepared to go to college. He stated that some of the bridging programs had a handful of students, while others like RAHI were great programs, but that all of them were oriented towards getting students better prepared for their first 2 years in college; all the attrition came from the first 2 years. He concluded that perhaps an application of a MOOC in Alaska that prepared students for college freshmen level courses would work. He explained that it would be up to each school how the MOOC would be used and pointed out that parents could review the lessons and homework in the program. He stated that tutors were also available for parents who worked full time and that the schools provided some great programs. He relayed that there was a library program in the state that helped with homework and provided tutors and explained that the MOOCs would all focus on the courses that freshmen took and had trouble with; furthermore, these were the types of ideas that the university was considering that had some potential. He added that the university was "shopping" the MOOCs idea around and was trying to get used to it internally because the concept was a far reach from anything it had done before.

President Gamble continued to discuss MOOCs and pointed out that UAS had fielded the first MOOC course that the University of Alaska system had; additionally, a student taking this course could also pay the tuition and take the test. He opined that the application of MOOCs might be something that worked a very difficult problem in Alaska and relayed that the nice thing about the concept was that it gave an equal chance to every student who could get online, regardless of whether they were in the largest school district or the smallest school. He related that the university needed to be sure that it was producing teachers that were capable of teaching the lessons, including the fourth year of the governor's programs, which were the more rigorous lessons. He thought that the application of MOOCs in Alaska had a lot of potential.

10:44:49 AM

Senator Hoffman commented that the MOOCs model that President Gamble was describing was similar to the ANSEP model in many respects.

Senator Hoffman inquired where the University of Alaska was regarding its labor contracts. President Gamble responded that the university was negotiating actively with the Local 6070, which was essentially the facilities union, most of whom resided at UAF; there were 250 members in the union. He relayed that the other 4 contracts were all coming up at the same time at the end of the current calendar year; the university would either reach an agreement to stagger dealing with the contracts or would enter into the negotiations with the 4 remaining unions at the same time. He explained that the Local 6070 negotiations were going the distance, but that tentative agreements were being reached on the articles in contract and things were progressing forward slowly.

Co-Chair Kelly discussed the following meeting's agenda. He requested that the University of Alaska send a representative to an upcoming meeting with the administration regarding contracts.

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ADJOURNMENT

10:46:22 AM

The meeting was adjourned at 10:47 a.m.