

SENATE FINANCE COMMITTEE  
February 18, 2025  
9:01 a.m.

9:01:32 AM

CALL TO ORDER

Co-Chair Hoffman called the Senate Finance Committee meeting to order at 9:01 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair  
Senator Bert Stedman, Co-Chair  
Senator Mike Cronk  
Senator James Kaufman  
Senator Jesse Kiehl  
Senator Kelly Merrick

MEMBERS ABSENT

Senator Donny Olson, Co-Chair

ALSO PRESENT

Senator Cathy Giessel; Cori Mills, Deputy Attorney General, Civil Division, Department of Law; Chad Hutchison, Director of State Relations, University of Alaska.

PRESENT VIA TELECONFERENCE

Pat Pitney, President, University of Alaska; Alesia Kruckenber, Director of Planning and Budget, University of Alaska.

SUMMARY

PRESENTATION: CASES, JUDGEMENTS, and SETTLEMENTS -  
DEPARTMENT OF LAW

FY 26 BUDGET OVERVIEW: UNIVERSITY OF ALASKA - SENATE  
FINANCE SUBCOMMITTEE OF WHOLE

Co-Chair Hoffman discussed the agenda. He relayed that after a presentation from the Department of Law, the committee would transition to have the chairman of the

Senate Finance Budget Subcommittee for the University chair the remainder of the meeting.

^PRESENTATION: CASES, JUDGEMENTS, and SETTLEMENTS - DEPARTMENT OF LAW

9:02:39 AM

CORI MILLS, DEPUTY ATTORNEY GENERAL, CIVIL DIVISION, DEPARTMENT OF LAW, introduced herself and relayed that the Administrative Services Director was available to address questions about numbers. She would offer information on the department's \$4 million supplemental request for the Jeremiah M./ABC case, current judgements and settlements, and statehood defense multi-year funding.

Ms. Mills discussed a presentation entitled "Alaska Department of Law - SUPPLEMENTALS, JUDGMENTS & SETTLEMENTS, STATEHOOD DEFENSE MULTI-YEAR FUNDING" (copy on file).

Ms. Mills reviewed slide 2, "Supplemental Request - J.M., et al. v. Kovol, et al.":

May 2022: Filed in the United States District Court for the District of Alaska

Plaintiffs: 14 children who are or were in custody of the Office of Children's Services, represented by A Better Childhood (ABC), a New York City non-profit advocacy organization and local counsel in Alaska.

Suit is an "institutional" or "structural" reform case asking the court to direct the State on how much money must be spent on child welfare, exactly how that money should be used, and other specific measures. If successful, plaintiffs will likely ask the court to award a third-party monitor to oversee compliance with any injunction (to be paid by the State).

A vigorous defense by the State will help protect the legislature's role to appropriate funds and shape child welfare through legislation and appropriations and reduce unnecessary oversight.

Ms. Mills relayed that there were many states that had been sued by the A Better Childhood (ABC) group, and she had background she could provide. She shared that the

plaintiffs were seeking a class certification, and seeking recompense via damages. The plaintiffs were seeking institutional or structural reform. In the state of Oregon, the organization had been awarded \$10 million for attorneys' fees. She noted that about a third to one half of states had been sued by the ABC organization or another organization starting a decade previously. Some of the states had been in consent decrees for a number of years. She explained that there was background available to see what had transpired in the cases, and the department had been able to communicate with other states for information on the cases.

Ms. Mills described that the department had filed an amicus brief in support of state of California, which was fighting a similar lawsuit. The department had received advice not to settle. She relayed that the settlement agreements caused the court to be more involved in the child welfare system. She thought the state of Texas had spent \$40 million for a court monitor after seven years. The department was fighting the case. She noted that a trial had been scheduled for May. There had been a status conference the previous week and the trial was rescheduled for August. She believed that the trial would be quick and the department would be able to cut off discovery, which was one of the most expensive pieces.

[9:07:53 AM](#)

Ms. Mills continued to discuss slide 2 and noted that the request was for \$4 million. She recalled that the legislature had appropriated \$1 million to the Department of Family and Community Services (DFCS) which went to the Department of Law to pay for reviewing over 4 million documents in discovery. She thought discovery had cost \$2 million thus far. She relayed that the department had considered potential pre-trial, trial, and appeal costs, and the \$4 million was a total figure to get the case through a final adjudication in appellate court. The reason for the supplemental was due to already being in a deficit for the year. The request was to complete the entire process in three years.

Ms. Mills advanced to slide 3, "Judgments and Settlements":

Sargent v. DOLWD - \$50.0 (attorney's fees)  
SEACC v. DNR - \$68.6 (attorney's fees)

Donkel v. DNR - \$12.2 (attorney's fees)  
Lane v. DFCS

Note: \$ in thousands

Ms. Mills explained that within the budget every year, there was a provision that paid for various judgements and settlements that resulted from pre-litigation or litigation. The cases listed were those that the operating budget was unable to cover. The cases came through the Department of Law, which did the litigation.

Ms. Mills addressed the first three cases on the slide, which were all judgements for attorney fees to be paid to the prevailing party. She relayed that the first case listed was related to unemployment. She addressed the SEACC v. DNR case, which involved the Southeast Alaska Conservation Council (SEACC). The case had to do with public notice and had gone all the way to the Alaska Supreme Court. The case had pertained to when a land conveyance amounted to a disposal of interest in state land. The court had determined that the transaction was a land disposal, which meant that certain public notice was required. The prevailing party was SEACC, which was awarded around \$68,000 in attorney's fees.

Ms. Mills discussed Donkel v. DNR, which had to do with the release of certain well log information, and disputed which information had to be disclosed. The court determined that the information had to be disclosed, and the state had to pay Rule 82 fees. The fees thus far were \$12,000. There was an appeal as to whether the state had to pay more of the attorney fees.

[9:12:51 AM](#)

Ms. Mills referenced slide 4, "Lane v. State, Dep't. Family & Comm. Servs., OCS":

Background:

Plaintiff prevailed in a jury trial against the State on claims of wrongful constructive termination and retaliation, in violation of the Alaska Whistleblower Act and was awarded \$2,580.6 in damages, plus interest.

On appeal, the Alaska Supreme Court generally affirmed the jury's awards, but vacated for past and future emotional distress and/or loss of enjoyment of life and ordered a new jury trial to determine noneconomic damages.

The parties settled in mediation for \$1,800.0, with interest accruing from March 2, 2020, and \$699.0 in Workers' Compensation benefits; \$2,616.1 total due to plaintiff.

Re-trial exposure was at least \$550.0 with no cap; the Workers' Compensation exposure was as much as \$3,800.0 plus fees and costs.

Ms. Mills summarized that the fourth case was a constructive termination case and had to do with wrongful termination and retaliation with a worker in the Office of Children's Services (OCS). The employee suffered physical and mental injury. A jury had awarded damages to the employee and found the state had done wrongful termination. The court had not calculated the damages correctly. The Alaska Supreme Court had affirmed the finding but sent the case back down. The state settled the issue and damages and had been able to mediate rather than going back to trial. The reason for the amount was that the funds had to go back to 2020 and included interest.

[9:16:20 AM](#)

Co-Chair Hoffman asked Ms. Mills to provide information pertaining to all civil cases for the previous five years, including what had been settled and what cases had been won. He wanted to evaluate how the department had been performing.

Ms. Mills was happy to provide the information. She explained that department data was not filtered through settlement or prevailing cases. She thought it might be difficult to get granular information.

Co-Chair Hoffman thought the people of Alaska and the legislature needed to evaluate how the Department of Law had been performing on cases such as described as well as others. He thought the performance evaluation was important considering the state's constrained budget.

Ms. Mills thought Co-Chair Hoffman's reasoning was valid. She noted that every year the department shared information on what was collected in cases. She estimated that there were about 5,000 active cases within a given year. She thought the activity would be worthwhile to provide greater understanding.

Senator Kiehl asked about the baseline amount in the department's budget for judgements and settlements.

Ms. Mills relayed that the department did not have a baseline. If the department did not have funds to pay judgements and settlements, the funds might come from another department.

Senator Kiehl asked if the cases referenced only cases for which the department did not have the funding.

Ms. Mills answered affirmatively.

Ms. Mills discussed slide 5, "SUCSESSES IN FEDERAL ISSUES LITIGATION":

- Maintained the Incidental Take Regulation for Polar Bears, ensuring no disruption to resource development on the North Slope
- Kept commercial Chinook fishing open in Southeast Alaska while the National Marine Fisheries Service completes a new biological opinion
- Received favorable decision overturning the vast critical habitat designation for ice seals that would hinder resource development (On appeal)
- Stopped Federal Highway Administration from forcing the state Department of Transportation to develop Greenhouse Gas performance measures covering vehicles on state highways (On appeal)
- Received recognition of Alaska's ownership of a majority of Fortymile River (Remainder going to trial in March)
- Secured access on trails for recreation and mining around Chicken, Alaska (RS 2477)
- Joined with many others to ensure the Willow project could continue (On appeal)

Ms. Mills noted that a couple of cases on the slide were still on appeal. She discussed updates to the status of the cases. She noted that the Willow Project was still on

appeal, and in the meantime it was able to continue working.

9:21:20 AM

Ms. Mills showed slide 6, "MULTI-YEAR STATEHOOD DEFENSE APPROPRIATIONS," which showed a bar graph depicting four years of the statehood defense appropriations. She relayed that there had been three main appropriations, one which was split into two buckets. The first was in FY 21 for \$4 million, which had been spent. The \$2 million FY 23 amount that would have gone through the current year had also been spent. She noted that the department had \$500,000 which had been designed for Tongass National Forest litigation, which had gone more slowly than anticipated. The department had spent about \$68,000 thus far. She cited that the last appropriation for FY 24 to FY 26 was \$5 million, \$1.7 million of which had been expended.

Ms. Mills spoke to slide 7, "REQUESTING CONTINUATION OF TEMPORARY INCREMENT":

Last session, the Legislature approved a \$500.0 temporary increment for FY2025, intending to add the same increment for three years

This increment would total \$1,500.0 over three years (down from the \$6,000.0 that was previously requested)

For FY2026, request to continue with the Legislature's intent for \$500.0

Ms. Mills addressed the temporary increment for FY 25, which would lapse at the end of the year. With the requested continuation and remaining funds, she thought the department would be able to get through FY 26.

Senator Kiehl asked if there was an operating amount for statehood defense in FY 24.

Ms. Mills went back to slide 6 and noted that in FY 24 the department only had a multi-year appropriation, and then in FY 25 it received \$500,000 within the operating temporary increment.

Senator Kiehl pondered the spending.

Ms. Mills answered affirmatively.

Ms. Mills showed slide 8, "Questions":

Cori Mills  
Deputy Attorney General  
Civil Division  
(907) 465-3600  
cori.mills@alaska.gov

[9:24:47 AM](#)

Senator Kaufman asked if Ms. Mills saw any difference in needs considering the change in federal administration.

Ms. Mills appreciated the question. She thought more would become apparent in the following six months as federal agencies were staffed. She relayed that the department was seeing a lot of stays and continuances. She relayed that the department's goals and guiding principles included getting finality through court decisions.

Ms. Mills cited that there were over 80 cases involving the federal government on some sort of jurisdictional or federal authority issues. The state was aligned with the federal government on some of the cases, and some not. Not all the cases were funded with the multi-year appropriation, which was intended to fund the increase. She anticipated an increase in cases. She thought there might be a lesser volume of cases in two years.

[9:28:19 AM](#)

Co-Chair Hoffman relayed that people came to him and asked how the department decided on what cases to take. He noted that 85 percent of people in his district were Alaska Native, and had concerns about the direction the state was taking that directly affected their lives.

Ms. Mills explained that in cases where the state was sued, the state was in a position to defend or settle. When the cases involved a statute, the department leaned toward defending the statute. She noted that the department was always evaluating settlements and looking at whether mediation was the best course. She discussed proactive cases, which were much fewer. Most proactive lawsuits were child-in-need-of-aid or mental commitment cases. She

mentioned state sovereignty and jurisdiction cases, which involved policy choices. She emphasized that the department followed the policy direction of the administration. She mentioned the issue of resources.

Co-Chair Hoffman recalled that 30 years previously there had been issues with the state recognizing tribal sovereignty. She asked where the state stood with regard to the state recognizing tribal sovereignty.

Ms. Mills stressed that case law had made it clear that tribes were sovereign. She knew there had been questions previously and thought the department had withdrawn the Attorney General's opinion on the subject. She pondered the bounds of sovereignty. She mentioned special laws in the state.

Co-Chair Hoffman asked what dialogue the state had taken with the tribes to clarify the boundaries of sovereignty. He asked whether it was an ongoing process or if the blurry lines were to be settled in court.

Ms. Mills thought that currently the issue was endeavored to be settled outside of court. She thought the area had been lacking. She recounted that two years previously the legislature had approved the addition of a tribal attorney for the civil division in the department. The criminal division now had one as well. She thought strides had been made through dialogue regarding finding common ground. She asserted that there would continue to be disputes and pondered how to limit disputes. She noted that the department website had a page devoted to tribal relations.

[9:33:24 AM](#)

Co-Chair Hoffman asked if there was current litigation with tribes related to sovereignty boundaries.

Ms. Mills answered "yes." She noted that the major cases involved suits against the federal government and involved tribal interest. She mentioned land issues in Juneau and an issue in Eklutna.

Co-Chair Hoffman asked if the Eklutna case was about gaming.

Ms. Mills relayed that the Eklutna case was about land designation and whether it was "Indian Country."

Co-Chair Hoffman acknowledged that the matter was complex and relayed he had met with some of the members. He pondered how a tribe could have a license from the federal government and expressed the desire to have further conversations with the department on the topic.

Co-Chair Hoffman handed the gavel to Senator Kiehl.

[9:35:04 AM](#)

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[9:36:17 AM](#)

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^FY 26 BUDGET OVERVIEW: UNIVERSITY OF ALASKA - SENATE FINANCE SUBCOMMITTEE OF WHOLE

[9:36:22 AM](#)

Senator Kiehl discussed the agenda.

[9:37:03 AM](#)

CHAD HUTCHISON, DIRECTOR OF STATE RELATIONS, UNIVERSITY OF ALASKA, introduced himself and listed University of Alaska (UA) staff available online.

[9:37:33 AM](#)

PAT PITNEY, PRESIDENT, UNIVERSITY OF ALASKA (via teleconference), discussed a presentation entitled "University of Alaska - Empower Alaska" (copy on file).

Ms. Pitney looked at slide 2, "University of Alaska Alaska's System of Higher Education":

Empower Alaska

Pillars

- Financially Responsible and Future-Focused
- State & Arctic Leadership
- Quality Reputation

University/System Roles

- System Office - Advancing Post-secondary

Education by Driving Value to the Universities.  
Corporate structure required by State Constitution

- UAA - Alaska's Comprehensive, Workforce Emphasis, Health University: A University of Distinction, Transforming Lives and Communities.
- UAF - Alaska's Research and Arctic University: Creating Excellence Through Transformative Experiences.
- UAS - Alaska's Experiential Learning University: Impacting the World by Offering an Unparalleled Education Rooted in the Natural and Cultural Richness of Southeast Alaska.

Ms. Pitney mentioned the three pillars listed at the top of the slide and discussed six strategic priorities including achieving tier 2 research level, a deferred maintenance strategy, and elevating UA's position as a leader in the higher education space. The strategic priorities guided the budget request.

[9:40:22 AM](#)

Ms. Pitney referenced slide 4, "Enrollment Highlights." She noted that enrollment continued to increase. She discussed reclassification of courses at UAA and noted that it had impacted about 1,500 students in reporting. She noted that if the data was normalized for the change, it showed enrollment up in the range of 5 percent. First time freshmen numbers continued to be in double digits and overall enrollment continued to grow modestly.

Ms. Pitney emphasized one of the main budget requests was recruitment and retention and increasing enrollment. She noted that more than anything, UA's financial stability was based on a stronger student body. She cited continued increases in dual enrollment across the system. She relayed that retention was at an all time high. She noted that retention for Alaska Performance Scholarship (APS) students was nearly 90 percent from freshman to sophomore year, with close to a 60 percent graduation rate. She thanked the members for support for the Washington, Wyoming, Alaska, Montana, and Idaho (WWAMI) Program, and noted that the program was growing from 20 to 30 students due to the change.

[9:44:15 AM](#)

Ms. Pitney turned to slide 5, "FY26 Budget Request":

FY26 Operating Budget State funding request \$34.5M

- Compensation and other operating costs \$24.1M
- Programs to support Recruitment, Retention & Graduation \$5M; Athletics \$5M; Economic Growth \$0.4M

FY26 Capital Budget

- Deferred Maintenance & Modernization-\$60M (FY26) or \$35M annually
- Priority capital requests \$24.6M (\$144.4M total)
- Capital project receipt authority for externally leveraged funds \$59M
- Research programs and other Governor priorities \$43M

Ms. Pitney explained that for the compensation and other fixed costs, all but about \$100,000 of the amount was included in the governor's budget. She discussed the economic growth funding for agriculture and noted the program support was not included in the governor's budget currently. She noted that a bill had been introduced in the House that proposed to provide \$35 million in annual funding into the Major Maintenance Fund for UA. She thought the consistency of the funds would allow for focusing the capital budget on items unrelated to deferred maintenance. She noted that for the 20 to 30 years that she had been involved in the UA budget, deferred maintenance was always at the top of the list. She emphasized the importance of consistency of funding.

Ms. Pitney recalled that the last time UA had received \$35 million on an annual basis was in the 2010 to 2015 timeframe, at which time UA had been able to keep the deferred maintenance backlog from growing. She noted that as debt service declined the funds would be reallocated. She mentioned the goal of having the annual amount up to \$60 million per year, which was the depreciation level of UA's facilities on an annual basis. Deferred maintenance was still a top priority in the capital budget.

[9:48:54 AM](#)

Ms. Pitney mentioned an opportunity for a National Science Foundation (NSF) grant for dock improvements, which was an \$18 million request. She discussed funding requests for classrooms and readers archives. She discussed funding from the previous funding from the legislature the previous year

for R1 research status, which was vetoed down to \$12.5 million. There was currently \$5 million in the capital budget.

Ms. Pitney addressed questions she had received in advance related to federal turbulence and what impact it might have on UA. She relayed that the current executive orders were disruptive and created uncertainty. She considered that each of the orders had been put on hold through the courts. She referenced a couple of days when funding was paused. Beyond being disruptive, she did not see tremendous impact. She mentioned the program Girls on Ice to encourage girls into science programs.

Ms. Pitney summarized that for the most part, UA's research agenda was aligned with the state and with the federal administration. She thought there were about 1,500 grants and contracts with about 5 percent that might be at risk. She pondered how the federal government would prioritize continued research. She commented on the small size of UA. She felt comfortable that UA's research portfolio aligned quite well with the federal agenda, and that UA was positioned well.

[9:55:02 AM](#)

Senator Kiehl knew there were some members that had expressed concern about coordination given their most recent guidance from the United States Department of Education with the Alaska Native Science and Engineering Program (ANSEP). He was particularly concerned about the Preparing Indigenous Teachers & Administrators for Alaska Schools (PITAAS) Program. He asked Ms. Pitney to keep the committee up to date on the issue.

Ms. Pitney agreed.

[9:56:00 AM](#)

ALESIA KRUCKENBERG, DIRECTOR OF PLANNING AND BUDGET, UNIVERSITY OF ALASKA (via teleconference), considered slide 6, "FY26 Fiscal Summary-BOR vs Gov," which showed a table of the UA Board of Regents' budget next to the governor's proposed budget. She highlighted that most of the compensation and fixed costs were supported in the governor's budget. She expressed concern about the \$4.9 million in one-time funding and UA receipt authority that

was needed to generate increased enrollment envisioned by the programs. She mentioned \$5 million for athletics.

Mr. Hutchison mentioned that the agriculture landfill discharge request for \$400,000 was included.

Ms. Kruckenberg mentioned the budget adjustments at the bottom of the slide, which was trueing up and moving some UA budget authority. She mentioned moving UA receipts at the direction of the Office of Management and Budget (OMB).

Senator Kiehl relayed that the committee was happy to work with UA to true up the books. He asked for an idea of how much additional receipt authority UA was requesting.

Ms. Kruckenberg estimated that there was a five percent buffer. She noted that UA had done its first comprehensive financial review with the board recently and was still working through the details. She noted that the supplemental budget request was a little higher than the FY 26 request. There was always a concern that the budget was inflated, and UA was working to get it as close as possible. She offered to provide more specific numbers at a later time.

[10:00:14 AM](#)

Ms. Kruckenberg displayed slide 7, "Fiscal Summary-Change in Revenue," which showed a table. She directed attention to the far right of the table, which showed projections of how UA expected to increase its earned revenues. She thought there would be \$24 million in various types of earned revenue which would help cover the compensation and fixed cost increases. The request for state appropriation versus earned revenue was about 50/50. She highlighted that there was an estimate that tuition and fee revenue would be up by \$9 million from rate increase and enrollment increases. The \$2 million in other restricted funds was overhead UA could earn on federal grants. She thought the figure would have to be monitored closely.

She pointed out \$7 million built in for federal receipts, which was an increase of roughly 3.5 percent. She highlighted \$6 million in designated and restricted funds, that was mostly auxiliary. She mentioned a post-Covid deficit that had to be trued up. The numbers were being

monitored closely and those in serious deficit had plans to discuss with the board.

Ms. Kruckenberg highlighted slide 8, "Fiscal Summary-State Reports," which showed a table including the FY 25 and FY 26 budgets actuals from FY 22 through FY 24. She cited that total revenue shown on the bottom was \$944 million, while year-end projections left a delta of roughly \$106 million that UA needed but did not have. She directed attention to the \$124 million listed in "other" and made note that if receipt authority was not in the right place, it could not be spent.

[10:04:42 AM](#)

Mr. Hutchison looked at slide 9, "FY26 Operating Budget":

Compensation \$20.1M (\$27.5M total)

Salaries and Benefits Increases \$5.9M (\$9.7M total)

- Wage increase for employee groups as required by collective bargaining agreements
- Wage increase (2.75%) for non-union staff
- UA and UNAC reached a tentative agreement on a new three-year contract.
  - A funding request of \$2.3M UGF (\$3.2M total) has been submitted to OMB
- UNAD contract expires in FY25 and no increase has yet been negotiated for FY26
  - Once a tentative agreement has been reached with a union, a funding request will be made through the appropriate legislative process

Health Care Increases \$14.2M (\$17.8M total)

- In FY26, the university's medical (including dental and vision) plan is expecting an increase in premium costs (\$7M) and under-recovery from FY24 (\$10.8M)
- Cost increases will be included in the FY26 staff benefit rate charged to departments

Mr. Hutchison discussed the contract reached with United Academics (UNAC). He mentioned the upcoming Board of Regents meeting, at which time the contracts would be discussed. He affirmed that he would submit an amendment once the agreement had been made with United Academics - Adjuncts (UNAD). He noted that a big portion of the

compensation increase was due to healthcare increases. He made note of insurance increases.

[10:08:07 AM](#)

Mr. Hutchison addressed slide 10, "FY26 Operating Budget (cont.)":

#### Fixed Cost Increases

Cyber Security & Information Technology \$825K (\$2.7M total)

This request will help fund, centrally managed computing contracts for hardware and software maintenance; site licensing; campus software and contract licensing renewals; personnel cost increases to recruit and retain IT professionals; and hardware updates and training across the system to promote network security.

Facilities Maintenance & Break/Fix Operating Costs \$2M (\$6M total)

Facilities maintenance funding is necessary to preserve capital assets critical to UA's mission. Several years of reduced operating budgets and minimal capital funds have increased the ongoing risk and evidence of costly and disruptive building failures. Funding constraints have put additional strain on UA's operating budget to fund preventative and current facility maintenance needs.

Utilities Cost Increases \$1.2M (\$2.4M total)

This request covers the projected FY26 utility cost increases at UAA and UAF. Cost increases include utility expenses such as electrical, fuel, water, and sewer; and commodity costs for utility inputs.

Mr. Hutchison referenced a UA publication related to operating and capital budget requests known as "Redbook," which had been distributed to members and was available on the UA website. He discussed cybersecurity and IT requests, which included continual software and hardware upgrades and maintenance. He noted that the figures shown were predominantly funded in the governor's proposed budget. He mentioned that UA was spending approximately \$30 million annually on preventative maintenance. He addressed utilities cost increases and noted that Chugach Electric

had filed for a rate increase. He noted that much of the increases had to do with rural campuses. The governor had funded the amount in his proposed budget.

Senator Kiehl asked about electrical bills in Southeast Alaska.

Mr. Hutchison relayed that the University of Alaska Southeast (UAS) electrical bills were significantly lower than in other areas of the state.

[10:11:41 AM](#)

Mr. Hutchison advanced to slide 11, "Program Requests":

Recruitment, Retention & Graduation Support \$5M (\$9.9M total)

Requests will align with recommendations from EAB's report.

- Marketing, Recruitment, Scholarships
- Advising and Enrollment Management
- Student Enrollment Services
- High Demand Program Expansion and Technology Enhancement
- Campus Safety

Athletics \$5M (\$8M total)

Athletics initiative has community champions and would provide reputational benefits to support future fiscal stability. This request anticipates \$3M of other funding from UAA (\$2M) and UAF (\$1M) through fundraising or internal reallocation.

Economic Growth for Alaska \$375K (\$975K total)

Ensure Alaska's resilience through food security & research field safety and regulatory oversight.

Mr. Hutchison relayed that the BOR was very passionate about the program requests listed on the slide. He made note of a system-wide 1.1 percent gain in enrollment. He mentioned declining enrollment in K-12 education. A committee completed a review and report which would make recommendations related to recruitment, retention, and graduation support. He mentioned recommendations including multi-model marketing, common data warehousing, and a pilot program for tuition matching. He relayed that the governor had talked to the president about boosting the working age

popoulation in the state, which could result in more recruitment efforts. He mentioned an "enrollment funnel" at UAF that had been successful.

10:16:09 AM

Mr. Hutchison continued to address slide 11. He mentioned that UAS was considering two positions to bolster recruitment in targeted areas. He mentioned a dual enrollment coordinator that would be in Juneau and working with all campuses in Southeast.

Mr. Hutchison discussed athletics as listed on the slide. He stressed that athletics was related to marketing and enrollment. He mentioned past cuts to athletics, which he thought were still in the process of recovery. He mentioned hockey, gymnastics, and skiing at UAA; and expansion to Division 1 in hockey at UAF. He mentioned that there were many constituents passionate about athletics.

Senator Kiehl thought he had missed the number for the third university for athletics at UA.

Mr. Hutchison relayed that there were only two universities in the athletics budget request.

Mr. Hutchison discussed the economic growth for Alaska category listed on slide 11. He described diverting waste stream landfills for soil amendments for \$200,000, which would be used to help bolster food security. Wastewater from landfills would be used for fertilizer. The remainder of the total request would be for research field safety. He mentioned that much research was completed in hazardous remote zones such as volcanoes. The software update would provide updated technology for operating in the field.

10:21:03 AM

Senator Cronk discussed athletics and relayed that he was a firm believer in being the best. He relayed that he went through the athletics system and graduated from UAF. He mentioned recruiting Alaska kids and competing at the national level. He discussed UAF basketball and thought there were only five scholarships. He thought there were many urban and rural kids that could be part of the program, but there was a lack of time for development. He supported bringing more Alaska students to the program and

thought it should be funded. He thought the model had been proven but the system had moved away from it.

Senator Kiehl asked about recruitment and retention support, and investments in recruiting out of state and internationally. He asked Mr. Hutchison to provide the committee with more information on how the funds would be split.

Mr. Hutchison agreed to provide the committee with the information.

Mr. Hutchison looked at slide 12, "Recruitment, Retention, Graduation (EAB)":

- Jan 28th UA Board of Regents (BOR) received a report with recommendations from consultant EAB
- Feb 6th BOR Ad Hoc Committee on Recruitment, Retention, and Graduation met to prioritize recommendations
- Feb 13th UA BOR Ad Hoc Committee met and recommended the BOR adopt the recommendations, which included developing a Systemwide Attainment Framework (SAF) for recruitment, retention, and graduation
  - Included developing metrics, targets, and a dashboard to measure SAF progress and jumpstarting some initiatives.
- BOR budget request includes \$5M to support the recruitment, retention and graduation efforts
  - Marketing, Recruitment, Scholarships
  - Advising and Enrollment Management
  - Student Enrollment Services
  - High Demand Program Expansion and Technology Enhancement
  - Campus Safety

[10:23:42 AM](#)

Mr. Hutchison showed slide 13, "Legislative Discussion Points":

- What is the long-term solution to the UA's outstanding deferred maintenance issues?
  - The major maintenance and modernization fund was a step in the right direction.
- What can be done to help slow rising insurance costs? can the economics of pooling with the state

work?

Mr. Hutchison thought the president had covered the topic of the slide. He mentioned HB 236 by Representative Stapp the previous year, related to UA's Deferred Major Maintenance Fund. He thought legislative discussions were ongoing. He mentioned past looks at the economics of pooling insurance that were not favorable. He asked if Ms. Kruckenberg could address the FY 24 ratification.

Ms. Kruckenberg showed slide 16, "FY24 Ratification," and noted that in FY 24, UA had expended more University receipts than it had budget authority to spend. The system had the revenue but had not had the authority. The bottom part of the slide quantified the main cost drivers. She mentioned Statutory Designated Program Receipts and an increase of \$5.5 million, which required receipt authority. She mentioned a change in accounting practice for how UA Foundation funds were utilized. She mentioned an increase in land management and Natural Resource Fund activities. She mentioned \$11.4 million in unrestricted operations. She mentioned the deficits in auxiliary and recharge operations, which had to be balanced at the end of the year. She emphasized that the situation was being more actively monitored, and that it would not be repeated in the future.

[10:28:33 AM](#)

Senator Kiehl thanked Ms. Kruckenberg for bringing the FY 24 ratification forward. He shared the concern and appreciated Ms. Kruckenberg's assertion that it would not be repeated.

Mr. Hutchison thanked the committee.

Senator Kiehl asked members to work with his office regarding concerns and ideas. He discussed the agenda for the following day.

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ADJOURNMENT

[10:30:21 AM](#)

The meeting was adjourned at 10:30 a.m.