

ALASKA LEGISLATURE

2224J

HOUSE and SENATE FINANCE COMMITTEE FILES,

2001 - 2002

HB

103

SFIN

FILE

This binder contains primary material to
the

HB 103
Operating Budget

For amendment material on
HB 103

see the blue SFC binder

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
APR 06 2001
SENATE FINANCE
COMMITTEE

DATE: 3/16/01

FURTHER:

DATE TURNED
IN TO OFFICE: 6 April 01

Finance Committee considered CS FOR HOUSE BILL NO. 103(FIN)(brf sup maj fld)
APPROP: OPERATING BUDGET

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; and providing for an effective date."

and recommends:

- be replaced with 5 CS CS HB 103 (FIN)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

- Senate Bill:**
 same title
 new title
House Bill:
 same title
 technical title
 new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
<i>L. Green</i>	✓			
<i>Alan B. ...</i>			✓	
<i>...</i>		X		
<i>...</i>			✓	
<i>...</i>			✓	
<i>Loren P. ...</i>	✓			
<i>...</i>	✓			
COCHAIR: <i>...</i>	✓			
COCHAIR: <i>...</i>	✓			

SENATE FINANCE COMMITTEE REPORT

DATE: 3/16/01

FURTHER: _____

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered

CS FOR HOUSE BILL NO. 103(FIN)(brf sup maj fld)

APPROP: OPERATING BUDGET

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; and providing for an effective date."

and recommends:

be replaced with S CS CSHB 103 (FIN)

adopt previous _____ CS _____ (_____)

attached amendment(s)

adopt Letter of Intent by _____ Committee

further referral to _____ Committee

Senate Bill:

same title

new title

House Bill:

same title

technical title

new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>[Signature]</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>[Signature]</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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<i>[Signature]</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COCHAIR: <i>[Signature]</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COCHAIR: <i>[Signature]</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Agency Summary - FY 02 Operating Budget - Senate Structure

Gen Purpose Fund Group Only! Numbers AND Language Sections!
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Agency	Gov Amd	H/SIntro	House	Sen Sub	House to Sen Sub	
Department of Administration	161,279.0	149,232.6	153,822.8	150,996.6	-2,826.2	-1.8 %
Department of Community and Economic Development	42,222.1	41,541.9	41,967.3	41,767.3	-200.0	-0.5 %
Department of Corrections	148,005.7	143,157.6	146,832.0	145,251.6	-1,580.4	-1.1 %
Department of Education and Early Development	732,112.4	730,928.7	725,322.2	727,286.9	1,964.7	0.3 %
Department of Environmental Conservation	13,456.5	12,221.5	13,079.1	12,817.8	-261.3	-2.0 %
Department of Fish and Game	30,994.0	30,455.6	30,802.2	30,719.0	-83.2	-0.3 %
Office of the Governor	15,603.4	15,820.5	15,536.8	15,536.8	0.0	0.0 %
Department of Health and Social Services	498,458.8	455,003.5	474,114.6	470,160.0	-3,954.6	-0.8 %
Department of Labor and Workforce Development	12,427.3	13,087.7	12,228.1	12,228.1	0.0	0.0 %
Department of Law	26,458.9	25,873.6	25,673.6	25,473.6	-200.0	-0.8 %
Department of Military and Veterans Affairs	8,883.5	7,746.9	8,413.9	8,366.5	-47.4	-0.6 %
Department of Natural Resources	39,674.9	37,406.1	37,816.1	37,287.5	-528.6	-1.4 %
Department of Public Safety	82,783.2	75,111.5	75,761.5	75,901.5	140.0	0.2 %
Department of Revenue	12,017.3	12,076.6	12,017.3	11,952.3	-65.0	-0.5 %
Department of Transportation/Public Facilities	98,074.8	96,386.6	97,651.0	97,430.9	-220.1	-0.2 %
University of Alaska	202,990.8	184,136.9	193,500.0	193,500.0	0.0	0.0 %
Alaska Court System	55,700.3	50,570.8	51,070.8	50,923.5	-147.3	-0.3 %
Legislature	37,278.1	37,282.0	37,278.1	37,278.1	0.0	0.0 %
Debt Service and Special Appropriations	86,388.5	92,526.0	91,817.2	91,717.2	-100.0	-0.1 %
Total - Operating Budget	2,304,809.5	2,210,566.6	2,244,704.6	2,236,595.2	-8,109.4	-0.4 %
Gen Purpose	2,304,809.5	2,210,566.6	2,244,704.6	2,236,595.2	-8,109.4	-0.4 %
Fed Restricted	0.0	0.0	0.0	0.0	0.0	0.0 %
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0 %

ALASKA STATE LEGISLATURE



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SENATOR LYDA GREEN SENATE DISTRICT N

Memo

Date: March 28, 2001

TO: Senator Dave Donley, Chair
Senate Finance Committee

FROM: Senator Lyda Green, Chair
Senate Finance Subcommittee, Department of Health and Social Services
Senator Pete Kelly
Senator Gene Therriault
Senator Bettye Davis

RE: Subcommittee Report, Department of Health and Social Services

This memo is to clarify action taken by the H&SS Subcommittee in closing out the budget. In the Medical Assistance/Medicaid Services component all state funds are to be shown as G/F Match.

In addition to GF/Match 1003, the House Budget shows:

10,354.5 Gen Fund	1004
364.0 GF/Prgm	1005
29,333.1 GF/MH	1037
13,379.1 Tobacco Setl	1119

The intent of the subcommittee is for the funds to be derived from the sources shown by the House and to be identified as matching funds for the federal receipts in this budget component.

REVENUE SUBCOMMITTEE CLOSEOUT

Members:
Senator Lemman, Chairman
Senator Phillips
Senator Ellis

\$12,113.4/FY01 Management Plan
\$12,017.3/Gov's FY 02 Request

TOTAL FY02 INCREASES REQUESTED:
\$6,247.1 (Other than GF) and 9 positions

Senate Allocation: \$11,952.3/GF Senate Subcommittee: \$11,952.3/GF

1. Fully funded Child Support Enforcement and allowed for increase to Officer I upgrade
2. Included front section language to allow CSED to use minimum state required match for federal funds
3. Disallowed a \$58.0 request for MBBA receipts after discussing with the Department the possibility of coming back with a supplemental request if bond sales do occur. This is distinct from the \$58.0 MBB Rcpt request in the Slow-Track Supplemental which does need to be funded.
4. AHFC: Increased federal receipts (\$300.0) for 370 new Section 8 vouchers; but disallowed 3 additional positions to administer these vouchers. I've asked the Department to review its staffing levels and see if this work can be done with existing staff.
5. AHFC: Disallowed 2 PCNs and funding for HOME/Tax Credit compliance auditors. Requested Department to review its staffing levels and see if this work can be done with existing staff.
6. Slightly reduced the Department request for AHFC Receipts for programs moving from the Capital to the Operating budget. (\$462.0 to \$435.0/AHFC Rcpts)
7. Alaska Mental Health Trust Authority: Allowed one intern and one permanent FT employee and some increased travel (Request was \$23.8 MH Admin, funded \$11.0)
8. AMHTA: After seeing that 13 out of 21 Deputy Directors are Range 23 or below, reduced the request for a Deputy Director from Range 25 to Range 23.
9. There were increases in Alaska State Pension Investment Board management fees.
10. Reduced Permanent Fund Corporation's request for additional travel, salaries and equipment (\$58.7 request funded at \$47.1)
11. Allowed partial increment to Permanent Fund Division (request \$116.5, funded \$110.0)

DEC SUBCOMMITTEE CLOSEOUT

Members:
Senator Leman, Chairman
Senator Torgerson
Senator Olson

\$12,221.5/FY01 Management Plan

\$13,360.2/Gov's FY 02 Request

Included: \$1,553.6/GF & 2 positions

\$ 686.9/Oil Haz & 3 positions

\$ 165.1/CIP (FCO) 2 positions

\$ 400.0/Fed Rcpts & 0 positions

TOTAL FY02 INCREASES REQUESTED:

\$2,805.6 and 7 positions

Senate Allocation: \$12,912.1/GF Senate Subcommittee: \$12,817.8/GF

- Disallowed a \$300.0/GF increment for Arctic Contaminants Program - there are funding sources in the Capital and Operating budgets if this is a priority for the Department
- Slight reduction in Solid Waste Management.
- Allow increment for Water Quality due to passage of HB 361, and kept \$77.0 in Statutory Designated Program Receipts.
- Increased funding to the Spill Prevention and Response Division to include \$609.4 in 470 Fund (Oil and Hazardous Substance Prevention and Response Fund) + 2 positions for new activities associated with BP/ARCO/Phillips merger. Additionally, \$77.5 Oil Haz & 1 position for SB 273 Cruise Ship/RR monitoring
- Funding for Local Emergency Planning committees to create, maintain and test oil/hazardous substance spill response plans (\$423.4 Oil Haz & 0 positions)
- Facility Construction & Operation: Funded one of two requested positions to administer operator certification requirements for Class A water systems.
- Letter of Intent directing the Department to seek a waiver to exclude the smallest water systems that do not add chemicals to their systems from the operator certification requirements.

Alaska Court System

Senate Finance Subcommittee FY02 Budget Recommendations
March 27, 2001

The Senate Finance Subcommittee for the Alaska Court System prepared its operating budget from the FY01 Management Plan as reflected in Senate Bill 69. The Subcommittee's budget recommendations are within the allocation for the Alaska Court System.

Alaska Court System – The Alaska Court System BRU, which includes the Appellate Courts, the Trial Courts, and Administration and Support, was increased by \$337,700 for the maintenance and operations of the new Fairbanks Courthouse (Trial Courts).

In addition, the following receipt authority was approved:

1. An increment of \$150,000 from the Mental Health Trust Authority for a court coordinated resources project to assist mentally ill persons who have been convicted of a misdemeanor crime
2. An increment of \$188,100 from the Department of Revenue interagency receipts to establish a pro se center to assist litigants in family matters before and after court proceedings
3. An increment of \$216,000 from federal receipts to continue the Anchorage Drug Court pilot program

Commission of Judicial Conduct – The Subcommittee approved a \$15,000 increment to help reduce the level of underfunding in its personnel budget.

Judicial Council – The subcommittee recommended the continuation of the Judicial Council's budget as funded in FY01.

The Subcommittee's General Purpose Allocation for FY02 was \$50,923,500.

Department of Law

Senate Finance Subcommittee FY02 Budget Recommendations
March 27, 2001

On March 27, 2001 the Senate Finance Subcommittee for the Department of Law considered its recommended FY02 Operating Budget for the Department of Law as outlined in the attached summary and transaction sheets. The Subcommittee worked from the FY01 Management Plan as reflected in Senate Bill 69.

The proposed budget, aligned with an allocation of \$25,473,600, provides a stable level of funding for the Department while authorizing general fund dollars to replace the one-time appropriations supporting the negotiated labor contracts.

In addition to the baseline management plan, the Subcommittee approved the following transactions:

Criminal Division, Criminal Justice Litigation

- Approved an increment for \$117,500 for the Victim Witness Notification and Support program to provide for more reliable notification to victims of crime.

Civil Division, Collections and Support

- Approved a reduction in excess General Fund Program Receipt Authority in the amount of \$53,700.

Civil Division, Environmental Law

- Approved a reduction in excess General Fund Program Receipt Authority in the amount of \$33,500.

Civil Division, Governmental Affairs Section

- Approved an increment for \$90,000 for an Associate Attorney (paralegal) position to conduct specialized research and assist within the Governmental Affairs Division.

Civil Division, Human Services Section

- Approved an increment for \$137,000 for a Juvenile Delinquency Attorney position in Anchorage to handle the significant increase in the number of cases handled by this section over the past two years.

Oil and Gas Litigation and Legal Services, Oil and Gas Litigation

- Approved a reduction in General Fund support for this division by \$91,600.

The Subcommittee's General Purpose Allocation for FY02 was \$25,473,600.

the Department of Law had asked for \$250,000 to continue that lawsuit with an anticipated rate of return of between \$50 and \$80 million. He ~~continued~~ ^{stated} that he felt this would be money well spent, but there were two other avenues of funding that could be available for ~~funding~~ which he would support, instead of funding it in the operating budget.

Co-Chair Donley ^{mentioned} ~~commented~~ that this funding was not in the house budget either.

Senator Wilken replied that was correct.

✓ Department of Education and Early Development

Senator Wilken, Chair
Senator Elton
Senator Torgerson

Senator Wilken reported that ^{affirmed} the Department of Education and Early Development (DEED) allocation was \$29,795,800 and did not include budget recommendations for the foundation formula or pupil transportation. He ~~informed~~ the full Senate Finance Committee would address those items. He noted the overall reduction of \$188,300 in general fund spending was a .6% reduction from the FY 01 Management Plan. He continued that the budget includes six new positions, one fulltime and one temporary position funded by general funds.

He outlined the highlights of the proposed budget as follow:

Executive Administration, Commissioner's Office.

Approved a travel allocation reduction by 3 percent department-wide, realizing a decrement of \$50,000.

Teaching and Learning Support, Special & Supplemental Services

Approved a \$2,000,000 and a \$6,645,800 increase in federal receipt authority for Special Education and Title I Grant programs that provide direct assistance to local school districts.

Approved receipt for \$100,000 Mental Health Trust Authority funds to aid the transition of students with disabilities from high school to the community.

Teaching and Learning Support, Quality Schools

Approved an increment request for \$74,300 for the Correspondence Program Review Program.

Senator Wilken explained that there were ^{are} now over 9,000 students

Department of Education and Early Development

Senate Finance Subcommittee FY02 Budget Recommendations

March 28, 2001

On March 28, 2001 the Senate Finance Subcommittee for the Department of Education and Early Development (DEED) considered its recommended FY02 Operating Budget for the Department as outlined in the attached summary and transaction sheets. The Subcommittee worked from the FY01 Management Plan as reflected in Senate Bill 69.

The full Senate Finance Committee will discuss the funding level for K-12 Support and Pupil Transportation, therefore, the Subcommittee's budget recommendations were limited to the Department's Non-Formula Programs. The proposed budget authorizes general fund dollars to replace the one-time appropriations supporting the negotiated labor contracts.

The highlights of the proposed budget are as follows:

Executive Administration, Commissioner's Office

- Approved a travel allocation reduction by 3 percent department-wide, realizing a decrement of \$50,000.

Teaching and Learning Support, Special & Supplemental Services

- Approved a \$2,000,000 and a \$6,645,800 increase in federal receipt authority for Special Education and Title I Grant programs that provide direct assistance to local school districts.
- Approved receipt for \$100,000 Mental Health Trust Authority funds to aid the transition of students with disabilities from high school to the community.

Teaching and Learning Support, Quality Schools

- Approved an increment request for \$74,300 for the Correspondence Program Review Program.
- Approved a \$1,200,000 increase in federal receipt authority for RightStart, Extended Day Kindergarten, and Academic Intervention Coordinator programs.
- Approved a \$4,620,600 increase in federal receipt authority for the Eisenhower, Innovative Education and Classroom Size Reduction, and Teacher Recruitment and Retention programs that provide direct assistance to local school districts.

Department of Education and Early Development

Senate Finance Subcommittee FY02 Budget Recommendations

Early Development, Child Nutrition

- Approved a \$1,075,000 increase in federal receipt authority to reimburse school districts for increased freight costs for shipping USDA commodities (\$75,000) and additional costs involved with the free and reduced meals provided daily to students (\$1,000,000).

Early Development, Child Care Assistance and Licensing

- Approved a \$3,873,500 and \$1,717,000 increase in federal receipt authority to offer Child Care Development Fund money to low-income working families to help pay for local child care.
- Approved a \$3,000,000 increase in IA (TANF) receipts for Child Care Assistance.
- Approved a \$2,000,000 increase in federal receipt authority for Child Care Assistance.

Early Development, Head Start Grants

- Recognized a \$3,783,000 increase in federal receipts for the expansion of the Head Start Program that will be available directly to local Head Start managers.
- Accepted a \$100,000 ILTF increase for local Head Start Match.

Early Development, Special Programs

- Approved a \$100,000 increase in federal receipt authority for Sequenced Training for Early Childhood Professionals in Alaska.
- Approved a \$475,000 increase in IA receipt authority for EvenStart grants (Family Literacy).
- Requested the Department of Education and Early Development to consider the merits of the organizational structure proposed by the House and implement the appropriate changes.

Education Support Services, District Support Services

- Recommended a reappropriation of K-12 Support FY01 lapse funds in the amount of \$350,000 for a District Cost Study (language section). This is a one-time cost.

Department of Education and Early Development

Senate Finance Subcommittee FY02 Budget Recommendations

Commissions and Boards, Alaska State Council on the Arts

- Approved an increment of \$11,500, a 2.5 percent increase.

Kotzebue Technical Center, Kotzebue Tech Operations Grant

- Eliminated the General Fund appropriation as directed in the FY00 Operating Budget Intent Language. This vocational facility is eligible and will receive funding under the Alaska Technical and Vocational Education program, established in House Bill 289, Ch. 132, SLA 2000.

Alaska Vocational Technical Center

- Accepted \$634,200 increase in Receipt Support Services funds for Rent Receipts, First Alaskan Foundation Grant, and Certified Nurse Assistance programs.

Mt. Edgecumbe Boarding School

- Approved a partial increment request for \$131,100 for the Dormitory Services and Management contracts.

Alaska Library and Museums, Library Operations

- Approved an \$98,700 increment for the Gates Foundation project.

Alaska Library and Museums, Museum Operations

- Approved an \$40,400 increase of Museum Grants to provide grants to local museums.

Alaska Postsecondary Education Commission, Student Loan Operations

- Recommended the acceptance of \$250,000 from ACPE Dividend receipts for the National Guard Continuing Education Benefits (language section).

Alaska Postsecondary Education Commission, Student Loan Operations

- Approved \$63,100 increase in ACPE Dividend for increase costs for the WWAMI

The Subcommittee's General Purpose Allocation for FY02 was \$29,795,800.

**Senate Finance Subcommittee on
The Department of Fish and Game
Recommendations for FY02 Budget
Senator Pete Kelly, Subcommittee Chair**

This narrative lists all increases and decreases in the Fish and Game budget where changes were made by the subcommittee to the Department's request.

The subcommittee recommends FY02 funding for the Department of Fish and Game of \$30,719,000 in general funds and \$127,759,400 in total funds. This budget is an increase of \$372,000 over the FY01 Authorized general fund budget and \$10,513,900 over the FY01 Authorized total Fish and Game budget. However, we have reduced the Governor's request by \$275,000 in general funds.

The budget subcommittee has fully funded the Department's requests for the Division of Commercial Fisheries, the Division of Sport Fisheries, the Division of Subsistence, State Facilities Maintenance and the Commercial Fisheries (Limited) Entry Commission. The subcommittee has also funded all 2nd year labor contracts in this budget.

Listed below are all of the changes the budget subcommittee has made to the Department's request:

Wildlife Conservation

In the **CARA Implementation** component, the Department requested \$2,425,000 in new federal funding for Conservation and Reinvestment Act implementation. The subcommittee has proposed funding of \$1,510,000 along with intent language requesting that the Department of Fish and Game seek approval of the Legislative Budget and Audit Committee to receive and expend any additional federal receipts in the event Conservation and Reinvestment Act funding is reauthorized in Congress.

Administration and Support

In the **Boards of Fisheries and Game**, the Department requested an increment of \$76,700 in general funds. The subcommittee has recommended funding of \$56,700 in general funds, which equals the amount of the reduction the Boards took in the FY01 budget.

In the **Advisory Committees**, the Department requested an increment of \$45,000 in general funds. The subcommittee has recommended funding of \$15,000 in general funds, which equals the amount of the reduction the Advisory Committees took in the FY01 budget.

Habitat

In the **Habitat** component, the Department increment request of \$225,000 in general funds for Oil and Gas Permitting & the Kenai River Center has been denied.

Senate Finance Subcommittee on The Department of Community and Economic Development

Recommendations for FY02 Budget Senator Pete Kelly, Subcommittee Chair

This narrative lists all increases and decreases in the Community and Economic Development budget where changes were made by the subcommittee to the Department's request.

The subcommittee recommends FY02 funding for the Department of Community and Economic Development of \$41,767,300 in general funds and \$147,835,500 in total funds. This budget is an increase of \$266,500 in general funds over the FY01 Authorized budget and \$14,759,100 over the FY01 Authorized total DCED budget. However, we have reduced the Department's request by \$454,800 in general funds.

The budget subcommittee has fully funded the Department's requests for Executive Administration and Development, Municipal Revenue Sharing, Investments, the Alaska Aerospace Development Corp., AIDEA, Alaska Science and Technology Foundation, ASMI, Banking, Securities & Corporations, the Division of Insurance, Occupational Licensing and DCED State Facilities Rent. The subcommittee has also funded all 2nd year labor contracts in this budget. The subcommittee has updated the Executive Administration Support Cost Allocation Plan at the request of the Department.

Listed below are all of the changes the budget subcommittee has made to the Department's request:

Community Assistance & Economic Development

In the **Community and Business Development** component, the Department request of a fund source change of \$99,800 from Rural Development Initiative funds to general funds has been denied.

In the **Community and Business Development** component, the Department request of \$100,000 in general funds for an Economic Development Administration planning grant has been denied.

In the **Community and Business Development** component, the Department requested \$35,000 in general fund program receipts for Made in Alaska and other miscellaneous increases. The subcommittee has recommended funding of \$20,000 in statutory designated program receipts for the miscellaneous increases.

In the **Community and Business Development** component, the Department requested \$20,000 in general fund program receipts for the official state highway map. The subcommittee has recommended full funding of \$20,000 in statutory designated program receipts.

Qualified Trade Association Contract

In the **Qualified Trade Association Contract**, the subcommittee has recommended a reduction of \$200,000 in general funds. This will still fund the Contract at \$4,600,000, which is still \$100,000 in state funds higher than the Millenium Plan calls for.

Investments

In **Investments**, the subcommittee has recommended funding of \$43,000 in Rural Development Initiative Funds for compensation for servicing loans. This is at the request of the department.

AK Aerospace Development Corporation

In the **AADC Facilities Maintenance** component, the subcommittee has recommended that in place of the language section, the AADC receive \$9,000,000 in AERO Receipt authority from launch activities in the numbers section of the budget.

AK Science and Technology Foundation

In **ASTF**, the subcommittee has recommended that in place of the language section, the ASTF receive \$1,500,000 in ASTF Funds for grants in the numbers section of the budget.

AK Seafood Marketing Institute

In **ASMI**, the subcommittee has recommended that in place of the language section, ASMI receive \$700,000 in receipt supported services to match the FY01 carryforward.

Insurance

In **Insurance Operations**, the subcommittee has recommended an increment of \$10,000 in receipt supported services for the yearly dues of the National Conference of Insurance Legislators.

Regulatory Commission of Alaska

In the **RCA**, the Department requested \$352,900 in RCA receipts for seven positions to deal with the increased workload. The subcommittee has recommended funding of \$277,200 in RCA receipts for five of those positions.



SENATOR DAVE DONLEY

ALASKA STATE LEGISLATURE

**University of Alaska
Legislative Intern Program
Changes to FY02 Senate Budget
3/29/01**

The University of Alaska currently funds 10 legislative interns per session. Communications between my office and the UA staff estimate the UA's total expenditure for the program at \$48,000.

Since 1997, legislative interns have received:

\$4,000 for living expenses during session - a stipend that is taxable

\$800 in roundtrip airfare - for those interns traveling to and from Juneau

It has become more and more difficult to recruit students into the program and in recent sessions only about 7 of the 10 positions have been filled. A major reason for the lack of participation is the great cost of moving to and living in Juneau. The current stipend does not begin to adequately cover these expenses.

The proposal before you places the University of Alaska Legislative Intern Program into its own BRU and increases its funding by \$88,000 for total funding of \$136,000. If adopted, the total number of potential interns could increase to 20 interns:

Beginning next session, legislative interns would receive:

\$6,000 for living expenses during session - an increase in the stipend of \$2,000

\$800 in roundtrip airfare - for those interns traveling to and from Juneau

The positive merits of this increase include:

Ensuring the current program has participants

Expand the availability of this educational opportunity to more students

The University of Alaska is funded at the same general fund level as the House.

DD/jja

Co-Chair: Senate Finance Committee

Vice-Chair: Senate Judiciary Committee

Member: Legislative Budget and Audit Committee • Legislative Council

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FY02 Senate Subcommittee Worksheet

(\$000)

3/23/01 7:03 PM

University of Alaska

Note: FY01 Base is FY01 Management Plan plus "year 2" labor costs.

Attention Users! This sheet is password protected. You may enter values in the white areas. Enter values for allocations only; do not enter values for appropriations. All calculations are automatic. The Governor's proposed revisions to appropriation and/or allocation structure are highlighted in yellow. Adoption of structure is part of the subcommittee process. Please contact your LFD analyst if you wish to make structural changes other than those shown below or if you need assistance with the sheet.

	Total		General Funds		Federal Funds		Other Funds	
	FY01 Base	Subcommittee Recommendation for FY02	FY01 Base	Subcommittee Recommendation for FY02	FY01 Base	Subcommittee Recommendation for FY02	FY01 Base	Subcommittee Recommendation for FY02
Total	514,756.6	546,264.7	184,136.9	193,500.0	73,170.1	94,116.0	257,449.6	258,648.7
FY01 Supplemental	0.0		0.0		0.0		0.0	
FY01 Base	514,756.6		184,136.9		73,170.1		257,449.6	
FY02-FY01		31,508.1		9,363.1		20,945.9		1,199.1
% Change		6.12%		5.08%		28.63%		0.47%
Appropriation Allocation				FY02 GF Allocation Subcommittee Recommendation	193,500.0			
				Difference	0.0			
University of Alaska				9,363.1				
Budget Reductions/Additions - Systemwide	1,000.0	32,372.1	0.0	9,227.1	0.0	20,945.9	1,000.0	2,199.1
Statewide Services	34,159.3	34,159.3	8,959.4	8,959.4	2,005.6	2,005.6	23,194.3	23,194.3
Statewide Networks	10,188.7	10,188.7	5,127.3	5,127.3	0.0	0.0	5,061.4	5,061.4
Anchorage Campus	141,772.4	141,772.4	56,414.9	56,414.9	14,635.2	14,635.2	70,722.3	70,722.3
Kenai Peninsula College	6,582.4	6,582.4	3,558.7	3,558.7	325.6	325.6	2,698.1	2,698.1
Kodiak College	2,710.0	2,710.0	1,852.9	1,852.9	0.0	0.0	857.1	857.1
Matanuska-Susitna College	4,902.7	4,902.7	2,586.3	2,586.3	110.1	110.1	2,206.3	2,206.3
Prince William Sound Community College	4,772.8	4,772.8	1,633.7	1,633.7	75.0	75.0	3,064.1	3,064.1
Alaska Cooperative Extension	6,411.9	6,411.9	2,949.1	2,949.1	3,021.8	3,021.8	441.0	441.0
Bristol Bay Campus	1,308.1	1,308.1	826.6	826.6	0.0	0.0	481.5	481.5
Chukchi Campus	679.7	679.7	534.0	534.0	0.0	0.0	145.7	145.7
Fairbanks Campus	155,372.4	155,372.4	63,490.3	63,490.3	9,366.3	9,366.3	82,515.8	82,515.8
Fairbanks Organized Research	95,356.6	95,935.6	11,232.8	11,232.8	41,056.4	41,056.4	43,646.4	43,646.4
Interior-Aleutians Campus	2,166.9	2,166.9	1,086.1	1,086.1	400.0	400.0	680.8	680.8
Kuskokwim Campus	3,524.1	3,524.1	1,970.2	1,970.2	224.3	224.3	1,329.6	1,329.6
Northwest Campus	1,583.3	1,583.3	1,307.2	1,307.2	0.0	0.0	276.1	276.1
Rural College	3,704.5	3,704.5	2,727.6	2,727.6	0.0	0.0	976.9	976.9
Tanana Valley Campus	5,603.1	5,603.1	2,489.1	2,489.1	50.9	50.9	3,063.1	3,063.1
Juneau Campus	24,394.3	24,394.3	11,870.9	11,870.9	1,545.6	1,545.6	10,977.8	10,977.8
Ketchikan Campus	2,993.4	2,993.4	1,646.2	1,646.2	50.0	50.0	1,297.2	1,297.2
Sitka Campus	4,991.0	4,991.0	1,873.6	1,873.6	303.3	303.3	2,814.1	2,814.1
University of Alaska Legislative Intern Program								
University of Alaska Legislative Intern Program	0.0	136.0	0.0	136.0	0.0	0.0	0.0	0.0

	Governor's FY02 Request			
	Total	GF Group	Federal	Other
FY02	555,755.5	202,990.8	94,116.0	258,648.7
FY01	514,756.6	184,136.9	73,170.1	257,449.6
FY02-FY01	40,998.9	18,853.9	20,945.9	1,199.1
% Change	7.96%	10.24%	28.63%	0.47%
Change FY01 Base to FY02 Gov				
	42,779.9	43,779.9	16,853.9	20,945.9
	-1,781.0	32,378.3	9,443.2	2,005.6
	0.0	10,188.7	5,127.3	0.0
	-13.4	141,750.0	57,021.3	14,635.2
	1.7	3,584.1	3,560.4	325.6
	1.9	2,711.9	1,854.8	0.0
	0.0	4,902.7	2,586.3	110.1
	9.8	4,782.6	1,643.5	75.0
	0.0	6,411.9	2,949.1	3,021.8
	0.0	1,308.1	826.6	0.0
	0.0	679.7	534.0	0.0
	0.0	155,372.4	64,091.9	9,366.3
	0.0	95,935.6	11,232.8	41,056.4
	0.0	2,166.9	1,086.1	400.0
	0.0	3,524.1	1,970.2	224.3
	0.0	1,583.3	1,307.2	0.0
	0.0	3,704.5	2,727.6	0.0
	0.0	5,603.1	2,489.1	50.9
	0.0	24,394.3	12,165.7	1,545.6
	0.0	2,993.4	1,646.2	50.0
	0.0	4,991.0	1,873.6	303.3

Transaction 1-Way Comparison - FY 02 Operating Budget - Senate Structure

From HB103/4 to Sen Sub

Agency: University of Alaska

Trans Type	Total Expend	Personal Services	Travel	Contractual	Commodities	Equipment	Lands/ Bldgs	Grants	Misc	PFT	PPT	Tmp
<u>University of Alaska</u>												
Budget Reductions/Additions - Systemwide												
Increase Federal Receipts for University Initiatives	Inc 20,945.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20,945.9	0.0	0.0	0.0
1002 Fed Rcpts	20,945.9											
Other Funds for University Initiatives	Inc 1,199.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,199.1	0.0	0.0	0.0
1007 I/A Rcpts	8,911.8											
1010 UA/INT INC	94.6											
1015 UA/DFA SVC	-2,220.7											
1025 Sci/Tech	-1,000.0											
1038 UA/STF SVC	-4,002.8											
1039 UA/ICR	555.5											
1048 Univ Rcpt	2,643.7											
1092 MHTAAR	-2.0											
1150 ACPE Div	-2,000.0											
1151 VoTech Ed	-1,781.0											
Increase General Funds for University Initiatives	Inc 9,227.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9,227.1	0.0	0.0	0.0
The GF increase to the University for FY02 has been split between Budget Reductions/Additions - Systemwide Appropriation (\$9,227.1) and a New Appropriation for the University of Alaska Legislative Intern Program (\$136.0) for Total GF funding of \$193,500.0.												
1004 Gen Fund	9,227.1											
	31,372.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	31,372.1	0.0	0.0	0.0
*** BRU Difference ***	31,372.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	31,372.1	0.0	0.0	0.0
<u>University of Alaska Legislative Intern Program</u>												
University of Alaska Legislative Intern Program												
Add Separate Appropriation for the Legislative Intern Program	Inc 136.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	136.0	0.0	0.0	0.0
It is intended that funds in this program will be used for Intern stipends and Intern travel.												
1004 Gen Fund	136.0											
	136.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	136.0	0.0	0.0	0.0
*** BRU Difference ***	136.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	136.0	0.0	0.0	0.0
**** Agency Difference ****	31,508.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	31,508.1	0.0	0.0	0.0
***** Differences - All Agencies *****	31,508.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	31,508.1	0.0	0.0	0.0

Appropriation Summary w/Funding - FY 02 Operating Budget - Senate Structure

Appropriation/Allocation			Gen Purpose		Fed Restricted		Other Funds		Agency: University of Alaska	
	HB103/4	Sen Sub	HB103/4	Sen Sub	HB103/4	Sen Sub	HB103/4	Sen Sub	Gen Purpose	Gen Purpose
University of Alaska										
Budget Reductions/Additions - Systemwide	1,000.0	32,372.1	0.0	9,227.1	0.0	20,945.9	1,000.0	2,199.1	9,227.1	100.0 %
Statewide Services	34,159.3	34,159.3	8,959.4	8,959.4	2,005.6	2,005.6	23,194.3	23,194.3	0.0	0.0 %
Statewide Networks	10,188.7	10,188.7	5,127.3	5,127.3	0.0	0.0	5,061.4	5,061.4	0.0	0.0 %
Anchorage Campus	141,772.4	141,772.4	56,414.9	56,414.9	14,635.2	14,635.2	70,722.3	70,722.3	0.0	0.0 %
Kenai Peninsula College	6,582.4	6,582.4	3,558.7	3,558.7	325.6	325.6	2,698.1	2,698.1	0.0	0.0 %
Kodiak College	2,710.0	2,710.0	1,852.9	1,852.9	0.0	0.0	857.1	857.1	0.0	0.0 %
Matanuska-Susitna College	4,902.7	4,902.7	2,586.3	2,586.3	110.1	110.1	2,206.3	2,206.3	0.0	0.0 %
Prince William Sound Community College	4,772.8	4,772.8	1,633.7	1,633.7	75.0	75.0	3,064.1	3,064.1	0.0	0.0 %
Alaska Cooperative Extension	6,411.9	6,411.9	2,949.1	2,949.1	3,021.8	3,021.8	441.0	441.0	0.0	0.0 %
Bristol Bay Campus	1,308.1	1,308.1	826.6	826.6	0.0	0.0	481.5	481.5	0.0	0.0 %
Chukchi Campus	679.7	679.7	534.0	534.0	0.0	0.0	145.7	145.7	0.0	0.0 %
Fairbanks Campus	155,372.4	155,372.4	63,490.3	63,490.3	9,366.3	9,366.3	82,515.8	82,515.8	0.0	0.0 %
Fairbanks Organized Research	95,935.6	95,935.6	11,232.8	11,232.8	41,056.4	41,056.4	43,646.4	43,646.4	0.0	0.0 %
Interior-Aleutians Campus	2,166.9	2,166.9	1,086.1	1,086.1	400.0	400.0	680.8	680.8	0.0	0.0 %
Kuskokwim Campus	3,524.1	3,524.1	1,970.2	1,970.2	224.3	224.3	1,329.6	1,329.6	0.0	0.0 %
Northwest Campus	1,583.3	1,583.3	1,307.2	1,307.2	0.0	0.0	276.1	276.1	0.0	0.0 %
Rural College	3,704.5	3,704.5	2,727.6	2,727.6	0.0	0.0	976.9	976.9	0.0	0.0 %
Tanana Valley Campus	5,603.1	5,603.1	2,489.1	2,489.1	50.9	50.9	3,063.1	3,063.1	0.0	0.0 %
Juneau Campus	24,394.3	24,394.3	11,870.9	11,870.9	1,545.6	1,545.6	10,977.8	10,977.8	0.0	0.0 %

Appropriation Summary w/Funding - FY 02 Operating Budget - Senate Structure

			Gen Purpose		Fed Restricted		Other Funds		Agency: University of Alaska	
	HB103/4	Sen Sub	HB103/4	Sen Sub	HB103/4	Sen Sub	HB103/4	Sen Sub	Gen Purpose	Gen Purpose
<u>Appropriation/Allocation</u>	<u>HB103/4</u>	<u>Sen Sub</u>	<u>HB103/4</u>	<u>Sen Sub</u>	<u>HB103/4</u>	<u>Sen Sub</u>	<u>HB103/4</u>	<u>Sen Sub</u>	<u>HB103/4 to Sen Sub</u>	
University of Alaska										
Ketchikan Campus	2,993.4	2,993.4	1,646.2	1,646.2	50.0	50.0	1,297.2	1,297.2	0.0	0.0 %
Sitka Campus	4,991.0	4,991.0	1,873.6	1,873.6	303.3	303.3	2,814.1	2,814.1	0.0	0.0 %
* Appropriation Total	514,756.6	546,128.7	184,136.9	193,364.0	73,170.1	94,116.0	257,449.6	258,648.7	9,227.1	5.0 %
University of Alaska Legislative Intern Program										
University of Alaska Legislative Intern Program	0.0	136.0	0.0	136.0	0.0	0.0	0.0	0.0	136.0	100.0 %
* Appropriation Total	0.0	136.0	0.0	136.0	0.0	0.0	0.0	0.0	136.0	100.0 %
*** Agency Total	514,756.6	546,264.7	184,136.9	193,500.0	73,170.1	94,116.0	257,449.6	258,648.7	9,363.1	5.1 %

Agency Totals - FY 02 Operating Budget - Senate Structure

Agency: University of Alaska

	<u>01MgtPln</u>	<u>HB103/4</u>	<u>Sen Sub</u>	<u>HB103/4 to Sen Sub</u>	
Totals for Agency	514,756.6	514,756.6	546,264.7	31,508.1	6.1 %
<u>Objects of Expenditure:</u>					
Personal Services	259,253.5	259,253.5	259,253.5	0.0	0.0 %
Travel	12,131.6	12,131.6	12,131.6	0.0	0.0 %
Contractual	112,553.9	112,553.9	112,553.9	0.0	0.0 %
Commodities	51,975.8	51,975.8	51,975.8	0.0	0.0 %
Equipment	9,938.8	9,938.8	9,938.8	0.0	0.0 %
Lands/Buildings	4,235.0	4,235.0	4,235.0	0.0	0.0 %
Grants, Claims	16,137.8	16,137.8	16,137.8	0.0	0.0 %
Miscellaneous	48,530.2	48,530.2	80,038.3	31,508.1	64.9 %
<u>Funding Sources:</u>					
1002 Fed Rcpts	73,170.1	73,170.1	94,116.0	20,945.9	28.6 %
1003 G/F Match	2,777.3	2,777.3	2,777.3	0.0	0.0 %
1004 Gen Fund	181,158.8	181,158.8	190,521.9	9,363.1	5.2 %
1007 I/A Rcpts	34,564.9	34,564.9	43,476.7	8,911.8	25.8 %
1010 UA/INT INC	3,833.7	3,833.7	3,928.3	94.6	2.5 %
1015 UA/DFA SVC	37,555.1	37,555.1	35,334.4	-2,220.7	-5.9 %
1025 Sci/Tech	3,630.0	3,630.0	2,630.0	-1,000.0	-27.5 %
1037 GF/MH	200.8	200.8	200.8	0.0	0.0 %
1038 UA/STF SVC	59,043.9	59,043.9	55,041.1	-4,002.8	-6.8 %
1039 UA/ICR	22,382.2	22,382.2	22,937.7	555.5	2.5 %
1048 Univ Rcpt	88,980.5	88,980.5	91,624.2	2,643.7	3.0 %
1061 CIP Rcpts	3,576.3	3,576.3	3,576.3	0.0	0.0 %
1092 MHTAAR	102.0	102.0	100.0	-2.0	-2.0 %
1150 ACPE Div	2,000.0	2,000.0	0.0	-2,000.0	-100.0 %

Agency Totals - FY 02 Operating Budget - Senate Structure

Agency: University of Alaska

	<u>01MgtPln</u>	<u>HB103/4</u>	<u>Sen Sub</u>	<u>HB103/4 to Sen Sub</u>	
1151 VoTech Ed	1,781.0	1,781.0	0.0	-1,781.0	-100.0 %
<u>Positions:</u>					
Perm Full Time	3,388.0	3,388.0	3,388.0	0.0	0.0 %
Perm Part Time	233.0	233.0	233.0	0.0	0.0 %
Temporary	0.0	0.0	0.0	0.0	0.0 %
<u>Funding Summary:</u>					
Gen Purpose	184,136.9	184,136.9	193,500.0	9,363.1	5.1 %
Fed Restricted	73,170.1	73,170.1	94,116.0	20,945.9	28.6 %
Other Funds	257,449.6	257,449.6	258,648.7	1,199.1	0.5 %

House Finance Subcommittee on the University of Alaska

Budget Narrative

The House Finance Subcommittee for the University of Alaska has made the following budget recommendations to be submitted to the full House Finance Committee. These recommendations are a result of previous meetings and numerous discussions with representatives of the University.

The subcommittee recommends the following funding increases for FY02:

Increase General Funds by \$9,363,100 for a total General Fund level of \$193,500,000

Increase Federal Funds by \$20,945,900 for a total Federal Fund level of \$94,116,000

Increase Other Funds by \$1,199,100 for a total Other Fund level of \$258,648,700

Increase Total Funds by \$31,508,100 for a Total Budget of \$546,264,700

The subcommittee's recommendations are focused on the University's commitment to recruiting and retaining Alaska students, offering academic programs directed at training Alaskans to fill the jobs in highest demand today and in the future, and building the technological capacity of the state.

The subcommittee recommends increased funding for attracting and retraining Alaska's students so Alaska can keep its best and brightest here in the State. This will ensure that Alaskan businesses and industries have a readily available workforce to draw from rather than having to recruit employees from outside Alaska.

The subcommittee recommends increased funding to enable the University of Alaska to meet Alaska's employment requests in the current and future high demand employment areas. By working together with other State Agencies, the University can craft its courses and curriculum to meet the future needs of the Alaska workplace.

The subcommittee recommends increased funding to ensure the University of Alaska has the resources necessary to prepare for the future economic success of Alaska. This includes funding research in fish and wildlife issues, telecommunications, remote access to the world's information infrastructure, safe and responsible resources development practices, and expanding and exploiting the logistical benefits of Alaska's geographical location.

Support from the State Legislature for the University has an overwhelmingly positive affect on the students, faculty, administration and alumni of the University of Alaska. Increased funding and support can serve as a catalyst for the future success of the University. The subcommittee strongly urges the full Finance committee to give their approval to this recommendation for increased funding.

legislative fiscal analyst overview of the governor's FY02 request

University of Alaska

The major task of the University is to provide Alaska residents with high quality academic and technical programs. The FY02 budget has been developed around four major themes: Maintaining a Solid Foundation, Attracting and Retaining Alaska's Students, Meeting Alaska's Employment Needs, and Preparing for Alaska's Economic Success. The University of Alaska has regional centers in Anchorage, Fairbanks and Juneau. The university centers are responsible for the colleges and extension centers located throughout the state. The only community college separately accredited is the Prince William Sound Community College.

SIGNIFICANT CHANGES

- The Board of Regents' FY02 request totals \$555,755,500 (of which \$202,990,800 is general funds). This request is \$40,998,900 (\$18,853,900 general funds and \$22,145,000 non-GF) above FY01 authorized funding levels. The Governor's budget includes all increments approved by the Board of Regents. Non-GF funding includes federal receipts and multiple University funds.

The University's increment requests can be divided by program area as follows:

Program Initiative	Total Funds	General Fund	Non-GF
Maintaining a Solid Foundation	\$24,264,800	\$9,185,300	\$15,079,500
Attracting and Retaining Alaska's Students	3,038,200	988,200	2,050,000
Meeting Alaska's Employment Needs	13,401,900	4,155,300	9,246,600
Preparing for Alaska's Economic Success	<u>11,715,100</u>	<u>2,525,100</u>	<u>9,190,000</u>
TOTALS	<u>\$52,420,000</u>	<u>\$16,853,900</u>	<u>\$35,566,100</u>

Legislative Fiscal Analyst Comment: As with other agencies, the University's request did not back out reappropriations (from K-12 Support) and other special appropriations (from ACPE Dividends) from nonrepeatable fund sources. LFD has removed nonrepeatable funds from the FY02 Adjusted Base and added increments to the Governor's Request to highlight these transactions for discussion purposes. These "replacement" increments add \$8,565,600 to the University's request for general funds.

- **Maintaining a Solid Foundation**

General Funds of \$9,185,300 have been requested for contract and policy salary obligations, fixed cost increases such as facilities maintenance and repair, license agreements, and costs of a growing collection of web-based library resources. Also included in this category is funding focused on distance delivery to ensure academic quality and funding for information technology services including the statewide library database licensing initiative. Portions of this increment will focus on the enhancement of accountability and business efficiency through sustained technology replacement, career development for University staff, enhancements in the University's Finance and Human Resource electronic business operations, and receipt authority for 'recharge centers' that provide services to university departments at competitive rates.

Legislative Fiscal Analyst Comment: The Governor's budget describes increased University salary costs as increases in the FY02 base, just as salary schedule changes were treated in other agencies. However, the University testified that the appropriation for salary adjustments (Chapter 1, TSSLA 2000) covered movement within salary schedules rather than increases in the schedules. If so, the \$6,763,700 (of which \$5,010,200 is GF) requested for FY02 salary costs should be characterized as increments rather than additions to the base. The increments will fund contractual, non-represented and policy-driven salary increases, and are not included in the \$16.8 million figure the University characterizes as increments.

- **Attracting and Retaining Alaska's Students**

The requested funding level of \$3,038,200 (of which \$988,200 is GF) includes funding for enhanced services for recruiting, retaining, advising, and supporting students. This category is directly aimed at increasing enrollment. Specific examples include the addition of academic advisors, counselors for students with disabilities, and electronic services for students, including financial aid processing.

legislative fiscal analyst overview of the governor's FY02 request

- Meeting Alaska's Employment Needs
Funding requests of \$4,155,300 in General Funds and \$9,246,600 in non-GF support the University's desire to offer the programs necessary to meet workforce needs. Workforce assessments from the Alaska Department of Labor, Alaska's Human Resource Investment Council, and the Alaska Department of Education and Early Development, industry consortiums and corporations show high demand for teachers, health care workers (especially nurses), information technology specialists and trained technical workers. As examples, this group of four increments emphasizes qualified child care, nursing and medical technology professions, distance delivery of health instruction and research, information technology, computer science and network training, vocational education training leadership, and marine technology and operations.
- Preparing for Alaska's Economic Success
With the funding for this \$11,715,100 increment (including \$2,525,100 in General Funds), the University is attempting to develop programs that will impact Alaska's economic future positively. These additions include enhancements in finance, e-commerce, natural resources and fisheries, applied research and engineering instruction. To promote research leadership, an Office of Vice President for Research for the UA system is created. Provisions to provide a centralized data source and computational resource of satellite information are also included in the development of the UAF Energy Center. This initiative also adds funding to e-commerce studies to assist Alaska's college graduates and the Alaska business and government communities with awareness of the changes and opportunities provided by global economic structural changes during the last few years. Significant portions of this initiative are proposed for expansion of engineering, natural resources, marine and environmental programs.
- The University budget adds 123 permanent, full-time positions and six permanent, part-time positions in FY02.

ORGANIZATIONAL CHANGES

There are no significant organizational changes.

UNIVERSITY OF ALASKA

March 3, 2001

Senator Dave Donley
 State Capitol, Room 508
 Juneau, AK 99801

Dear Senator Donley:

In the FY01 UA budget, the Legislature appropriated \$5,161.1 for salary increases for UA employees. Additionally, UA has submitted a supplemental request of \$220.0 as a result of the recently negotiated agreement with Local 6070 for our buildings and grounds employees (AHECTE). If approved, this will bring the total FY01 salary appropriation to \$5,381.1. A summary of the FY 01 increases for the separate collective bargaining units and the non-covered UA employees are included below and a definition of each employee group is included as Attachment #1.

EMPLOYEE COMPONENT	FY 01 INCREASE	TYPE OF ADJUSTMENT	FY 01 AMOUNT	% of TOTAL
United Academics	2.4% CBA 0.6% CBA	Base Salary Adjustment Discretionary Base Pool	1,145.7	21
United Academics Adjuncts	5% CBA	Annual Table Adjustment	246.3	5
ACCFT	2.6% CBA \$200/employee	Base Salary Adjustment One-Time BONUS	378.7 49.8	8
AHECTE (CEA)	1.5% CBA 2.0% CBA	Annual Table Adjustment Base Salary Adjustment	164.3 220.0*	7
Non-Union Staff	2.6% BOR Policy	Base Salary Adjustment	2,645.3	49
Graduate Student Stipends	Variable to 10%	Base Salary Adjustment	200.0	4
Executive Staff	2.6% BOR Policy	Base Salary Adjustment Market/Equity BONUS	292.0 39.0	6

* Supplemental request for salary increase for period 1/1/01 to 6/30/01

There were no changes made to employee benefits in FY 01 that required funding. The only one-time bonus was the \$200/per employee bonus for the ACCFT faculty unit. The total amount for this bonus was \$49.8 and, as you point out, should not be included in the FY01 base budget or as an increment in the FY02 request. Subsequent years of the ACCFT contract do not call for this annual bonus, but do include annual 2.6% annual base salary adjustments.

The market/equity bonuses paid to executive staff were part of the 2.6% total base adjustment and are considered a continuing annual expense. Board policy provides for annual increases to be paid as bonuses or base adjustments, or a combination of the two. In FY01, the individual executive staff increases, including base adjustments and bonuses, averaged 2.6%.

The FY 02 salary request is essentially the same as outlined above with the exception of a bonus for the United Academic faculty (similar to that approved for the ACCFT faculty this year), and a 1.5% salary table adjustment for the non-covered employees. These appropriations are intended to be added to the base, but are not recurring and will not be included as additional increments in the FY03 budget.

In FY01, the total UA salary increases included \$1,265.2 in non-general funds. In FY02 the University is expecting to contribute \$1,753.5 in non-general funds. As our general funds continue to grow, tuition, federal receipts and university receipts will continue to represent an expanding proportion of UA salary increases – so that our general fund request should continue to decrease even as we add additional faculty and staff who were lost to budget reductions during the past decade.

I apologize that this information is being delivered late. If you have additional questions, or if I have made the answers ever more confusing, please give me a call at 463-3086.

Sincerely,

Wendy Redman, Vice President
University Relations
University of Alaska Statewide System

cc: Mark Hamilton, UA President
Joe Beedle, VP Finance
Pat Pitney, Director, Budget & Institutional Research
Janet Jacobs, Executive Director, Human Resources

**Workforce Development Projects
Funded from SB 289 - One-Time Job Training Funds**

Information Technology/Knowledge Workers

•	UAA-Anch	Integrated Information Technology Upgrade equipment and workstations for Microcomputer Support Specialist (MSSP), Integrated Info Tech & Electronics Tech programs	\$ 61.0
•	UAA-Anch	CADD Software and Hardware Upgrade monitors in computer aided drafting and design lab	17.0
•	UAA-Anch	Geomatics Equipment Smart cart, digital stereo photogrammetry workstations and Geomatics field laboratory equipment to enhance the 2-year and 4-year programs in surveying & mapping.	103.0
•	UAA-Anch	CIOS/OMT Lab Equipment Development of new computer lab at the Adult Learning Center to teach office management & information technology skills to students in Welfare to Work Program	90.0
•	UAA-MatSu	OMT Skill Center Equipment Upgrade equipment in Office Management Technology Program	44.5
•	UAA-Kodiak	Information Technology Program Equipment Upgrade computer equipment for delivery of the MSSP.	50.0
•	UAS-Sitka	Mobile Classroom	29.4
•	UAS-Ketchikan	Mobile Classroom A mobile computer classroom will allow campuses to expand the number of classes using technology, occasionally or on a regular basis, and combined with wireless data networks will allow faculty and students easier collaboration with peers at other campuses.	29.4
•	UAS-Sitka	Vocational Classroom Remodel Match for city & federal funds to complete the vocational classroom necessary to meet program demand.	30.0
<i>Sub-Total</i>			<i>\$ 454.3</i>

Nursing & Allied Health

•	UAA-Kuskokwim	Allied Health Distance Delivery Program Develop distance delivered health programs in phlebotomy, Medical assisting & medical technology in collaboration with Yukon-Kuskokwim Health Corporation	\$ 87.8
•	UAS-Juneau	Laboratory Renovations for Health Programs Juneau campus is delivering the LPN program and preparing to offer the 2-year RN program in collaboration with UAA. Renovation of laboratory space to accommodate the necessary coursework in anatomy & physiology is required.	123.4
•	UAA-Anch	Dental X-Ray Panoramic Purchase of modern dental equipment to ensure students in dental assistant program are trained in the most modern systems.	29.0

- UAA-Anch Allied Health Space Renovation
Renovations necessary to house expanding programs
in multiple allied health programs. 60.0

Sub-Total \$ 300.2

Process Technology

- UAA-SW Well Control Simulator – MAPTS
Purchase of new equipment similar to that currently
used in Alaska. Industry requires students be trained
with the most current equipment. \$ 380.0

- UAA-SW Roustabout Program
In response to industry needs, a 3-week Roustabout program
will be initiated in February to train 300 individuals. 40.0

Sub-Total \$ 420.0

Welding & Heavy Equipment

- UAA-Anch Automotive Repair Technician
New dynamometer & replacement of six automotive lifts for
industry-sponsored automotive repair program. \$ 53.0

- UAS-Juneau Juneau Diesel Program
Purchase of a Caterpillar HUEI diesel engine to ensure
students in diesel program are trained on current equipment. 21.8

- UAS-Juneau Juneau Seawater Laboratory
Installation of seawater holding tanks to be used in fisheries
and biology courses. 27.0

- UAS-Ketch Marine Manufacturing - Bridge Crane
Purchase a bridge crane necessary to move large steel plates
used in ship fabrication training program. 29.

- UAS-Ketch Marine Manufacturing - TIG Mobile Welding Stations
Two TIG welding stations capable of doing fine precision
welding necessary to provide current welding technology to
students in the ship fabrication training program. 10.9

- UAS-Ketch Marine Manufacturing – Air Purifier
Installation of required air handling systems in laboratories
used for marine welding. 41.3

- UAS-Juneau Front End Loader
Purchase of a front-end loader for use in the heavy equipment program. 38.0

- UAS-Sitka TIG Welding Stations
Two TIG welding stations and accompanying building
modifications are needed to provide contemporary training
for marine fabrication program offered with Mt. Edgecumbe. 14.5

Sub-Total \$ 235.5

Instructional Equipment

•	UAA-PWSCC Industrial Training Program Equipment	\$ 50.0
	Electronics equipment upgrades for Alyeska training programs provided in Valdez by Prince William Sound Community College.	
•	UAA-Anch Aviation Simulator	100.0
	Upgrades to software and virtual-reality simulators in the tower simulator used in aviation training programs.	
	<i>Sub-Total</i>	<i>\$ 150.0</i>

FY02 Workforce Program Start-up (Full funding included in FY02 Budget Request)

•	UAF-TVC Emergency Medical Service Tech Training	\$100.0
	Hire faculty and prepare curriculum for program slated to begin in the fall of 2001.	
•	UAF-TVC Law Enforcement Training Program	65.0
	In collaboration with local law enforcement officials, develop curriculum for training academies for officer qualification course and development of AAS program in law enforcement	
•	UAA-Anch Allied Health Coordinator	46.6
	Coordinator with expertise in distance delivery to oversee the development and enhancement of allied health programs that will be serving needs throughout the state.	
	<i>Sub-Total</i>	<i>\$ 211.6</i>

TOTAL **\$ 1,771.6**

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Chapter 127, SLA 2000, Section 153

Article 15. University of Alaska.

* Sec. 153. University of Alaska. (a) The mission of the University of Alaska is to respond to the educational needs of all Alaskans and to enhance Alaska's economy by fostering and promoting

- (1) high quality postsecondary educational system;
- (2) appropriate vocational education development and training;
- (3) advancement and extension of knowledge, learning, and culture; and
- (4) the application of new knowledge and emerging technologies to meet the

needs of the state.

(b) The legislature intends to measure the success of the University of Alaska in achieving its mission by considering

- (1) the number and percentage of total Alaska high school graduates who
 - (A) attend the University of Alaska;
 - (B) attend the University of Alaska as Alaska Scholars; and
 - (C) stay in Alaska one year, five years, and 10 years after graduation;
- (2) the percentage of students graduating with degrees in teacher education, health careers, process technology, transportation and logistics, information technology, and other high demand job areas;
- (3) the number of University of Alaska graduates, by community of origin and by community of current employment, who are
 - (A) new teachers;
 - (B) new principals;
 - (C) new superintendents;
- (4) the number and percentage of total credit hours and courses offered by distance delivery;
- (5) the cost per credit hour delivered by distance delivery;
- (6) the pre-training wage as compared to the post-training wage for vocational education graduates;
- (7) the amount of research grants in arctic biology, climate change, resource development, fisheries and ocean science, logistics, geosciences, and atmospheric sciences;
- (8) the number of graduate students whose education is funded by research grants;
- (9) the occurrences of applied research benefiting the state's economy;
- (10) the quality of research as measured by annual citation and significant publications in referred journals;
- (11) the graduation and retention rate of full-time-equivalent students in degree programs;
- (12) the comparative scores of students who take professional examinations.

University of Alaska
Performance Measures as Established by SB281
Submitted to House Finance Sub-Committee
February 13, 2001

1a) The number and percentage of recent Alaska high school graduates who attend the University of Alaska;

Goal: Within 3 years capture 26% of Alaska's high school graduates.

Year	AK HS Graduates	UA FTF who are Recent AK HS Graduates (Fall Semester)	% of AK HS Grads who are UA FTF
1996	6,018	1,054	18%
1997	6,175	1,097	18%
1998	6,496	1,360	21%
1999	6,826	1,486	22%
2000	6,668	1,498	22%

Using the (WICHE) three-year projection of 7,134 Alaska high school graduates, this would equate to 1,855 students attending UA. Nationally, 67% of high school graduates attend college soon after graduation and 45% of high school graduates (68% of college-bound high school graduates) attend in-state public institutions. The University of Alaska expects to reach the national average of 45% within seven years.

1b) The number and percentage of total Alaska high school graduates who attend the University of Alaska as UA Scholars; and

Goal: Increase the percentage of eligible UA Scholars who choose to attend UA to 50% within three years.

In Fall 1999, there were 811 eligible UA Scholars; 270 (33%) attended UA.
In Fall 2000, there were 875 eligible UA Scholars; 343 (39%) attended UA.

1c) The number and percentage of total Alaska high school graduates who attend the University of Alaska (gain a baccalaureate degree) and stay in Alaska one year, five years, and 10 years after graduation;

Goal: Continue to retain UA baccalaureate degree recipients in Alaska at 79% residency one year after graduation and 69% residency five years after graduation.

On average, 79% of baccalaureate degree recipients reside in Alaska one year after graduation (1992-1998 graduating classes) and 69% reside in Alaska five years after graduation (1990-1994 graduating classes), based on PFD status.

Graduation Year	% residency 1 year later	% residency 5 years later
1990		69%
1991		69%
1992	80%	70%
1993	82%	68%
1994	82%	68%
1995	80%	
1996	77%	
1997	77%	
1998	78%	

The University and Alaska Department of Labor together track the residency and employment of UA baccalaureate graduates since 1990. The first study was done in fiscal year 2000 and includes information since 1993. The residency 10 years after graduation will be available in two years. This study will be conducted every other year; therefore updated results will be available in spring 2002. The first follow-up on graduates included all baccalaureate degree graduates and did not distinguish between those that were Alaska High School graduates and others. This parameter will be added in the next study.

2) The number of students graduating with degrees in teacher education, health careers, process technology, transportation and logistics, information technology and other high-demand job areas;

Goal: Using FY00 as the base, increase the number of graduates in specified high-demand job areas by 5% over the next two years and 10% over the next 4 years in the job areas specified.

In FY 2000, 1,485 degrees were conferred in high demand job areas as defined by Alaska Department of Labor. An increase in the number of graduates has a time lag as the programs require from two to four years to complete. For this goal to be realized, enrollment in the specified programs must increase over the next two years such that the increase can be measured upon graduation either two or four years later. The table below shows a breakout of the degrees awarded in ADOL high demand and specified occupational areas.

Degrees Conferred in High Job Growth Areas		Fiscal Year		
Job Area	Degree Level	1998	1999	2000
Air Transportation	Assoc/Cert	48	44	46
Business Services	Assoc/Cert	139	147	107
Management	Baccalaureate	77	63	80
	Masters	15	21	12
Engineering	Assoc/Cert	29	42	10
	Baccalaureate	93	74	73
	Masters	32	24	28
Finance, Insurance, and Real Estate	Baccalaureate	148	131	158
	Masters	39	52	37
Health	Assoc/Cert	221	187	198
	Baccalaureate	124	122	123
	Masters	62	55	44
Information Technology	Assoc/Cert	44	18	92
	Baccalaureate	17	11	25
	Masters	10	2	5
Natural Resources	Assoc/Cert	1	4	1
	Baccalaureate	57	56	48
	Masters	31	22	37
Petroleum Technology (is transitioning to process tech)	Assoc/Cert	13	9	9
Teacher Education	Assoc/Cert	23	24	22
	Baccalaureate	231	199	158
	Masters	106	160	172

3a) The number of University of Alaska graduates, by community of origin and by community of current employment, who are new teachers;

Goal: Maintain current employment rate over the next four years and then increase the percentage of UA graduates filling teaching vacancies each year in the state by 5% per year. By 2010, place over 50% of the teachers needed each year in Alaska.

In 1999, UA new graduates and alumni filled 32% of total vacancies.

Region	Total Vacancies	% New UA	% UA Alum	Total %
Interior	227	7%	23%	30%
Northwest	172	6%	15%	21%
SouthCentral	592	16%	22%	38%
SouthEast	170	11%	26%	37%
SouthWest	255	10%	15%	25%
Totals	1,416	12%	20%	32%

An assessment of teacher demand by community is being conducted. From this study, more information will be available regarding the demand and placement of graduates. The University is already aggressively pursuing programs and policy solutions to increase the number of UA graduates available to fill the vacancies. Additional information will be collected in the future to determine community of origin of those graduates filling vacancies.

3b, 3c) The number of University of Alaska graduates, by community of origin and by community of current employment, who are new principals and superintendents;

Goal: In the next three years place over 50% of the administrative vacancies in Alaska school districts.

Using Alaska Teacher Placement (ATP) statistics 38% of the 1999 administrative vacancies were filled with UA graduates and alumni.

4) The number and percentage of total credit hours and courses offered by distance delivery;

Goal: Increase the number of credit hours and courses offered by distance delivery by 10% over the next three years.

Distance education is defined as any academic course whereby the instructor can provide education to students in different physical locations. The primary means of distance delivery are correspondence and telecourses. Other means include videoconference (satellite telecast), audioconference, Internet, CD-ROM, and/or video/audio tape at UAF and UAS. Distance education is administered at UAF by the Center for Distance Education and Independent Learning, and at UAA by Academic Technology Services. At UAS distance education is fully integrated into the University such that every department is part of UAS distance education.

Distance Education Courses Offered and Credit Hours Produced*

		# of Distance Ed Courses Offered	% of MAU Total Courses Offered	Distance Ed Student Credit Hours	% of MAU Total Student Credit Hours
Fall 97	UA Anchorage	42	1.60%	3,137	2.40%
	UA Fairbanks	166	13.80%	4,400	6.10%
	UA Southeast	56	8.40%	1,999	8.50%
	UA System	264	6.50%	9,536	4.30%
Fall 98	UA Anchorage	41	1.60%	2,367	1.80%
	UA Fairbanks	182	13.50%	4,896	7.30%
	UA Southeast	79	11.70%	2,627	11.80%
	UA System	302	6.90%	9,890	4.50%
Fall 99	UA Anchorage	45	2.00%	3,085	2.40%
	UA Fairbanks	188	15.70%	5,074	7.60%
	UA Southeast	128	19.00%	4,459	20.40%
	UA System	361	9.00%	12,618	5.80%

*Does not include yearlong correspondence students at the Center for Distance Education.

5) The cost per credit hour delivered by distance delivery;

Distance education is a rapidly growing sector in higher education. It allows a university to offer coursework beyond its campus to virtually anyone on the planet. Here in Alaska, distance education is especially useful as we try to make higher education available across our vast regional expanse.

The University of Alaska is assessing the cost of its distance education program. Several universities across the nation are currently trying to assess their cost of distance education but are finding that cost assessment is difficult to analyze.

In assessing the cost of distance education, the University of Alaska has employed the use of a cost analysis model developed by Western Cooperative for Educational Telecommunications (WCET) and National Center for Education Management Systems (NCHEMS). The university's goal is to report cost per credit hour figures for the 1999-2000 academic year. Cost per credit hour is a two part equation: total cost divided by total credits offered. Total credits data has been gathered, while total cost information is still being collected. The University of Alaska and all other universities nationally are challenged to identify total cost of distance education given the integrated nature of distance education within the other aspects of instructional delivery.

6) The pre-training wage as compared to the post-training wage for voc-ed graduates;

Goal: Maintain average salary increases of 15% for vocational education students after training.

For students who took vocational classes in FY 1999, average quarterly earnings after training exceeded pre-training earnings by 20% (This compares favorably with the 15% increase observed for FY98 students, which is the benchmark for the above goal). Vocational education students' average quarterly earnings rose from \$5,472 in months 7 to 12 of the fiscal year prior to enrollment to \$6,542 per quarter in months 7 to 12 after exiting the program.

In cooperation with AHRIC and ADOL, the university surveyed all students who took at least one vocational education class in FY 1999 and did not return in FY 2000. The University participates in an annual statewide vocational education outcome study by the Alaska Department of Labor published in January of each year. The first survey was published in 1999. The survey published in January 2000 was the first to contain pre- and post-training earnings information. This survey can be accessed at: <http://www.alaska.edu/oir/voced.html>. The numbers above are taken from the most recent survey, which has just been released in draft form and which will be posted to the web shortly.

7) The amount of research grants in arctic biology, climate change, resource development, fisheries and ocean science, logistics, geosciences, and atmospheric

Goal: Increase research grant funding brought in to the university.

The University is actively developing baseline data for this performance measure.

At present, the university is developing a database of research activity. The numbers below show a subset of research grants the university brings in each year. Within the next year the database will be operational and provide a consistent listing of research activity for comparison purposes from year to year. Many grants are multi-year awards, the figures below show the average number of active grants and award amounts for FY99 and FY00 in the areas targeted in the measure.

Annual Average of a Subset of UA Grant Activity

MAU	Grant Category	Number of Grants	Grant Amount (x 1,000)
UAF	Arctic Biology	38	\$ 5,131.7
	Climate Change	47	\$ 13,060.9
	Resource Development	19	\$ 1,338.2
	Fish & Ocean Science	40	\$ 8,431.3
	Geosciences	90	\$ 10,751.0
	Atmospheric Sciences	16	\$ 2,077.5

8) The number of graduate students whose education is funded by research grants;

Goal: Increase the number of grant funded graduate students by 10% over the next two years.

Based on the University's federal reporting date, 164 graduate students were employed on grant-funded research in the fall 1998, 192 in fall 1999 and 183 in fall 2000. Using the last three-year average, a 10 percent increase would result in 200 graduate students employed with research funding in fall 2002.