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To: Chancellors Carey, Parnell, and White
Provosts Haavig (Interim), Prakash, and Runge
Vice Chancellors Ciri, Jacob, and Queen
Chief Finance Officer Dosch
Vice President Layer

Through: Michelle Rizk, Vice President UA Relations

From: Alesia Kruckenberg, Director System Office Strategy, Planning and Budget

Date: July 26, 2021 (revised Sept 2021)

Re: FY22 UA Authorized Budget and Budget Principles

The FY22 Operating Budget Distribution Plan approved by the Board of Regents (BOR) can be found at http://www.alaska.edu/swbudget/budget_planning/. The FY22 budget distribution principles are as follows:

Governor-UA Compact

On August 13, 2019, Governor Dunleavy and the University of Alaska Board of Regents entered into a multi-year agreement (“compact”) for fiscal years 2020 to 2022. The compact establishes the operating and capital budget assumptions and commitments of the Governor and UA. (Appendix A)

FY22 is the final year of the “Compact”, which called for a \$20 million unrestricted general funds (UGF) reduction. In recognition of the negative financial impacts UA sustained as a result of the COVID-19 pandemic, the Legislature passed and the Governor signed an operating budget for UA with a \$4.3 million UGF reduction.

The FY22 operating budget puts the university on a path to stability and supports the goal shared by the Governor and the University - economic recovery. The operating budget will allow UA to:

- Provide stability in programs by increasing enrollment - especially in programs that address workforce shortages;
- Help the state's economy by training Alaskans to return to the workforce;
- Support key research programs important to Alaska’s economy; and
- Continue to:
 - Reduce our facility footprint,
 - Focus on streamlining administrative functions and efficiencies, and
 - Encourage program collaboration across the UA system to maximize enrollment.

Reporting

As part of the FY22 Management Plan submission, each MAU will provide the following information:

- How budget reductions/additions from all funding sources were implemented to units across each institution and a high level (general principles) regarding what programs and services have been positively impacted by the lessor reduction figure.

- Estimated FY22 “effective” UGF budget changes to campuses/allocations:
 - Including the cumulative effect on UGF budgets of the dual appropriation structure from FY20-FY22.
 - With the smaller reduction amount, to the degree possible, avoid or considerably limit the impact to community campuses. Explanation of any reductions to community campus in FY22.
 - Explanation of any percent reductions to community campuses that exceed main campus reduction through the compact period (FY20-FY22) and since FY14.

The Financial Analysis reporting to the BOR Audit and Finance Committee will continue through FY22.

Organizational Structure

Dual Appropriation

- Anchorage and Fairbanks Campuses, and UA System Office
- Community & Juneau Campuses
 - Authorized budgets are unchanged, but may share in cost of central services through the State’s RSA process (Appendix B).

UA Foundation budget activity of \$4.8 million was removed from UA’s state budget reporting to recognize its separate 501(c)(3) status. UA and the UA Foundation are co-employers and Foundation employees will continue to receive UA employment benefits (Appendix C).

Budget Adjustments

- FY22 Centralized Human Resources and Procurement (Appendix J revised)
\$5.0 million unrestricted general funds were transferred from the System Office to universities to change the funding model for providing central Human Resources and Procurement services.
- FY20-FY22 System Office-UA Southeast Adjustments (\$4,820.2) (revised)
 - System Office from UAS
 - \$1,926.4 SW services provided to UAS
 - \$ 392.5 HR Redesign
 - \$ 388.9 UAS to Strategic Investment Pool
 - \$1,900.0 UAS fund balance transfer
 - \$ 326.8 UAS fund balance transfer
 - \$ 575.0 UA Southeast Alaska College of Education (see strategic initiatives) (revised)
 - System Office to UAS
 - \$ 275.0 UAS from Strategic Investment Pool
 - \$ 90.0 UAS for dual enrollment and online initiatives
 - \$ 285.3 Central HR costing model change (revised)
 - \$ 39.1 Central Procurement costing model change (revised)

Technical Vocational Education Program (TVEP)

House Bill 100 (HB100) reauthorized the Technical Vocational Education Program (TVEP) funding for three years. UA maintained a 45% share of the distribution.

An FY21 Supplemental reduced UA's TVEP appropriation by \$467.8, total \$5,757.4. The Department of Labor (DoL) calculated UA's FY22 distribution to be \$5,213.1 or \$544.3 less than FY21 funding. UA's FY22 TVEP program distribution is attached (Appendix D). The RSA process will be used for any cross-appropriation program servicing needs.

Compensation

- Negotiated Contracts
 - Local 6070: contract ends June 30, 2022;
 - Fairbanks Firefighters Union (FFU): contract ends June 30, 2023;
 - United Academic Adjuncts (UNAD): contract extended to February 28, 2022; and
 - United Academics (UNAC): contract extended to December 31, 2021.
- FY22 Compensation
 - Salary increases are estimated at \$273.1 thousand for the monetary terms required by collective bargaining agreements for Local 6070 and Fairbanks Firefighters Union (FFU);
 - No salary increases for United Academics (UNAC), United Academic Adjuncts (UNAD), or UA staff; and
 - Leadership furloughs for University Officers (10 days, 3.8%), and Senior Administrators and non-represented academic leaders (8 days, 3.1%).

Strategic Initiatives

- President's Professors and Post Docs program is a five-year decreasing funding commitment to the following:
 - FY18 College of Fisheries and Ocean Sciences President's Professor of Quantitative Fisheries and Ecosystems (Appendix E; year 5 @ ½ salary).
- FY21 Enrollment Initiative Funds \$700 thousand from System Office to (Appendix F):
 - UAA \$420,000
 - UAF \$217,000
 - UAS \$ 63,000
- Alaska College of Education Consortium (ACEC)
 - \$575,000 from UA Southeast Alaska College of Education Strategic Investment to support the consortium (Appendix G).
- UA Health Programs Strategic Investment Funding Awards
 - A three-year initiative for short-term program development and start-up (Appendix H)

Facilities Maintenance & Capital Budget

In FY22 UA received no capital funding for facilities deferred maintenance (DM)/renewal & repurposing (R&R). In addition to any capital funding received, UA dedicates a portion of its annual operating appropriation toward facilities maintenance. In FY17, UA implemented a multi-year plan to incrementally increase the annual facilities maintenance funding from \$35.6 million (FY16) to a \$60.0 million target (~1.5% of facility value). Due to the sharp decline in state support expected over the next few years, the FY22 facilities maintenance minimum budget targets were held flat at \$25.6 million (Appendix I). Going forward UA may need to revisit the amount and/or timeline for reaching a \$60.0 million target.

If you have any questions or concerns, please feel free to contact me.

cc: Buchholdt, Huesties, Theis, Wall, Walters, Vigil

**Budget and Related Matters Agreement
Governor of the State of Alaska
and
University of Alaska Board of Regents**

The Governor and the University of Alaska's Board of Regents share an interest in the University's contributions to Alaska's prosperity and in supporting the University's goals for the state's economic development, workforce development, research, educational attainment, and cost effectiveness.

In support of that shared interest, the Governor and the Board of Regents agree to the following terms:

1. In the State budgeting process, the Governor will propose, support, and permit the following:

A. Operating Budget

FY 2020	\$302 million	(-25 million from FY 2019)
FY 2021	\$277 million	(-25 million from FY 2020)
FY 2022	\$257 million	(-20 million from FY 2021)

B. Capital Budget

FY 2020	\$5 million
FY 2021	Facility deferred maintenance TBD
FY 2022	Facility deferred maintenance TBD

2. With Respect to Land Grants to the University

Both parties will continue their efforts to remedy the University's land grant deficit.

3. In Recognition of the agreements and commitments above, the University of Alaska commits to the following:

The University will report to the Office of the Governor and the Alaska Legislature no later than December 4th of each of the three years of this agreement regarding progress the University has made toward its strategic goals and on the following priorities:

- a. Operating cost reductions.
- b. Administrative overhead reductions.
- c. Strengthening the role of community campuses.
- d. Growth in monetization of University assets.
- e. Enrollment and degree/certificate completion rates.
- f. Campus safety and regulatory compliance.
- g. Research income increases.
- h. Other non-state income increases, e.g., tuition and philanthropic gifts.

**Budget and Related Matters Agreement
Governor of the State of Alaska
and
University of Alaska Board of Regents**

- i. Development of UA lands.
 - j. Technology investments to lower costs and increase access.
 - k. Structural consolidation and consideration of single accreditation.
4. In recognition of the agreements and commitments above, the Governor commits to the following.

The Governor will:

- a. Support budgeted amounts agreed upon.
- b. Support expanded dual-enrollment of college-ready high school students.
- c. Support FAFSA completion of high school students.
- d. Continue support for the Alaska Performance Scholarship and Alaska Education Grant programs.
- e. Explore more appropriate structure for WWAMI appropriation.
- f. Be open to discussions surrounding inter-appropriation transfers (FY20) and pursue single-appropriation structure consistent with the Board of Regents' constitutional authority (FY21).
- g. Continue \$1.2 million each year of the agreement for facility debt reimbursement.
- h. Support land grant transfers.
- i. Support increased collaboration between state agencies and the University.
- j. Consider other budget items that support University transformation.

This Agreement expires by its own terms, effective three years from the date of signing, and may be extended by mutual agreement in writing.

For the Office of the Governor:

For the University of Alaska,
Board of Regents:



Michael J. Dunleavy Date
Governor



John M. Davies Date
Chair

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UNIVERSITY
of ALASKA
 Many Traditions One Alaska

July 28, 2021

TO: Bill Jacob, Michael Ciri, Julie Queen, Charlene Stern, Cheryl Siemers,
 Talis Colberg, Jacelyn Keys, Dan O'Connor, Michele Stalder

FROM: Myron Dosch *Myron J. Dosch*

SUBJECT: Appropriations rules

The university will have a multiple appropriation structure in FY22 similar to FY21. This structure necessitates that the provisions of AS 37.07.080(e) be followed, which limit transfers between appropriations. Based on guidance provided by Office of Management and Budget (OMB), this document provides the rules for compliance with State of Alaska statutes regarding transfers between appropriations.

The two FY22 University of Alaska appropriations follow:

University of Alaska	UA Community Campuses and UAS
Budget Reductions/Additions - Systemwide	Kenai Peninsula College
Systemwide Services	Kodiak College
Office of Information Technology	Matanuska-Susitna College
Education Trust of Alaska	Prince William Sound College
Anchorage Campus	Bristol Bay Campus
Small Business Development Center	Chukchi Campus
Fairbanks Campus	College of Rural & Community Development
UAF Community and Tech College	Interior Alaska Campus
	Kuskokwim Campus
	Northwest Campus
	Juneau Campus
	Ketchikan Campus
	Sitka Campus

The basic rule is that transfers between these appropriations are not allowed, unless a reimbursable services agreement (RSA) is approved or it is exempted in the tables below. An RSA is a State of Alaska OMB form that is a contractual agreement between an

appropriation requesting a service and an appropriation providing a service. For example, the System Office provides Human Resources services for University of Alaska Southeast. As noted in the following tables, some services require OMB approval and others do not. OMB has delegated approval authority to the Administrative Service Directors within each State agency, for UA this is the System Office Strategy, Planning and Budget Director (Alesia Kruckenberg). In all cases, OMB-designee approval is not needed if the cumulative cost of the service is equal to or below \$100,000. The \$100,000 limit generally is based on the cumulative and combined annual cost of a service function provided to an appropriation, rather than an individual work or service order.

The rules governing inter-appropriation transactions are in the State of Alaska’s *Revised Program Manual* issued by the OMB (see Appendix A).

The Vice Chancellors for Administrative Services at the campuses, the Vice Chancellor for Rural, Community and Native Education, the Chief Financial Officer at the System Office, and Campus Directors, or their designees, have authority to approve RSAs between university appropriations. The following tables list RSA requirements as approved by OMB for specific university transactions:

Core Services RSA form is required. OMB-designee approval is not required.	
Description	Example(s)
Information Technology (IT) services	Network and server administration, video conferencing, software and hardware support, telephone, web design and consulting, student ID card system
Risk Management services	Claims processing, risk prevention programs
Human Resources services	System Office provides Human Resources services, such as recruitment, for UAS
Cash Management (banking) services	Fees for processing wires or ACH transfers

Core Services RSA form is not required unless the cumulative cost is over \$100,000.	
Description	Example(s)
Conferencing, Catering and Space Rental services	UAS hosts a Board of Regents meetings
Science and Engineering testing lab services	UAF uses its specialized lab equipment to conduct a scientific test for a unit in a different appropriation

Core Services RSA form is required. OMB-designee approval required if cumulative cost is over \$100,000.	
Description	Example(s)
Capital Projects oversight services	System Office oversees capital projects' budgets and communication with Board of Regents
Physical Plant and Utility services	UAF physical plant maintains System Office administration building in Fairbanks; UAA physical plant maintains Statewide buildings located in Anchorage; UAF physical plant maintains UA Community College's plant

Programs RSA form is required. OMB-designee approval required if cumulative cost is over \$100,000.	
Description	Example(s)
Vo Tech Ed (TVEP/Workforce Development Funds)	Funding is distributed to an academic unit or department that provides the required service
Research and Instruction Awards	System Office provides funding to UAS for biomedical research or other specific research activities; UAF Provost provides funding to Rural Colleges for instructional equipment

Revenue Distribution Transactions RSA form is not required. OMB designee approval is not required.	
Description	Example(s)
Student tuition and fee revenue distribution	UAF collects tuition and fee revenue centrally, then processes journal entries to distribute the revenue to colleges and units based on internal agreements; Information technology and network fees are distributed among appropriations
Indirect Cost Recovery (ICR)	Automated distribution of ICR generated on grants and contract activity using negotiated indirect cost rates with the federal government and State of Alaska.

Multiple Appropriations

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Other specific transfers	
RSA form is not required. OMB-designee approval is not required.	
Description	Example(s)
Debt service	One appropriation provides debt service support to another appropriation
Bookstore operations	A rural college bookstore purchases books from the UAF bookstore

Note that all transactions or services between appropriations are considered for application of RSA rules, regardless of their lack of identification above. For example, an inter-appropriation transaction that is less than \$100,000 and not listed above will require an RSA, but not OMB-designee approval.

RSA Form 02-098 must be completed and signed by all parties, including the requesting and servicing agencies and OMB-designee, if necessary, prior to the commencement of work.

The RSA instructions are in Appendix B and the RSA form is here: <https://omb.alaska.gov/forms-and-manuals/#rsa> When OMB-designee approval is required, the original Form 02-098, signed by both the requesting and servicing agencies, is submitted to OMB-designee. For consistency, **all** RSAs should be sent to System Office Controller’s Office. The identifying agency document number (ADN) will be assigned and copies will be retained for Legislative reporting purposes.

The underlying accounting should remain essentially the same for university inter-appropriation services. The university uses the UA Intra-agency Receipts budget authority and the 99XX revenue account code section to identify the majority of transactions crossing appropriations. Account codes 9980 and 8580 are used for the Vo Tech Ed (TVEP) and Research and Instruction awards identified in the table above. Budget transfers will no longer be allowed for moving funds between appropriations, but rather accounting entries will need to be booked that “gross up” the transaction.

Yan Xiong, yxiong6@alaska.edu, in System Office Fund Accounting is the main contact for RSA’s. She will receive RSA’s from UA departments, coordinate with OMB-designee for approval, maintain a log, and be a resource for questions.

cc: Alesia Kruckenberg, Jason Theis, Julie Vigil, Ryan Buchholdt, Wei Guo, Yan Xiong, Wendy Huesties, Jonathan Lasinski, Michelle Rizk

Revised Program Manual

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What's New

Changes have been made to conform with the revised Office of Management and Budget (OMB) [revised program \(RP\) delegation of authority matrix](#) released October 1, 2019. Notable changes include:

- Clarified position approval process. Requests to the Chief of Staff require OMB and Administrative Services Director (ASD) review and approval first.
- Changed the location change approval process so only filled position location changes require approval beyond the ASD-level.
- Changed the line item (object) transfer delegation so that only travel line adjustments that increase the travel line require OMB approval. All other transfers between object lines require approval on the ASD-level.
- Changed the Reimbursable Services Agreement (RSA) delegation so unbudgeted RSAs can be approved at the ASD level regardless of the amount.
- Clarified that job class study requests require OMB approval before they can be submitted to the Division of Personnel and Labor Relations.
- Clarified that all requests to OMB should come through the agency's ASD.

The revised OMB RP delegation of authority matrix was accompanied by updates to other documents (which are located on the [OMB website](#)):

- Position Approval Form
- RSA Form
- Travel Memo Clarification
- Hire Memo Clarification
- Travel Waiver Request Form
- Hire Request Form
- Travel Report Template
- Hire Report Template

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General Instructions

Changes to an existing appropriation and/or authorized position(s) are called Revised Programs (RPs). The Revised Program Manual is the Office of Management and Budget (OMB) policy statement on these actions. This guide should be used in conjunction with Alaska Statutes and other pertinent policies, procedures, requirements, and instructions related to positions and budgets. The [Division of Personnel and Labor Relations](#) is the main resource for position-related rules and instructions. Additional guidance and information on revised programs can be found on the [OMB website](#).

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OMB has delegated authority to approve certain position changes and transfers or changes to budgets subject to [AS 37.07.080\(c\)](#), (e) and (h) to departments (see [RP delegation of authority](#) on [OMB Forms and Manuals website](#)). Departments are expected to plan carefully for all position and budget changes needed for the current and future fiscal year in the Authorized, Management Plan, Governor and Governor Amended budget scenarios. Careful budget planning will improve program management, ensure expenditures and resources are optimally managed, and minimize the workload and number of revised programs needed outside of the budget process.

This manual contains policy guidelines regarding revised programs such as:

- [Position changes](#):
 - Creating positions
 - Deleting positions
 - Reclassifying positions
 - Transferring positions
 - Time status (position type) changes
- Job Class Study requests
- [Budget transfers](#) between objects of expenditure (line items) and/or allocations within an appropriation
- [Reimbursable services agreements](#) (RSAs) to finance the provision of an interagency service
- Legislative Budget and Audit Committee approval for additional receipt authorization for fund sources authorized in a budget bill, known as [Revised Program Legislative \(RPL\)](#)

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Revised Program Request Submission and Timing

- All revised programs requiring OMB approval must be submitted to OMB through ABS using the RP Logger (see [RP Logger Instructions](#)).
- Every revised program request must include supporting documentation sufficient to verify existing budget authority, amounts and justification without having to obtain additional information – see Authorized Budget (AB) Transaction Backup Checklist on the [OMB website](#). Examples of backup documents are available on the [OMB website](#), however, requestors should not limit themselves to just the example documents. Provide all data you believe will assist in review of the request.
- RPs for the current fiscal year sent to OMB between July 1st and the submission of the Management Plan scenario, except for transactions approved in the Conference Committee or Authorized budget scenario, should be included in the agency's Management Plan submission and should only be submitted in advance of the submission if there is a critical need for the transaction to be processed in advance of the other Management Plan transactions.
- Unanticipated revised programs after the Management Plan scenario is final should be limited, infrequent and minimized through advanced planning.
- OMB will endeavor to review all revised program requests in a timely manner; however, if the request is time sensitive, label the request ALPHA to be expedited as soon as possible.

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General IRIS Instructions

- All documentation needed for review of the transaction should be attached to the IRIS document.
- Use the "Additional Document Information" to record the agency assigned ADN of the transaction.
- Review available budget in IRIS at all budget levels to ensure sufficient authority exists. Transactions that have sufficient authority at budget level 4 may fail due to errors at level 3 or 2.

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Position Changes

Information on budgeting for positions can be found in the [Operating Budget Instructions](#). It is important that positions and projected costs (personal services) be accurately reflected in the Alaska Budget System (ABS). Position changes must be updated with each budget scenario submission.

Exempt positions are specifically defined in [AS 39.25.110](#), and partially exempt positions in [AS 39.25.120](#). Partially exempt positions and classified positions are covered by the Personnel Rules, [2 AAC 07](#). Exempt positions are excluded from coverage by the Personnel Rules. Both exempt and partially exempt positions are excluded from bargaining unit union coverage.

OMB budgetary approval is not an endorsement of a particular classification or authorization of a position change. The [Division of Personnel and Labor Relations](#) (DOPLR) will determine if position changes conform to statutes, collective bargaining unit agreements, and/or policy and procedures. Please work closely with department human resource staff and DOPLR to ensure position requests can be made as planned prior to submission to OMB.

OMB should receive notice of reclassifications as a result of a formal process, even though approval is not necessary. This includes: union disputes, labor relations arbitration decisions, DOPLR class studies, and desk audits initiated through the grievance procedure.

Departments must take action on position changes within a year of the date of approval or inclusion in a personal services module submission. If no action is taken within twelve months the department must request re-approval from OMB including explanation for the delay and continued need for the change.

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When and How to Request Position Changes

Position change requests will be considered with the submission of the following budget scenarios to be evaluated for approval on a statewide basis:

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- Authorized
- Management Plan
- Governor
- Governor Amended

On a limited, case-by-case basis, OMB will consider unanticipated position change requests throughout the year. By utilizing the budget as a planning tool to align the resources available to accomplish the department's mission and core services, adjustments needed throughout the year should be minimized.

All position change requests requiring OMB approval must be submitted on [OMB Position Approval Forms \(PAFs\)](#). The PAF must be signed by either the Commissioner of the Department or the ASD and attached as part of the RP Log submission when submitting the request.

Department answers to questions on the PAF should address the budgetary impacts of the proposed position changes for both the current and future years.

Support for PAFs should include documentation that supports the request, as applicable:

- Organizational Chart - showing changes from current to proposed
- Division of Personnel and Labor Relations Online Position Description (OPD) current position information and position history printout
- Any prior related approval memos/forms
- Enacted fiscal note authorizing the position
- ABS - Current and proposed Personal Services Detail for the PCN
- ABS - Change Record Detail with Description
- ABS - Personal Services Vacant PCN report (1087) - one year range for the department
- Copy of temporary delegation if signed by someone other than the Department Commissioner or ASD

Submit PAFs to OMB through the RP Logger in ABS. See the [OMB website](#) for instructions and information on requesting and budgeting for position changes.

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Approval Requirements

OMB approval **is required for:**

- All new positions, regardless of range or type (unless specifically exempted below), including temporary exempt positions.
- Any reclassification resulting in an INCREASE of three or more ranges (see exemptions below).
- Geographic location change for filled positions.
- Position transfers between departments.
- Extensions of partially exempt and classified services ([AS 39.25.130](#)).

Chief of Staff approval is required for:

- Establishing new or extending temporary exempt positions (excluding intern positions) regardless of range or duration.
 - OMB approval must be received prior to submission to the Chief of Staff, and the OMB-approved PAF should accompany the request to the Chief of Staff.
- Recruiting, hiring or changing (location, type, job title) an exempt or partially exempt position range 18 and above, including temporary exempt positions.
 - Requests must be completed using the [Hire Request Form](#).
 - Requests need to be reviewed by Personnel and the agency ASD prior to submission to the Governor's Office.

Alaska State Personnel Board approval is also required for:

- Extensions of partially exempt and classified services upon written recommendation of the Commissioner of Administration, per [AS 39.25.130](#).

OMB approval **is not required for:**

- New, classified, nonpermanent positions: long-term, short-term, on-call substitute, and substitute positions.
- New positions in the following classification series: student, college, and graduate interns; program service aide (including exempt agencies).
- New emergency fire fighters.
- New emergency guards.
- Deletion of positions.
- All position actions taken by the University of Alaska.
- Reclassification of a position that results in an increase of one or two ranges, or range decrease.
- Reclassification of Attorney/Associate Attorney positions for Public Defender Agency; Office of Public Advocacy; Department of Law.
- Reclassification of flexibly-ranged positions among the levels defined and approved for that specific position, i.e., if the range between the highest levels of the two flex positions are less than three.
- Reclassifications through a study initiated by the Division of Personnel and Labor Relations, including desk audits initiated through the grievance procedure.
- Transfer positions within the same agency.
- Transfer geographic location of a vacant position.
- Extensions of long-term non-permanent positions.
- Time status (position type) changes.

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Position Changes not Requiring OMB Approval

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Departments must reflect all position changes in the following operating budget personal services module submission. Action must be taken on these changes in a timely manner. If action is not taken in a timely manner the change may be denied. Multiple position re-classes to the same position that result in a cumulative increase of 3 or more ranges require OMB approval if they are not implemented in a timely manner or happen between two consecutive personal services module submissions.

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Reclassifications and Changes in Service

Reclassification is considered any position change which alters the defined duties or responsibilities or pay range of a position. A change in service involves changing a position between classified, partially exempt, and exempt services. A service change is not a reclassification but is normally done concurrent with a reclassification. DOPLR is the lead and will coordinate these actions.

- A position change from the classified to partially exempt service, and vice versa, is approved by the Alaska State Personnel Board upon required written recommendation by the Commissioner of Administration. See [AS 39.25.130](#) – Extension of partially exempt and classified services.
- For statute compliance and DOPLR requirements, a service change to or from the exempt service requires the obsolete position to be deleted and a new position established.
- Temporary exempt positions, created under [AS 39.25.110\(9\)](#), cannot be reclassified.

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Approval Documentation

When approved, a notification will be sent to the department submitter through ABS. Approved position changes must be reflected in future budget submissions (see [Operating Budget Instructions](#) for some nonpermanent position exceptions). Agencies should keep approved PAFs on file. DOPLR requires that departments attach an approved copy of the PAF to their OPD submission.

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Nonpermanent Positions

OMB approval for creating new nonpermanent positions is not required. OMB will monitor nonpermanent positions through budget scenario submissions and periodic reports from the Division of Personnel and Labor Relations (DOPLR). Note that changing a position from nonpermanent to permanent, or vice versa, requires a new position request to OMB and deletion of the original nonpermanent position through the DOPLR. See the [Operating Budget Instructions](#) regarding reporting of nonpermanent positions in the budget system.

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Statutory and Contract Time Limits

Long-term Nonpermanent (LTNP)

Long-term nonpermanent positions are those which are intended to last longer than 90 or 120 calendar days depending on the union contract or statute and are established in 12 month increments by DOPLR. Extensions are effective up to three years from the existing expiration date. Departments are delegated the authority to extend nonpermanent positions contingent on periodic reporting and appropriate monitoring and budgeting of projects in future fiscal years.

Short-term Nonpermanent (STNP)

There are contract and/or statutory time limits for the duration of an STNP employee of 90 or 120 days within a 12-month period, depending on the union contract or statute.

Short-term nonpermanent employment for longer than the given time period is a statutory and/or contract violation.

The 90 or 120-day limit does NOT apply to:

- Program or project employees, such as interns, who may be retained for the course of the project, or
- Temporary substitutes for permanent employees, which are only used when:
 - A permanent employee is on leave, or
 - When appointing emergency or permanent employees is inappropriate, or
 - Delaying a temporary replacement would be seriously disruptive.
- Authority: [AS 39.25.195\(g\)](#)

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Temporary Exempt Positions

Requests to establish or extend a temporary exempt position must be approved by OMB and the Chief of Staff (COS) regardless of range or duration (OMB must be received prior to submission to the COS and should be attached to the request to the COS). Additional approval from the COS is required to recruit and hire a temporary exempt position range 18 and above. These requests should be completed using the [Hire Request Form](#).

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Positions created under [AS 39.25.110\(9\)](#) may not be reused or reclassified to a different range or job class. These positions are established and approved for a specific and finite work assignment, and consequently are not reused for a different purpose or range.

Temporary exempt positions should be reviewed with each personal services module submission to determine the continued need for the position. Per statute these positions are for a "temporary or special inquiry, study or examination." If a project transitions to an ongoing function of the department a permanent position should be established to replace the temporary position.

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Hiring Requirements

In order to hire a nonpermanent employee, an agency must follow the appointment requirements described in [AS 39.25.195\(c\)-\(d\)](#).

- Approved by director of DOPLR.
- Adequate money available for duration of appointment.
- Hiring department/agency certifies that:
 - There is a budget appropriation intended to provide for the services of a nonpermanent employee;
 - Immediate need and impracticable to establish/recruit permanent position within a reasonable time;
 - Immediate and unanticipated need, could not reasonably have foreseen or met it with creation of permanent position; or
 - Program or project for which nonpermanent employee is most appropriate, i.e., not a regular and continuing function and has an estimated end date [[AS 39.25.200\(6\)](#)].
- The director may not authorize if the need:
 - Could be practicably met by hiring a permanent employee;
 - Would be met better by an emergency appointment; or
 - Is not immediate, could have been anticipated, and could have been met by creating a permanent position.

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Job Class Study Requests

Job Class Study requests should be submitted using the RP Log using the Type: Job Class Study (JCS), should respond to the following questions, and come with the following support information:

- When was the last study conducted for the requested job classes and what has changed since that time?
- What is the potential cost of the requested change, and how will that cost be covered within the existing budget?
- Assurance that the request has been reviewed by the agency ASD and agency leadership before being submitted to us. This includes the ASD and agency leadership for every agency with positions that will be impacted by the request.
 - This is necessary so ASDs and agency leadership know the potential budget impacts associated with pending requests
 - This is also necessary because agency leadership will need to provide the prioritization of this request within other pending agency requests, if any.
- An organizational chart of the current positions impacted by the request and an organizational chart reflecting the proposed structure change, if any.

OMB approval is not an endorsement of a particular classification or authorization of a position change. The [Division of Personnel and Labor Relations](#) (DOPLR) will determine if position changes conform to statutes, collective bargaining unit agreements, and/or policy and procedures.

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Transfers of Budget Authority and Expenditures

Transfers refer to either transfers of budget authority or transfers of actual expenditures between and within allocations. Transfers occur for a number of reasons, including budget shortfalls, revenue receipt shortfalls, changes in operations plan and technical errors. Several types of transfers are covered in this section: 1) transfers of budget authority between allocations within an appropriation; 2) transfers of authority between objects of expenditure (line item transfers); 3) transfers of actual expenditures between operating and capital appropriation budgets.

Per [AS 37.07.080\(e\)](#): Transfers or changes between objects of expenditures or between allocations may be made by the head of an agency upon approval of the office (OMB). Transfers may not be made between appropriations, including transfers made through the use of a reimbursable service agreement or other agreement, except as provided in an act making the transfers between appropriations.

Transfers between appropriations can be requested with the submission of the Governor or Governor Amended scenarios. If approved and included in the Governor's budget, the Legislature has final approval authority as the appropriating body.

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Transfers between Allocations within an Appropriation

OMB has delegated the authority to approve transfers of budget authority between allocations, both operating and capital, to agency ASDs so long as the net effect is zero for the appropriation. An exception is for transfers of authority between allocations for appropriations funded by general obligation bonds which require OMB approval. OMB will monitor transfers between allocations through review of department operations plan, periodic accounting reports, and quarterly projection meetings.

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Transfers of Authority between Objects of Expenditure

OMB has delegated the authority to approve transfers between objects of expenditure (line items) to agency ASDs, except for transfers involving the travel object (line). OMB approval is not required to transfer among fund source accounting structures as long as there is no change in a component's travel line authorization total. OMB will monitor transfers between objects of expenditures (line items) through review of department operations plan, periodic accounting reports, and quarterly projection meetings. Departments may be required to provide description and justification for transfers to and from the personal services object (line item) to the legislature per intent language in the operating budget bill.

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Transfer of Expenditures between Operating and Capital Appropriations

Expenditures can reasonably be charged to either a capital or operating appropriation, so long as the purpose for which the money is expended is the same as that for which it was appropriated.^[1] As a general rule, once a department has received a capital appropriation for a project, costs associated with that project should be recorded in that appropriation.

OMB has delegated the approval of expenditure transfers to agency ASDs so long as the transfer is for an appropriate or consistent purpose. OMB will monitor these transfers through department operations plan, periodic accounting reports, and quarterly projection meetings.

Examples of appropriate transfers between operating and capital appropriations include when:

- The capital project description stated that some costs would be covered by an operating appropriation.
- The purpose for which funding was appropriated is the same.
- There are financial coding errors or errors on timesheets.
- The expenditure cannot be recorded to the appropriation when it is incurred (accounting structure timing issues).
- An expenditure can be for operating or capital purpose but this is not determined until after the purchase (State Equipment Fleet purchases).

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OMB Approval

Transfers or changes between objects of expenditures or between allocations will be reviewed each budget scenario submission and periodic accounting reports. Transfers that change the travel object (line item) total budget authorization for a component require OMB approval before processing through the accounting system. When reviewing transfer documents within the accounting system, refer to the [Budget Document Event Types](#) PDF on the Division of Finance website to determine if the correct event types are being used. If not requested as part of a budget scenario submission with a description explaining the transfer, a memo with justification must be submitted with the accounting document and appropriate backup for OMB approval. See [Authorized Budget Transaction Backup Checklist](#) on [OMB website](#).

Except during the re-appropriation period for appropriations terminating in the immediately preceding fiscal year, OMB approval is not required for transfers between allocations and/or objects of expenditures (line items) for terminated appropriations (retro-active revised programs). However, approval is required from the Department of Administration, Division of Finance.

Requests for transfer of budget authority, outside of the normal budget submission process, should be accompanied by adequate documentation to explain the need for the change and availability of budget authority. Documentation should include the items in the below list. Requestors should attempt to anticipate additional documentation that may be requested by the reviewer. On a case by case basis OMB may require additional information for approval. Examples of documentation can be found on the [OMB website](#).

- Explanation of transfer action and need for transfer.
- Structure reports or IRIS screen shots showing component title and IRIS appropriation unit number.
- Reports showing available budget authority in each component affected.
- Page from final enacted legislation showing appropriation.
- Any additional internal reports or documentation of transfer.
- Ticket itinerary which shows price differential from the approved travel plan.

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Reimbursable Service Agreements

A reimbursable services agreement (RSA) is a contractual agreement between state entities (agencies, appropriations, allocations) for reimbursement of services performed. State of Alaska has established [best practices](#) for establishing RSAs. An RSA or other agreement may be used to finance the provision of a service if:

1. the agency that requires the service has, by law, the authority to obtain or provide the service and has an appropriation that may be used for that purpose; and
2. the agency that provides the service bills the agency administering the available funds based on:
 - a) the actual cost to provide the service; or
 - b) a cost allocation method approved by the office (OMB).

Authority:

- [AS 37.07.080\(e\)](#)
- University System, refer to [AS 14.40.325](#)

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- [AS 36.30.730](#). Supply of personnel, services, and other items
- [2 AAC 12.700](#). Requests for personnel, information, and services

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Budgeted vs. Unbudgeted

An RSA is budgeted if the requesting agency has, by law, the authority to obtain a service and has an appropriation that may be used for that purpose; and the servicing agency has sufficient interagency receipt authority to collect reimbursement for providing the service. Budgeted RSAs use existing interagency budget authority and are likely listed in an agency's Interagency Services (requesting/buyer) or Restricted Revenue Detail (servicing/seller) budget reports.

All anticipated RSAs should be budgeted and included in a department's annual operations plan (Governor scenario). Interagency receipt authority for RSAs will be reviewed by OMB with each budget scenario submission.

If an allocation does not have sufficient interagency receipt authority for an RSA, that RSA is considered unbudgeted. Unbudgeted RSAs require an increase to the amount of interagency budget authority authorized by the Legislature and must be reported in the Final Authorized and Actuals budget scenarios (see Reporting Prior Year Information in the [Operating Budget Instructions](#)). Transfers of existing interagency authority between allocations should be considered before creating unbudgeted authority.

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RSA Approval Process

OMB has delegated the authority to approve unbudgeted interagency authority to agency ASDs, including unbudgeted amendments to budgeted RSAs.

Budgeted RSAs (see Budgeted vs. Unbudgeted) are approved at the department level and do not require OMB approval. The RSA must be approved prior to commencement of work. Exceptions must include an explanatory memo. OMB approval is not needed for RSA closeouts, reductions, or amendments which only change the completion date.

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Capital vs. Operating

To determine whether an RSA is operating or capital, consider how the RSA is funded and what type of service is being provided. The agency requesting the service (buyer) provides the funding for the RSA. If the requesting agency (buyer) is paying from their operating budget the RSA is considered an Operating RSA. Operating RSAs extending past June 30 should be avoided. RSAs, funded from the operating budget, that extend beyond the current fiscal year must include language stating that they are contingent on future operating appropriations having sufficient budget authority to pay for the service.

If it is determined that the RSA is operating but the project crosses fiscal years, departments should include language in the description of the RSA to identify the duration of the project contingent on future appropriations and process an amendment to extend the completion date and add funding for subsequent fiscal year(s).

If the requesting agency (buyer) is paying from a capital project, the RSA may be capital or operating. If the servicing agency (seller) is providing a service that is part of their day-to-day mission(s), expenditures incurred will generally be operating in nature (most likely includes personal services costs) and should be accounted for and reported as operating costs. If you are unsure if an RSA should be considered capital or operating consult your OMB analyst.

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Personal Services Funded via an RSA with Capital Improvement Project (CIP) Receipts

Personal services costs are always operating costs and should be budgeted as such in the accounting system, with few exceptions. All personal services costs incurred must be reported as operating expenditures in the budget system. Accounting system reports must be submitted to OMB annually and clearly reconcile to the amounts reported in the Actuals operating budget scenario for the prior year, whether recorded in an operating or capital structure in the accounting system (See Reporting Prior Year Information in the [Operating Budget Instructions](#)).

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Exceptions to the RSA Process

All RSAs or other agreements used to finance the provision of a service must meet the requirements of [AS 37.07.080\(e\)](#). The following reimbursable services are exceptions to the required use of the IRIS RSA process. The internal purchase order (IPO) document is not required and the internal transaction (ITI/ITA) process can be used.

RSA form required – amount not limited:

- Department of Administration – Core services
 - Division of Finance
 - Division of Shared Services
 - Office of Information Technology
 - Division of Personnel and Labor Relations
 - Division of Retirement and Benefits
 - Division of Risk Management

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- Office of Administrative Hearings
- UA - Information Technology Services
- UA - Risk Management Services
- UA - Cash Management Services
- UA - Human Resource Services
- Department of Law
 - Discovery
 - Legal Services
- Office of the Governor
 - Allocation of statewide agency appropriations
- Department of Transportation and Public Facilities
 - RSAs for deferred maintenance projects specifically listed in capital project descriptions as passed by the legislature.

The RSA form and IPO document in IRIS are not required for the following exceptions. The internal transaction (ITI/ITA) process can be used for either revenue/expenditure or expenditure/abatement transfers. [AAM 40.010](#) defines the allowable uses for abatements.

RSA form not required – amount not limited:

- Department of Administration
 - State travel office
 - Procurement training
 - Office of Administrative Hearings billings
 - Abatements – (Training, licenses, memberships, other miscellaneous items as needed). These are items that may be purchased as the enterprise for the State to receive better pricing but is not part of the rate development. Agencies may agree to their portion of the cost so then the cost is paid by DOA then abated and charged to agencies for their portion of the cost
- Department of Corrections
 - Prison Employment Program (all industry transfers)
- Department of Transportation and Public Facilities
 - State lease costs
 - State-owned facility rental costs
 - Leasing
 - State Equipment Fleet (SEF)
 - Materials Lab Testing and Professional Services
 - Cost Allocation Pools (Payroll, Vehicles, etc.)
 - Construction Test Equipment
- University of Alaska
 - Student tuition and fee revenue distribution
 - Indirect cost recovery
 - Debt service
 - Bookstore operations
- All Agencies
 - Agreements formalized using another agreement or form including but not limited to a grant agreement, MOA, MOU, or SLA
 - OMB approved chargeback rates

RSA form not required – \$100,000 annual limit:

- All Departments
 - Travel reimbursements
 - Mental health transports
 - Other immaterial miscellaneous reimbursements (e.g., shared copy charges, subscriptions, and memberships)
 - Minor personnel support (limited to under \$20,000 annually between appropriations, \$100,000 annually between allocations within appropriations)
 - Permits and fees
- Department of Administration
 - Divisions of Personnel and Labor Relations & Finance employee training
 - Pilot insurance coupons
 - Surplus property transfers
 - Minor building repairs
 - Audit costs
 - Employee identification card
 - TSR (Telephone Service Requests)
 - Teleconferences (Meeting Place)
 - Security research fee – These are FOIA requests where agencies receive revenue and transfer the funds to OIT
 - Parking permit billings
- Department of Commerce, Community, and Economic Development
 - License fees
- Department of Environmental Conservation
 - Wastewater treatment certificate (user fees)
 - Oil & Hazardous Substance Release Prevention & Response Fund - State employee salary costs
- Department of Education & Early Development
 - Record storage boxes
 - Donated food commodities
 - Alaska Statutes billing
 - Interdepartmental Archives services and billing
- Governor's Office
 - Service award pins
 - Notary fees
 - Sale of Election Laws Handbook
 - Sale of voter lists/computer tapes
- Department of Labor and Workforce Development

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- OSHA fines
- OSH Certificates of Fitness
- OSH Training Program certificates
- Mechanical Inspection certification
- Department of Natural Resources
 - Purchase of maps
- Department of Public Safety
 - Finger printing
 - Alaska Police Standards Basic Certification
 - Plan review fees (fire inspection)
 - Alaska Fire Standards Council certificates
- Department of Transportation and Public Facilities
 - Minor building repairs
 - Radar recertification
 - Employee security badges
 - Employee identification badges
 - Construction Delegation of Authority
- University of Alaska
 - UACP training services
 - Conferencing, catering, and space rental services
 - Printing services
 - Science and engineering testing laboratory services
- Legislative Affairs
 - Legislative teleconference
 - Legislative bills/daily journals
 - Document reproduction services
 - Directory of State Officials

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Recording Unbudgeted RSAs in IRIS

Agencies may set up a single unbudgeted RSA ARU, per allocation (APTYP), per I/A fund code within the operating budget structure, multiple unbudgeted RSAs may be posted to a single unbudgeted ARU. Separate ARUs must be established for each distinct I/A fund code unless the agency has received an exemption from the Division of Finance (DOF). I/A fund codes for specific sources of I/A revenue must be used for RSAs that are:

- Paid for by capital appropriations – CIP I/A (IRIS 5061/ABS 1061)
- Paid from the In-State Pipeline Fund – ISPF I/A (IRIS 5232/ABS 1232)
- Paid from the Alaska Liquefied Natural Gas Project fund – AKLNG I/A (IRIS 5236/ABS 1236)
- Paid from the Oil/Haz Response Fund – Oil/Haz I/A (IRIS 5055/ABS 1055)

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Backup Documents Required for

Reimbursable Services Agreements

An RSA is a type of contract and should include the same types of information as any other contractual agreement. Scope of work, compensation schedules, billing information, and other terms and conditions should all be present in an RSA.

Requests for approval of unbudgeted RSAs or amendments to budgeted RSAs should be accompanied by adequate documentation to explain the need for the change and availability of budget authority. At a minimum documentation should include the items in the below list. Requestors should attempt to anticipate additional documentation that may be requested by the reviewer. Examples of documentation are available on the [OMB website](#).

- Completed [RSA Form](#)
- Detailed project description with scope of work and cost estimates or billing rates
- Structure reports or IRIS screen shots showing component title and IRIS appropriation unit number
- Reports showing sellers need for additional I/A authority and buyers available authority to reimburse services
- Any additional internal reports or documentation of agreement

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Capital Project Scope Change

The intent or purpose of a capital project cannot fundamentally change, and the revised scope cannot conflict with the specific project description contained in the appropriation bill and backup materials. Projects must be implemented as described in the appropriation/allocation language. This includes changes to specific termination years included in legislation. If a specific termination year is included in legislation, the Executive Branch cannot extend it without legislative approval.

OMB can approve capital project scope changes if the proposed scope change does not change characteristics of the project that were the principal reason (s) for the capital project to receive an appropriation. All other capital project scope changes, including changes to legislative termination years, must be submitted to the legislature for approval.

An agency can request a scope change due to unforeseen circumstances by submitting a memorandum and related backup through the RP Log in ABS to include the following:

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- Explain the basic intent of the project and describe how the project scope change will meet the intent of the project as envisioned at the time of the appropriation.
 - For example, the original project scope was construction of ramps and docks to loading/unloading access to a side loading ferry. The scope change may be to allow for a front/back loading ferry. The basic intent of providing a facility for loading/unloading ferries is unchanged.
- What, if any, aspect of the original project scope will not be carried out.
 - Explain why.
 - Estimate the projected cost of this aspect of the project.
- What is being added to the project scope and why.
 - Estimate the cost of this addition.
- How will funds be used to implement the changes.
- Information on the history of the project.
- Cite the section, chapter, SLA, page, and line of the appropriation, and attach photocopies of the page(s) of the appropriation bill.
- Supporting Documentation:
 - Attach copy of original appropriation backup.
 - Capital project summary.
 - Management report for appropriation and allocation.
 - Other supporting documentation that would clarify the request.

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Revised Program Legislative (RPL)

When new or additional revenue becomes available from federal or program receipts, agencies can request an increase in expenditure authorization (see [AS 37.05.146](#) and [AS 37.07.080\(h\)](#)). Generally, these program requests are only submitted during the interim between legislative sessions. Departments should notify their OMB analyst when they become aware of new revenue which may require an RPL. OMB will notify departments of RPL submission deadlines, which are usually two weeks prior to the Legislative Budget & Audit Committee meeting. There is often limited notice given for RPL submission deadlines, departments should not wait for notice from OMB prior to preparing RPL justification and backup.

Requests can only be made for the fund sources specified in a language section of an appropriation bill. Generally, this language section has been titled "Federal and Other Program Receipts" and has been in each of the primary appropriation bills (operating, mental health, and capital).

Submit a completed RPL request form in Word format (found under Forms/Manuals on the [OMB website](#)) to OMB via the RP Logger in ABS:

- Address the issues noted in italics when applicable (remove these questions on completed form and do not italicize answers). Of particular concern is whether non-general fund increases creates an obligation which will later burden the general fund.
- If the request is for additional or carry forward funding for an existing project, the Subject of RPL should replicate the title of the original operating item cited in a Legislative Finance transaction detail report, or the title of an approved capital project. Otherwise it should be a succinct descriptive title of the proposed new operating budget project within an existing appropriation and allocation.
- Amount should be displayed in whole dollars, e.g., \$50,000.
- The Appropriation Authority is the budget bill citation of the existing operating or capital budget bill appropriation to be increased by the RPL request.
- NOTE: If the RPL will create a new state program or make a major change to an existing appropriation, LB&A may require review by a Finance Subcommittee.
- In the case of operating appropriations:
 - Authorizations requested through an RPL only apply to a single fiscal year.
 - If a request covers a period spanning two fiscal years, then two RPLs should be prepared to cover both fiscal years and both must be approved.
- Supporting documentation:
 - Legislation making the appropriation.
 - Legislative Finance transaction detail showing the item, if it is in the operating budget.
 - ABS change record if applicable.
 - Accounting reports/structure management reports.
 - Copy of the Legislative Finance transaction detail report showing enacted funding for the affected component or capital project.
 - Notice of Grant Award or other documentation supporting the availability of additional revenues.
 - Projection reports showing the need for additional receipt authority.

Initial requests approved by OMB will be forwarded to the Legislative Finance Division for consideration by Legislative Budget and Audit Committee (LB&A). If LB&A approves the request, return the approved revised program budget request to OMB with related backup. An associated BGE/BGR document must then be submitted in IRIS through OMB workflow using Event Type BX04 and BX24 for RPLs. If LB&A does not approve the request but also does not object within 45 days, expenditures under the revised program may go forward ([AS 37.07.080\(h\)](#)). If LB&A makes a negative recommendation, the Governor shall review the revised program and may allow the program to continue after giving LB&A a statement of reasoning ([AS 37.07.080\(h\)\(3\)](#)).

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Reorganization, Consolidation, and Elimination of Agencies

Under the Alaska Constitution, the Governor has the authority to change the organization of the executive branch for the purpose of efficient administration. Changes requiring the force of law are issues within executive orders, which may be disapproved by the legislature within a limited time period ([AK Const. Art. III, sec. 1, 23, 24](#)). Subject to state personnel laws and the approval of the commissioner of administration, the principal executive officer of each department may, in the interest of improved management, abolish unnecessary offices and positions, transfer officers and employees between positions, and change the duties, titles, and compensation of existing offices and positions ([AS 44.17.070](#)). Because of the budget and appropriation implications and requirements involved with reorganizations, consolidations, and elimination of agencies, these changes require approval by the Director of the Office of Management and Budget.

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[1] Dept. of Law memorandum dated January 26, 1981, File No. J-66-346-81

Reimbursable Service Agreements (RSA)

An RSA is a contractual agreement between state entities (agencies, appropriations, allocations) for reimbursement of services performed. An RSA may be used to finance the provision of a service if:

1. The agency that requires the service has, by law, the authority to obtain or provide the service and has an appropriation that may be used for that purpose; and
2. The agency that provides the service bills the agency administering the available funds based on:
 - a) The actual cost to provide the service; or
 - b) A cost allocation method approved by the office.

RSA form, Budget Structure Information:

The budgeting and accounting information for the requesting (buyer) and servicing (seller) agencies must be completed, using the **Budget Structure** for the current FY, located here: <https://www.alaska.edu/swbudget/instructions-and-references/>

- ① Results Delivery Unit (RDU)
- ② Component
- ③ Appropriation Cite (Citation for RSA's) - Not needed for UA internal RSAs
- ④ "AR", use AR Type
- ⑤ "RR", use AR Group
- ⑥ "Financial coding to be charged", use UA's internal coding.

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State of Alaska		Reimbursable Services Agreement		ORIGINAL <input type="checkbox"/>	AMENDMENT # <input type="checkbox"/>
Payment Process					
<input type="checkbox"/> Internal Exchange Trans (IET)		<input type="checkbox"/> Internal Trans Agreement (ITA)		<input type="checkbox"/> Other _____	
Requesting Agency (Buyer)	Results Delivery Unit (RDU) 1	Component 2	ADN # _____		
Servicing Agency (Seller)	Results Delivery Unit (RDU) 1	Component 2	ADN # _____		
I. Project or program title:					
II. The servicing agency agrees to provide the requesting agency with the following service(s): (Answer who, what, where, when, why and how cost estimates are derived. Use attachment if necessary.)					
Buyer Program Contact/Phone: _____			Seller Program Contact/Phone: _____		
III. Terms and mechanics of reimbursement:					
<input type="checkbox"/> Payment upon approval		Buyer Vendor/Customer #: _____			
<input type="checkbox"/> Payment upon receipt of inter-agency billing		_____			
<input type="checkbox"/> Payment upon completion of service(s)		_____			
<input type="checkbox"/> Other (Specify) _____		_____			
Commencement date	Completion date	Billing Email Address:	Phone #		
IV. Servicing Agency cost based on:					
<input type="checkbox"/> Itemized costs of service(s) provided		_____			
<input type="checkbox"/> Cost allocation schedule (description of allocation methodology must be attached)		_____			
V. Schedule of maximum costs to be incurred by the Servicing Agency:					
	Original Agreement	Previous Amendment(s)	This Amendment	Total	
Personal Services	\$ _____	\$ _____	\$ _____	\$ _____ 0.00	
Travel	\$ _____	\$ _____	\$ _____	\$ _____ 0.00	
Services	\$ _____	\$ _____	\$ _____	\$ _____ 0.00	
Commodities	\$ _____	\$ _____	\$ _____	\$ _____ 0.00	
Capital Outlay	\$ _____	\$ _____	\$ _____	\$ _____ 0.00	
Grants and Benefits	\$ _____	\$ _____	\$ _____	\$ _____ 0.00	
Other	\$ _____	\$ _____	\$ _____	\$ _____ 0.00	
Total	\$ _____ 0.00	\$ _____ 0.00	\$ _____ 0.00	\$ _____ 0.00	
<input type="checkbox"/> Servicing Agency may not change line items without approval of Buyer Agency					
VI. Budgeting and Accounting Information :					
Requesting Agency Authorization		<input type="checkbox"/> Capital		<input type="checkbox"/> Operating	
Financial coding to be charged					
Buyer Dept	AR	Fund 6	Org Unit 6	Program 6	Task
Template	Activity	Location	Function	Exp Obj	
(Open Item # or Doc ID # (RS, EN, or AJE) _____)					
Federal funds		<input type="checkbox"/> No <input type="checkbox"/> Yes, Amount _____		(Format: Sec Ch SLA Pg Ln OR RPL # XX-X-XXXX)	
Federal Pass Through:		<input type="checkbox"/> Yes <input type="checkbox"/> No		Appropriation Cite 3	
Federal Agency/Program/CFDA/Grant/Contract No. _____		Appropriation Cite _____			
_____		Date funds lapse _____			
Servicing Agency Authorization					
Is this agreement using budgeted authorization?		<input type="checkbox"/> No <input type="checkbox"/> Yes		Seller Vendor/Customer # _____	
AR 4	Fund 6	Org 6	RR 5	Program 6	Seller Dept _____
AR	Fund	Org	RR	Program	Other _____
					Template _____
					Template _____
VII: Approvals & Certification: The buyer agency and seller agency agree to the terms and conditions above. In addition, the buyer agency certifies that sufficient funds are encumbered to pay this obligation or that there is sufficient unencumbered balance in the appropriation cited to cover this obligation. I am aware that to knowingly make or allow false entries or alterations on a public record, or knowingly destroy, mutilate, suppress, conceal, remove or otherwise impair the verity, legibility or availability of a public record constitutes tampering with public records punishable under AS 11.56.815-820. Other disciplinary action may be take up to and including dismissal.					
Requesting Agency Authorized Signature		Printed Name		Date	
Servicing Agency Authorized Signature		Printed Name		Date	
Requesting ASD Authorized Signature		Printed Name		Date	

University of Alaska FY2022 Budget Structure (Use only these constructs for reimbursable service agreements)		
Servicing or Requesting Agency	1 RDU(BRU)	2 Component
University of Alaska	UA System Office (Statewide Svc.)	Systemwide (Statewide) Services
University of Alaska	UA System Office (Statewide Svc.)	Office of Information Technology
University of Alaska	University of Alaska Anchorage	Anchorage Campus
University of Alaska	University of Alaska Anchorage	Small Business Development Center
University of Alaska	University of Alaska Anchorage CC	Kenai Peninsula College
University of Alaska	University of Alaska Anchorage CC	Kodiak College
University of Alaska	University of Alaska Anchorage CC	Matanuska-Susitna College
University of Alaska	University of Alaska Anchorage CC	Prince William Sound College
University of Alaska	University of Alaska Fairbanks CC	Bristol Bay Campus
University of Alaska	University of Alaska Fairbanks CC	Chukchi Campus
University of Alaska	University of Alaska Fairbanks CC	College of Rural and Community Development
University of Alaska	University of Alaska Fairbanks	Fairbanks Campus
University of Alaska	University of Alaska Fairbanks CC	Interior Alaska Campus
University of Alaska	University of Alaska Fairbanks CC	Kuskokwim Campus
University of Alaska	University of Alaska Fairbanks CC	Northwest Campus
University of Alaska	University of Alaska Fairbanks	UAF Community Technical College
University of Alaska	University of Alaska Southeast	Juneau Campus
University of Alaska	University of Alaska Southeast	Ketchikan Campus
University of Alaska	University of Alaska Southeast	Sitka Campus
University of Alaska	Enterprise Entities	Education Trust of Alaska

3 Citation for RSA's
Section VI. Used when we are Requesting Agency
SSSLA 2021 Chap 1, Sec 1, Pg 38, ln 12
SSSLA 2021 Chap 1, Sec 1, Pg 38, ln 13
SSSLA 2021 Chap 1, Sec 1, Pg 38, ln 15
SSSLA 2021 Chap 1, Sec 1, Pg 38, ln 16
SSSLA 2021 Chap 1, Sec 1, Pg 38, ln 24
SSSLA 2021 Chap 1, Sec 1, Pg 38, ln 25
SSSLA 2021 Chap 1, Sec 1, Pg 38, ln 26
SSSLA 2021 Chap 1, Sec 1, Pg 38, ln 27
SSSLA 2021 Chap 1, Sec 1, Pg 38, ln 29
SSSLA 2021 Chap 1, Sec 1, Pg 38, ln 30
SSSLA 2021 Chap 1, Sec 1, Pg 39, ln 3
SSSLA 2021 Chap 1, Sec 1, Pg 38, ln 18
SSSLA 2021 Chap 1, Sec 1, Pg 38, ln 31
SSSLA 2021 Chap 1, Sec 1, Pg 38, ln 32
SSSLA 2021 Chap 1, Sec 1, Pg 38, ln 33
SSSLA 2021 Chap 1, Sec 1, Pg 38, ln 19
SSSLA 2021 Chap 1, Sec 1, Pg 39, ln 5
SSSLA 2021 Chap 1, Sec 1, Pg 39, ln 6
SSSLA 2021 Chap 1, Sec 1, Pg 39, ln 7
SSSLA 2021 Chap 1, Sec 1, Pg 38, ln 21

4 AR Type	AR Unit*	5 AR Group
Servicing Agency	Authorization	For Operating RSA's always use
Y004	45-78010-##	Y045
Y008	45-78015-##	Y045
Y016	45-78025-##	Y045
Y020	45-78030-##	Y045
Y024	45-78235-##	Y055
Y028	45-78240-##	Y055
Y032	45-78245-##	Y055
Y036	45-78250-##	Y055
Y040	45-78255-##	Y055
Y044	45-78060-##	Y055
Y048	45-78265-##	Y055
Y052	45-78070-##	Y045
Y056	45-78275-##	Y055
Y060	45-78280-##	Y055
Y064	45-78285-##	Y055
Y072	45-78295-##	Y045
Y080	45-78205-##	Y055
Y084	45-78210-##	Y055
Y088	45-78215-##	Y055
Y091	45-78125-##	Y045

*The last two digits of the AR Unit code are 30 for State Inter-Agency Receipts and 90 for UA Intra-Agency Receipts.

Appendix B - 19

Action	Final approval
POSITIONS	
Create new full-time/part-time and/or seasonal classified, exempt, or partially exempt positions (except intern positions)	OMB Budget through ASD
Create new or extend temporary exempt position, regardless of range or duration (except intern positions)	Chief of Staff through the ASD and OMB Budget
Hire or change position location, type, or job title for exempt and partially exempt positions range 18 and above, including temporary exempt positions	Chief of Staff through Payroll Services and ASD
Create or extend long-term nonpermanent positions	ASD
Create new short-term nonpermanent positions (extensions are not allowed)	ASD
Reclassification of permanent position resulting in less than three range increase (reclassification of temporary or non-permanent positions are not allowed)	ASD
Reclassification of permanent position resulting in three or more range increase (reclassification of temporary or non-permanent positions are not allowed)	OMB Budget through ASD
Location transfer for filled positions	OMB Budget through ASD
Location transfer for vacant positions	ASD
Position transfers between Departments	OMB Budget through ASD

BUDGET TRANSFERS	
Transfers to or from the travel lines	OMB Budget
Transfers to or from all line items except the travel lines	ASD
Transfers between operating budget allocations within the same	ASD
Transfers between operating budget appropriations and fund sources	No Transfers Allowed
Transfers between general obligation bond appropriation allocations	OMB Budget
Transfers between capital project appropriation allocations	ASD
Transfers of expenditures between operating and capital appropriations	ASD

Appendix B - 20

Action	Final approval
REIMBURSABLE SERVICE AGREEMENTS (RSAs)	
Budgeted RSAs, Unbudgeted RSAs, Unbudgeted RSA Amendments, RSA Amendments extending completion date	ASD

MISCELLANEOUS	
Change scope of capital projects	OMB Budget - May also require legislative approval
Reorganizations, consolidations, or elimination of agencies	OMB Director
Revised Programs that require Legislative Budget and Audit Committee approval (AS 37.07.080(h))	OMB Budget through ASD
Language transactions in the operating budget (e.g., language supplementals, credit card fee transactions, etc.)	OMB Budget through ASD
Job class study requests	OMB Management through ASD

Alesia Kruckenberg, Director
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Appendix C - 1



UNIVERSITY
of ALASKA
Many Traditions One Alaska

Office of Strategy, Planning and Budget
PO BOX 755260
2025 Yukon Drive Ste. 207
Fairbanks, AK 99775-5260

July 29, 2021

Neil Steininger, Director
State of Alaska, Office of the Governor
Office of Management and Budget
P.O. Box 110020
Juneau, AK 99811-0020

Re: University of Alaska Foundation FY2022 budget reporting change

Neil,
UA's FY2022 Management Plan submission contains a budget reporting change for the UA Foundation. UA Foundation budget activity of \$4.8 million was removed from UA's state budget reporting to recognize its separate 501(c)(3) status. The reporting change was approved through the legislative budget process, the citation for the change is HB69 SSSLA21 Chapter 1 Sec. 1 Page 38 Lines 9.

The UA Foundation is a private nonprofit corporation that operates as a public foundation. It was established in 1974 to solicit, manage, and invest donations for the University of Alaska's exclusive benefit. The UA Foundation is separate and distinct from the University of Alaska and governed by a Board of Directors. The Memorandum of Understanding between the UA Board of Regents and the UA Foundation Board of Directors provides more detail on the relationship between UA and the UA Foundation (see MOU).

Since inception, the UA Foundation's activity has grown and can no longer be considered immaterial to UA's overall budget. Thus, the time was right to more accurately reflect the relationship between UA and the UA Foundation in UA's state budget. It is important to note that UA and the UA Foundation are considered co-employers, allowing UA Foundation employees to continue to receive UA employment benefits (see Stoel Rives memo).

A summary of the internal UA changes are as follows:

- Effective date - July 1, 2021 (fiscal year 2022).
- Position control numbers (PCN) - create a new budget profile for off-budget PCNs (UNBUD - Unbudgeted Positions); assign new PCNs to existing Foundation positions (new PCN's will also start with 1006xx); split position workload 51% Foundation and 49% System Office.
- Accounting codes - replace organization codes 82010 and 82901 with 80400; use off-budget fund code 101019.

Please let me know if you have any questions or need additional information.

Sincerely,

Alesia Kruckenberg

cc: Shelly Willhoite, Kyle Scherrer, Pat Pitney, Michelle Rizk, Myron Dosch, Chad Hutchison, Tod Burnett

**Second Amended and Restated
Memorandum of Understanding
Between the
University of Alaska Board of Regents
and
University of Alaska Foundation Board of Directors**

The Board of Regents of the University of Alaska ("University") and the Board of Directors of the University of Alaska Foundation ("Foundation") enter into this Memorandum of Understanding ("Memorandum") to be effective on the 4th day of June 2021. This Memorandum restates and amends the existing document, dated November 10, 2017.

WHEREAS, the University is a constitutionally autonomous, educational corporation created under the laws of the State of Alaska that inspires learning, and advances and disseminates knowledge through teaching, research, and public service, emphasizing the North and its diverse peoples, and

WHEREAS, the Foundation is a separately incorporated Alaskan nonprofit organization independent of the University and operating as a charitable organization under Internal Revenue Code §501(c)(3) to raise and manage private funds exclusively for the benefit of the University, and

WHEREAS, in accordance with AS 14.40.400, AS 14.40.280, AS 37.10.071, Board of Regents Policy 05.14.010-020, .070, the Consolidated Endowment Fund Agreement originally dated July 1, 1997, and as amended from time to time, and the Foundation's Articles of Incorporation dated May 20, 1974, the Foundation is granted the authority to accept, hold, manage, and act as fiduciary for all monetary gifts received on behalf or for the benefit of the University, and

WHEREAS, the relationship between the University and the Foundation as to matters relating to the solicitation, receipt, and stewardship of funds should be clear and explicit;

NOW, THEREFORE, the University and the Foundation agree:

1. Foundation use of University of Alaska Name, Seal, and Logo Type.

Consistent with its mission to advance the strategic plans and priorities of the University, the Foundation uses the name University of Alaska Foundation. The University hereby grants a nonexclusive license and authority to use the name, logos, and service marks of the University in the conduct of the Foundation's work on behalf or for the benefit of the University.

2. The University's Relationship to the Foundation.

- a. The Foundation's president, as the Foundation's chief executive officer, reports to the Board of Directors. The Foundation president shall be the University's chief development officer

and report directly to the University president. The University president will determine the chief development officer's roles, responsibilities, and authorities.

- b. The University president, chancellors of the universities, and two members of the Board of Regents appointed by the chair of the Board of Regents shall serve as voting members of the Foundation's Board of Directors.
- c. The University and Foundation are co-employers of Foundation staff.
- d. All monetary gifts received by the University shall be transferred promptly to the Foundation for receipt processing and recording.
- e. Gifts of real property and tangible personal property received by the University shall be reported to the Foundation for processing and recording.
- f. The University president is responsible for communicating to the Foundation the University's strategic plans and priorities as approved by the Board of Regents.
- g. The Foundation president is responsible for communicating to the University the Foundation's strategic plans and priorities as approved by the Board of Directors.

3. Foundation Responsibilities, Duties, and Authorities.

- a. The Foundation's duty, as incorporated in its mission, is to advance the strategic plans and priorities of the University.
- b. The Foundation is responsible for the performance and oversight of all aspects of its operations based on a comprehensive set of bylaws and policies, consistent with this agreement. The bylaws shall clearly address the Board of Directors' fiduciary responsibilities, including expectations of individual board members based upon ethical guidelines and policies.
- c. Unless expressly prohibited by the donor or the Board of Regents, all gifts made to or for the benefit of the University will be accepted, held, and managed by the Foundation, except for 1) tangible personal property to be used directly for University programs or 2) real property accepted and managed by the University. The net proceeds from the sales and development of a donated real property will be transferred to the Foundation upon receipt of such funds by the University. The president of the University is authorized to make exceptions to this paragraph as provided in Board of Regents Policy 05.14.010B.
- d. The Foundation shall properly receipt and record all gifts received by the Foundation or the University in accordance with state and federal tax law.

- e. The Foundation shall be responsible for investment and administration of endowment funds in accordance with the most recent Consolidated Endowment Fund Agreement except as provided in subsection 3.f.
- f. Operating funds and endowments for which the Foundation determines that separate investment is in the financial best interest of the fund shall be invested in accordance with policies adopted by the Board of Directors.

4. Cooperation and Alignment.

- a. The Foundation and the University will use their best efforts to establish and encourage a close and collaborative working relationship to further common investment and financial interests while acknowledging and respecting the separate corporate and legal structures of each.
- b. The Foundation and the University shall coordinate the fundraising and donor acquisition programs that support the University's strategic plans and priorities. These programs include but are not limited to, donor relations, stewardship, annual giving, major gifts, planned gifts, and special projects including comprehensive fundraising campaigns.
- c. All gifts accepted by the Foundation will be consistent with advancing the mission of the University.
- d. The Foundation and the University shall establish practices and procedures for development, gift solicitation and acceptance, receipting, endowment administration, investment, disbursement, and cross-charging for services that adhere to the terms and conditions of this Memorandum, the Consolidated Endowment Fund Agreement, donor gift agreements, and applicable federal and state laws.
- e. The Foundation will use the same external auditor as the University for its annual financial statement audit, so that the timeliness and coordination of the consolidated University financial statement which includes the Foundation is maximized and opportunities for conflicting accounting positions are minimized. The Foundation will participate in the selection of the external auditor.
- f. The Foundation and University agree to use restricted charitable gifts for purposes intended by the donor, consistent with the Foundation's charitable purpose, and in a manner that promotes trust and confidence among the parties involved.
- g. The Foundation has the authority as a separate legal entity to establish policies governing its day-to-day operations as approved by the Foundation president or its Board of Directors. The Foundation should follow Board of Regents policies and regulations except for those specifically identified in a separate document provided by the Foundation and accepted by the University, which acceptance shall not be unreasonably withheld. The separate

document and the individual policies and regulations contained therein may be amended from time to time in writing at the mutual consent of the University and Foundation.

5. Foundation Funds and Costs.

- a. The Foundation shall be responsible for establishing a financial plan to underwrite the cost of the Foundation's programs and operations.
- b. In consideration for coordination and other services provided by the Foundation, including, but not limited to, donor services, development coordination, constituent data management, gift receipt, record maintenance, investment and disbursement of University funds managed by the Foundation, the University will provide the Foundation with fair and reasonable compensation for such services. The compensation shall include in-kind support such as office space, human resource services, risk management services, technology services, and in-kind legal services when such legal services will not result in a conflict of interest for counsel. The amount of compensation will be determined annually no later than April 1 preceding the start of the fiscal year when compensation is due.
- c. The Foundation will maintain sound management practices and effective internal controls and will engage an independent accounting firm to conduct an annual audit of the Foundation's financial records and periodically review its internal control systems.
- d. The Foundation will provide the University president and chief financial officer a copy of the annual audited financial statements, including all management letters, reports, and official communications from the auditors and regulatory agencies.
- e. The University may at its discretion engage its own internal or external auditors to audit the records, accounts, and activities of the Foundation. The costs associated with such engagements shall be paid solely by the University.

6. Foundation Data Governances and Confidentiality.

- a. The Foundation shall maintain copies of the plans, budgets, and donor and financial records developed in connection with the performance of its obligations and will provide access to such information to the University when the Foundation believes it is warranted and as may be required by law.
- b. The Foundation is a private corporation with the obligation and duty to keep all records and data confidential. The computer system (hardware, software, and data) used by the Foundation to operate, conduct its business and accomplish the purposes for which it was established is owned by the Foundation.
- c. The Foundation may contract with the University to provide certain support services in connection with its recordkeeping and computer maintenance, but the Foundation shall

have exclusive and sole responsibility for access to and use of the information maintained or contained on its systems except as may be provided elsewhere in this Memorandum.

- d. The Foundation, in coordination with the University, shall establish and enforce policies to protect donors' privacy and the separate rights of the Foundation and the University to protect the confidentiality of information regarding donors and potential donors. The Foundation, in coordination with the University, determines allowable access to information by University staff for Foundation or development needs as it deems appropriate. Any disputes regarding access to Foundation data or records shall be resolved by the Foundation president or designee, in conjunction with the University president, or designee.
- e. Confidentiality in terms of non-disclosure to persons who are not employees, directors, or successor directors of the Board of Directors, agents of the University, or the Foundation shall be maintained in accordance with the terms of this Memorandum. Donor records and development records contain information that could affect the value of investments or impair the ability to acquire, maintain, or dispose of investments and therefore must be kept confidential and exempt from public disclosure to the maximum extent allowed by law.

7. Human Resources.

In order to provide consistent and coordinated leadership to the combined development efforts of the University and the Foundation:

- a. The coordinated annual work plans and expectations for the Foundation president shall be approved jointly by the University president, and the Board of Directors Executive Committee. Performance evaluations and compensation decisions shall be conducted jointly by the University president and the Board of Directors chair in accordance with Foundation and University processes and procedures.
- b. The Foundation's president will manage the selection and supervision of Foundation staff. The Foundation president will be the primary delegee of the University president in matters applicable to University employment.
- c. The University and Foundation acknowledge that a co-employment relationship exists as set forth in the separate Stoel Rives LLP memorandum dated March 8, 2021. University and Foundation will maintain the co-employment relationship in their performance of this Memorandum.

8. Term of this Memorandum of Understanding.

- a. This Memorandum shall be effective June 4, 2021.

- b. Either party may terminate this Memorandum without cause upon 120 days' written notice to the other party.
- c. This Memorandum shall terminate if the Foundation ceases to exist or ceases to qualify as a tax-exempt organization under Internal Revenue Code §501(c)(3). In the event the Foundation defaults in the performance of its obligations and fails to cure such default within a reasonable time after receiving written notice, the Board of Regents may terminate this Memorandum. Notice to the Foundation must be given to the Board of Directors chair and the Foundation's president. Notice is effective when received.
- d. Upon termination of the Foundation (1) the University will assume all debts and obligations incurred by the Foundation on behalf of the University including, but not limited to, lease obligations, loans, advances, and other debts and (2) at the Board of Regents' request, the Foundation shall transfer all of its assets and property to the University or a successor trustee named by the Board of Regents.

9. Indemnification.

To the maximum extent permitted by applicable law, each party to this Memorandum shall defend, indemnify, and hold harmless the other from and against any and all loss, expense, damage, claim, demand, judgment, fine, charge, lien, liability, action, cause of action, or proceedings of any kind whatsoever arising out of negligence in the performance or activities of the party, its directors, officers, employees, and agents, except for the portion of any damage, loss, or injury resulting from the party's own negligence or intentional injury.

10. Miscellaneous Provisions.

- a. This Memorandum may be amended at any time. Any amendment must be approved by the Board of Regents and the Board of Directors.
- b. This Memorandum has been adopted and shall be governed and construed in accordance with the laws of the State of Alaska. Any disagreements or lawsuits arising out of this Memorandum, after mandatory mediation, shall be brought in the Superior Court for the State of Alaska, Third Judicial District, in Anchorage, Alaska.
- c. If any part, term, or provision of this Memorandum is determined by a court or agency of competent jurisdiction to be unlawful or in conflict with the laws of the United States or the State of Alaska, the validity of the remaining portion or provisions of the Memorandum shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Memorandum did not contain the particular part, terms, or provision held to be invalid.
- d. This Memorandum is entered into based on consideration of the nature and responsibilities of the parties and their unique relationship to each other. No party shall assign all or any

part of its interest in this Memorandum and any attempt at such assignment shall be void and may, at the sole discretion of the other party, terminate this Memorandum. Notwithstanding the above, the Foundation may delegate to one or more investment managers a portion of its powers, duties, and responsibilities with respect to investments, as appropriate, according to the provisions of this Memorandum and AS 37.10.071.

IN WITNESS WHEREOF, the parties have approved this Memorandum by affirmative vote of their respective boards at duly authorized meetings and cause this Memorandum to be executed by their duly authorized officers as of the day and date first above written.

University of Alaska

University of Alaska Foundation

By: *Sheri Burette*
Chair, Board of Regents

By: *Cynthia C. T.*
Chair, Board of Directors

6-4-21
Date

5-25-2021
Date

By: *[Signature]*
President, University of Alaska

By: *Todd A. Bunker*
President, University of Alaska Foundation

6-10-2021
Date

5-25-2021
Date



MEMORANDUM

March 8, 2021

TO: PAT PITNEY - UNIVERSITY OF ALASKA PRESIDENT
TOD BURNETT - UNIVERSITY OF ALASKA FOUNDATION PRESIDENT

FROM: CHRIS BRIGGS AND CHERYL MUSSELMAN

RE: Employee Benefits Coverage for University of Alaska Foundation Employees

Background

The University of Alaska Foundation (“Foundation”) is an Alaskan nonprofit organization independent of the University of Alaska (“University”) that operates as a charitable organization under Section 501(c)(3) of the Internal Revenue Code. The Foundation’s primary purpose is to solicit, manage, and invest donations for the benefit of the University. While the Foundation is a separate and distinct entity from the University, the Foundation and the University work closely with each other and many of their operations are intertwined. Upon dissolution of the Foundation, all assets of the Foundation will be transferred to the University.

Since inception of the Foundation, the day-to-day operations of the Foundation are accomplished by employees of the University. The University and the Foundation have separate budgets. The Foundation reimburses the University for costs associated with the wages and benefits paid to these employees.

The outstanding issue, which is discussed below, is whether the exclusion of the salaries and benefits relating to these employees from the University’s budget will preclude these employees from participating in the benefit plans and programs offered by the University to its employees. As discussed in more detail below, this is a facts and circumstances analysis, however, we believe it is reasonable to conclude that these individuals remain employees of the University and should continue to be covered by the benefit plans and programs offered by the University. Furthermore, the current terms of any University plans that require coverage for University employees would *require* such employees to be covered.

As a preliminary matter, the University and the Foundation inquired as to what, if any, impact this arrangement would have on the Foundation’s non-profit status under Internal Revenue Code 501(c)(3). Nothing in Code Section 501(c)(3) or the regulations issued

thereunder prohibits sharing of employees, and the arrangement outlined below will not have a negative impact on the Foundation's non-profit status.

Eligibility for University Benefits

The determination as to whether or not the approximately 30 employees whose salaries and related expenses are reported on the Foundation's budget are employees of the University eligible for University benefits essentially comes down to whether or not these individuals will be treated as common law employees of the University. Unfortunately, the Department of Labor and other federal government agencies have not issued formal guidance on what it means to be an employee. Therefore, we must look to caselaw for guidance on when an individual should be treated as an employee of an entity, or of multiple entities (commonly referred to as a co-employer relationship).

The standard for determining if an employer/employee relationship exists was established in *Vizcaino v. Microsoft*, which established a 20-factor test to determine if an individual should be treated as an employee of an employer. While this test was originally devised to determine if an individual was an employee or an independent contractor, it has also been used to determine if multiple employers should be treated as employers of a specific employee. Therefore, a review of each of the factors outlined in *Vizcaino* is informative when determining if these approximately 30 employees (and any future employees) should remain eligible to participate in the University benefit plans and programs. As a preliminary matter, because this test was originally devised to determine an individual's status as an employee or independent contractor, some of the factors are not applicable. These factors include the level at which the individual invests and maintains their own work facilities, the realization of profit or loss from the individual's work, the ability to work for multiple unrelated companies, the availability of the individual's services to the public, and the right of the individual to terminate their work for the company unilaterally. Therefore, these factors will be disregarded. Below is a brief overview of the remaining 15 factors.

1. Level of Instruction. The first factor is the level of instruction provided by an employer to the employee. This includes direction as to when, where, and how the work is done. Based on a review by the Foundation and the University, the Foundation and University report that while the Foundation is responsible for the majority of the instruction for these employees, the University also has some say as it relates to the use of University systems and resources.
2. Amount of Training. The second factor is which employer has the authority to request that the employee undergo company-provided training. The Foundation and the University report that with regard to these employees, training is shared between the Foundation and the University.
3. Degree of Business Integration. The third factor is which employer's business operations the employee's services are integrated in, or the extent to which the employees significantly affect the employer's success. The Foundation and the University report that the employee's services are integrated in both the Foundation's and the University's business operations.

4. Extent of Personal Services. The fourth factor is the extent to which an employer exerts a degree of control on how services are performed by the employee. The Foundation and the University report that the Foundation and the University share control over how services are performed by the employee. This is further supported by the fact that these employees must abide by the policies and procedures of both entities.
5. Control of Assistants. The fifth factor is the extent to which an employer hires, supervises, and pays the employee's assistants. The Foundation and the University report that the Foundation and the University share this control. These employees often rely on other employees at the University when performing their tasks.
6. Continuity of Relationship. The sixth factor is the extent to which a continuous relationship exists between the employee and the employer. Again, the Foundation and the University believe that a shared relationship is ongoing between the employee and both the Foundation and the University.
7. Scheduling. The seventh factor is the extent to which an employee's schedule is dictated by an employer. The Foundation and the University report that the Foundation has the primary responsibility over the scheduling of these employees but take into account the University's general policies regarding holidays.
8. Demand for Full-Time Work. The eighth factor is which employer demands most of the employee's professional time. The Foundation and the University believe that the Foundation and the University demand approximately equal amounts of the employees' time, which, when combined, constitute the entirety of the employees' professional time. Furthermore, many of the tasks of these employees benefit both the Foundation and the University equally.
9. Need for On-Site Services. The ninth factor is the extent to which the employee is expected to work on the employer's premises. Generally speaking, the Foundation and these employees work in University facilities, and use significant University resources, however, the Foundation pays rent to the University for use of those facilities.
10. Sequence of Work. The tenth factor is the extent to which an employer determines the order or sequence in which an employee performs tasks. The Foundation and the University report that the Foundation is primarily responsible for determining the sequence of work for these employees.
11. Requirements for Reports. The eleventh factor is whether the employee must provide regular written or oral reports on the status of projects to the employer. The Foundation and the University state that these employees are expected to provide reports to both the Foundation and the University.
12. Method of Payment. The twelfth factor is how the individual is paid. Hourly, weekly, or monthly payment schedules tend to imply an employer/employee

relationship. The University issues the pay to these employees, and is responsible for issuing annual tax documents to these employees.

13. Payment of Business or Travel Expenses. The thirteenth factor is who pays for any business or travel expenses of the employee. The Foundation and the University have determined that the Foundation pays for these expenses.
14. Provision of Tools and Materials. The fourteenth factor is the extent to which the employer provides company-owned equipment, tools, and materials for the employees to complete their tasks. The Foundation and the University report that the Foundation provides the majority of the tools and materials used by these employees, however, the University also shares access to these tools and materials as well.
15. Control Over Discharge. The fifteenth factor is who has the right to terminate the employment of the employees. The Foundation and the University have determined that the Foundation has the primary responsibility to discharge these employees, however, the University has the ability to weigh in on these issues and must approve of any discharge decision.

Conclusion

Based on the relatively even divide present in most of the factors outlined above, a strong argument can be made that these employees are employed by both the Foundation and the University.

A conclusion that these employees remain employees of the University means that they would remain eligible for benefit plans and programs sponsored by the University for its employees. In fact, plan terms that require coverage for employees of the University would require such employees to be covered (unless the plans are amended to exclude them).

Taking a position that these employees are not eligible for the University benefit plans and programs could result in a determination that the plans are not being operated in compliance with their eligibility provisions, which could result in potentially expensive corrections being required for these plans if audited by the Department of Labor or Internal Revenue Service.

Based on the facts and circumstances present, we conclude that it is reasonable to treat individuals working for the Foundation under the circumstances described above as employees of the University for purposes of compensation and benefit eligibility. This is consistent with the treatment of these employees since the inception of the Foundation and is consistent with a determination that these employees have an employment relationship with both the Foundation and the University.

Appendix D - 1

Teri Cothren
Associate Vice President
Workforce Development
Academics, Students & Research



Phone: (907) 786-1171
Email: tgcothren@alaska.edu
1815 Bragaw Street, Suite 102
Anchorage, AK 99508

To: Chancellors, Provosts, Administrative Services Executives, Campus Deans and Directors,
and UA System Office Executives
Cc: University of Alaska Interim President Pitney and Vice President Layer
From: Teri Cothren, AVP of Workforce Development
Office of Academics, Students & Research 
Date: May 7, 2021
Re: FY22 TVEP Allocations

It is my pleasure to announce allocations for the FY22 Technical Vocational and Education Program (TVEP) to the University of Alaska (UA) programs. This announcement includes approved funding for continuation, first-time, and one-time requests. All funding is final pending the Governor signing HB 100 to reauthorize TVEP and approval of the State budget.

Allocations were based on requests across the UA system, recommendations from the UA Workforce Development Committee, and approved by Interim President Pitney to maintain the intent of TVEP. A special thanks to the committee members: Bonnie Nygard and Susan Kalina from UAA; Michele Stalder and Bryan Uher from UAF; Priscilla Schulte and Pete Traxler from UAS; and Dan O'Connor representing the Community Campus Directors Council.

The attached includes a table summarizing the approved requests for FY22 TVEP funding. Please note the Fairbanks Pipeline Training Center allocation of \$732,900 is a pass-through directly to that entity. If you have questions regarding any of these allocations, please feel free to contact me at your earliest convenience.

Enclosure: Summary of FY22 TVEP Allocations for UA Programs.

Summary of FY22 TVEP Allocations for UA Programs

TVEP Allocations by Continuation, First-time, One-time (C, F, O)	
Continuation	\$ 3,101,800
First-time	\$ 327,800
One-time	\$ 1,050,600
Fairbanks Pipeline Training Center	\$ 732,900
TOTAL	\$ 5,213,100

TVEP Allocations by Career Cluster	
Agriculture, Food & Natural Resources (Includes Fisheries, Energy, Environmental Science & Green Jobs)	\$ 223,500
All	\$ 289,400
Architecture & Construction	\$ 68,600
Arts, AV Technology & Communications	\$ -
Business, Management & Administration	\$ 93,300
Education & Training	\$ -
Finance	\$ -
Government, Public Policy & Administration	\$ -
Health Sciences	\$ 1,408,600
Hospitality & Tourism	\$ 63,000
Human Services	\$ 120,400
Information Technology	\$ 40,500
Law, Public Safety, Corrections & Security	\$ 120,800
Manufacturing (Includes Mining & Process Technology)	\$ 700,100
Marketing	\$ -
Science, Technology, Engineering & Mathematics (Includes Research)	\$ 187,400
Transportation, Distribution & Logistics (Includes Maritime)	\$ 1,164,600
Fairbanks Pipeline Training Center	\$ 732,900
TOTAL	\$ 5,213,100

University	Office	Program/Project Title	C, F, O	FY22 Approved WFD Cmt Recommendations	Career Cluster
SO	ASR	Workforce Development Support	C	\$ 125,000	All
SO	ASR	Handshake (Career Management Platform) Systemwide	C	\$ 85,000	All
		SO SUBTOTAL		\$ 210,000	
		Fairbanks Pipeline Training Center	C	\$ 732,900	
		SO TOTAL		\$ 942,900	

Appendix D - 3

University	Cam-Coll	Program/Project Title	C, F, O	FY22 Approved WFD Cmt Recommendations	Career Cluster
UAA	CTC	Pathways to Work Through Apprenticeships	C	\$ 110,000	Transportation, Distribution & Logistics
UAA	COH	MS Dietetics and Nutrition Instruction	C	\$ 97,400	Health Sciences
UAA	COH	Streamlining Nursing Education in Alaska	C	\$ 96,000	Health Sciences
UAA	PWSC	Maritime Coordinator	C	\$ 89,500	Transportation, Distribution & Logistics
UAA	COH	Kinesiology: Therapeutic Recreation	C	\$ 91,300	Health Sciences
UAA	KPC	Maritime & Construction WFD Coordinator	C	\$ 71,300	Transportation, Distribution & Logistics
UAA	COH	BSHS Expansion: Creating a Pre-Professional Internship	C	\$ 82,700	Health Sciences
UAA	CTC	ATD Aviation Maintenance Technology Term Faculty	C	\$ 95,900	Transportation, Distribution & Logistics
UAA	MSC	Technical Lab Equipment Staff for Workforce Skill Certifications	C	\$ 40,500	Information & Technology
UAA	COH	Statewide Nursing Expansion Project Manager	C	\$ 114,000	Health Sciences
UAA	CTC	Occupational Safety and Health (OSH) Faculty	C	\$ 97,500	Manufacturing
UAA	COH	Physical Therapy Assistant	C	\$ 72,200	Health Sciences
UAA	COE	Prototyping Center Machinist	C	\$ 76,200	Science, Technology, Engineering & Mathematics
UAA	COH	Expanding Child Welfare & BH Workforce	C	\$ 120,400	Human Services
UAA	COH	Alaska AHEC Scholars Program	C	\$ 95,000	Health Sciences
UAA	MSC	Health Science Lab Manager	C	\$ 80,000	Health Sciences
UAA	MSC	Phillips Tempus Pro Cardian Monitor	O	\$ 54,000	Health Sciences
UAA	KOD	Maritime Workforce Program Support	O	\$ 66,500	Transportation, Distribution & Logistics
UAA	COH	Diagnostic Medical Sonography Equipment	O	\$ 26,900	Health Sciences
UAA	CTC	AWS Accredited Testing Facility Staff	F	\$ 70,000	Manufacturing
UAA	KPC	Process Tech Virtual Immersive Reality Lab	O	\$ 71,500	Manufacturing
UAA	COE	Mechanical Engineering Renewable Energy Lab Equipment	O	\$ 111,200	Science, Technology, Engineering & Mathematics
UAA	MSC	Health VR System	O	\$ 15,000	Health Sciences
UAA	CTC	Electric Vehicle Curriculum Creation	F	\$ 100,000	Transportation, Distribution & Logistics
UAA	CTC	Electric Vehicle and Tools	O	\$ 44,400	Transportation, Distribution & Logistics
UAA	CBPP	Stock Ticker Tape	O	\$ 93,300	Business, Management & Administration
UAA	KPC	PRT-IPIN Luaube Technology	O	\$ 27,500	Manufacturing
UAA	CTC	Aircraft	O	\$ 113,000	Transportation, Distribution & Logistics
UAA	CTC	AC and Recharge Machine	O	\$ 52,000	Transportation, Distribution & Logistics
UAA	CTC	Bakery Oven	O	\$ 63,000	Hospitality & Tourism
UAA	COH	Radiologic Tech Imaging Equipment	O	\$ 35,000	Health Sciences
UAA TOTAL				\$ 2,373,200	

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University	Cam-Coll	Program/Project Title	C, F, O	FY22 Approved WFD Cmt Recommendations	Career Cluster
UAF	SNRE/CES	Well Control Instructor	C	\$ 86,700	Manufacturing
UAF/RCNE	CTC	FPTC Building Lease	C	\$ 101,800	Manufacturing
UAF	ASG	Alaska Seafood School Coordinator/Instructor	C	\$ 104,500	Agriculture, Food & Natural Resources
UAF/RCNE	CTC	Paramedicine Term Assistant Professor	C	\$ 99,900	Health Sciences
UAF	ASG	Seafood Processor Training Program	C	\$ 32,300	Agriculture, Food & Natural Resources
UAF/RCNE	CRCD/IAC	Crisis Responder Training	C	\$ 47,200	Health Sciences
UAF	ASG/BBC	Maritime Career Pathways in Rural Alaska	C	\$ 67,800	Transportation, Distribution & Logistics
UAF/RCNE	CTC	Welding Term Assistant Professor	C	\$ 99,900	Manufacturing
UAF	SNRE/CES	Hard-Skills Mine Training Camps	C	\$ 65,000	Manufacturing
UAF/RCNE	CRCD/NWC	Bering Strait Village-Based WFD Coordinator	C	\$ 80,600	Health Sciences
UAF	ASG	Alaska Seafood Processors Leadership Institute	C	\$ 37,400	Agriculture, Food & Natural Resources
UAF/RCNE	CTC	Aviation Maintenance Term Instructor	C	\$ 53,900	Transportation, Distribution & Logistics
UAF/RCNE	CTC	Medical Scribe Assistant Professor	C	\$ 79,900	Health Sciences
UAF/RCNE	CRCD/KUC	Allied Health Instructor	F	\$ 108,500	Health Sciences
UAF	ASG/CTC	Management and Supervisory Lead Skills for Seafood Processors Training Program	F	\$ 49,300	Agriculture, Food & Natural Resources
UAF/RCNE	CTC	Self Contained Breathing Apparatus (SCBA)	O	\$ 120,800	Law, Public Safety, Corrections & Security
UAF/RCNE	CTC	SimMan	O	\$ 68,500	Health Sciences
		UAF TOTAL		\$ 1,304,000	
UAS	KET	FSMI Maritime Program Development	C	\$ 85,500	Transportation, Distribution & Logistics
UAS	SC	Medical Assistant Program Director Position	C	\$ 64,500	Health Sciences
UAS	JNU	Workforce Development Student Access Initiative	C	\$ 79,400	All
UAS	KET	FSMI Power Technology Faculty Position	C	\$ 54,100	Transportation, Distribution & Logistics
UAS	JNU	Power Technology AAS Fixed Plant Mechanics Emphasis	C	\$ 80,200	Manufacturing
UAS	KET	FSMI Marine Transportation Health, Safety & Security	C	\$ 72,700	Transportation, Distribution & Logistics
UAS	JNU	Construction Technology Assistant Professor	C	\$ 68,600	Architecture & Construction
UAS	KET	Fire Gear SBCA Packs	O	\$ 70,000	Transportation, Distribution & Logistics
UAS	KET	Hydraulic Cylinder Training Simulator Unit	O	\$ 18,000	Transportation, Distribution & Logistics
		UAS TOTAL		\$ 593,000	
		University Subtotals		\$ 4,480,200	
		Fairbanks Pipeline Training Center		\$ 732,900	
		Total		\$ 5,213,100	
		Anticipated FY22 TVEP Funding		\$ 5,213,100	
		Balance		\$ -	

James R. Johnsen, Ed.D.

President

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June 16, 2017

Dear Dean Moran,

Congratulations, the College of Fisheries and Ocean Sciences President's Professor of Quantitative Fisheries and Ecosystems proposal has been selected to move to the next step in our President's Professors and Post Docs program for FY18. Please work with Vice President White on a recruitment plan.

As your team works on the recruitment plan, please lay out a five-year budget for my review using the following guidelines.

- Year 1 – start-up costs, recruiting costs, and first year salary
- Year 2 – full year salary
- Year 3 – full year salary
- Year 4 – $\frac{3}{4}$ year salary
- Year 5 – $\frac{1}{2}$ year salary

After year 5, the position should be self-sustaining.

I look forward to the recruitment plan and the great work that will result from the President's Professor of Quantitative Fisheries and Ecosystems.

Sincerely,

A handwritten signature in black ink that reads "James R. Johnsen".

Jim Johnsen
President, University of Alaska

cc: Daniel White, Vice President for Academic Affairs and Research
Dana Thomas, Interim Chancellor, University of Alaska Fairbanks
Susan Henrichs, Provost, University of Alaska Fairbanks

Request for One Time Funding

Ideas for impacting enrollment through this funding

UAA \$420K

Expansion of UAA 49th Finishers

Expand the UAA 49th Finishers program for this fall to include associate degrees (AA and AAS). This would allow more Alaskans who have some college credit but no degree, to take advantage of the program and earn a credential. This would also allow the program to expand out to our community campuses. The award would be decreased to a maximum award of \$4,000 (instead of \$8,000 for bachelors). Individuals would still need to apply for admissions into an associates program at a UAA campus and complete the FAFSA and have it submitted to a UAA campus by July 15th in order to qualify. Students who register for 12 credits or more would receive a \$1,000 scholarship, students who register for less than 12 credits would receive a \$500 scholarship. This scholarship would be renewable up to \$4,000 as long as the student remains continuously enrolled.

Total cost would be \$440,000 which would need to be paid out to these students over 4 years ideally. Although we would award just one year from the President's money to an estimated 150 students with an estimated 100 students graduating with associate degrees at the end of scholarship due to attrition.

UAF \$217K

UAF finished our first round of strategic enrollment planning. We are entering the second round of SEP, expanding the actions to the Community and Technical College and to units at the college level. We have seen a significant increase in applications and interest in UAF from students in the pacific northwest. However, we have a significant bottleneck that can be helped with \$217k and more if it were available. That is staff for admissions processing and counseling. Once more students are enrolled there will be more funds through tuition to support increased services long term. However, there is a need for initiative funding to bridge this gap now. We will hire two additional staff in admissions using these resources so that we can capitalize on the influx of interest in UAF.

UAS \$63K

UAS presented our Enrollment Targets in March 2021:

•One time funding

- Increased marketing/advertising

- Interstate Passport
- PNW Expansion
- SE Alaska refresh
- Additional OER Resources
- Increase articulation agreements in PNW
- Assessment of decentralized advising model
- Financial Support for Students

PROPOSAL FOR \$63,000

21000 for digital marketing in the Pacific Northwest

22000 for iTeach

9500 Institute for OER & Textbook project

6300 for support in Admissions

4200 for increased tutoring in gateway courses

63000

SUMMARIES

DIGITAL MARKETING: Total Cost \$42,000 requesting \$21,000. Hanover Research has indicated that UAS needs to increase digital marketing in the Pacific Northwest, especially in our STEM programs and Bachelor of Business Administration. We are completing a two-month test now and it showed public interest and good promise. For example, over 95+% of viewers did not skip through any of our videos when delivered..

iTEACH 2021 Total Cost: \$22,000

iTeach is a week-long intensive training consisting of online interactive presentations, hands-on practice, discussions, work-time, and sharing. Faculty will focus their work-time on a course they will teach in an upcoming semester. iTeach topics may include Blackboard training, online best practices to support student learning such as course organization, developing faculty-to-student and student-to-student interactions, trauma-informed practices to support student learning, and participation in an online course and accessibility. All UAS faculty can apply.

For iTeach 2020 faculty alumni:

Retention rates were higher for students who enrolled in at least 1 course taught by an iTeach participating faculty member.

- 84% of degree seeking students who enrolled in at least 1 course taught by faculty who participated in iTeach re-enrolled in the spring term (compared to 75% retention for

those who were not in an iTeach faculty course) *Students who received a degree were removed from the retention calculation

OER and TEXTBOOK PROJECT

The Association of American Colleges & Universities 2021-2022 [Institute on Open Educational Resources](#). Total Cost: \$4,500

The Institute is designed for educators seeking to launch, expand, or hasten campus adoption of free and affordable instructional materials, the Institute on OER will help teams of faculty, staff, and administrators design and implement a campus transformation strategy to accelerate campus OER plans for large scale engagement and adoption. Campuses and systems exploring OER for affordability, student success, or student learning purposes are among those ideally suited for the Institute. Additionally, the Institute represents an opportunity for a campus to develop formal collaborations between various units, such as libraries, academic affairs, and student affairs, in the service of student learning and success.

Textbook Project: Funds to purchase reserve textbooks based on a variety of factors focusing on courses with high enrollment, high textbook costs, and "gateway" courses. Additionally, funds to market reserves and courses with additional textbook costs (no cost courses identified in the catalog). **\$5,000** for textbooks.

SUPPORT FOR ADMISSIONS: Total Cost \$20,000 requesting \$6300

We are providing additional support to our Admissions office to make the application and acceptance more streamlined.

INCREASED TUTORING FOR GATEWAY COURSES; total cost \$4,200

As these are one time funds, we could do a trial for one academic year to increase subject tutoring for our gateway courses that currently do not have tutoring available. An additional **\$4,200** at the current student rate of pay would allow us to potentially provide 400 additional hours of student subject tutoring in gateway courses (biology and physics for example).

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Memorandum

Date: June 23, 2021
To: Pat K. Pitney, UA Interim President
From: Paul W. Layer, UA Vice President for Academics, Students & Research
Re: Proposed reallocation of AKCOE Initiative Funds to support the ACEC

On June 3, 2021, the Board approved the creation of the Alaska College of Education Consortium (ACEC). As part of the change, the University of Alaska College of Education (AKCOE) was renamed the UAS School of Education and included in the consortium. The funding UAS had received for the AKCOE Strategic Investment will be divided between the amount needed for the UAS School of Education activities and the Consortium. Below is the proposed breakdown of the funds.

Item	Activity	Amount
AKCOE Strategic Investment	Total	\$1,150,000
Director	Lead Administrator for Unit	\$150,000
Scholarships	UA Education student tuition support	\$100,000
Educators Rising	Support school district activity, dual enrollment tuition and annual conference	\$75,000
PITAAS	Tuition support for UA Alaska Native Education Students-increase PITAAS capacity to support AK Native students at UAA, UAF, UAS	\$100,000
UAS School of Education support		\$425,000
Data Manager	Data support for UA Education Units	\$100,000
Marketing	Support for UA Education marketing	\$50,000
UAS support for ACEC		\$150,000
GF returned to System Office for ACEC operations		\$575,000

ACEC System Office Support

Liaison/Coordinator and support	\$250,000
Liaison/Committee Travel	\$35,000
ACEC initiative support	\$290,000
Total ACEC support.	\$575,000

cc: Karen Carey, UAS Chancellor, Sean Parnell, UAA Chancellor, Dan White, UAF Chancellor, Michelle Rizk, VPUR, Myron Dosch, CFO, Alesia Kruckenberg, Director of Strategy, Planning and Budget

**UA Health Program Strategic Investment Recommendations
Three-Year Initiative FY22-24
July 15, 2021**

Understanding: The Strategic Investment funds are primarily for short-term program development and start up. During FY22, strategic sustainable budget planning will need to be conducted in order to ensure continued program implementation once strategic investment funds ends.

All awardees will submit a detail budget and narrative prior to the funds being made available and each awardee will submit a yearly status report by the due date provided.

College of Health FY22 Strategic Investment Recommendations:

(The data and information presented in italics for each proposal below can be found in further detail in the separate email attachment entitled 2021-06-01 UA Health Program Strategic Investment – APPENDIX.)

Funding Awards:

Health Program Expansion:

1. UAS Sitka Expanding Medical Assisting to Workforce to Rural Alaska
 - a. Amount Funded: \$67.0 year one; \$61.0 year two; \$47.0 year three = \$170.0
 - b. Requested \$170,100 for 3 years ~ \$56,700 per year (average)
 - c. 100 ~ 3 years = 33 students per year
 - d. *Annual gap is 276; ranked #1 in Allied Health group*

2. UAS Behavioral Health Faculty
 - a. Amount Funded: \$105.0 per year for 3 years = \$315.0
 - b. Requested \$116,280 for 5 years = \$581.4
 - c. Projected 25 students per year X 3 years = 75 students / 25 X 5 = 125
 - d. UAS Plans: Currently this course is an OEC; this faculty develop and implement an AAS degree with future bachelor's degree possibility
 - e. *Annual Gap is 599 in large Community and Behavioral Health Group (9 different degrees); Ranked #1*

3. UAA PACE (Public Health Accessibility, Certification and Expansion), Division of Population Health Sciences
 - a. Amount Funded: \$105.0 per year for 3 years = \$315.0
 - b. Requested \$443,209 for 3 years = \$147,736 per year
 - c. 130 students ~ 3 years = 43 students per year
 - d. *Annual Gap is 192 in large Community and Behavioral Health Group (4 different degrees); Ranked #2*

4. UAF Bachelor of Social Work Online Program
 - a. Amount Funded: \$105.0 per year for 3 years = \$315.0

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- b. Additional Recommendation: \$25.0 per year for 3 years to sustain intensive cohort support and program integrity = \$75.0
- c. Expectation: UAF would manage the revenue generated and associated with this position for the degree program to become sustainable from year 4, forward
- d. Requested \$158,000 X 5 years - \$790,000 (hire two faculty positions)
- e. 80 ~ 5 = 16 students per year
- f. Annual gap is 140; ranked #4 in Community and Behavioral Health group

Sub-Total: \$407.0 per year // \$1,190.0 total for 3 years

Statewide Nursing Expansion:

- 1. UAF Norton Sound/Nome Personal Care Aides/Assistants
 - a. Amount Funded: \$53.0 per year for 3 years = \$159.0
 - b. Requested \$266,180 for 5 years = \$53,236 per year
 - c. 80 students ~ 5 years = 16 students per year (pathway to CNA and Nursing AAS)
 - d. DOLWD projected PCA annual gap is 875 (14.9% change from 2018-2028)
- 2. UAA Fairbanks BSN Program Expansion
 - a. Amount Funded: \$100.0 per year for 3 years = \$300.0
 - b. Requested \$100.0 for 5 years = \$500.0
 - c. 24 students ~ 3 years = 8 students per year
 - d. Statewide annual gap is 247; ranked #1 in Nursing group

Sub-Total: \$153.0 per year // \$459.0 for 3 years

Statewide Health Program Support

- 1. UAS/UAA Student Success Advisor
 - a. Amount Funded: \$76.0 per year for 3 years = \$228.0
 - b. Requested \$76,413.87 for 5 years = \$382,069.35
 - c. 500-700 students ~ 5 years = 100-140 students per year
- 2. UAF KUC Student Recruiter & Student Advisor (.5 FTE)
 - a. Amount Funded: \$47.2 X 3 years = \$141.5
 - b. Requested \$47,183.00 X 5 years = \$235,917.00
 - c. 30-45 students ~ 3 = 10-15 students per year
- 3. UAF CTC Allied Health Programs Outreach Coordinator
 - a. Amount Funded: \$57.8 X 3 years = \$173.5
 - b. Requested \$112,800 X 5 years - \$564,000
 - c. 348 students ~ 3 = 116 per year
- 4. UAA Kodiak Learning Center - Academic Support Initiative for Health Program & Prerequisite Courses
 - a. Amount Funded: \$20.0 per year for 3 years = \$60.0
 - b. Requested \$99,383.00 ~ 5 years = \$19,876.60 per year

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- c. Projected 135 students ~ 3 years = 45 students per year / 135 ~ 5 years = 27 students per year
5. UAA Statewide Health Recruiter Position
 - a. Amount Funded: \$105.0 per year for 3 years = \$315.0
 - b. Requested \$105.5 for 3 years
 - c. 120 students ~ 3 years = 40 students per year
6. UAA COH Administrative Nursing Support for Community Campuses (no proposal)
 - a. Amount Funded: \$84.0 per year for 3 years = \$252.0

Sub-Total: \$390.0 per year // \$1,170.0 total for 3 years

Statewide Planning and Partnerships (one-time funding from prior year fund balance):

1. UAA Gap Analysis of Undergrad Nursing Programs
 - a. Amount Funded: \$90.0 one-time funding
 - b. Expectation: Include LPN program start up
 - c. Requested \$90.0
 - d. *Annual gap is 247; ranked #1 in Nursing group*
2. UA Human Services / Rural Human Services - Statewide Planning for Human Services Program Strength, Alignment & External Partner Input – Behavioral Health Alliance (BHA)
 - a. Amount Funded: \$75.0 one-time funding for the UAA Human Services Programs, UAF Rural Human Services Programs and UAA Center for Human Development with the Behavioral Health Alliance to work together to develop a statewide plan for Human Services Programming across the state
 - b. *Annual Gap is 599 in large Community and Behavioral Health Group (9 different degrees); Ranked #1*
 - i. UAA Center for Human Development and Department of Human Services - Increasing Student Enrollment in OEC in Children's Behavioral Health
 1. \$90.0 per year for 5 years = \$450.0
 - ii. UAF CRCDC Interior Alaska Campus (IAC) Human Services
 1. \$444.0 ~ 5 years = \$88.8 per year (replace lost funding)
 - iii. UAA Department of Human Services - Building Entry-Level Behavioral Health Workforce through the Transition of AK Secondary School Students into the UAA AAS in Human Services
 1. \$99.6 per year for 5 years = \$498.0
3. Post-Bac to DNP Program Planning
 - a. Amount Funded: \$75.0 one-time funding
 - b. Acknowledgement: The proposal submitted was written for implementation and not planning however the recommendation is to make a statewide plan for DNP program planning

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- c. Requested - \$210.0 per year for 3 years = \$630.0
 - d. *Annual gap is 35; ranked #1 in Graduate Clinical Program group*
4. UAF and UAA Dental Assisting Programs – Allied Health Alliance (AHA) Statewide Planning for Program Strength, Alignment & External Partner Input
- a. Amount Funded: \$75.0 one-time funding for UAF CTC and UAA School of Allied Health through the AHA to work together to develop a statewide plan for dental assisting across the state
 - i. UAF CTC Dental Assisting Program (no proposal)
 - ii. UAA SAH Dental Assisting Program (no proposal)

FY22 One Time Funding Total: \$315.0

Not Recommended for Funding:

1. **UAA Center for Inter-professional Education** – Unclear why converting to academic unit will benefit students; boosts enrollment in courses but unclear of the impact on programs and number of graduates; can the COHI courses be embedded in other programs? How would this position coordinate with other universities requesting funding for outreach positions? Projections not available.
 - a. Requested: \$150.0 year one; \$100.0 year two; \$50.0 year three = \$300.0 total over 3 years
 - b. 850 students
2. **UAA Master of Social Work / Master of Public Health Dual Degree** – High cost; low yield of new students – only 5 students per year; there are multiple programs and each program already has a program coordinator, unsure of the need for an another one;
 - a. Requested: \$133.7 X 5 = \$668.5
 - b. 5 students per year X 5 = 25 over 3 years
 - c. Projection: Public Health/Public Health Practice – annual gap is 192; ranked #2 in Community and Behavioral Health group
 - d. Projection: Social Work – annual gap is 140; ranked #4 in the Community and Behavioral Health group
3. **UAA SAH Physical Therapist Assistant** – pathway from military to PTA degree; possible apprenticeship; small amount of money could be requested or found elsewhere
 - a. Requested: \$4.5
 - b. Numbers would vary
 - c. Projection – annual gap is 24; ranked #8 in Allied Health group
4. **UAA SAH Diagnostic Medical Sonography** – would fund additional faculty time and sonography equipment; degree has lower projected need; additional equipment will allow for more students; reduce travelers
 - a. Recommendation: UAA will work toward development funding for the \$240.0 equipment request and if found, will work toward finding the funds to hire faculty
 - b. Requested: Equipment = \$80.0 each X 3 = \$240.0
 - c. Requested: \$45.0 faculty expense per year X 3 years = \$135.0

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- d. Projection – annual gap is 9; ranked #12 in Allied Health group
- 5. **UAA SAH Dental Hygiene** – explore option to continue distance education; modest annual gap; request for faculty buyout
 - a. Requested: $\$15.5 \times 1 \text{ year} = \15.5
 - b. Projection – annual gap is 31; ranked #6 in Allied Health group
- 6. **UAF Bristol Bay Campus Dental Assistant Program**
 - a. Requested $\$500,572 \sim 5 = \$100,114.40$
 - b. Projection: annual Gap is 76; ranked #2 in the Allied Health Group however no degree is required to work in this field

**UA Health Program Strategic Investment Recommendations
Three-Year Initiative FY22-24
July 15, 2021**

Campus	Project	Amount Requested	Funded?	Amount Funded	Difference
UAS	Sitka Expanding Medical Assisting to Workforce to Rural Alaska	\$170,100	Yes	\$170,000	(\$100)
UAS	Behavioral Health Faculty	\$581,400	Yes	\$315,000	(\$266,400)
UAA	PACE (Public Health Accessibility, Certification and Expansion)	\$443,209	Yes	\$315,000	(\$128,209)
UAF	Bachelor of Social Work Online Program	\$790,000	Yes	\$390,000	(\$400,000)
UAF	Norton Sound/Nome Personal Care Aides/Assistants	\$266,180	Yes	\$159,000	(\$107,180)
UAA	Fairbanks BSN Program Expansion	\$500,000	Yes	\$300,000	(\$200,000)
UAS/UAA	Student Success Advisor	\$382,069	Yes	\$228,000	(\$154,069)
UAF	KUC Student Recruiter & Student Advisor	\$141,500	Yes	\$141,500	\$0
UAF	CTC Allied Health Programs Outreach Coordinator	\$564,000	Yes	\$173,500	(\$390,500)
UAA	Kodiak Learning Center - Academic Support Initiative	\$99,383	Yes	\$60,000	(\$39,383)
UAA	Statewide Health Recruiter Position	\$316,500	Yes	\$315,000	(\$1,500)
UAA	COH Administrative Nursing Support for Community Campuses	\$0	Yes	\$252,000	\$252,000
UAA	Gap Analysis of Undergrad Nursing Programs	\$90,000	Yes	\$90,000	\$0
UA	Human Services / Rural Human Services - Statewide Planning	\$1,392,000	Yes	\$75,000	(\$1,317,000)
UAA	Post-Bac to DNP Program Planning	\$630,000	Yes	\$75,000	(\$555,000)
UAF/UAA	Dental Assisting Programs – Statewide Planning	\$0	Yes	\$75,000	\$75,000
UAA	Center for Inter-professional Education	\$300,000	No	\$0	(\$300,000)
UAA	Master of Social Work / Master of Public Health Dual Degree	\$668,500	No	\$0	(\$668,500)
UAA	SAH Physical Therapist Assistant	\$4,500	No	\$0	(\$4,500)
UAA	SAH Diagnostic Medical Sonography	\$375,000	No	\$0	(\$375,000)
UAA	SAH Dental Hygiene	\$15,500	No	\$0	(\$15,500)
UAF	Bristol Bay Campus Dental Assistant Program	\$100,114	No	\$0	(\$100,114)

University of Alaska FY22 Budget Distribution													Deferred Maintenance (DM) and Renewal & Repurposing (R&R)				
		Facility Inventory 2019					Calculated Index ⁽²⁾		Facilities Maintenance Budget					Capital Budget			
Location		# of Bldgs	Avg. Age (years)	Gross Area (sq. feet)	Adjusted Value (AV) (thousands)	DM/R&R Backlog (thousands)	Index	Dist. %	Budget Goal	% of AV	FY21 Base Budget	Base Funding Adjust	One- Time Funding	FY22 Budget Minimum	Budget Shortfall (Min- Goal)	Request	Distribution
Anchorage Campus	<i>Anc.</i>	65	28.1	3,165,066	1,391,732.3	483,281.9	29.0	26.6%	15,900.0	1.1%	8,100.0			8,100.0	-7,800.0	13,300.0	
UAA Community Campuses		31	20.3	452,414	263,176.5	28,699.1	6.6	6.1%	3,700.0	1.4%	1,700.0			1,700.0	-2,000.0	3,000.0	
<i>Kenai Peninsula College</i>	<i>Soldotna</i>	8	29.8	160,626	94,277.9	6,243.0											
<i>Kachemak Bay</i>	<i>Homer</i>	3	20.0	26,041	13,806.2	751.0											
<i>Kodiak College</i>	<i>Kodiak</i>	5	42.8	45,049	26,426.0	4,783.2											
<i>Matanuska-Susitna College</i>	<i>Palmer</i>	9	27.8	153,371	91,076.4	9,322.2											
<i>Prince Wm. Sound College</i>	<i>Valdez</i>	6	10.5	67,327	37,589.9	7,599.7											
	UAA Total	96	27.6	3,617,480	1,654,908.8	511,981.0	35.7	32.6%	19,600.0	1.2%	9,800.0			9,800.0	-9,800.0	16,300.0	
Fairbanks Campus	<i>Fbks.</i>	238	38.9	3,587,662	2,418,846.5	705,579.0	61.0	55.8%	33,500.0	1.4%	13,100.0			13,100.0	-20,400.0	27,900.0	
Community & Tech College	<i>Fbks.</i>	4	41.5	226,304	44,256.6	7,440.0	0.7	0.6%	300.0	0.7%	200000			200.0	-100.0	300.0	
UAF Community Campuses (CRCD)		27	32.3	155,942	143,888.2	20,043.5	4.7	4.3%	2,600.0	1.8%	500.0			500.0	-2,100.0	2,200.0	
<i>Bristol Bay Campus</i>	<i>Dillingham</i>	3	18.0	20,217	15,418.1	303.0											
<i>Chukchi Campus</i>	<i>Kotzebue</i>	1	43.0	10,362	10,173.1	2,705.0											
<i>Interior Alaska Campus</i>	<i>Various</i>	5	31.2	29,111	23,977.5	1,191.0											
<i>Kuskokwim Campus</i>	<i>Bethel</i>	7	35.3	51,774	51,851.0	14,933.0											
<i>Northwest Campus</i>	<i>Nome</i>	10	31.3	21,570	26,209.6	411.5											
<i>College of Rural & Comm. Dev.</i>	<i>Fbks.</i>	1	16.0	22,908	16,258.8	500.0											
	UAF Total	269	38.1	3,969,908	2,606,991.2	733,062.5	66.3	60.7%	36,400.0	1.4%	13,800.0			13,800.0	-22,600.0	30,400.0	
Southeast Campus	<i>Juneau</i>	29	28.4	381,932	232,062.8	17,639.3											
UAS Community Campuses		4	23.0	117,546	63,292.7	4,407.5											
<i>Ketchikan Campus</i>	<i>Ketchikan</i>	3	28.3	49,488	37,066.4	2,990.0											
<i>Sitka Campus</i>	<i>Sitka</i>	1	7.0	68,058	26,226.3	1,417.5											
	UAS Total	33	27.8	499,478	295,355.4	22,046.8	6.7	6.2%	3,700.0	1.3%	1,700.0			1,700.0	-2,000.0	3,100.0	
UA System Office ⁽¹⁾	<i>Various</i>	9	39.7	241,973	104,474.2	6,073.2	0.5	0.5%	300.0	0.3%	300.0			300.0		200.0	
	UASO Total	9	39.7	241,973	104,474.2	6,073.2	0.5	0.5%	300.0	0.3%	300.0			300.0		200.0	
	UA Total	407	34.8	8,328,839	4,661,729.6	1,273,163.5	109.2	100.0%	60,000.0	1.3%	25,600.0			25,600.0	-34,400.0	50,000.0	

1. Systemwide facility values include Land Management properties; distribution % reduced at SW to allow a larger portion of the funding to be distributed to campuses.

2. The index (distribution) is based on the individual building age times the adjusted value by campus divided by a billion.

Appendix J

October 27, 2020

The Plan: In FY22, allocate costs for the Human Resources and Procurement functions

Mechanism: SW retains the CHRO and CPO position on UGF. SW transfers UGF to the universities in sufficient amount to pay for the respective share of services. SW receives UA Intra-Agency receipts from the universities for the services. A true-up is done at the end of the Fiscal Year so that Universities are "break-even"/not out-of-pocket.

Allocation basis: Allocate HR based on Headcount.
Allocate Procurement based on Contractual Services and Commodities Expenditures

	FY21 Budget	FY22 Allocation					Total	Comments
		UAA	UAF	UAS	SW			
Human Resources								
CHRO position (salary and benefits)	\$ 251,000							Keep this position on SW UGF; do not allocate Included in the staff benefit rate Amount of UGF to transfer
Labor Relations	\$ 706,000							
All other central HR	\$ 4,175,000	\$ 1,620,459	\$ 2,115,176	\$ 280,916	\$ 158,448	\$ 4,175,000		
	5,132,000							
Allocate HR based on headcount (R20 in FY21)		2,342 38.8%	3,057 50.7%	406 6.7%	229 3.8%	6,034 100.0%		
Procurement								
CPO position (salary and benefits)	\$ 193,000							Keep this position on SW UGF; do not allocate Amount of UGF to transfer
All other central Procurement	\$ 1,117,000	\$ 309,178	\$ 652,290	\$ 39,119	\$ 116,413	\$ 1,117,000		
	1,310,000							
FY20 Contractual Services and Commodities Expenditures		65.6 27.7%	138.4 58.4%	8.3 3.5%	24.7 10.4%	237.0 100.0%		
Total UGF to allocate to universities for HR and Procurement		\$ 1,929,637	\$ 2,767,467	\$ 320,035	\$ 274,861	\$ 5,292,000		