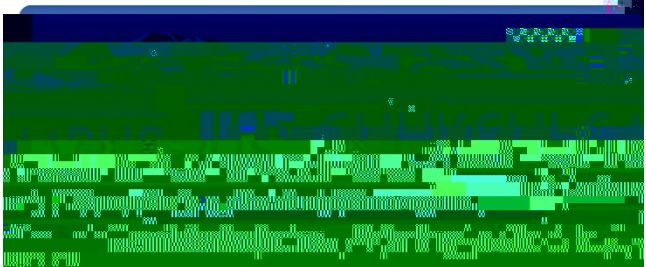




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UAF College of Rural and Community Development Chukchi Campus Impact Study

Prepared for:
Chukchi Campus



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Chukchi Campus, part of the University of Alaska Fairbanks College of Rural and Community Development, contracted with McDowell Group, an Alaska research and consulting firm, to assess the economic and social impacts of the campus in the Northwest Arctic Borough and statewide. In addition to contributing significantly to the regional and Alaska economy, Chukchi plays an important role in providing vocational and academic educational opportunities, and lifelong learning opportunities for residents of the region.

RESPONDING TO REGIONAL NEEDS

While all UA campuses are generally viewed in a positive light, community leaders interviewed were particularly emphatic concerning the Chukchi Campus and its responsiveness.

To fully understand the impacts of the campus, qualitative information was gathered through interviews with college administration, local government officials, community leaders, and prominent individuals within the business community. Three particular comments captured many of the interviewees' feelings. One interviewee stated that "It's about caring. You have to care to make a difference, and Chukchi really cares about the people in the region. The campus staff bends over backwards to help." Another interviewee said "Chukchi's strengths are in their programs. They care about local culture. There are very few jobs in some of these villages. The campus offerings give them an alternative. They don't have to sit and do nothing. If they are ultimately successful, they can stay in their community after they graduate. College is not high school, and they need to work harder and experience what it's like. Skills and self confidence are often lacking. It's so important to show them that there is life outside after high school." In addition, "Chukchi has a positive effect on the local economies. They are part of the resources and infrastructure in a region where resources are so minimal."

Besides providing access and assistance to distant educational opportunities, Chukchi has made significant contributions to the region's workforce through development of programs and/or courses promoting Nursing, Rural Human Service, Air Pilot Certification, Iñupiaq, Teacher Education, and the Construction

scarce, wages are very important, not only to those who earn the wages but to their immediate and extended families. Chukchi offers programs that allow the region's residents to acquire skills that will facilitate them finding jobs or increasing their pay. This can lead to a higher quality of life for themselves and their families.

CONTRIBUTING ECONOMICALLY TO KOTZEBUE AND THE NORTHWEST ARCTIC BOROUGH

The study also looked at the economic impacts of the campus's spending on payroll and goods and services in the Northwest Arctic Borough and statewide.

Chukchi's payroll expenditures in FY 2008 totaled \$1.2 million in NWAB (almost all in Kotzebue) and direct spending on goods and services was nearly \$400,000 in NWAB. Chukchi direct spending resulted in about 30 full-time or part-time jobs in the region in FY 2008.

Introduction

Chukchi Campus contracted with McDowell Group to assess the economic impact of the campus on the Alaska economy and analyze the school's qualitative benefits to residents. Economic impacts include Chukchi's direct spending on goods and services, capital expenditures, payroll and benefits, as well as the circulation of those dollars throughout the regional and statewide economies. Qualitative benefits are more difficult to measure, but are equally important. They include the campus's production of educated individuals who will enhance the region's and state's workforce and an increase in the quality of graduates' lives based on a higher standard of living and greater self-confidence.

Serving 200 to 400 students each semester, Chukchi is a community campus within the University of Alaska Fairbank College of Rural and Community Development. UAF is part of the University of Alaska (UA) system, the only public university in Alaska, serving nearly 47,000 students annually throughout the state via three regional hubs: University of Alaska Fairbanks (UAF), University of Alaska Anchorage (UAA), and University of Alaska Southeast (UAS).

Methodology

The economic impact section of this study examines the cumulative effects of Chukchi-related payroll and expenditures within the Northwest Arctic Borough and statewide. This study is similar to the impact analysis of the University of Alaska statewide system, conducted by McDowell Group in 2007. Following the general methodology of that study, regional and statewide economic multipliers were applied to Chukchi-associated expenditures to measure indirect and induced impacts.

Multipliers are derived from a widely used input/output model, IMPLAN, along with McDowell Group's project experience and analysis.¹ IMPLAN multipliers may be modified, based on McDowell Group experience in measuring multipliers in Alaska rural and urban economies. To assist the research team with this study, Chukchi, UAF College of Rural and Community Development, UAF Planning Analysis and Institutional Research, UAF Financial Services, and UA Statewide Budget and Planning provided information on revenue, expenditures (including detailed campus spending and employee payroll and benefits), student enrollment, and demographics.

Qualitative information was gathered through interviews with campus administration, local government officials, community leaders, and prominent individuals within the business community to capture their opinions of Chukchi's impacts in Kotzebue and the Northwest Arctic Borough.

¹ Minnesota IMPLAN Group, Inc., IMPLAN Professional version 2.0

Profile of Campus and Programs

Chukchi Campus

Located above the Arctic Circle, Chukchi Campus has its headquarters in Kotzebue, a town about 370 miles from Fairbanks and 175 miles from Russia. The campus serves a 36,000-square-mile area, which is about the size of Indiana. Located in the Northwest Arctic Borough, Chukchi serves 7,700 residents in 11 Iñupiaq villages. Of those 7,700 people, about 80 to 90 percent are Iñupiaq. Many of the residents follow a traditional subsistence way of life including hunting, fishing, and gathering.

No roads exist between the borough villages; travel is by aircraft, snowmachines, and dog teams. Barges bring fuel and other supplies to villages during the brief summer season when there is no ice and river levels are high enough to accommodate passage.

Chukchi Philosophy

Chukchi is committed to supporting the higher education goals of the residents of the Northwest Arctic region. The Chukchi philosophy is to meet the educational needs of students in the area primarily by promoting existing programs. In general, the campus offers few degrees and certificate programs that originate from Chukchi. Most are delivered via distance from other campuses. Kotzebue is one of the most expensive places to live in Alaska and the campus is small. It is more efficient for the campus to work with programs that are already being delivered from other UA locations. Chukchi provides students assistance with applications, communication, advising, financial aid, and motivation. This is accomplished in the region's villages through Chukchi's support of NANA resource te

This is especially important because the typical Chukchi student tends to be female (75 percent), and older than traditional college students (the average age of Chukchi students is 41, and one-quarter are age 50 or older). Once people leave the region, they are also less likely to return. The programs Chukchi promotes allow students from the region to work toward their degree while still living in their community, work and taking care of their families. Some courses are offered with two week sessions in Kotzebue, then one week off when village residents can return home. Course timing is also sensitive to the subsistence hunting, fishing, and gathering needs of the region's residents.

Economic and Cultural Impacts of Education

It is beyond the scope of this project to measure the economic impact of residents who remain in their villages after acquiring new skills from Chukchi, but nonetheless, these impacts are significant economically and culturally. One example is when a village resident graduates and finds employment or gets a better job in their village. This allows them to buy a new house, thereby increasing their immediate family's quality of life. The old house is then passed down to their extended

Course Delivery Academic Programs

Most degree and certificate programs are offered via distance delivery in conjunction with UAF and UAA, requiring students to take a mixture of in-person and distance learning courses.

Distance Education

As with the rest of the UA system, distance education at Chukchi is increasing in popularity. In academic year 2008 approximately 44 percent of Chukchi student credit hours were delivered via distance classes. Along with traditional, classroom-based courses, the majority of Chukchi students take a variety of distance education courses. Distance education includes audio conferences, online and Elluminate Live (E-Live) classes. E-Live classes are web-based and delivered in real time so students and the course instructor are interacting simultaneously from different physical locations.

While distance education allows students in the Northwest Arctic Borough region to take courses via distance education in Kotzebue, it also allows these students and Kotzebue-based students to take courses and complete degrees via distance education at other UA campuses.

Academic Programs

Some of the distance academic programs Chukchi promotes for residents of the region include:

- Certificate ... Accounting Clerk, Accounting Technician, Construction Trades Technology, Aviation, Applied Business Management, Early Childhood Education, Certified Nursing Assistant and Personal Care Attendant, UAA and UAF Allied Health Programs (Rural Human Services, Health Care Reimbursement, Community Health Aid Program, Clinical Assistant, Dental Assisting, Limited Radiology, Pharmacy Technology,

Veterinary Science Program

Currently, no permanent veterinarians work in the NANA region. Through a partnership with UAF Interior-

Student Enrollment

Enrollment

On average, Chukchi enrolls 200 to 400 students each semester. This student population includes all students receiving instruction from Chukchi, regardless of their degree program location. For example, some Chukchi

Enrollment Trends

Figure 1.
Student Enrollment Trends, Fall 1999 ... Fall 2008

Student Enrollment Characteristics and Demographics

Student Enrollment Characteristics

Most Chukchi students took classes on a part-time basis, while 17 percent were enrolled as full-time students. Whether their degree program was based at Chukchi or another UA campus, one-third of students enrolled at Chukchi were degree-seeking. Thirty-one students took at least one noncredit course for personal enrichment or skill-building to enhance employment potential.

COMMUNITY ORIGIN

The following table shows the number of students from communities in the Chukchi service area in Fall 2008. Students from about 85 Alaska communities were enrolled at Chukchi, with one out of five students originating from Chukchi's home community of Kotzebue.

Three to 4 percent of the population in each village is enrolled at Chukchi.⁵ For example, when the 17 students from Buckland are divided by the estimated 2008 population of 458, an estimated 3.7 percent of the community was enrolled at Chukchi in Fall 2008. A complete list of students' communities of origin is

Other Demographics

The student body at Chukchi is nontraditional. In Fall 2008, more than half of the students were 40 years old or older, the average age among Chukchi students was 41 years old, eleven years older than the average UA

Chukchi Campus Economic Impacts

Direct economic impacts of the Chukchi Campus include spending in its normal business transactions and expenditures related to college activities: payroll, goods and services, and student aid, among others. Direct impacts also include Chukchi expenditures on capital projects, such as construction or renovation of buildings and the purchase of equipment. The analysis of Chukchi's regional and statewide impacts is premised with a presentation of its revenue and revenue sources.

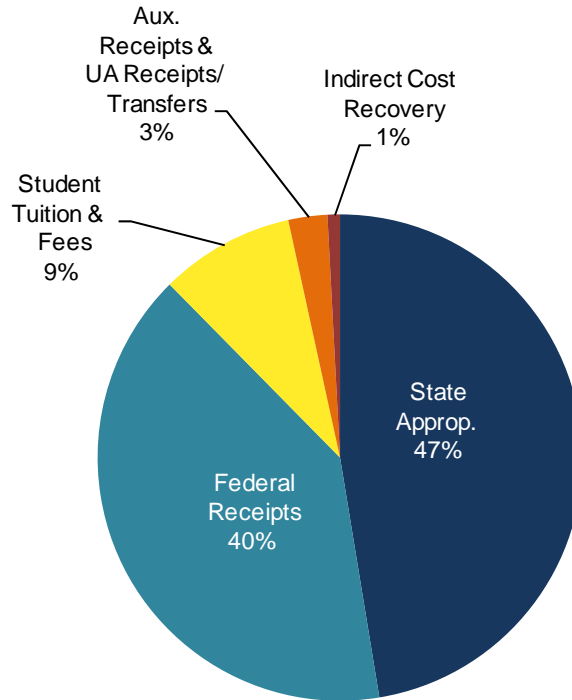
Revenue

Funding for Chukchi comes from a number of sources, including the State of Alaska's general fund, student tuition, and federal receipts. The following table details Chukchi revenue sources and funding amounts for FY 2007 and FY 2008. Total revenue for Chukchi increased 4 percent from \$1.72 million in FY 2007 to \$1.79 million in FY 2008. State appropriations, and student tuition and fees increased by 15 percent each in FY 2008.

Table 6
Revenue Sources, by Funding Source, FY 2007 ... FY 2008

Source	FY 2007	FY 2008
Unrestricted		
State appropriations	\$735,900	\$848,400
Student tuition and fees	139,500	160,400
Educational program funding	0	0
Indirect cost recovery	29,000	14,800
UA receipts	101,300	39,500
UA intra-agency transfers	-	-

Figure 2
Revenue Sources, by Percentage of Total Funding, FY 2008



Description of Revenue Sources

State appropriations include receipts from the State of Alaska's general operating fund.

Federal receipts include restricted funds, such as grants and contracts, where spending is dictated by the specific federal funding agency.

Student tuition and fees are generated by tuition charged to students for instructional programs, as well as fees charged for specific activities or items, such as materials and labs.

Educational program funding is revenue from a variety of sources used to fund specific educational activities.

Indirect cost recovery revenues are generated from federal and other restricted grants, and are used to help offset administrative and support costs that cannot be efficiently tracked directly to grant programs. When the university receives a grant, it records the revenue for the actual project in restricted receipts and the revenue for indirect costs in indirect cost recovery.

Auxiliary receipts are associated with all self-supported activities of Chukchi. They include all revenues from bookstore and other operations.

UA receipts and transfers include unrestricted revenues from course and facility-use fees, educational testing fees, revenue from administrative services, and other miscellaneous sources.

Expenditures

In FY 2008, Chukchi direct spending totaled approximately \$1.8 million, with the majority of spending (\$1.2 million) on wages and benefits. Expenditures on contract services amounted to nearly \$350,000, while commodities were about \$100,000. Equipment expenditures were nearly \$80,000 and travel expenses were about \$70,000. Other spending included student aid (\$17,000) and miscellaneous spending of about \$5,700.

Table 7
Expenditures, by Type, FY 2008

Type	Amount	% of Total Spending
Personnel services (wages and benefits)	\$1,169,600	66%
Contracts (services)	347,200	19
Commodities (goods)	96,500	5
Travel	72,300	4
Student aid	17,200	1
Equipment	78,200	4
Misc.	5,700	<1
Total expenditures	\$1,786,700	100%

Source: UA Statewide Planning and Budget, Unit Level Report, 2008. Figures have been rounded.

Two-thirds of Chukchi spending was allocated to personnel services, which included employee payroll and benefits. Nineteen percent was spent on

Expenditure Trends

Chukchi expenditures have increased by 80 percent from FY 1999 to FY 2008 largely as a result of increased state funding, and federal grants, especially, Title III and Housing and Urban Development grants.

Figure 4.
Expenditure Trends, FY 1999 - FY 2008

Source: UA Statewide Planning and Budget.

Spending on Goods and Services

The study team analyzed detailed data provided by UAF Financial Services for Chukchi nonpersonnel spending. Ratios were developed for expenditures by location and applied to the Chukchi spending data in Table 7 of this document. Chukchi had total nonpersonnel expenditures of approximately \$617,000 in FY 2008. Of these expenditures, nearly \$400,000 occurred in the Northwest Arctic Borough (almost all in Kotzebue), and approximately \$40,000 in other Alaska communities. Significant payments (\$188,000) were

Table 8
Employment, Fall 2008

	Employment
Faculty regular	2
Faculty temporary	10
Staff regular	6
Staff temporary	3
Total employment	21

Source: UAF College of Rural and Community Development

Total Chukchi direct payroll and benefits for FY 2008 was \$1.1 million. Nearly all payroll and benefits (97 percent) were paid to Kotzebue residents. Almost all faculty and staff live in the region with the exception of two or three adjunct faculty living elsewhere in Alaska and one living outside the state.

Indirect Impacts of Chukchi Campus

The economic impact estimates below are based on a widely used input/output model, IMPLAN, which estimates multipliers for determining the effects of employment and payroll on regional and statewide economies. There are three types of economic impacts related to Chukchi spending and employment:

- € Direct impacts: Campus spending on goods, services, student aid and payroll.
- € Indirect impacts: Jobs and income in businesses providing goods and services

Community Value of Chukchi Campus

Chukchi Campus provides a great deal more than employment and incomes in one of the state's most remote regions. The campus is a significant asset to the region because it offers residents hope for a better life through higher education for themselves and their families.

Generally, measuring qualitative impacts is more difficult than measuring quantitative impacts. To illustrate the qualitative impacts of Chukchi, the study team conducted interviews with a variety of local community leaders, gathering their viewpoints on Chukchi's contributions to residents of the region. Interviewees provided heartfelt comments that clearly illustrate the qualitative value of Chukchi. Below is a summary of general themes that emerged from these interviews.

CHUKCHI PROVIDES QUALITY SERVICE TO THE COMMUNITY IN A VARIETY OF WAYS

Many of the interviewees noted that Chukchi helped bring the community and the region together. The campus is known as a major facilitator by being an open, welcoming environment for everyone. They are sensitive to the needs of the students and the community. One interviewee noted "Chukchi reaches out to the region to support students and get them enrolled. They let the communities know what it takes to go to school." Another stated the importance of the facilities Chukchi provides: "The library is important. It is open to everyone, and there is no bookstore in town."

The staff was noted by the interviewees to be helpful and accessible to everyone. As one interviewee stated, "The campus staff and faculty are local and part of the community. They are always willing to help out, regardless of payment. I have never seen Chukchi decline to help someone." Others noted, "It is about caring. You have to care to make a difference, and Chukchi really cares about the people in the region." In addition, "The campus staff bends over backwards to help."

The faculty was praised for being sensitive to the unique needs of village students. As an interviewee cited, "The instructors are really understanding of issues facing village students, such as subsistence, death, etc. College work helps kids focus after tragic events. It gives them something to focus on and not just sit around. The students are treated like adults and that helps them. Even after kids are out of school, they often stay connected with their instructors."

Chukchi also was noted for its support of women in the region. Many women in the area are busy raising families and would not have the opportunity to attend classes if it were not for Chukchi being in the community. As the interviewees stated:

The campus is especially important for women in our region. The campus and distance classes allow women with jobs and families the opportunity to take classes and get degrees. This is so important. There

Overall, the campus is supportive of the community by providing jobs and equipment. As one interviewee

Learning in the village is different; it's more hands-on than in Western cultures. Historically, the idea of higher education was not very important. There are not many job o

The following table lists Chukchi Fall 2008, student communities of origin from Alaska communities outside its service area.

Alaskan Communities of Origin and Student Count, Fall 2008

10 to 15 students

Fairbanks (14), Anchorage (13), Tok (10)

5 to 9 students

Dillingham (9), Juneau (7), Sitka (7), Fort Yukon (6), Bethel (5), Ketchikan (5), Nome (5)

2 to 4 students

North Pole, Hydaburg, Kodiak, Kwethluk, Point Hope, Unalaska, Barrow, Chefornak, Dutch Harbor, Galena, Hooper Bay, Kenai, Kwigillingok, Naknek, Napaskiak, Nuiqsut, Soldotna, Togiak, Tununak, White Mountain, Wrangell

1 student

Anchor Point, Aniak, Chignik Lagoon, Craig, Delta Junction, Eagle, Eielson AFB, Emmonak, Fort Wainwright, Glennallen, Homer, Hoonah, Igiugig, Iliamna, Kalskag, Kipnuk, Kotlik, Koyuk, Little Diomedea, Marshall, McGrath, Napakiak, Nondalton, Nulato, Old Harbor, Palmer, Petersburg, Pilot
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