

*UAF College of Rural and Community Development
Chukchi Campus Impact Study*

Prepared for:
Chukchi Campus



Research-Based Consulting

Juneau
Anchorage

October 2009

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Table of Contents

- Study Summary..... 1**
 - Introduction..... 3
 - Methodology..... 3
- Profile of Campus and Programs..... 4**
 - Chukchi Campus..... 4
 - Chukchi Philosophy 4
 - Course Delivery Academic Programs 6
 - Academic Programs 6
 - Events..... 8
- Student Enrollment 9**
 - Enrollment Trends..... 10
 - Student Enrollment Characteristics and Demographics..... 11
- Chukchi Campus Economic Impacts..... 14**
 - Revenue..... 14
 - Expenditures..... 16
 - Indirect Impacts of Chukchi Campus..... 19
- Community Value of Chukchi Campus..... 20**
- Appendix..... 23**

Chukchi Campus, part of the University of Alaska Fairbank's 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 regions workforce through development of programs and/or courses promoting Nursing, Rural Human Service, Air Pilot Certification, Iñupiaq, Teacher Education, and the Construction Trades Technology. Based on community needs, Chukchi worked closely with partners to develop these programs/courses so that students could earn their certificates and degrees while remaining in the community. The programs have been successful, graduating students qualified to enter the regional workforce.

PROVIDING QUALITY SERVICE TO THE REGION

Chukchi's first priority is to serve its residents and to make sure they get the information and courses that meet their needs. The campus supports them with their applications, communication with institutions, advising, and financial aid applications. One interviewee noted "Chukchi reaches out to the region to support students and get them enrolled."

IMPROVING QUALITY OF LIFE

The impact of residents remaining in their villages after acquiring new skills through Chukchi is difficult to measure but nonetheless, these impacts are significant economically and culturally. In a region where jobs are

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.

Statewide, the direct and indirect impacts of Chukchi campus spending resulted in total estimated economic activity of about \$2.4 million.

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.² 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 technicians. The staff and faculty of Chukchi focus on helping students achieve their goals, whether students are interested in one course, or a baccalaureate degree.

EDUCATING STUDENTS IN THE REGION

Businesses and organizations in the communities want to hire locally but they need people who are trained and have the skills they require. Chukchi trains people for skills the state needs. Certificates and degrees can help residents get jobs in Kotzebue and the villages. However, it is hard for locals to leave the region for academic or vocational training if they have families and/or jobs.

² Alaska Geographic Differential Study, 2009 McDowell Group. <http://www.state.ak.us/local/akpages/ADMIN/GDS/home.shtml>
Section I, pg 3 and Section III pg 31.

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 regions 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 family, which also increases that family's quality of life. This process can affect a significant number of people in a region where the average household size is higher than elsewhere in the state.³

Another example is the level of visibility and role modeling that older students have in their community. Most parents in the region realize the value of an education. They work hard to keep their kids motivated, especially after high school. When parents are students themselves, they are strong role models, not just for their own children, but their children's friends and others in the community. This sense of valuing education then becomes engrained and will be passed on to future generations, resulting in positive long-term impacts.

³ According to the 2000 Census, the average household size statewide was 2.7. In Kotzebue, the average household size is 3.4, while most villages in the region averaged more than 4 per household.

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, Phlebotomy), Licensed Practical Nurse; Paraprofessional, Human Rural Services, Information Technology Specialist, Native Language (Iñupiaq) Education, Tribal Management, Veterinary Science, High Latitude Range Management, Ethno Botany, Environmental Science

Associate of Applied Science – Applied Accounting, Applied Business, Early Childhood Education, Community Health, Registered Nurse, Educator: Paraprofessional, Human Services, Information Technology Specialist, Native Language (Iñupiaq) Education, Renewable Resources, Tribal Management, Veterinary Science

- **Associate of Art** – General
- **Bachelor of Art** – Business Administration, Child Development and Family Studies, Education, Iñupiaq Eskimo, Rural Development, Social Work
- **Masters** – Business Administration, Public Administration, Rural Development

While most of Chukchi offerings are delivered from other campuses around the state, there is significant content delivery of the following program on the Kotzebue campus.

Nursing Programs

As a result of community need and interest, Chukchi developed the ability for local students to obtain a one-year certificate that will qualify them (once they pass a state administrated exam) to become a Licensed Practical Nurse (LPN). Students can then take an additional year in the nursing program and acquire a Registered Nurse (RN) associate degree. Once they pass the state exam, they become licensed RNs.

Kotzebue has experienced a critical shortage of nurses for many years. The remote community has had difficulty recruiting and retaining nurses. According to Chukchi administration, the campus supported Maniilaq's decision to train its own nurses under the assumption that if it could train locals for the positions, the nurses would be more likely to stay in the community.

In 2000, Chukchi secured a grant to add about 1,300 square feet of laboratory space to the campus. The \$1.3 million addition included open lab space, nursing beds, and video conferencing capabilities. To facilitate nursing students' ability to participate in these programs, the campus began to periodically offer prerequisite classes that the students would previously have had to travel to Anchorage or Fairbanks to take (chemistry, microbiology, and medical terminology for example). For these special offerings, the campus brought outside instructors to Kotzebue to instruct students during all week intensive courses. This allows the nursing students to remain in the community and to continue with their employment. The program has been very successful and has supported the graduation of five LPNs and three RNs, all of whom have remained working in Kotzebue.

Construction Trades Technology

An example of a successful partnership is Chukchi's relationship with Alaska Technical Center's (ATC) Construction Trades Technology program (CTT). Chukchi campus wrote the grant with their partners, identified qualified instructors and approved courses for university credit. ATC hires the instructors, provides classrooms, shops, and dormitory housing for students.

The program has graduated 26 students in the last three years. Graduates have the opportunity to become certified in electrical and plumbing. In 2009, 11 graduates will be working for these advanced certificates. Once they acquire the advanced certificate, (and 8,000 apprenticeship work hours) they can become certified as journeymen, and qualify to work anywhere in the United States. About half of students in the CTT program are from Kotzebue and half from villages in the region.

Aviation Program

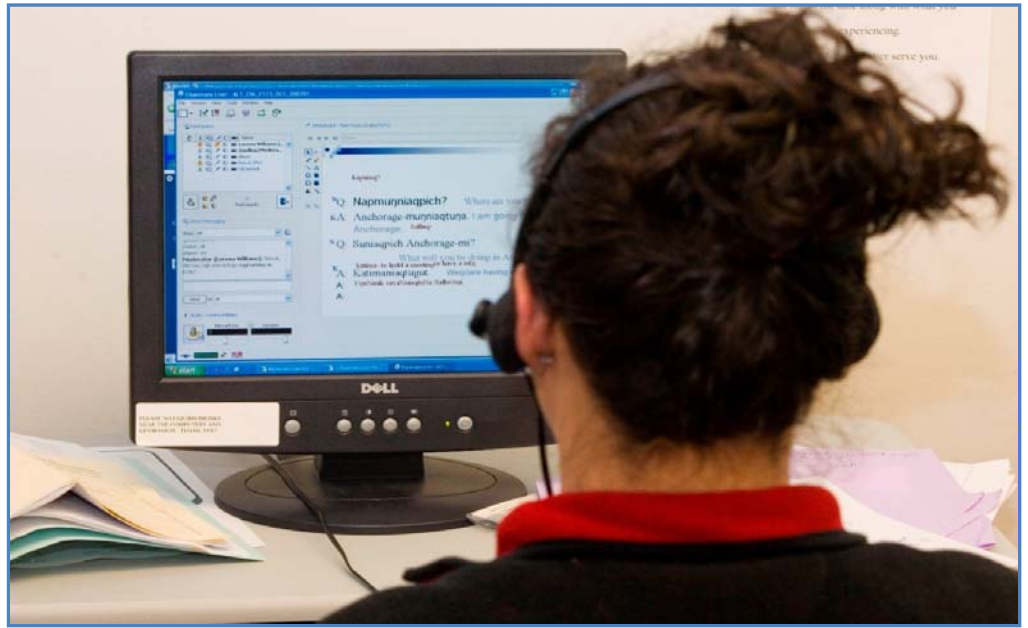
The campus is in the process of setting up a unique program to help train pilots. Chukchi recently acquired an advanced flight simulator, which can train seven to eight students each semester. With the assistance of a certified instructor, students can log approximately 15 hours of flight-time using this simulator. They will still need to leave the community to receive further flight training, but the simulator will help them in preparing to obtain a pilot's license.

Veterinary Science Program

Currently, no permanent veterinarians work in the NANA region. Through a partnership with UAF Interior-Aleutians Campus (IAC), Chukchi and IAC have developed certificate and AAS degree programs in Veterinary Science. The programs are in the beginning stages of implementation for Chukchi.

Iñupiaq

Many Alaska Native languages are at risk of extinction, according to the Alaska Native Language Center at UAF. In the past, Chukchi recruited school district staff to teach Iñupiaq language classes to the public in Kotzebue. Eventually the program faded away. In 2005, Chukchi hired an Iñupiaq coordinator to revive the program. Chukchi,



in partnership with NANA Iñupiaq Language Commission and the Native Village of Kotzebue Iñupiaq Immersion Program, has recently begun offering introductory Iñupiaq courses via live internet software. In 2007, NANA partnered with Rosetta Stone, the leading language learning company, to produce an interactive Iñupiaq CD-ROM in the coastal dialect. Chukchi now offers an Iñupiaq class using the Rosetta Stone CD.

Events

Chukchi campus hosts many community meetings and other events such as:

- NWAB Borough's Broadband Task Force meetings (ongoing).
- Iñupiaq Language and Maori Language and Culture Conference (summer of 2008).
- In 2008, Chukchi provided space for negotiations between the Red Dog Mine, NANA, and a local village. The campus was able to provide a central space where all groups could meet in a neutral setting, as well as, three small group conference spaces with much needed DSL internet and phone line access.
- Praxis, a qualifying examination for teachers, is offered several times a year, allowing teachers to maintain and quality for their certifications without the necessity, time and expense, of leaving the community.

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 students are enrolled in degree programs based in Fairbanks or Anchorage, but complete general requirements at Chukchi. Nearly all of Chukchi students who receive degrees enroll in programs housed at other UA campuses. Student enrollment at Chukchi is measured in two ways: headcount and student credit hours (SCH). Headcount measures the unduplicated number of students enrolled in any number of classes, while SCH accounts for the number of course credits each student is taking. For example, 10 students taking one three-credit course each is reflected by a headcount of 10 and total SCH of 30. Ten students taking 12 credits each (full-time) is reflected by a headcount of 10 and total SCH of 120. Within the higher education arena, SCH is considered the more accurate measure of a school's production and is more closely associated with its revenue stream. Both measures will be presented in the following sections.

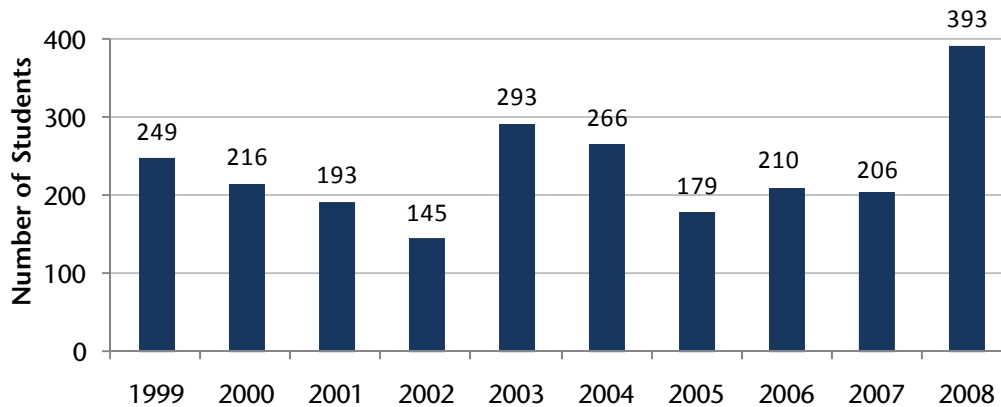
Regional Market Penetration

One measure of the effectiveness of Chukchi's ability to attract students is its regional market penetration rate. Market penetration rate is calculated by dividing the number of adults (age 18 and older) in the campus service area by the number of annual unduplicated students.⁴ The Chukchi market penetration rate for the 2009 academic year (Summer 2008, Fall 2008 and Spring 2009) was 8 percent. It is significant that the small rural campus can annually attract more than one out of 10 adults in the region.

⁴ The most recent population estimates (by age) for these communities are from the 2000 Census.

Enrollment Trends

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



Source: UA Statewide Planning and Budget, UA in Review, 2009.

While student enrollment at Chukchi has fluctuated over the past decade, Fall 2008 saw a significant increase in student counts and credit hours. During Fall 2008, Chukchi achieved a campus record enrollment of 393 students, who were registered for nearly 1,500 SCH. The headcount increased 90 percent from 2007. Fall 2008 SCH was double the long-term campus average (1990-2008) of 740 SCH for the fall semesters.

Table 1.
Student Enrollment Trends, Fall 2004 – Fall 2008

Year	Count	Student Credit Hours
2004	266	986
2005	179	764
2006	210	929
2007	206	980
2008	393	1,489

Source: UA Statewide Planning and Budget, UA in Review, 2009

Campus administration attributes much of this increase to enrollment in classes taught by affiliate faculty at the Northwest Arctic Borough School District (NWABSD). An affiliate faculty is defined as a professional who has been approved to teach university level courses for credit. Unlike adjunct faculty, an affiliate's wages and benefits are paid for by a third party, in this case the NWABSD. The NWABSD classes are primarily for training teachers to meet the challenges of the federal No Child Left Behind federal requirements. These classes also contribute to the courses teachers need for recertification. In past years, NWABSD had worked with private universities in Anchorage and out of state to provide the affiliate accreditation.

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.

Table 2
Student Enrollment Characteristics, Fall 2008

	Count	% of Total
For-credit enrollment		
Part-time	327	83%
Full-time	66	17
Degree-seeking*	125	32
Non-degree seeking	268	68
Total enrollment in for-credit classes	393	100%
Total enrollment in non-credit classes**	31	

Source Data Supplied via UA Information Systems: Banner SI closing extracts, Fall 2008 and from UA in Review, 2009.

*Degree-seeking status is determined at the UA statewide level; the students counted as degree-seeking are enrolled at Chukchi but may be degree-seeking at any of the three MAUs (UAF, UAA, UAS).

**Non-credit head count is an unduplicated head count of all students taking one or more noncredit courses.

Student Demographics

STUDENT ORIGIN

In Fall 2008, 96 percent of Chukchi students originated from within the state of Alaska; 61 percent were from within the Chukchi service area. Approximately 44 percent of students originated from other areas of the state, including Fairbanks, Anchorage and Juneau.

Table 3
Enrolled Student Origin*, Fall 2008

	Enrollment	% of Total Enrollment
In-state enrollment		
Chukchi Campus Service Area	206	52%
Other Alaska communities	172	44
Total in-state enrollment	378	96%
Other U.S. states	14	4
International	1	<1
Total enrollment	393	100%

Source: Data Supplied via UA Information Systems: Banner SI closing extracts, Fall 2008.

*Origin was self-reported by students and describes where students are from rather than where they reside.

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 available in the appendix of this report.

Table 4
Communities of Origin and Student Count within Service Area, Fall 2008

	Student Count	% of All Chukchi Enrolled Students
Kotzebue	83	21%
Noorvik	19	5
Selawik	19	5
Buckland	17	4
Noatak	16	4
Kiana	12	3
Ambler	11	3
Kivalina	11	3
Shungnak	8	2
Kobuk	5	1
Deering	5	1
Total in service area	206	52%

Source: Data supplied via UA Information Systems: Banner SI closing extracts, Fall 2008
Origin was self-reported by students and describes where students are from rather than where they reside.

⁵ Based on Alaska Department of Labor and Workforce Development 2008, population estimates.

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 student and the highest average age of any UA system campus. Twenty-nine percent of students were older than 50.

Seven of 10 enrolled students were female. Alaska Native students made up roughly half of the population. Forty-two percent identified themselves as white.

Table 5
Student Demographics, Fall 2008

	Count	% of Total
Gender		
Female	273	69%
Male	120	31
Ethnicity		
White	166	42%
Alaska Native	176	45
Other	15	4
Not reported	36	9
Average age		41 years old

Source: UA Statewide Planning and Budget, UA in Review, 2009.

GRADUATES

Chukchi has officially graduated between 3 and 14 students taking Chukchi programs annually between 1999 and 2008. During that 10-year period, Chukchi awarded 50 certificates, 13 Associate degrees and eight Baccalaureate degrees. In FY 2008, the campus officially awarded one Associate degree, two certificates.

Chukchi students who are enrolled in programs from other campuses (the majority of enrolled students) are not officially counted as Chukchi graduates. However, after receiving years of support and services (advising, help with financial aid, exam proctoring, tutoring, and the use of campus audio, video, internet, fax, and printing services) students often feel more a part of the Chukchi campus community than a distant campus. In FY 2008, Chukchi celebrated the award of three Associates degrees, six certificates and one Baccalaureate degree to local Chukchi students.

Table 8
Degrees and Certificates Awarded, FY 2008

Associate	1
Certificate	2
Total	3

Source: College of Rural and Community Development

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

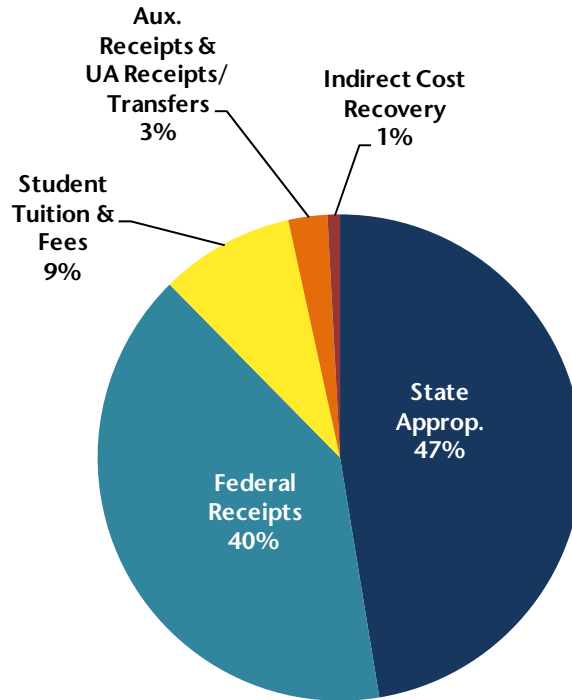
Funding for Chukchi comes from a number of sources, including the State of Alaska's general fund, student tuition, and federal receipts. The following table details Chukchi revenue sources and funding amounts for FY 2007 and FY 2008. Total revenue for Chukchi increased 4 percent from \$1.72 million in 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	-	-
Restricted		
Federal receipts	\$707,700	\$719,600
Auxiliary receipts	5,800	6,700
Total revenue	\$1,719,200	\$1,789,400

Source: UA Statewide Planning and Budget, Unit Level Report, 2009. Figures have been rounded.

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.

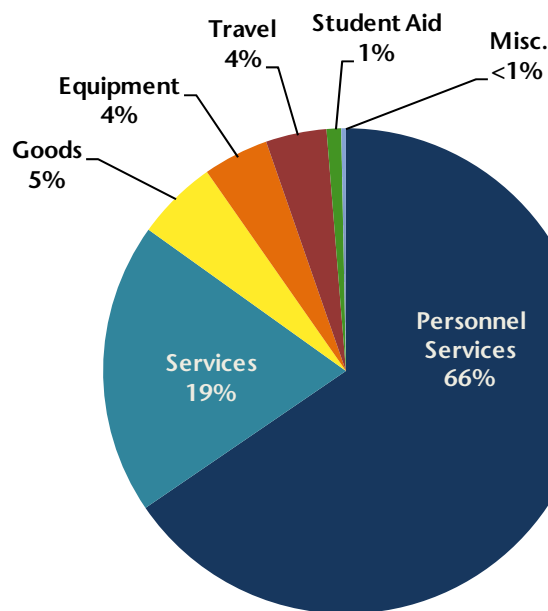
Table 7
Expenditures, by Type, FY 2008

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 services and 8 percent on goods.

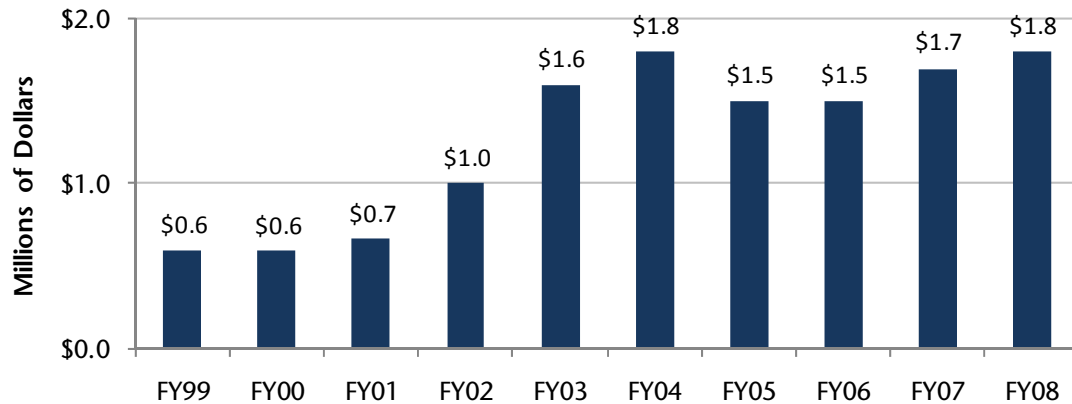
Figure 3.
Expenditures, by Percentage of Spending, FY 2008



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 made to ATC in support of an instructor for the Construction Trades Technology program, and \$75,000 was paid to NANA to support resource technicians in 10 villages. Roughly 50 percent of the ATC expenditure was for payroll and most of the NANA payment was spent on payroll.

About 70 percent of all Chukchi nonpersonnel expenditures were made within the state of Alaska. In FY 2008, 64 percent of Chukchi nonpersonnel spending was distributed among more than 30 Kotzebue businesses and entities.

Employment and Payroll

EMPLOYMENT AND PAYROLL

Based on average annual employment, Chukchi was one of Kotzebue's top 10 employers in 2007 (the last year comparative results are available). Chukchi is a significant contributor to payroll and benefit expenditures in the Northwest Arctic Borough. Employment during the Fall 2007 and Spring 2008 semesters averaged about 20 to 22 people. Typical staff levels are illustrated in the table below. In Fall 2008, the campus employed two regular faculty and six regular staff, as well as 10 adjunct faculty, and three temporary staff. When the full academic year is considered (winter break and summer staffing employment is substantially lower), annual average employment at Chukchi is about 18 people.

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 to the campus. For example, vendors who conduct business with Chukchi in turn buy fuel and other supplies, rent office space, and purchase services from other local providers in support of their day-to-day business operations. This spending creates additional jobs and income in the region (and statewide).
- **Induced impacts:** Jobs and income created as a result of campus employees spending their payroll dollars in the local economy (these are sometimes termed “induced” impacts).

Indirect and induced economic impacts, often described as multiplier effects, are important components of the overall economic impact of the Chukchi. In general, however, multiplier effects for Alaska are limited, especially for rural areas, as few goods are actually produced in the state.

Indirect Impacts

In addition to campus faculty and staff of about 20 to 22 people, Chukchi’s direct spending provided for one full-time instructor at ATC and helped pay for 10 part-time NANA resource technicians in the villages.

The indirect and induced impacts of Chukchi spending created additional jobs within the region and statewide. It is difficult, however, to estimate the number of additional jobs created. The study team estimates that perhaps four to eight additional jobs were created in the NWAB and an additional three to five statewide.

Chukchi’s FY 2008 total direct spending of \$1.6 million within the NWAB resulted in estimated total economic activity of about \$1.65 million in the Borough. Statewide spending by the campus (including NWAB) of \$1.63 million resulted in estimated total economic activity of nearly \$2.4 million statewide in FY 2008.

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 have been several women in prominent management positions at NANA, Maniliq, and other organizations that have taken classes and acquired degrees through Chukchi.

I saw these moms who worked hard all day and had kids at home, taking classes at night, trying hard to better themselves. It made an impression on me. Now some of these women run major businesses in the community.

Overall, the campus is supportive of the community by providing jobs and equipment. As one interviewee stated, "Chukchi has been very supportive. They donate used equipment and provide meeting space. They have community involvement with elders and youth in classes." Another interviewee said "The campus hires locally if they can."

CONTINUUM OF EDUCATION IN THE COMMUNITY

Chukchi is the sole provider of higher post-secondary education in The NWAB. Chukchi allows people to continue their education (whether academic or vocational) while staying in their hometown. Many of the students utilize distance education available through Chukchi, the UA system, and other rural campuses. As the interviewees stated:

I believe strongly in the distance education program. I earned a B.A. through distance education while living in different rural areas around the state.

Chukchi is important because they are the only option for post-secondary education in the NWAB area.

It would be a sad day if Chukchi were not here. They are a conduit for people in the region to take classes via distance from all around the state.

With Chukchi in the region, it allows many people to attend school when otherwise they might not have been able to. One mother went back to school while raising her family and she inspired her children to continue their education after high school. She was told by her children, "Mom you were a role model, working, raising a family, and going to school."

Residents appreciate the ability to continue their education at Chukchi while living at home. For many, further education would not have been possible because of the cost of leaving the community. As interviewees noted:

It is expensive for people to leave the villages and go to school.

Distance learning allows them to stay home and take classes. With distance classes, they can work with students from around the state and the cost is economical.

It makes such a [financial] difference for residents to train in the region and not have to leave their family and friends.

If we lost Chukchi, we would lose educational opportunities for adults and kids. Kids would have to go away if they wanted to get an education. They would have to go to one of the big campuses.

The interviewees mentioned how important Chukchi was for high school students in the area. Many students in the area do not have educational or careers goals after high school. With Chukchi readily available, it allows high school graduates a place to continue their education and gives them a purpose, whether it is to continue school or train for a job. As the interviewees mentioned:

Once kids are out of high school there is a lack of "connectedness" with the world. If kids can stay in their village after high school and take a few classes successfully, this can be a big confidence builder.

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 opportunities in the villages and many kids just sit around after high school.

These kids are hands-on learners. After they get out of high school, they are unsure what to do. Higher education is not always something they see as practical.

Chukchi's strengths are in their programs. They care about local culture. There are very few jobs in some of these villages and if you are not related to someone, you won't get particular jobs. 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.

IMPROVING QUALITY OF LIFE

Chukchi helps improve the quality of life in the region by offering a place of higher education, which helps build confidence and allows students to find jobs or earn higher wages. As an interviewee noted, "Classes at Chukchi help a lot of people move forward. I thought it would be hard taking distance classes. But for the rural development classes, everyone draws on their knowledge from the remote areas and they can share these experiences."

By having educated communities and workforces, "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."

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 Point, Pilot Station, Port Heiden, Quinhagak, Saint Michael, Saint Paul Island, Scammon Bay, Skagway, Tanacross, Taylor, Upper Kalskag, Valdez, Venetie, Wasilla, Yakutat

Source: Data Supplied via UA Information Systems: Banner SI closing extracts, Fall 2008.

*Origin was self-reported by students and describes where students are from rather than where they reside.