

University of Alaska
Preliminary Performance Evaluation
September 2009

This document provides an overview of recent performance and future expectations for key measures. The information presented here will be updated based on comprehensive MAU performance evaluations due September 15th, discussions at the fall financial and performance reviews in October, and feedback from the Governor's Office of Management and Budget (OMB). Initial UA performance evaluations are due to OMB mid-September, with later refinements made to reflect the Board of Regents' approved FY11 budget request and the Governor's proposed FY11 budget. Updated information will be presented for discussion at the October 30th Board of Regents' meeting.

UA's performance evaluation process, in place since FY04, is the mechanism used to communicate, drive and measure resource alignment and progress toward meeting the Board of Regents' strategic goals. Performance impacts are a key consideration in the development of budget request and distribution recommendations, and the long-range fiscal and performance plan. The university currently utilizes six common, system wide performance measures, referred to as "End Results" by the State of Alaska, including: high demand job area program awards, student retention, student credit hour enrollment, non-credit instruction, grant-funded research expenditures, and university generated revenue.

As part of the annual budget request cycle, each MAU submits an in-depth assessment of recent performance, in the context of UA and MAU mission, strategies, and established expectations. In addition, each MAU proposes and/or updates the targets and goals for the upcoming five-year period. The president and each chancellor agree on appropriate targets and goals for each MAU. Throughout the year MAUs monitor the impact of implemented strategies and operating condition changes on performance and adjust strategies as needed to meet, or understand the difference between results and targets.

Each MAU controls the distribution of its performance funding pool, to be used in support of performance-related strategies. One percent of general funds is the expected funding pool size, although annual circumstances dictate the amount chosen by the MAU for internal reallocation. These performance funds are allocated to appropriate strategic investments and reported as part of the overall performance and accountability process.

Recent performance trends as well as future targets and goals for UA's common, system wide performance measures are provided the table starting on page 2, followed by a brief discussion of each measure.

Table 1. University of Alaska Performance Results, Targets and Goals, FY06 - FY15

Future year targets and goals will be updated based on discussion of MAU performance evaluations due September 15, 2009. Updates will reflect the impact of the FY10 budget distributions and the assumption of full funding for UA's proposed FY11 operating and capital budget requests.

	FY06	FY07	FY08	FY09	FY09	FY10	FY11	FY12	FY13	FY14	FY15	Average Annual % Change, FY10 - FY15
	Actuals	Actuals	Actuals	Actuals	Targets	Targets	Targets	Goals	Goals	Goals	Goals	
High Demand Job Graduates												
UAA	1,358	1,555	1,535	1,554	1,646	1,728	1,815	1,905	2,001	2,091	2,164	5.7%
UAF	727	741	731	646	760	790	820	850	880	910	942	6.7%
UAS	198	205	259	236	265	278	289	301	312	331	343	6.5%
Health	671	721	764	701	790	830	872	915	961	1,003	1,038	6.9%
Baccalaureate Engineering	85	72	81	94	110	120	150	200	200	200	200	14.3%
High Demand Job Graduates	2,283	2,501	2,525	2,436	2,671	2,796	2,924	3,056	3,193	3,332	3,449	6.0%
Percent Change from Prior Year	9.2%	9.5%	1.0%	-3.5%	5.8%	14.8%	4.6%	4.5%	4.5%	4.4%	3.5%	

Note: To provide a valid trend comparison, historical information is adjusted to reflect the programs currently classified as High Demand.

	FY07	FY08	FY09	FY10	FY10	FY11	FY12	FY13	FY14	FY15	Average Annual % Change, FY10 - FY15
	Actuals	Actuals	Actuals	Estimate*	Targets	Targets	Goals	Goals	Goals	Goals	
First-Time, Full-Time Undergraduate Retention											
UAA	67.6%	66.7%	68.7%	70.0%	68.0%	68.0%	68.0%	68.0%	68.0%	68.1%	-0.2%
UAF	65.7%	63.9%	66.0%	63.0%	67.0%	68.0%	69.0%	70.0%	71.0%	71.0%	1.2%
UAS	57.5%	51.8%	53.7%	57.0%	55.0%	57.0%	59.0%	61.0%	63.0%	63.0%	2.7%
Baccalaureate Degree Seekers	73.0%	71.6%	73.6%	74.0%	74.4%	75.6%	76.7%	77.8%	77.8%	77.8%	0.9%
Baccalaureate UA Scholars	79.6%	83.0%	85.2%	86.0%	86.5%	87.0%	87.2%	87.5%	87.9%	88.0%	0.5%
Retention	66.1%	64.6%	67.2%	67.0%	67.7%	68.1%	68.6%	69.0%	69.1%	69.4%	0.5%
Percent Change from Prior Year	3.3%	-2.3%	4.0%	-0.3%	0.7%	0.7%	0.7%	0.7%	0.0%	0.5%	

* Figures as of August 28, 2009; these will increase through the fall 2009 opening extract. FY10 retention is the proportion of fall 2008 first-time, full-time freshmen who returned in fall 2009. FY06 Retention rates were UAA 64.4%, UAF 63.4%, UAS 66.0%, Bacc. 69.7%, Bacc. UA Scholars 79.2%, UA 64.0%.

	FY06	FY07	FY08	FY09	FY09	FY10	FY11	FY12	FY13	FY14	FY15	Average Annual % Change, FY10 - FY15
	Actuals	Actuals	Actuals	Actuals	Targets	Targets	Targets	Goals	Goals	Goals	Goals	
Student Credit Hours Attempted (Thousands)												
UAA	336	339	340	344	344	347	349	352	354	358	359	0.7%
UAF	169	171	172	174	175	178	179	181	183	185	186	1.2%
UAS	52	49	47	49	48	49	51	52	54	56	56	2.4%
SCH Attempted	558	559	559	566	567	574	579	585	591	598	601	1.0%
Percent Change from Prior Year	0.3%	0.2%	0.0%	1.3%	1.4%	1.3%	0.8%	1.1%	1.0%	1.2%	0.5%	

Note: Figures include year-long courses.

**Table 1. University of Alaska Performance Results, Targets and Goals, FY06 - FY15,
Continued**

Future year targets and goals will be updated based on discussion of MAU performance evaluations due September 15, 2009. Updates will reflect the impact of the FY10 budget distributions and the assumption of full funding for UA's proposed FY11 operating and capital budget requests.

	FY09 Baseline	FY10 Targets	FY11 Targets	FY12 Goals	FY13 Goals	FY14 Goals	FY15 Goals	Average Annual % Change, FY10 - FY15
Non-Credit Instructional Activity								
UAA	6,537							
UAF	2,732							
UAS	1,604							
Non-Credit Instructional Activity	10,873							

Note: This is the first year MAUs will report non-credit instructional activity, and MAUs have indicated that additional data entry refinements are in progress. Future year targets and goals will be provided in the FY09 performance reports submitted by the MAUs in September, 2009

	FY06 Actuals	FY07 Actuals	FY08 Actuals	FY09 Actuals	FY09 Targets	FY10 Targets	FY11 Targets	FY12 Goals	FY13 Goals	FY14 Goals	FY15 Goals	Average Annual % Change, FY10 - FY15
Research Expenditures (Million \$)												
UAA	13.7	10.3	8.8	8.1	8.8	9.0	9.0	9.0	9.0	9.0	9.0	1.9%
UAF	114.1	112.9	107.8	106.2	108.6	113.5	116.1	118.8	124.0	127.2	136	4.2%
UAS	0.8	1.2	2.1	1.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-
Research Expenditures	128.6	124.4	118.7	115.8	118.4	123.5	126.1	128.8	134.0	137.2	146.1	4.0%
Percent Change from Prior Year	4.9%	-3.3%	-4.6%	-2.4%	-0.3%	6.6%	2.1%	2.1%	4.0%	4.0%	4.0%	

	FY06 Actuals	FY07 Actuals	FY08 Actuals	FY09 Actuals	FY09 Targets	FY10 Targets	FY11 Targets	FY12 Goals	FY13 Goals	FY14 Goals	FY15 Goals	Average Annual % Change, FY10 - FY15
University Generated Revenue (Million \$)												
UAA	118	122	127	132	135	141	148	156	164	173	181	5.4%
UAF	204	210	211	212	216	225	233	242	253	264	275	4.4%
UAS	20	19	20	19	20	21	21	22	22	23	23	3.0%
SW	22	28	21	18	22	23	24	26	27	28	29	8.6%
University Generated Revenue	364	379	379	381	394	410	427	445	466	487	507	4.9%
Percent Change from Prior Year	7.9%	4.2%	0.1%	0.5%	3.8%	7.7%	4.0%	4.3%	4.6%	4.6%	4.0%	

Performance Measure Highlights

A discussion of FY09 performance for each of the six common, system wide End Result measures follows. For more detail and historical activity on each End Result measure and supporting Strategy performance measures, see: <http://www.alaska.edu/swbir/performance>.

High Demand Job Area Program Degree, Certificate and Endorsement Awards

In FY09, UA awarded nearly 2,440 degrees, certificates and endorsements in programs qualifying students to work in high demand job areas (HDJA). This represents a decrease of about 90 awards (-3.5 percent) from the FY08 level. Observed FY09 performance fell below the FY09 target, which represented a 6 percent increase (150 additional awards) over the FY08 performance level. The university must average a 6 percent annual increase to achieve the existing goal of 3,450 HDJA awards by FY15. Additional context related to recent performance, as well as updated targets and goals will be available in October 2009.

Although growth on this measure is expected to continue, recent performance demonstrates a relative plateau, due in part to some programs reaching capacity. Another factor impacting this measure is the additional time required for many students to successfully complete preparatory math or other coursework in addition to the standard course requirements of each academic program. To maintain the expected level of performance, it will be necessary to continue focusing resources over time.

Undergraduate Retention

The University of Alaska undergraduate retention rate reached an all-time high at 67.2 percent in FY09, an increase of 4 percent (2.6 percentage points) from the FY08 performance level. This level exceeded the FY09 target of 66.4 percent undergraduate retention. Preliminary information for FY10 suggests UA is on track to meeting the FY10 target of 67.7 percent undergraduate retention.

UA must increase undergraduate retention by an average of half a percent each year to meet the existing FY15 performance goal. Additional context related to recent performance, as well as updated targets and goals will be available in October 2009.

Future growth on this performance measure will rely on increased outreach and partnerships with K-12 to better prepare high school students for college. Across the nation and in Alaska, the issue of college and career readiness has become a focal point for higher education. The job landscape has changed such that individuals must be able to succeed at some form of post-secondary education in order to succeed and advance economically. UA will continue to work collaboratively with K-12, employers, and others to address these issues in the short and long-term.

Student Credit Hours

In FY09, UA delivered a total of 566,000 student credit hours (SCH), representing an increase of 7,000 SCH (1.3 percent) from the FY08 level and very nearly meeting the FY09 target increase of 1.4 percent. Significant, steady enrollment gains of 1 percent per year will have to be made to meet the existing

FY15 performance goal. Additional context related to recent performance, as well as updated targets and goals will be available in October 2009.

The University of Alaska is forecasting continued growth on this metric primarily resulting from the current economic situation driving more individuals to post-secondary education. Without corresponding state support, UA will be challenged to meet any dramatic long-term increases in demand. Projected growth is also in anticipation of positive results stemming from UA's strategic investments in student recruitment, student success, workforce development and the addition of new academic programs. Achieving this growth may be a challenge due to external conditions, such as an anticipated decrease in the number of recent Alaska high school graduates over time.

Non-Credit Instructional Unit Production

UA delivered nearly 10,900 non-credit instructional units (NCUs) in FY09. Each MAU will report on NCU baseline performance for the first time this year, and have indicated that additional data entry process refinements are in progress to improve data quality going forward. Additional context related to FY09 performance, as well as future targets and goals for this measure will be available in October 2009.

Grant Funded Research Expenditures

In FY09, UA had \$115.8 million in grant-funded research expenditures, a decrease of \$2.9 million (-2.4 percent) from the FY08 level. Observed performance fell short of the FY09 target, which was to remain essentially level with FY08 grant funded research expenditures. To achieve the current FY15 research focus goal of \$146.1 million, UA would have to increase grant-funded research expenditures by an average annual rate 4 percent. Additional context related to recent performance, as well as updated targets and goals will be available in October 2009.

The University of Alaska is struggling with space constraints, and future growth in research is likely not possible without additional space.

University Generated Revenue

University generated revenue (UGR) reached \$381 million in FY09, an increase of \$2 million (0.5 percent) over the FY08 performance level of \$379 million. This fell short of the FY09 target increase of \$15 million (3.8 percent) from the observed FY08 level. The primary factor impacting performance on this measure was investment losses sustained in FY09. For a number of years the university has been able to rely on investments for interest income, however this was not the case in FY09. Additional context related to recent performance, as well as updated targets and goals will be available in October 2009.

Growth in university generated revenue is expected to be moderate due to modest increases in tuition revenue mitigated by the current financial market crisis, a more competitive federal funding environment, as well as challenges with other major external, temporary funding sources.