



UNIVERSITY
of ALASKA

Many Traditions One Alaska

FY14 Budget Overview

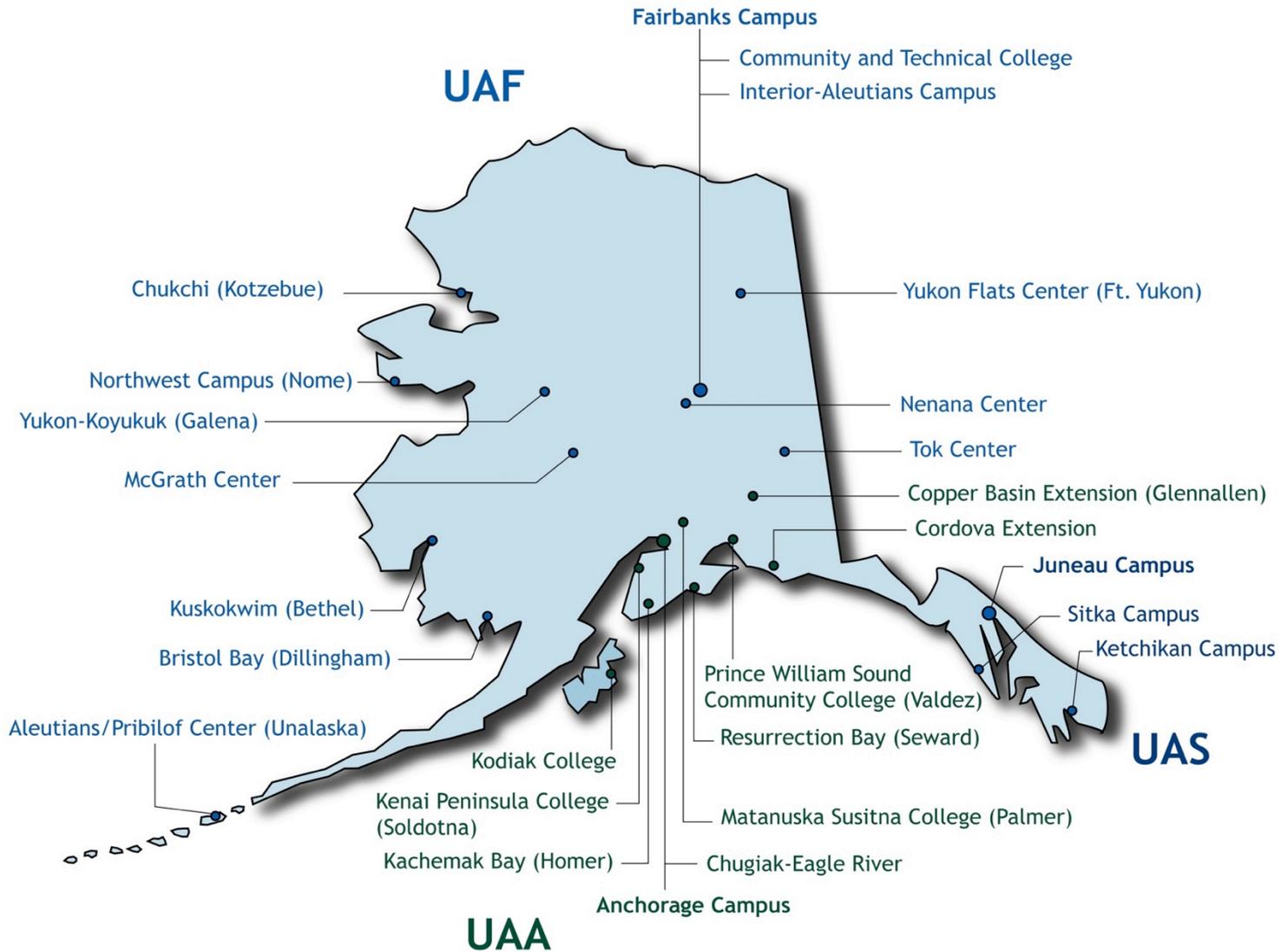
House Finance Committee

January 22, 2013



UNIVERSITY
of ALASKA
Many Traditions One Alaska

Many Traditions, One Alaska



UA's Mission

"The University of Alaska inspires learning, and advances and disseminates knowledge through teaching, research, and public service, emphasizing the North and its diverse peoples."



Who Are We?

- 34,000 students; 15 nationalities
- 3 urban campuses; thirteen community campuses; numerous outreach centers
- More than 500 degrees
- 4,174 graduates (FY12)



Core Competencies

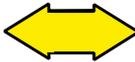
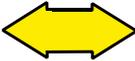
- Higher Education
 - PhD
 - MA/MS
 - BA/BS
 - AA
- Workforce Development
 - Licenses
 - Certificates
 - Skilled labor training
 - Industry partnerships
- Research and Development (R&D)
 - State needs
 - Federal needs
 - International needs
 - Economic needs
- Cultural Priority and Integration
- Community Partners



FY12 Report Card

Performance Review

From FY11

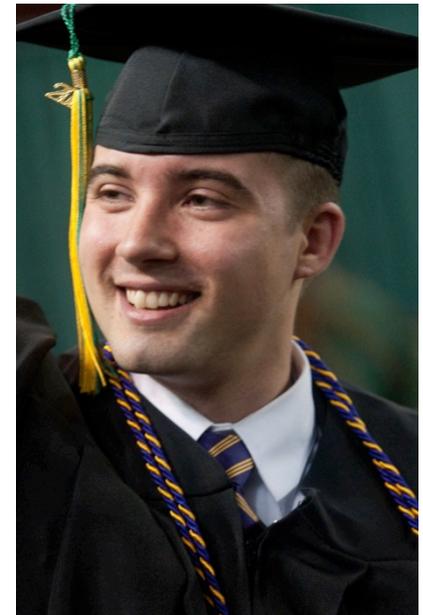
Up 4.8%		Degrees, Certificates and Endorsements	4,174 certificates & degrees awarded
Down 0.2 %		High Demand Job Area Degrees Awarded	2,905 high-demand certificates and degrees
Up 4.4%		Baccalaureate Engineering Degrees	143 engineering degrees awarded
Up 0.3%		Health-Related Awards	788 degrees awarded in health-related fields
Down 3.8%		Grant-Funded Research Expenditures	\$132.7 million
Up 2.5%		Alaska-Related Grant-Funded Research Expenditures	\$103.8 million
Down 0.3%		Non-Credit Instructional Units Delivered	15,498

Challenges

- State funding support – trending down
- Restrictions on internal budget reallocations
- Huge and aging facility complex
- Enrollment – leveling out
- Matching degrees and training to workforce needs
- Health care costs – unsustainable
- Bandwidth limitations – rural student impact

Meeting UA's Challenges – Strategic Direction Initiative (SDI)

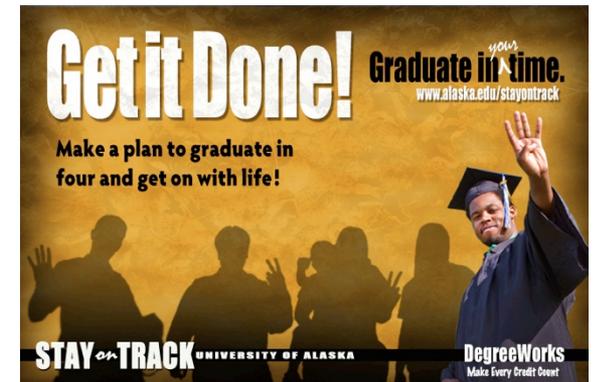
- **Focus on Student Achievement**
- **Asking “Why...?”**
 - Credit transfer – common complaint
 - Student service – “hassle factor” too high
 - Limits to e-Learning – rural impact growing
 - Tuition can't keep up with cost of doing business
- **Placing Emphasis Across UA System**
 - Value
 - Quality
 - Throughput
 - Excellence
 - Attainment
 - 3 critical years
- **Incorporate lessons learned – studies, reports**



Major SDI Initiatives Underway Since Last Year

- **Improved Student Services**

- MAP-Works
- UAS Honors Program
- UAA VetSuccess
- Stay on TRACK
- Educational opportunities in rural Alaska



- **Partnerships K-12**

- School board dialogues with DEED
- Alaska Middle College
- Cordova Campus relocated to Cordova High School

Major SDI Initiatives Underway Since Last Year

- **Public Private Partnerships**
 - UAS Center for Mine Training (CMT) has been established
 - UAF Sustainable Village
 - Dillingham nursing students trained and hired locally
 - FSMI — Fisheries, Seafood, Maritime Initiative
 - P3 Dining Facility
- **Increased Alaska-Related Grant Funded Research**
 - Alaska adapting to changing environments
 - Alaska Native health research
- **Program Review**
 - Common courses
 - Common cut scores

FY14 Budget Request

Supporting SDI Themes

- Student Achievement and Attainment
- Productive Partnerships with Alaska's Schools
- Productive Partnerships with Alaska's Public Entities and Private Industries
- R&D to Sustain Alaska's Communities and Economic Growth
- Accountability to the People of Alaska



Governor's Proposed FY14 Operating Budget

(in thousands of \$)

	State Approp.	Receipt Auth.	Total
Base - FY13 Operating Budget	363,712.8	560,632.7	924,345.5
Adjusted Base Requirements			
<i>Compensation Increases</i>	7,692.1	7,692.1	15,384.2
<i>New Facility/Additions Estimated Operating Costs</i>	2,817.0	346.2	3,163.2
<i>Lease and Debt Service Costs</i>		3,020.0	3,020.0
Subtotal-Adjusted Base Requirements	10,509.1	11,058.3	21,567.4
	2.9%	2.0%	2.3%
Budget Adjustments¹	(19.1)	1,715.0	1,695.9
FY14 Increment	10,490.0	12,773.3	23,263.3
Total FY14 Proposed Operating Budget	374,202.8	573,406.0	947,608.8
% Chg. FY13-FY14 Operating Budget	2.9%	2.3%	2.5%

¹ Budget adjustments: Technical Vocational Education Program Funding (TVEP); Mental Health Trust Authority (MHT/MHTAAR); Capital improvement project receipts (CIP); UA intra-agency receipts (UA-IAR)

Deferred Maintenance

* Bottom Line *

UA seriously needs a programmatic solution to acquiring annual funds for real property maintenance, R&R and DM reduction. Going back to the well each year is clearly not working in the state's best financial interest.

Governor's Proposed FY14 Capital Budget

(in thousands of \$)

	State Approp.	Receipt Auth.	Total
Deferred Maintenance (DM)/Renewal & Repurposing	37,500.0		37,500.0
UAF CCHRC Sustainable Village Phase 2-4		1,300.0	1,300.0
Total FY14 Proposed Capital Budget	37,500.0	1,300.0	38,800.0

Deferred Maintenance



- UA floor space is 40% of ALL state facilities in Alaska
- 400+ buildings/infrastructure
- 6.7 million square feet... and growing
- \$2.6 billion adjusted value
- DM results from a chronic inconsistency to regularly fund O&M and R&R

Federal Agencies Seek Out UA Research

- \$133 million external research funding
- Growing recognition that Alaska should have more involvement in circumpolar research questions and answers
- To be competitive complimentary Alaska funding for research is needed

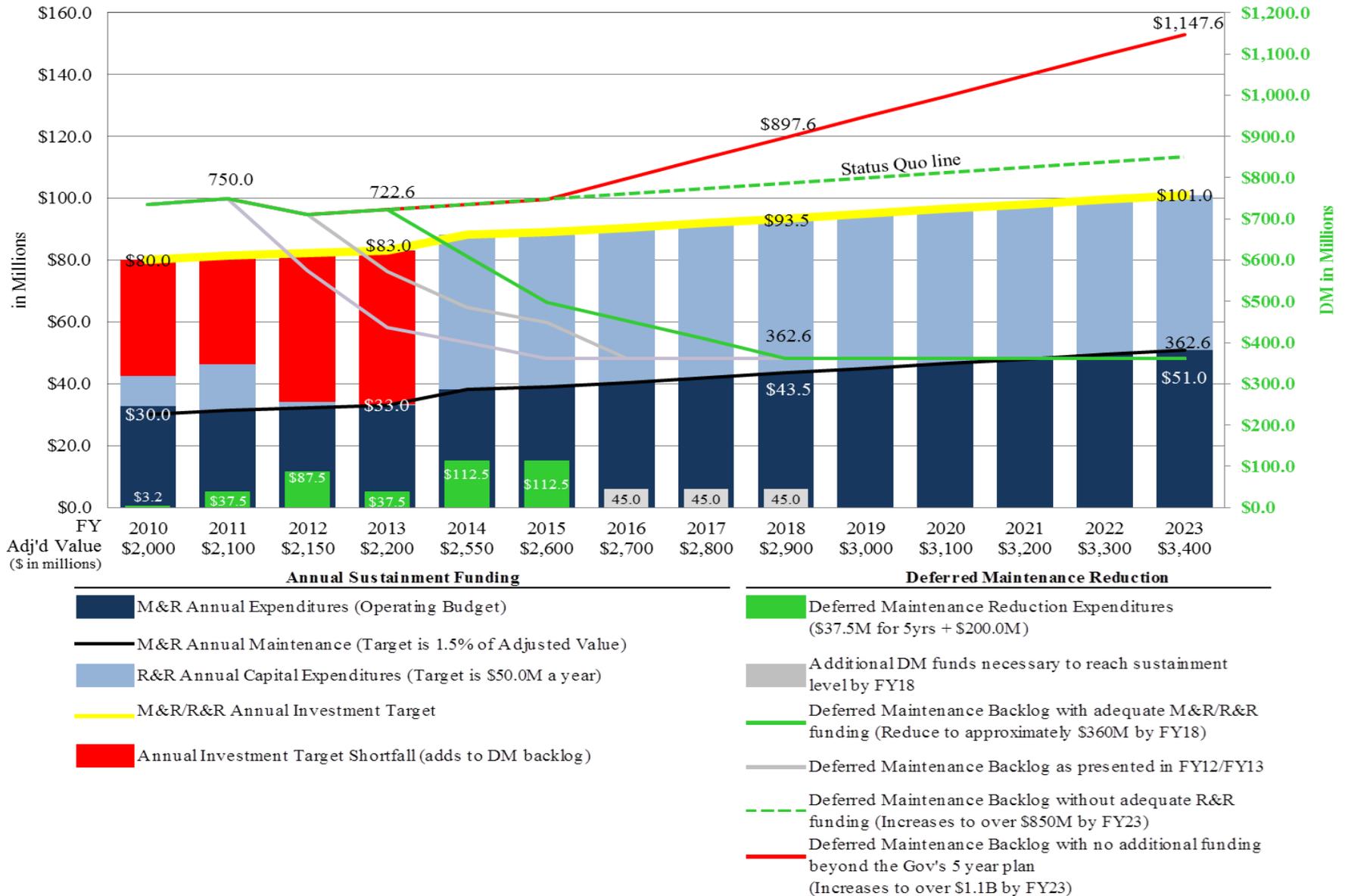


Research – Economic Impacts

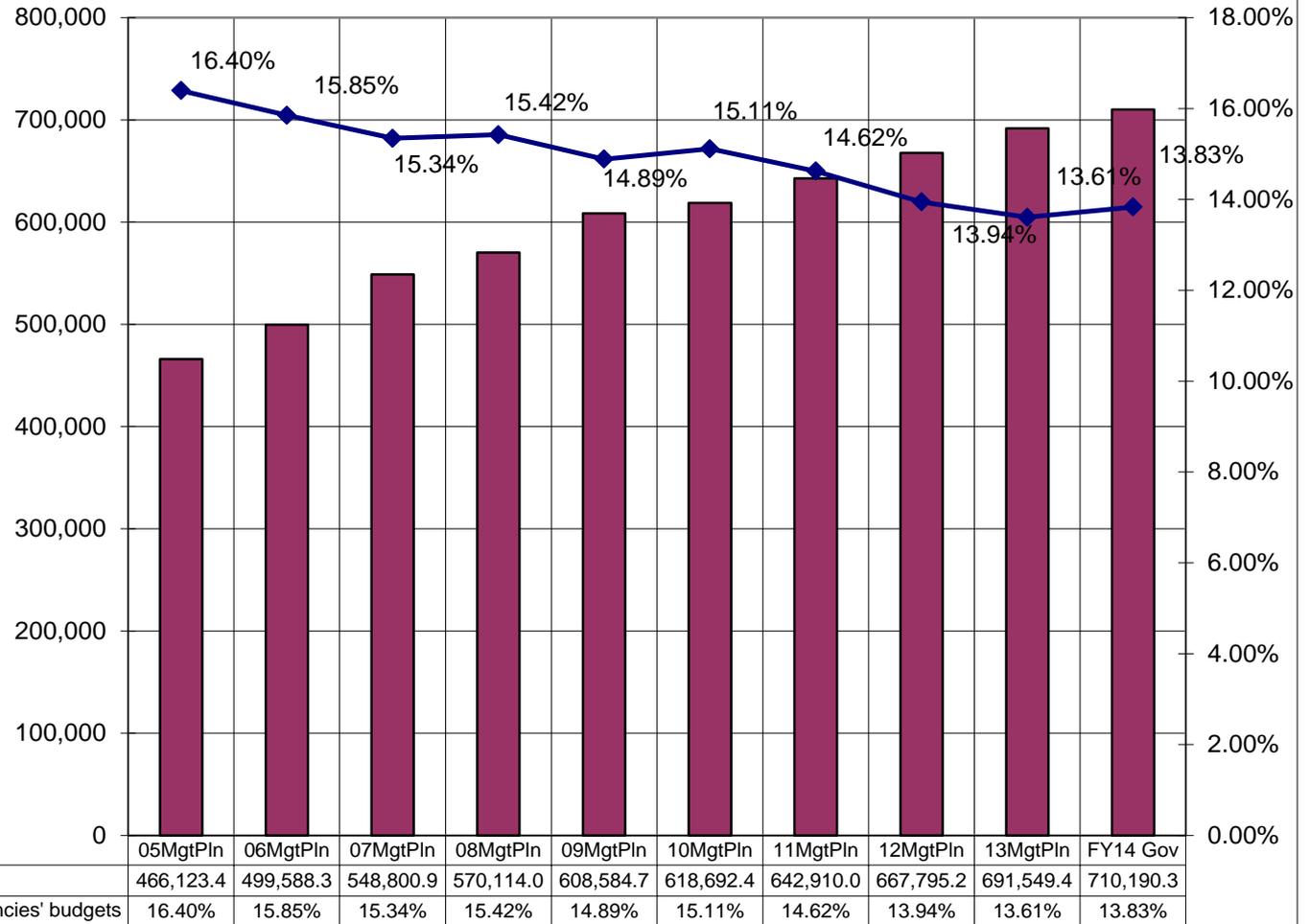


- \$92 M payroll
(50/50 split – UA & private sector)
- Alaska answers to Alaska questions
- Good value – each \$1 invested leveraged to at least \$5

Sustainment Funding Model for UA Facilities



University of Alaska's Share of Total Agency Operations (GF Only) (\$ Thousands)



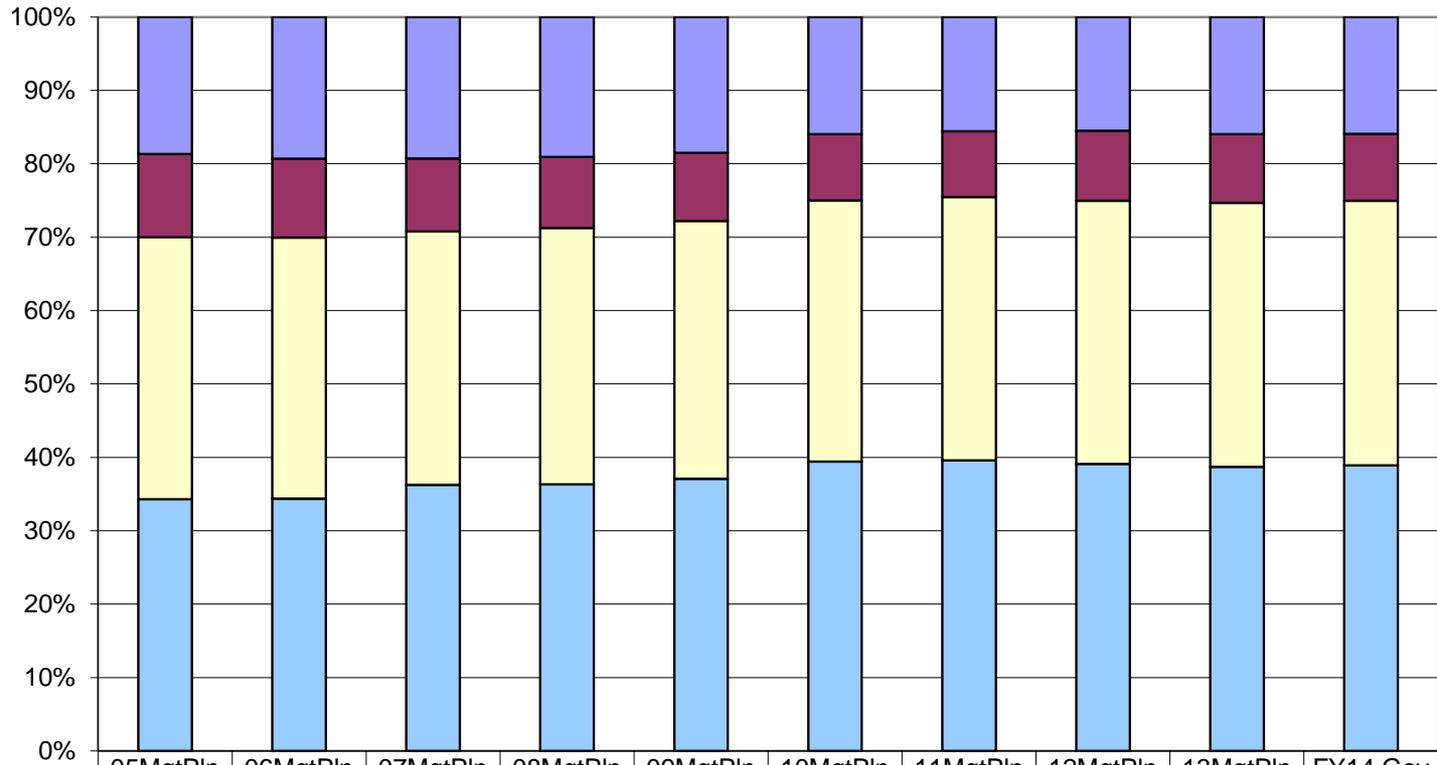
The University's GF budget grew by about \$244 million (52%) between FY05 and the FY14 Governor's Request - an average annual growth rate for that period of 4.8%.

The University's total FY14 GF budget equals \$1,856 per resident worker.*

* According to the Department of Labor, there were 328,611 resident workers in Alaska in 2010.

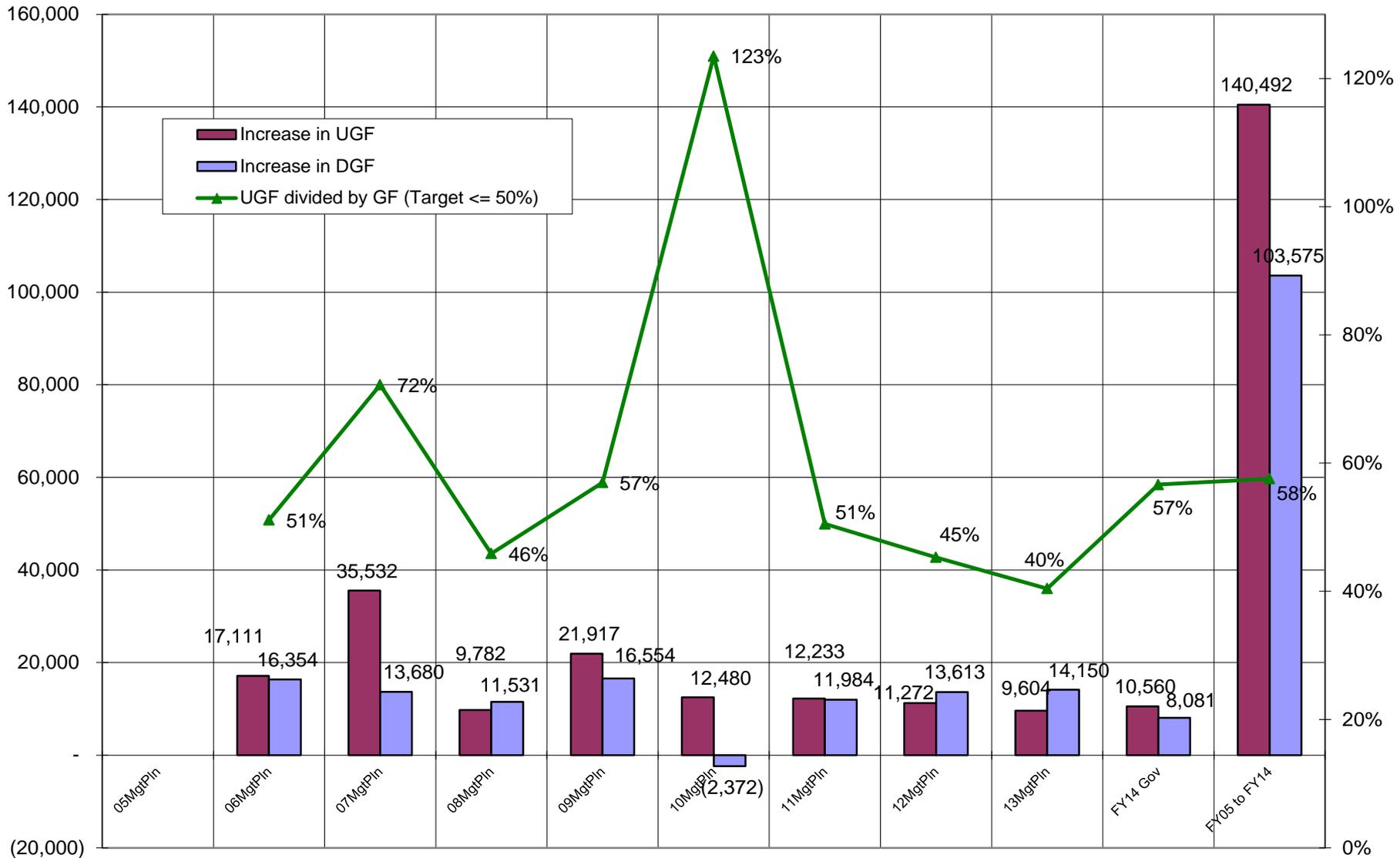
**University of Alaska
Percent of the Total Department's Budget by Fund Group
(All Funds)
(\$ Thousands)**

FY14 Gov Budget:
General Funds (39% UGF and 36% DGF) --Totaling 75%
Other Funds -- 9%
Federal Receipt Authority -- 16%

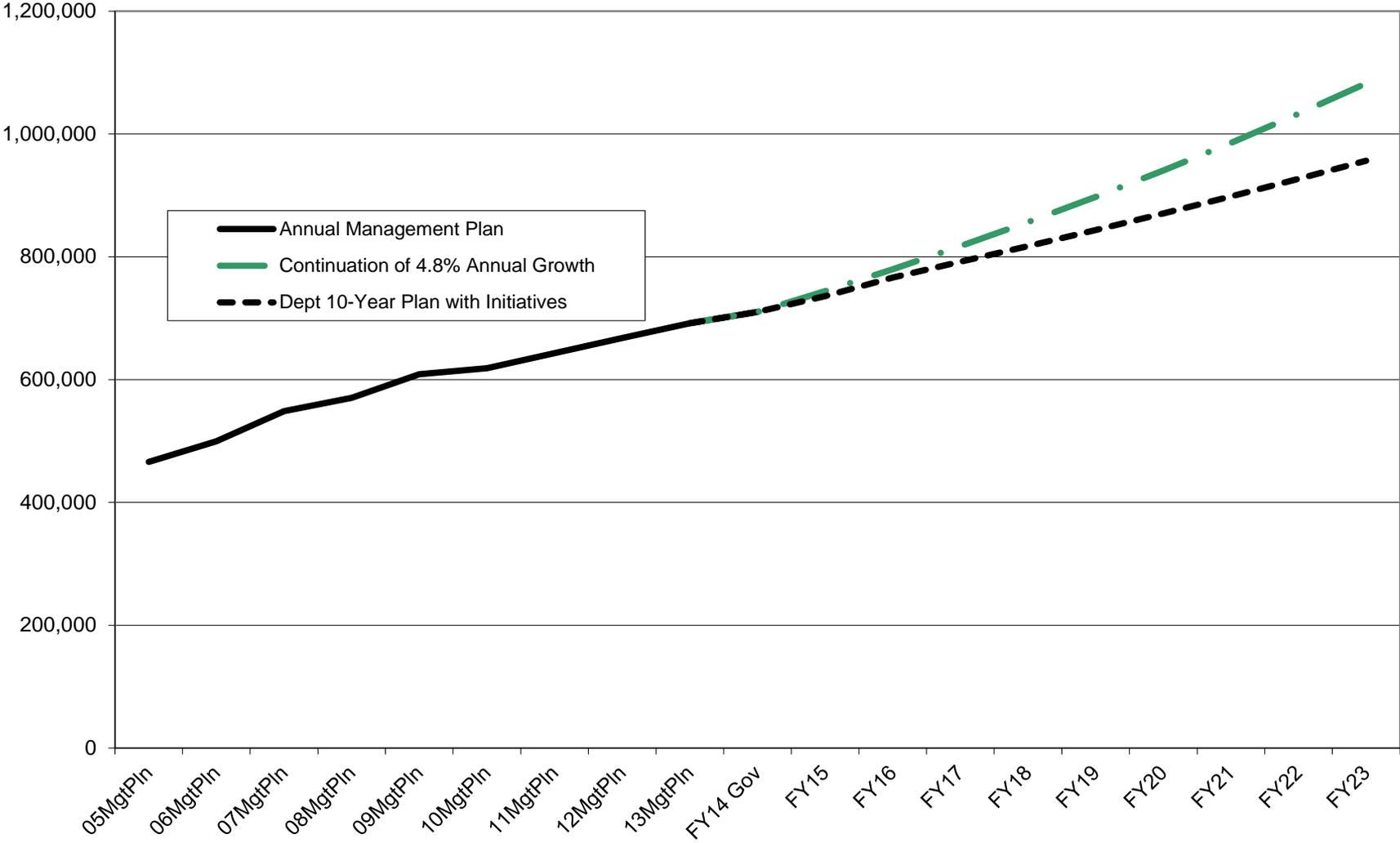


	05MgtPln	06MgtPln	07MgtPln	08MgtPln	09MgtPln	10MgtPln	11MgtPln	12MgtPln	13MgtPln	FY14 Gov
■ Federal Receipts (Fed)	124,362.0	137,797.8	149,524.0	152,660.9	156,076.9	131,558.5	132,798.7	137,953.7	147,944.3	150,852.7
■ Other State Funds (Other)	75,436.2	76,916.2	77,108.2	77,337.6	78,295.1	74,608.0	76,146.0	85,334.3	86,334.3	86,567.8
■ Designated General (DGF)	237,790.2	254,144.6	267,824.9	279,355.7	295,909.2	293,537.4	305,521.6	319,134.7	333,284.7	341,365.5
■ Unrestricted General (UGF)	228,333.2	245,443.7	280,976.0	290,758.3	312,675.5	325,155.0	337,388.4	348,660.5	358,264.7	368,824.8

University of Alaska UGF Increases Compared to DGF Increases (\$ Thousands)



**University of Alaska
Continued Budget Growth Compared to 10-Year Plan
(GF Only)
(\$ Thousands)**



**University of Alaska
Continued Budget Growth Compared to 10-Year Plan
(All Funds)
(\$ Thousands)**

