

University of Alaska

FY15 Budget Overview

House Finance Subcommittee
February 4, 2014

Shaping
Alaska's
Future



UNIVERSITY
of ALASKA

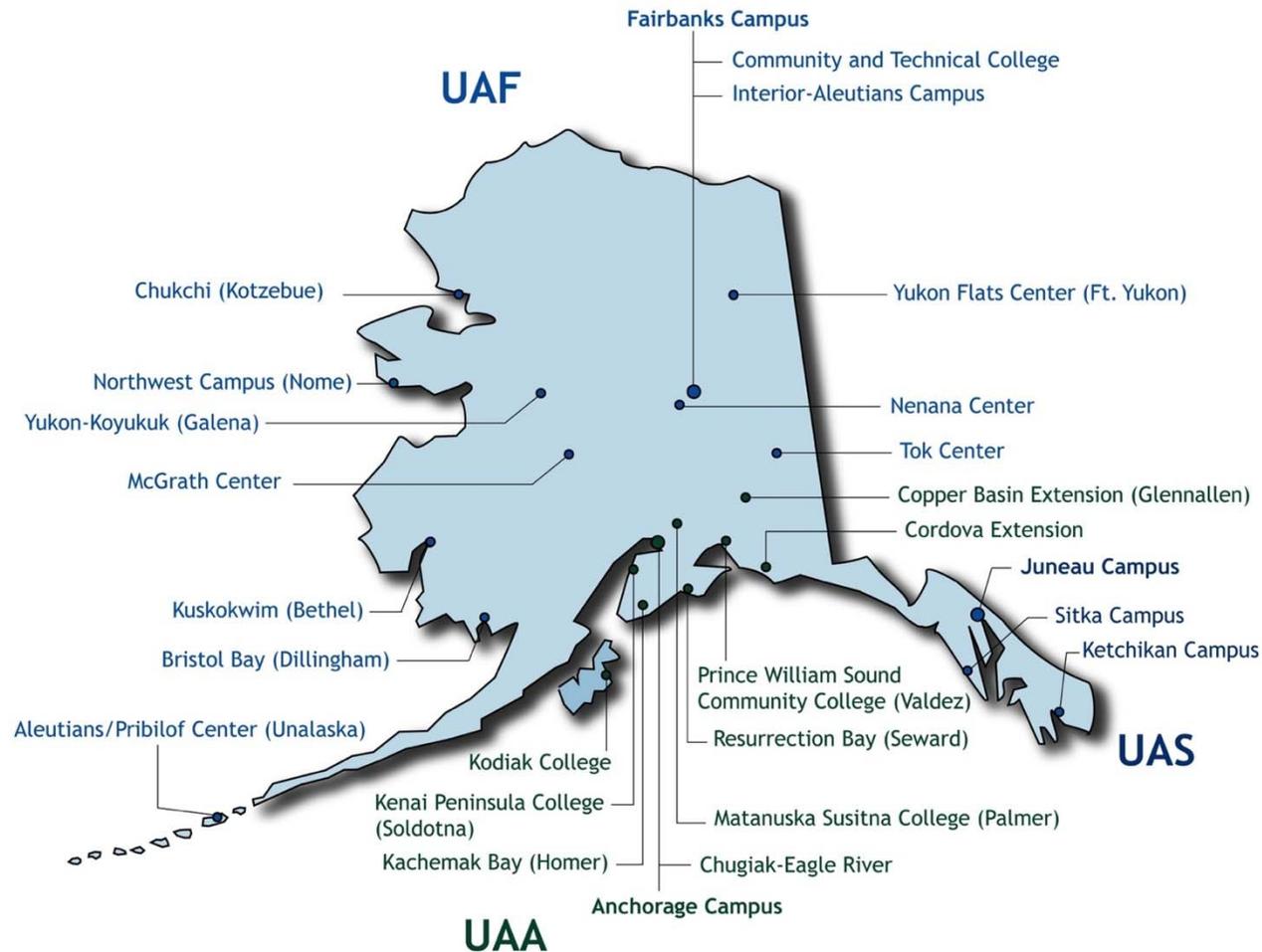
Many Traditions One Alaska

The UA 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.”



Serving All Alaskans



3 universities; 12 community campuses;
numerous outreach centers



Shaping Alaska's Future ...

A major institutional push toward increasing enrollment, retention, and graduation in higher education and workforce development

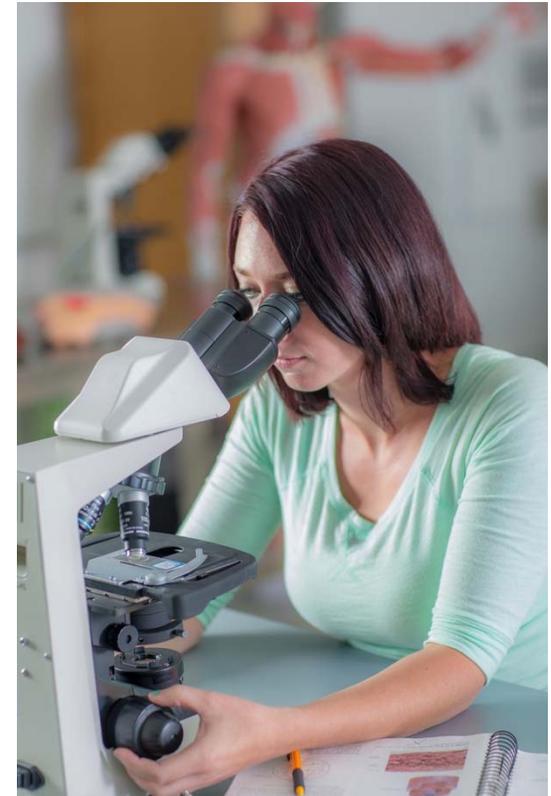


Shaping Alaska's Future

A solid, balanced university system is crucial to a state's healthy growth and development.

As a university system, the value we bring to Alaska depends on the number and quality of our graduates at every level.

UA's reputation for offering a premier education and a world-class research opportunity will substantially drive Alaska's future. To a large degree that is a choice we can make and an outcome we can control.



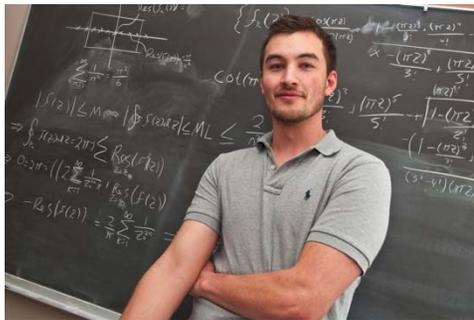
FY15 Budget

UA is in year three of a continuous improvement plan...

a comprehensive and collaborative systemwide initiative to:

- expand student access;
- improve student outcomes;
- create greater academic and research value;
- gain a reputation for institutional excellence at every level.

Accordingly, the FY15 budget is directly aligned with the UA mission and the anticipated improvements and outcomes of the systemwide change initiative we call **Shaping Alaska's Future**.



Inspiring Opportunity

- Access, institutional excellence and affordability are guiding principals
- 33,000 students; 50 nationalities
- More than 500 degree programs, 125 completely on-line
- 4,491 degrees, certificates and endorsements
- Research expenditures of \$129.8 million



Core Services

- Higher Education
- Workforce Development
- Research and Development
- Cultural Scholarship and Preservation
- Community and Industry Partnerships



From FY12

FY13 Report Card

Up 7.6%



Degrees, Certificates and Endorsements

Up 12.1%



Baccalaureate Degree Completion Within 6 Years

Up 9.1%



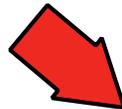
Baccalaureate Engineering Degrees

Up 16%



Health-Related Awards

Down -2.2%



Grant-Funded Research Expenditures

Up 9.5%



Bachelor Degree-Seekers Completing 30 Credits A Year



Challenges

- State and Federal budget reductions
- Federal performance expectations
- Dynamic higher education environment
- Aging infrastructure and need for appropriate, modern teaching and lab facilities
- Online competition
- Enrollment growth



Commitment to Improvement

Higher education paradigm shift:

- greater value and accountability
- less tuition and fees
- compete, stay relevant, embrace institutional excellence

Important partnerships:

- commercial organizations
- non-profits
- other universities, K-12 school districts
- state and national leaders

Innovative solutions to difficult UA issues likely to transcend Alaska and gain recognition nationwide



The Model:

Eliminate Cost + Generate Revenue

- Reallocating and prioritizing resources
- Space utilization, reducing leased space, consolidation
- Systemwide collaboration
- Mitigating energy expense
- Commercialization and investment opportunities...unmanned aerial systems, alternative energy, arctic research, climate research, fisheries, oceans, natural disasters...have never been better
- Long-term facility management plan... Sightlines, university building fund



FY15 Program: Reduced to just the basics

- Completes UA mandatory comprehensive advising
- Increases high school graduate readiness for college/workforce through dual credit programs
- Strengthens Alaska's teacher education program
- Meets strong demand for expanded health/biomedical education
- Responds to requests for greater workforce professional development from Alaska's major industries
- Engages in badly needed instate research work



FY15 Program GF Increment

\$90K



University of Alaska FY15 Governor's Proposed Operating Budget

(in thousands of \$)

	Gov.'s Proposed Budget		
	State Approp.	Rcpt. Auth.	Total
Base - FY14 Operating Budget	376,613.1	535,746.0	912,359.1
Governor's Budget Reduction	(14,900.0)		(14,900.0)
Adjusted Base Requirements			
Employee Compensation ¹	2,970.1	2,970.1	5,940.2
Utility Cost Increases	Note (2)	1,415.0	1,415.0
Facility Maintenance and Repair/ New Facilities Estimated Operating Costs ³ /Leases ⁴	2,150.0	3,789.9	5,939.9
Non-Personal Services Fixed Cost Increases			
Subtotal-FY15 Adjusted Base Requirements	5,120.1	8,175.0	13,295.1
	1.4%	1.5%	1.5%
High Demand Program Requests			
Student Achievement and Attainment			
Productive Partnerships with Alaska's Schools			
Productive Partnerships with Public Entities & Private Industries	90.0	27.8	117.8
R&D to Enhance Alaska's Communities and Economic Growth			
Subtotal-High Demand Programs	90.0	27.8	117.8
	0.02%	0.01%	0.01%
Budget Adjustments			
Technical Vocational Education Program	51.8		51.8
Mental Health Trust Authority		1,865.0	1,865.0
Subtotal-Budget Adjustments	51.8	1,865.0	1,916.8
FY15 Increment	(9,638.1)	10,067.8	429.7
FY15 Operating Budget	366,975.0	545,813.8	912,788.8
% Chg. FY14-FY15 Operating Budget	-2.6%	1.9%	0.05%

(1) Does not include employee groups with contracts under negotiation: Local 6070, UNAC, UNAD

(2) Assumes state funding for utility increases will continue to be covered through the fuel trigger mechanism

(3) UAA AK Airlines Center (sports arena), Mat-Su Valley Center for Arts & Learning, UAS freshman residence hall

(4) UAF P3 Housing Development



FY15 Capital Request

- **Deferred Maintenance**
No. 1 overall priority
- **UAF Heat and Power Plant Upgrade**
No. 1 deferred maintenance project
- **Engineering Buildings Completion**
No. 1 academic project
- **Research for Alaska**
 - UAF's Alaska Earthquake Center
 - Arctic oil spill response
 - Statewide Digital Mapping Initiative



FY15 Capital Request

- DM \$37.5
- Engineering vs. Heat and Power Plant Upgrade



University of Alaska FY15 Governor's Proposed Capital Budget

(in thousands of \$)

	Gov.'s Proposed Budget		
	State Approp.	Receipt Auth.	Total
Deferred Maintenance (DM) / Renewal & Repurposing (R&R)	37,500.0		37,500.0
New Starts/Continuation			
UA Engineering Building Completion (UAA and UAF)	10,000.0	10,000.0	20,000.0
UAF Heat & Power Plant Major Upgrade Project			
Research for Alaska			
University Receipt Authority for Capital Projects		20,000.0	20,000.0
Total FY15 Capital Budget	47,500.0	30,000.0	77,500.0

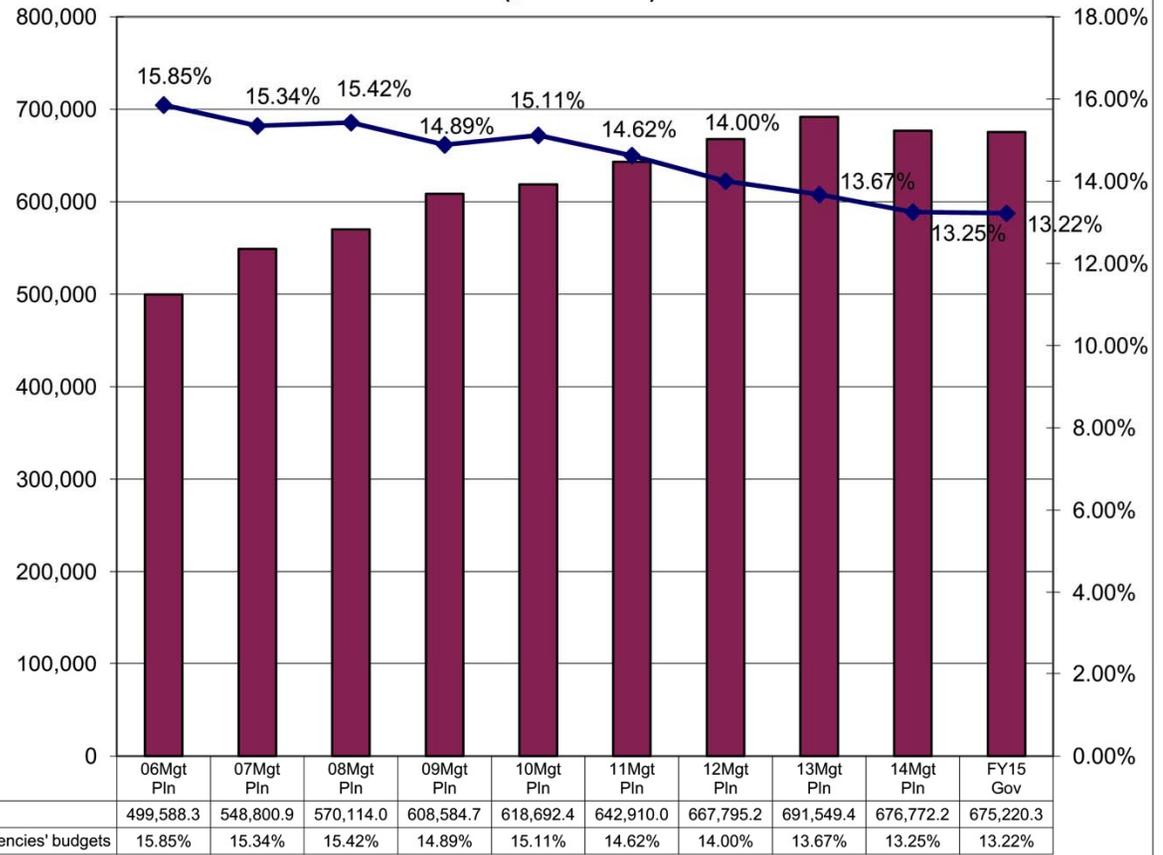
Graphs from the Legislative Finance Division



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

The University's GF budget grew by about \$176 million (35%) between FY06 and the FY15 Governor's Request - an average annual growth rate for that period of 3.4%.

The University's total FY15 GF budget equals \$2,039 per resident worker.*



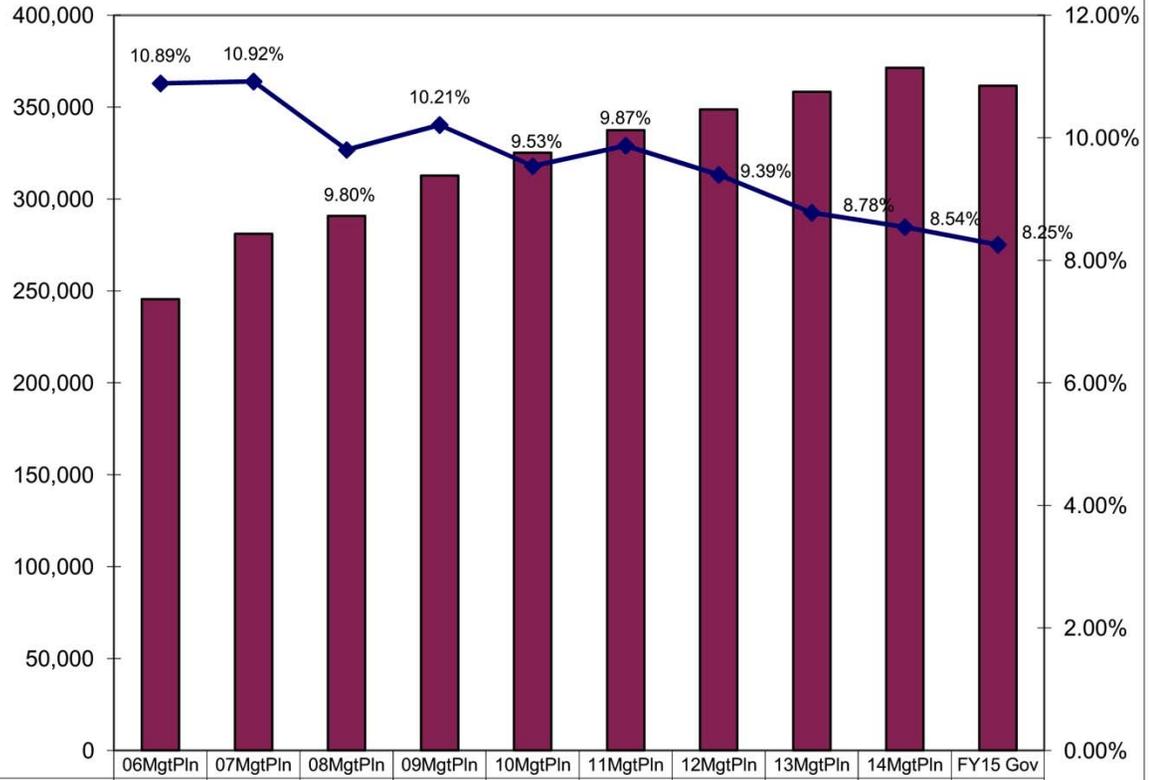
* According to the Department of Labor and Workforce Development, there were 331,081 resident workers in Alaska in 2011.



University of Alaska Share of Total Agency Operations (UGF Only) (\$ Thousands)

The University's UGF budget grew about \$116 million (47%) between FY06 and the FY15 Governor's Request - an average annual growth rate for that period of 4.4%.

The University's total FY15 UGF budget equals \$1,092 per resident worker.*



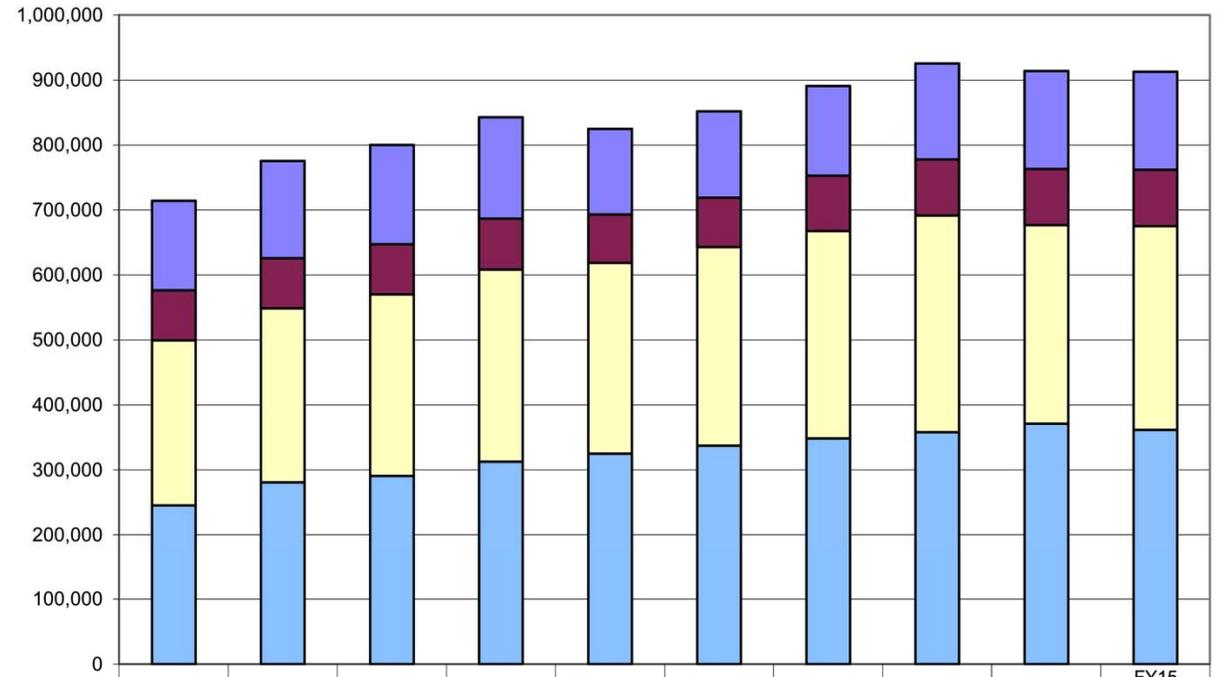
■ University Unrestricted General (UGF)	245,443.7	280,976.0	290,758.3	312,675.5	325,155.0	337,388.4	348,660.5	358,264.7	371,323.9	361,545.2
◆ % of University UGF to Total UGF in All Agencies' Budgets	10.9%	10.9%	9.8%	10.2%	9.5%	9.9%	9.4%	8.8%	8.5%	8.3%

* According to the Department of Labor and Workforce Development, there were 331,081 resident workers in Alaska in 2011.



Between FY06 & FY15 Gov:
 --UGF increased by \$116.1 million (47%)
 --DGF increased by \$59.5 million (23%)
 --Other Funds increased by \$9.8 million (13%)
 --Federal Receipts increased by \$13.1 million (10%)

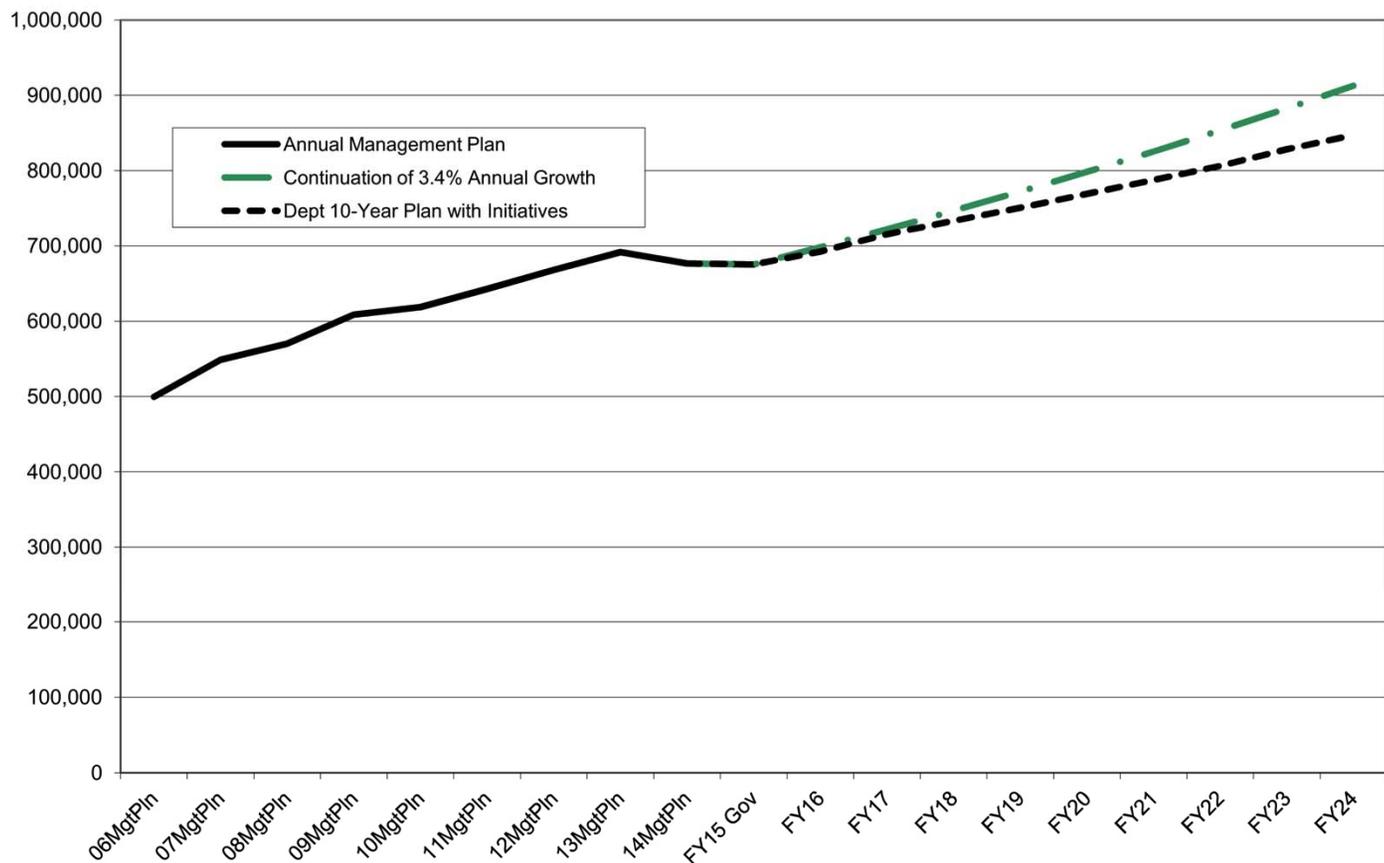
**University of Alaska
 Total Funding Comparison by Fund Group
 (All Funds)
 (\$ Thousands)**



	06MgtPln	07MgtPln	08MgtPln	09MgtPln	10MgtPln	11MgtPln	12MgtPln	13MgtPln	14MgtPln	FY15 Gov
■ Federal Receipts (Fed)	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	150,852.7
■ Other State Funds (Other)	76,916.2	77,108.2	77,337.6	78,295.1	74,608.0	76,146.0	85,334.3	86,334.3	86,597.8	86,717.8
■ Designated General (DGF)	254,144.6	267,824.9	279,355.7	295,909.2	293,537.4	305,521.6	319,134.7	333,284.7	305,448.3	313,675.1
■ Unrestricted General (UGF)	245,443.7	280,976.0	290,758.3	312,675.5	325,155.0	337,388.4	348,660.5	358,264.7	371,323.9	361,545.2



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

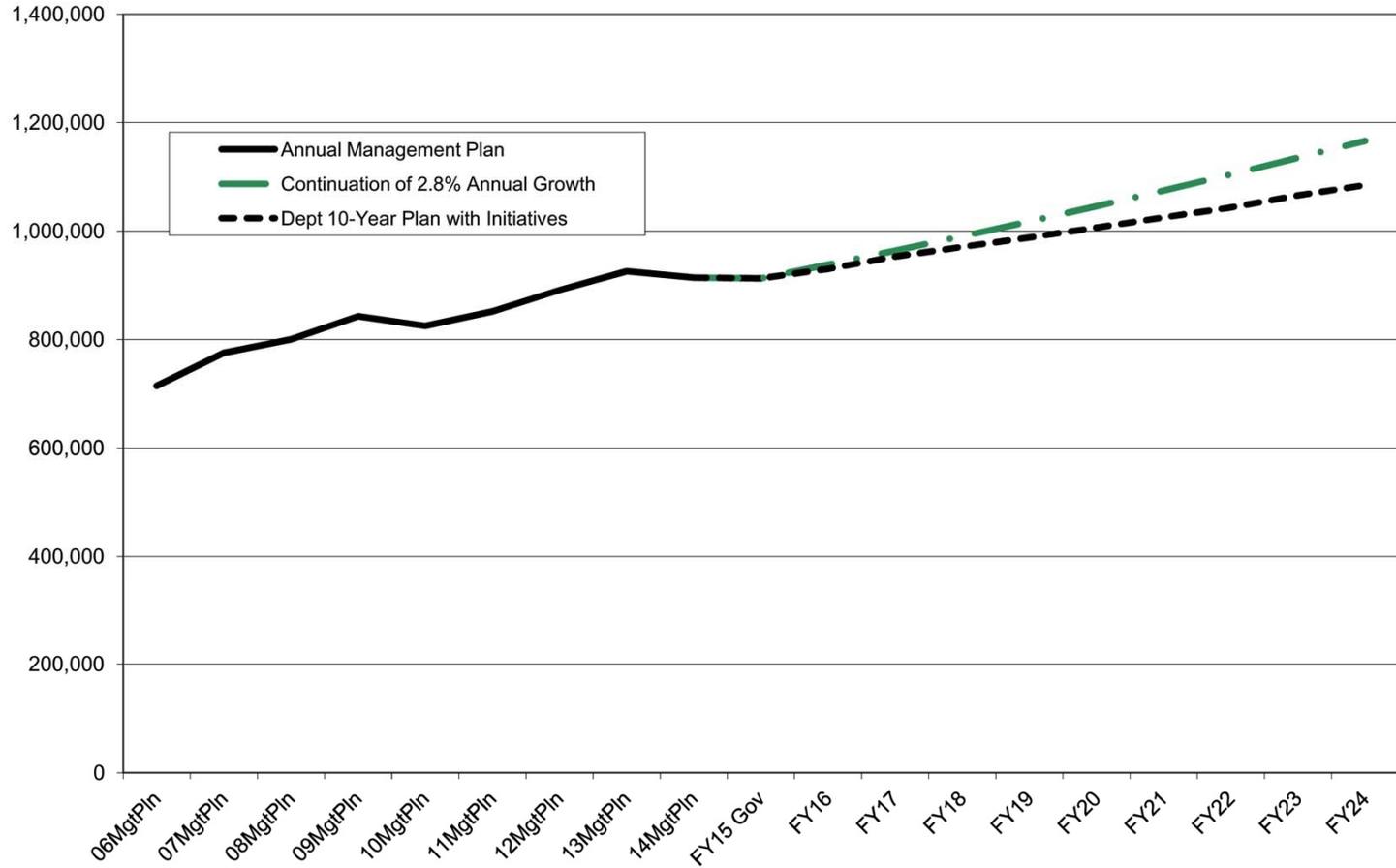


1/29/2014

Legislative Finance Division

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



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