

**2/3/09
OVERVIEWS:
DEPARTMENT OF
EDUCATION &
EARLY DEV.,
UNIVERSITY OF
ALASKA,
DEPARTMENT OF
LABOR &
WORKFORCE
DEVELOPMENT**

<target><bill></bill><subject>2-3-09 OVERVIEWS DEPARTMENT OF
EDUCATION & EARLY DEVELOPMENT, UNIVERSITY OF ALASKA,
DEPARTMENT OF LABOR & WORKFORCE
DEVELOPMENT</subject><comm>HFIN26</comm></target>

Alaska State Legislature
HOUSE FINANCE COMMITTEE
Agenda
1:30 PM

Tuesday, February 3, 2009

Budget Overviews:

Department of Education and Early Development

Larry Ledoux Commissioner, DEED

Mark Lewis, Director, Administrative Services, DEED

Eddy Jeans, Director, Education Support Services, DEED

University

Mark Hamilton, President, University of Alaskan

Michelle Rizk, Budget Director, University of Alaska

Questions:

Pete Kelly, Director, State Relations, University of Alaska

Labor and Workforce Development-Workforce Development-Regulatory

Clark Bishop, Commissioner, Labor and Workforce Development

Guy Bell, Assistant Commissioner and Director, Division of Administrative Services, Department of Labor and Workforce Development

DAVID STONE

2009 HOUSE FINANCE COMMITTEE ATTENDANCE

DATE: 2/3

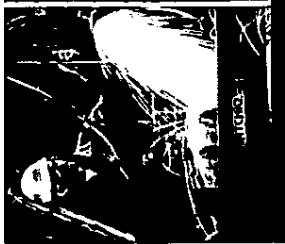
Circle Meeting Chair: Hawker Stoltze

	MEMBER	PRESENT	ABSENT
RF	REP. FOSTER	✓	
AA	REP. AUSTERMAN	✓	
MK	REP. KELLY	✓	
AF	REP. FAIRCLOUGH	✓	
MH	CO-CHAIR HAWKER	✓	
BS	CO-CHAIR STOLTZE		
BT	VICE-CHAIR THOMAS	✓	
LG	REP. GARA	✓	
HC	REP. CRAWFORD	✓	
WS	REP. SALMON		
RJ	REP. JOULE	✓	

Alaska Department of Labor and Workforce Development



House Finance Committee
Click Bishop, Commissioner
February 3, 2009



Our Mission

- Provide safe and legal working conditions and advance opportunities for employment.
- Workforce Development
 - Labor market information (Research & Analysis Section)
 - Employment assistance (Employment Security Division)
 - Worker training and education (Business Partnerships and Alaska Vocational Technical Center)
 - Unemployment compensation (Employment Security Division)
 - Assisting people with disabilities to obtain and maintain employment (Vocational Rehabilitation Division)
- Regulatory
 - Assuring fair compensation for work performed (Labor Standards & Safety, Wage and Hour)
 - Assuring a safe workplace (Labor Standards & Safety, Occupational Safety & Health)
 - Assuring fair workers' compensation claim adjudication (Workers' Compensation Division and Appeals Commission)
 - Unemployment insurance tax collection/fraud detection (Employment Security Division)



Alaska's Dynamic Labor Market

Workforce growth: 44,000 new Alaska jobs from 2006 to 2016

Aging workers—18% of Alaskans (124,500) are between the ages of 51 and 65

Unemployed Workers: Approximately 22,000 unemployed each month (a 6.2% average annual unemployment rate)

Imported workers: In 2007, nearly 20% of Alaska's workers are non residents—they earned over \$1.7 billion, just over 13% of total wage and salary earnings.



Alaska's Youth

- 11,000 new Alaskan 18 year olds each year.
- 4,000 Alaskans ages 16-19 are not in school and not working.
- 62% of Alaska students who were freshmen in 2002 graduated high school in 2006 (does not include GED's).
- Only 62% of Alaskan high school graduates remain for training or employment; the rest leave the state.
- 2000 Census—over 57,000 Alaskans age 18 and over with no high school diploma.

Alaska Youth First goal -- in school, engaged and prepared for Alaska jobs...

Training System at a Glance

Funding

- *Federal*
 - Workforce Investment Act
 - Denali Training
 - Pipeline Training
- *State*
 - STEP
 - TVEP
 - GF

Secondary Education

- DEED/High Schools
- Adult Basic Education
- Youth First
- Construction Academies
- College Ready/Work Ready
- Private Partners

Employment Services

- Job Center Network
- Counseling
- Job/ Training Referral

Workforce

Investment Board

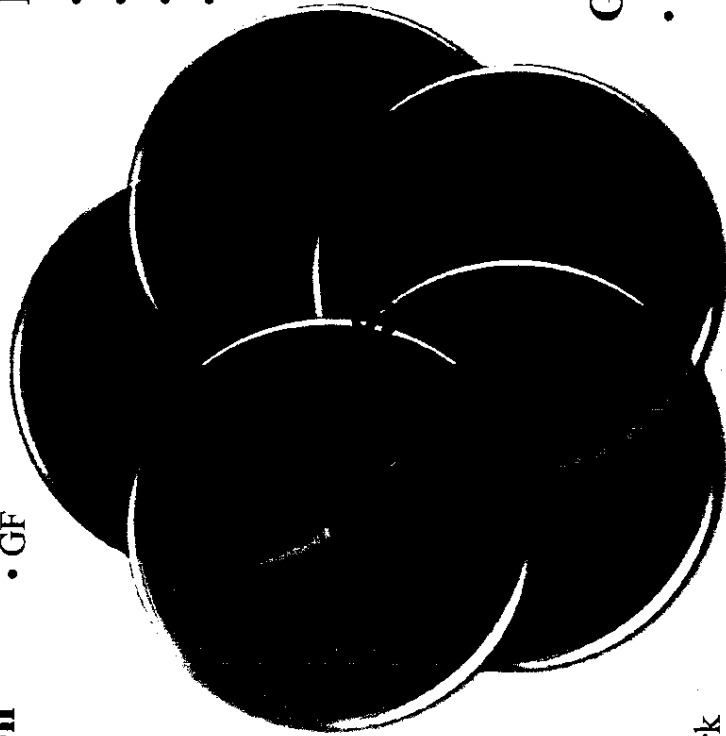
- Policy Development
- System Oversight

Postsecondary Education

- University of Alaska
- AVTEC
- Regional Training Centers
- Private Partners

Grantees

- Competitive Selection

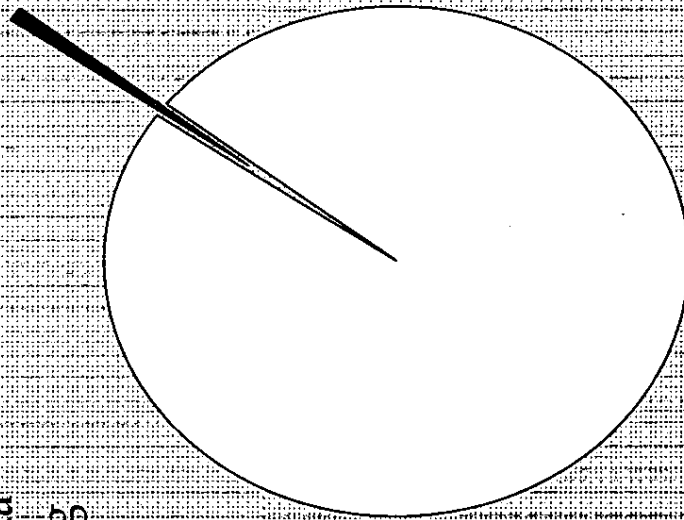




FY 10 Operating Budget is \$175.2 million...

State of Alaska
GF Operating
Budget
\$4,564,039.9

Department of
Labor GF Operating
Budget
\$31,001,000 (0.68%)

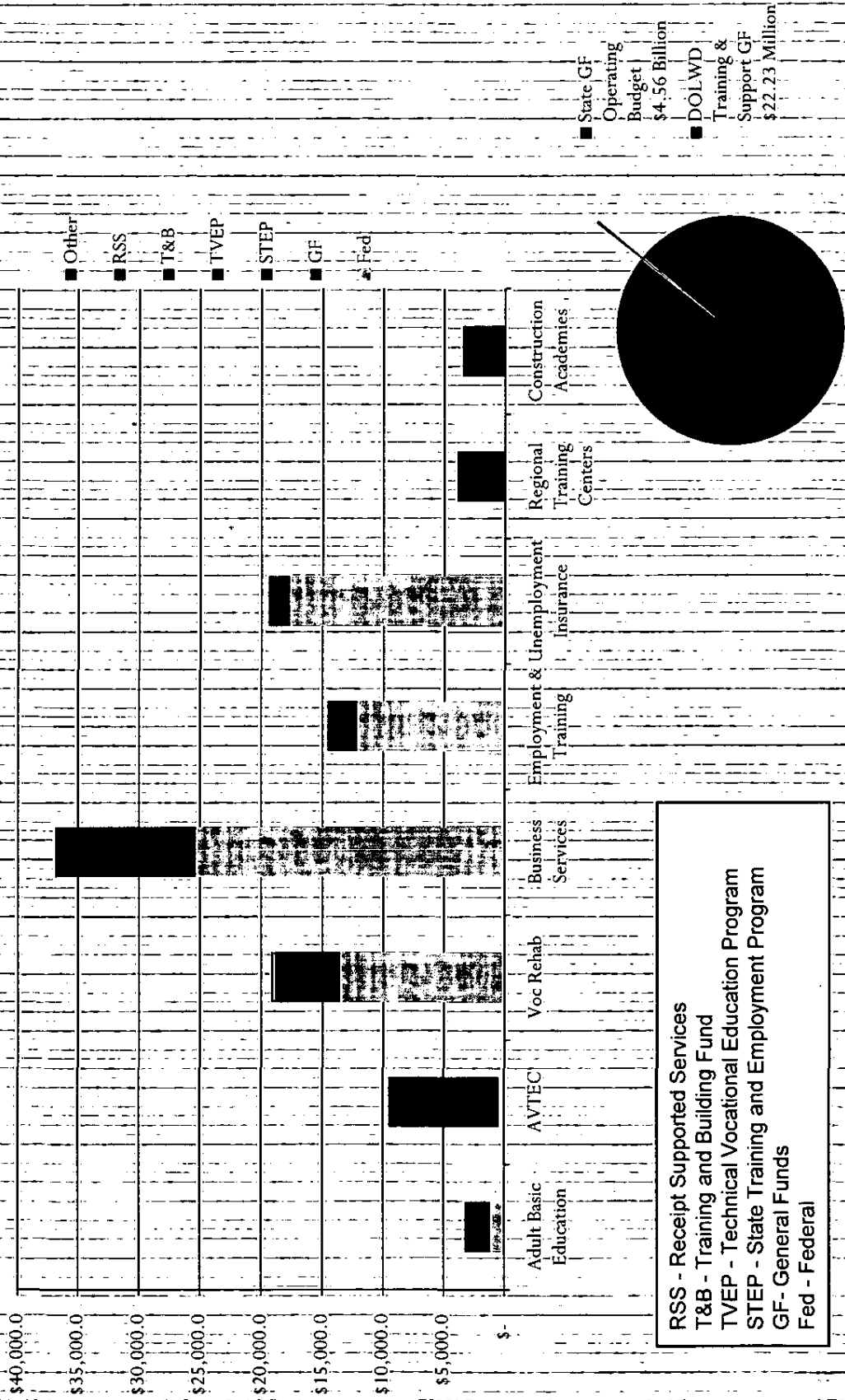


DOLWD Non-General Funds

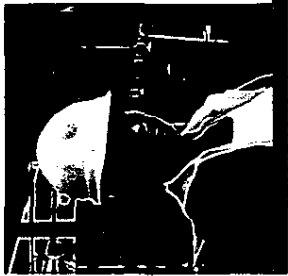
Federal:	\$85,751.6
Other:	\$58,432.5



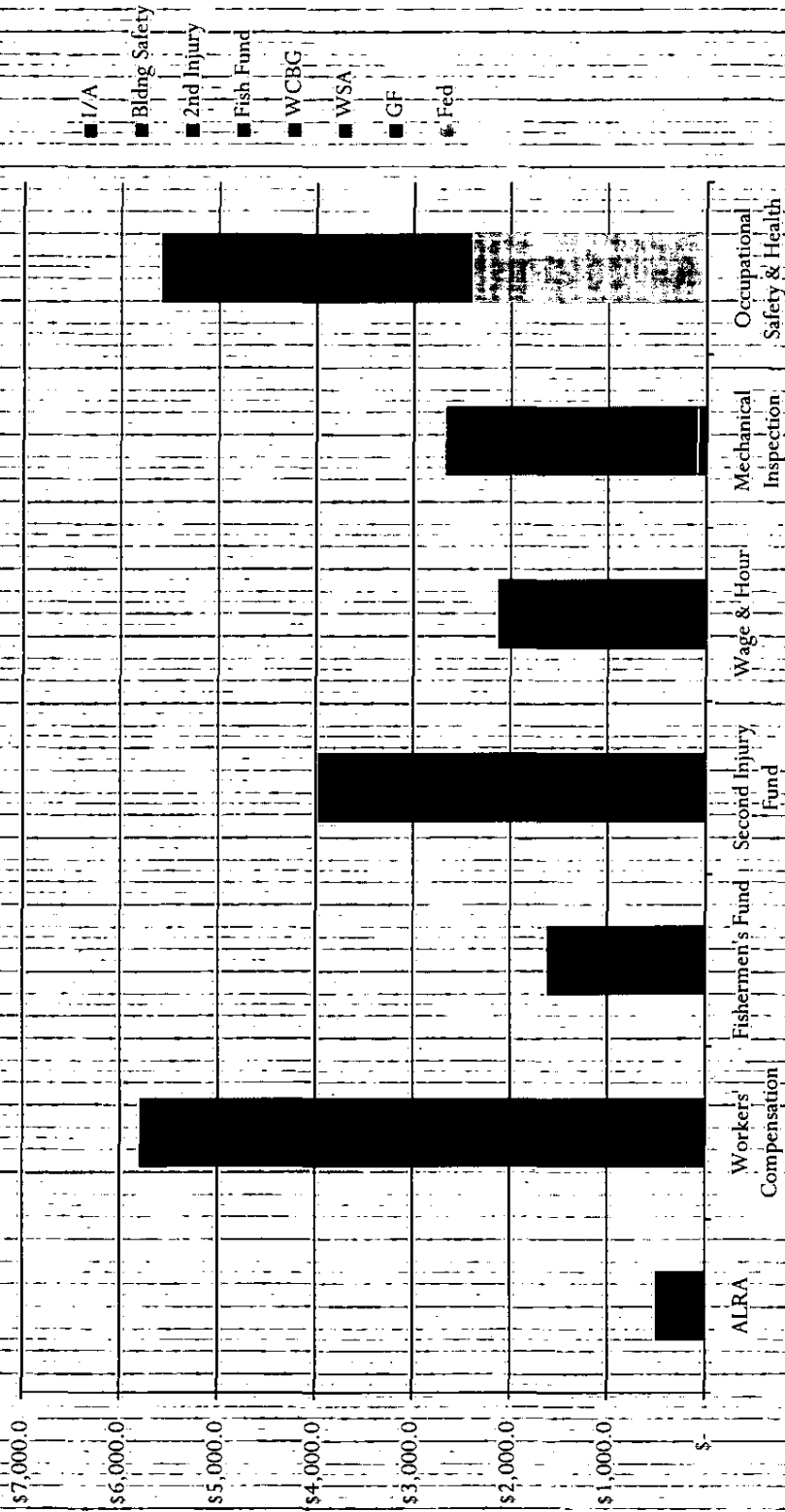
Workforce Development Program Funding - \$110.5 Million



RSS - Receipt Supported Services
 T&B - Training and Building Fund
 TVEP - Technical Vocational Education Program
 STEP - State Training and Employment Program
 GF - General Funds
 Fed - Federal



Regulatory Program Funding — \$22.2 Million Total Funds/\$2.2 Million GF



I/A: Interagency Receipts
 WCBG: Workers' Compensation Benefit Guaranty Fund
 WSA: Worker Safety Account
 GF: General Fund
 Fed: Federal Funds



FY 08 Key Program Accomplishments

Workforce Development

- Alaska job center network connected 31,274 Alaskans with jobs.
- 6,673 individuals received employment and/or training services for jobs. 94% of trained participants entered employment.
- 529 Vocational Rehabilitation Division consumers were employed
- Issued 1,540 General Education Development Diplomas.
- AVTEC trained nearly 900 Alaskans.
- Published a gasline workforce training plan.

Regulatory

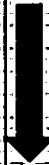
- Occupational Safety: 21% reduction in the rate of lost workday accidental injuries and illness – from 2.02 to 1.59 per 100 employees.
- Wage & Hour: Wage claim resolution time is 4.5 months, 1.5 months less than the target of 6 months.
- Workers' Compensation: 169 uninsured employers were detected and there were 60 uninsured injuries.



FY 10 General Fund Continuation Increments

- **Construction Academy continuation--\$3.5 Million GF***
 - Construction career training for youth and adults in Anchorage, Fairbanks, Mat-su, Juneau, Kenai, and Ketchikan.
 - **On-the-Job Training and Registered Apprenticeship Incentives--\$ 585.0 GF***
 - 200 participants targeted for industry related occupational training.
 - **Coordinator to integrate Vocational Education/Set Standards--\$130.0 GF***
 - Consistent standards for training programs/Program Accreditation.
 - Connect Education and Workforce Development.
 - **Regional Economic Data Gathering--\$95.0 GF***
 - Research & Analysis' support regional/local workforce planning.
 - **Training Program Guide--\$50.0 GF***
 - **Continue designated grant to SAVEC--\$195.0 GF***
 - **Vocational Rehabilitation lease cost increase--\$130.0 GF**
- * Funded in FY 09 but counted as one-time items; funding requested again in FY 10. Year over year GF change from FY 09 Authorized to FY 10 Request is \$214.6.

The Training Continuum



	Secondary	Postsecondary Training	On the Job	Reemployment Assistance
Private Training System	Build-up Program and other programs in the schools	Employer-paid tuition	Match state funding for training programs; Apprenticeships and Training Programs.	
Gasline Training Plan \$860.0 GF		Training System Coordination focusing on Accreditation and Skills Standards. Regional economic data gathering.	Apprenticeship and OJT incentives to Expand Skilled Opportunities. Increase registered apprentices and trainees. Number Served: 200	
Construction Academies \$3.5 million GF	Train in and out of school youth as well as young adult workers in basic construction, welding, and other skills. Number served: 1,000 High School/300 Adults			
Youth First \$2,321.8 GF	Secondary School Youth Career Awareness, Preparation and Job Experiences. Now working in tandem with DEED's Work Ready/College Ready. Captures all kids--not just those identified as "high risk" Number served: 2,000			
AVTEC \$10,326.2 Total \$4,852.9 GF		Vocational Training for in-demand occupations. Number Served: 893		
TVEP \$9,447.0 TVEP		Allocated to various training entities and the University of Alaska to support operations and training programs.		
STEP \$8,568.1 STEP		Used through the Job Center Network and Competitive Grant Awards to Train Workers who are Unemployed or face the threat of Unemployment. Fills funding gaps not met by WIA programs. Number served: 2,000 to 2,500		
Gasline Worker Federal Grant \$2.5 million Federal	Summer Camps for College Bound Students Number Served: 100	Regional Training Center/AVTEC Targeted Training Number Served: 350	Apprenticeship and OJT Incentives to Expand Skilled Opportunities/Fairbanks Pipeline Training Number served: 350	
Denali Training Fund \$3.15 Million Federal	Denali Training Fund includes a \$1 million per year allocation for competitive youth employment grants in rural Alaska, preferably connected with Denali Commission projects. Number served: 1,000		Denali Training Fund offers approximately \$215 million in competitive grants for rural workforce development projects, preferably connected with Denali Commission Projects. Number served: 250	
Workforce Investment Act \$12.7 Million Federal	Youth Funding focuses on at-risk in-school and out of school youth (ages 14 to 21) Number Served: 500		Adult Program focuses on Job Center Services to unemployed individuals including counseling, assessments, job referral, and training. Number Served: 530 WIA Dislocated Worker program focuses on Job Center services to workers unemployed by virtue of business downsizing or closure. Number served: 560	

Workforce Training Related Programs and FY 10 Expected Funding Amount

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

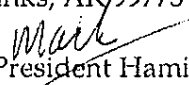
OFFICE OF THE COMMISSIONER

Sarah Palin, Governor

P. O. Box 111149
Juneau, AK 99811-1149
PHONE: (907) 465-2700
FAX: (907) 465-2784

November 21, 2008

President Mark Hamilton
Office of the President
University of Alaska
P.O. Box 755000
Fairbanks, AK, 99775


Dear President Hamilton:

The AGIA Training Plan calls for alignment of Alaska's vocational and technical education system in the best interest of the citizens of our state. I'm seeking your support to develop a strategy for the postsecondary systems for career and technical education in the state, to assure they are aligned to train and educate our citizens without needless duplication of programs and investments.

I have directed my staff to work closely with representatives from the University of Alaska and prepare recommendations to address the AGIA strategy of CTE alignment in our state. Over the coming months I anticipate conversations to take place that will help us plan and shape Alaska's workforce development future. It is my intention to have recommendations from this working group, led by Fred Villa and David Stone, in May, 2009.

I hope you will join me in this endeavor to make sure that we position the state of Alaska to place the right programs in the right places to assist Alaskans in getting quality jobs in Alaska, maximizing Alaska resident hire overall and reducing the wages that are leaving the state.

Sincerely,


Clark Bishop

Commissioner

Alaska Department of Labor and Workforce Development
Long Range Fiscal Plan Summary
January 23, 2009

Operating Budget

Over the next 10 years, the Alaska Department of Labor and Workforce Development will continue to rely heavily on federal funds and state non general funds to support its regulatory and workforce development activities.

At present, general funds account for less than 18% of the department's operating budget--\$31 million. Beginning in FY 11, anticipate requests to implement the gasline training plan, including training program administration, public awareness, expanding career and technical education, apprentice training expansion, training scholarships, and other targeted training through AVTEC, regional training centers and the University of Alaska.

Gasline related expenditures would stair step down 20% per year beginning in FY 15, and some funding would be reallocated from workforce training to enforcement. In addition, we assume additional occupational safety enforcement funding and staff will be required during the construction phase of the project.

The department is projecting new general fund initiatives in FY 11 focusing on Health Care Industry Career and Technical Education and Resident Hire Enforcement.

Capital Budget

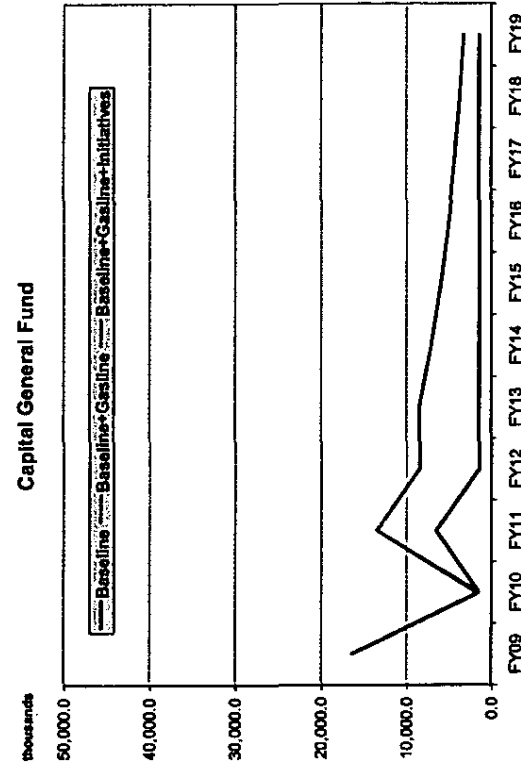
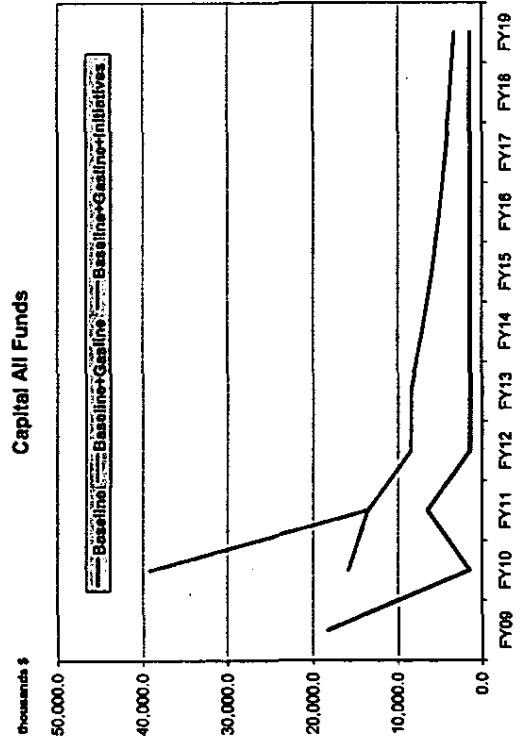
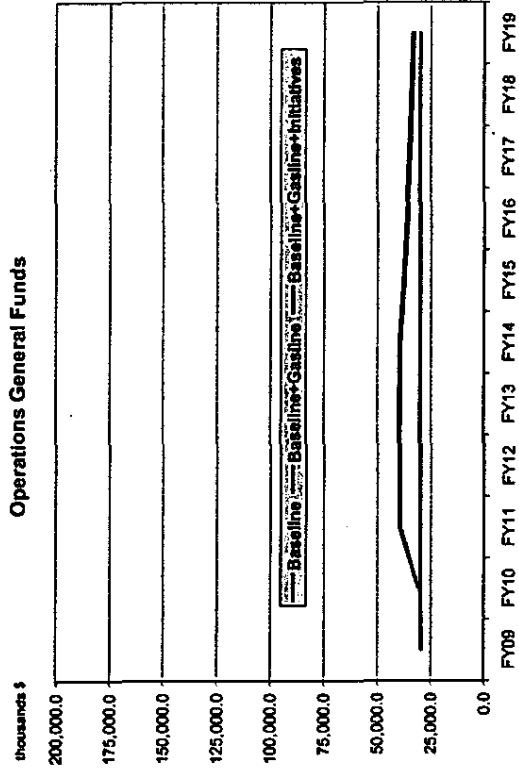
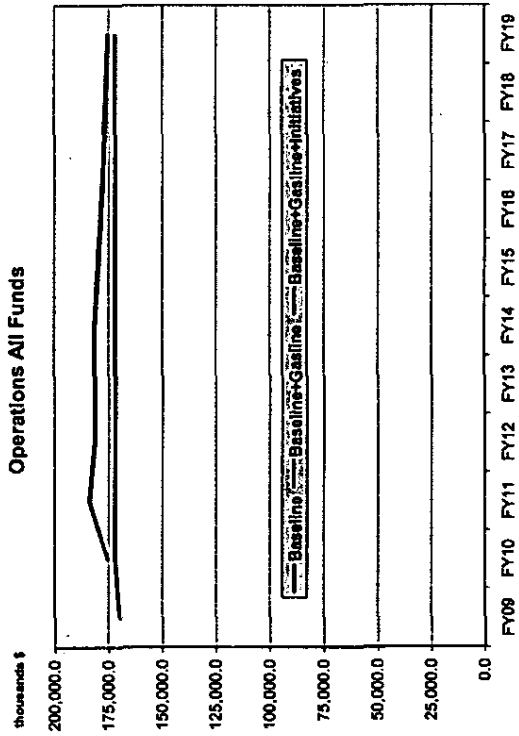
The department's capital budget is primarily state-funded. In FY 10 and over the succeeding two fiscal years, we project significant facilities improvements at the Alaska Vocational Technical Center. Several of AVTEC's buildings do not meet current code and safety requirements and need to be replaced. Included in our long range fiscal plan are replacements of a dormitory, heavy equipment/diesel /welding building, the automotive technology building, and the building technology/facilities maintenance building. When these projects are completed, we project that AVTEC's facilities will be in a normal annual maintenance mode.

FY 13 and beyond, the department projects continued capital investments with an emphasis on regional training centers in preparation for construction of the gasline, with a ramping down of gasline related capital investments beginning in FY 14 of 20% per year.

Note

The department is not forecasting additional federal funding; however, it is very likely that additional federal authorization will be requested due to the workforce investment components of the Economic Stimulus Package.

Labor & Workforce Development



Labor & Workforce Development

Baseline Budget Growth 1/

(thousands \$)

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Total Appropriations	188,076.3	173,325.1	178,325.1	173,275.1	173,275.1	173,275.1	173,275.1	173,275.1	173,275.1	173,275.1	173,275.1
General Fund	38,229.2	24,973.9	29,973.9	24,923.9	24,923.9	24,923.9	24,923.9	24,923.9	24,923.9	24,923.9	24,923.9
General Fund Match	7,648.5	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1
Federal Funds	85,366.2	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6
Other State Funds	56,832.4	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5
Operations	169,729.6	171,825.1	171,825.1	171,825.1	171,825.1	171,825.1	171,825.1	171,825.1	171,825.1	171,825.1	171,825.1
General Fund	23,232.5	23,473.9	23,473.9	23,473.9	23,473.9	23,473.9	23,473.9	23,473.9	23,473.9	23,473.9	23,473.9
General Fund Match	6,298.5	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1
Federal Funds	83,366.2	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6
Other State Funds	56,832.4	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	169,729.6	171,825.1	171,825.1	171,825.1	171,825.1	171,825.1	171,825.1	171,825.1	171,825.1	171,825.1	171,825.1
General Fund	23,232.5	23,473.9	23,473.9	23,473.9	23,473.9	23,473.9	23,473.9	23,473.9	23,473.9	23,473.9	23,473.9
General Fund Match	6,298.5	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1
Federal Funds	83,366.2	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6
Other State Funds	56,832.4	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5
Capital	18,346.7	1,500.0	6,500.0	1,450.0	1,450.0	1,450.0	1,450.0	1,450.0	1,450.0	1,450.0	1,450.0
General Fund	14,996.7	1,500.0	6,500.0	1,450.0	1,450.0	1,450.0	1,450.0	1,450.0	1,450.0	1,450.0	1,450.0
General Fund Match	1,350.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	2,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

1. Baseline wage and benefit increases are handled in the statewide spreadsheet.

Notes for FY09 Baseline Appropriations and Department Assumptions for FY10 and beyond.

FY09 Department's Capital items were funded from FY08.

Note: (1) Federal Funds reduced by \$2.5 million in FY 09 and shifted to Gasline Related to recognize Pipeliner Training Grant.

(2) No inflation assumption is used.

Capital Assumption: Limited to AVTEC's deferred maintenance request only.

FY11 and FY12 amounts are taken from AVTEC's three-year plan and it is assumed that ongoing deferred maintenance cost will remain at FY 12 level for the foreseeable future.

Labor & Workforce Development

Gasline Related Budget Growth

(thousands \$)

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Total Appropriations	10,355.4	17,670.5	18,550.0	16,050.0	16,050.0	14,650.0	12,020.0	9,676.0	7,800.8	6,000.6	4,800.5
General Fund	4,855.4	860.0	16,050.0	16,050.0	16,050.0	14,650.0	11,720.0	9,376.0	7,500.8	6,000.6	4,800.5
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	5,500.0	2,500.0	2,500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	14,310.5	0.0	0.0	0.0	0.0	300.0	300.0	300.0	0.0	0.0
Operations	3,755.4	3,360.0	11,550.0	9,050.0	9,050.0	9,050.0	7,540.0	6,092.0	4,933.6	3,706.9	2,965.5
General Fund	1,255.4	860.0	9,050.0	9,050.0	9,050.0	9,050.0	7,240.0	5,792.0	4,633.6	3,706.9	2,965.5
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	2,500.0	2,500.0	2,500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	300.0	300.0	300.0	0.0	0.0
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	3,755.4	3,360.0	11,550.0	9,050.0	9,050.0	9,050.0	7,540.0	6,092.0	4,933.6	3,706.9	2,965.5
General Fund	1,255.4	860.0	9,050.0	9,050.0	9,050.0	9,050.0	7,240.0	5,792.0	4,633.6	3,706.9	2,965.5
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	2,500.0	2,500.0	2,500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	300.0	300.0	300.0	0.0	0.0
Capital	6,600.0	14,310.5	7,000.0	7,000.0	7,000.0	5,600.0	4,480.0	3,584.0	2,867.2	2,293.8	1,835.0
General Fund	3,800.0	0.0	7,000.0	7,000.0	7,000.0	5,600.0	4,480.0	3,584.0	2,867.2	2,293.8	1,835.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	3,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	14,310.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Describe department assumptions for gasline appropriations below:

NOTE: Federal funds are the three-year Pipeliner Training Grant from the U.S. Department of Labor, Employment and Training Administration.

Operating Assumptions:

FY 10 continues GF funding received in FY 09 for gasline training program guide, regional economic analysis, apprenticeship development, and training through regional training centers.

FY 11 and beyond: adds funding to fully implement the gasline training plan, including training program administrator, public awareness, expanded career and technical ed, apprentice training expansion, training scholarships, and other targeted training through AVTEC, regional training centers and the University of Alaska. Funding would stairstep down beginning in FY 15, and some funding would be reallocated from workforce training to enforcement. In addition, we assume additional occupational safety enforcement funding and staff will be required during the construction phase of the project and are including \$300.0 WSA in our plan for enforcement activities.

Capital Assumptions:

FY 10-Heavy Equipment/Diesel Shop/Welding Relocation \$12 million and Fairbanks Pipeline Training Center Equipment-\$2,310.5.

FY 11-AVTEC Automotive Technology Shop Replacement \$7 million.

FY 12-AVTEC Building Tech/Facilities Maintenance Building-\$7 million. Thereafter unknown but estimated at \$7 million in FY 13, then ramping down thereafter during project construction and implementation.

Labor & Workforce Development

Initiatives (Except Gasline)

(thousands \$)

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Total Appropriations	0.0	23,367.6	650.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0
General Fund	0.0	275.4	650.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	23,092.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operations	0.0	0.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0
General Fund	0.0	0.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	0.0	0.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0
General Fund	0.0	0.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital	0.0	23,367.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General Fund	0.0	275.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	23,092.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Describe department assumptions for new initiatives (except gasline) appropriations estimates below:

Operations Assumptions: All increments currently requested; new non-Gasline initiatives in FY11 and beyond may include expanded resident hire enforcement and career and technical education, perhaps focusing on healthcare.

Capital Assumptions: All items currently requested; can't project forward at this time. FY 10 CIP is for AVTEC Dormitory Replacement at \$20 million NGF; and Workers' Compensation Computer System Replacement at \$3,092.2 WSA; and DVR Computer Interface improvements at \$275.4 GF.

Labor & Workforce Development

Baseline plus Gasline plus New Initiatives (thousands \$)

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Total Appropriations	198,431.7	214,363.2	197,525.1	189,975.1	189,975.1	188,575.1	185,945.1	183,601.1	181,725.9	179,925.7	178,725.6
General Fund	43,084.6	26,109.3	46,873.9	41,623.9	41,623.9	40,223.9	37,293.9	34,949.9	33,074.7	31,574.5	30,374.4
General Fund Match	7,648.5	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1
Federal Funds	90,866.2	85,751.6	85,751.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6
Other State Funds	56,832.4	95,835.2	58,432.5	58,432.5	58,432.5	58,432.5	58,732.5	58,732.5	58,732.5	58,432.5	58,432.5
Operations	173,485.0	175,185.1	184,025.1	181,525.1	181,525.1	181,525.1	180,015.1	178,567.1	177,408.7	176,182.0	175,440.6
General Fund	24,487.9	24,333.9	33,173.9	33,173.9	33,173.9	33,173.9	31,363.9	29,915.9	28,757.5	27,830.8	27,089.4
General Fund Match	6,298.5	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1
Federal Funds	85,866.2	85,751.6	85,751.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6
Other State Funds	56,832.4	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,732.5	58,732.5	58,732.5	58,432.5	58,432.5
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	173,485.0	175,185.1	184,025.1	181,525.1	181,525.1	181,525.1	180,015.1	178,567.1	177,408.7	176,182.0	175,440.6
General Fund	24,487.9	24,333.9	33,173.9	33,173.9	33,173.9	33,173.9	31,363.9	29,915.9	28,757.5	27,830.8	27,089.4
General Fund Match	6,298.5	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1
Federal Funds	85,866.2	85,751.6	85,751.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6
Other State Funds	56,832.4	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,732.5	58,732.5	58,732.5	58,432.5	58,432.5
Capital	24,946.7	39,178.1	13,500.0	8,450.0	8,450.0	7,050.0	5,930.0	5,034.0	4,317.2	3,743.8	3,285.0
General Fund	18,596.7	1,775.4	13,500.0	8,450.0	8,450.0	7,050.0	5,930.0	5,034.0	4,317.2	3,743.8	3,285.0
General Fund Match	1,350.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	5,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	37,402.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Labor & Workforce Development

Baseline plus New Initiatives

(thousands \$)

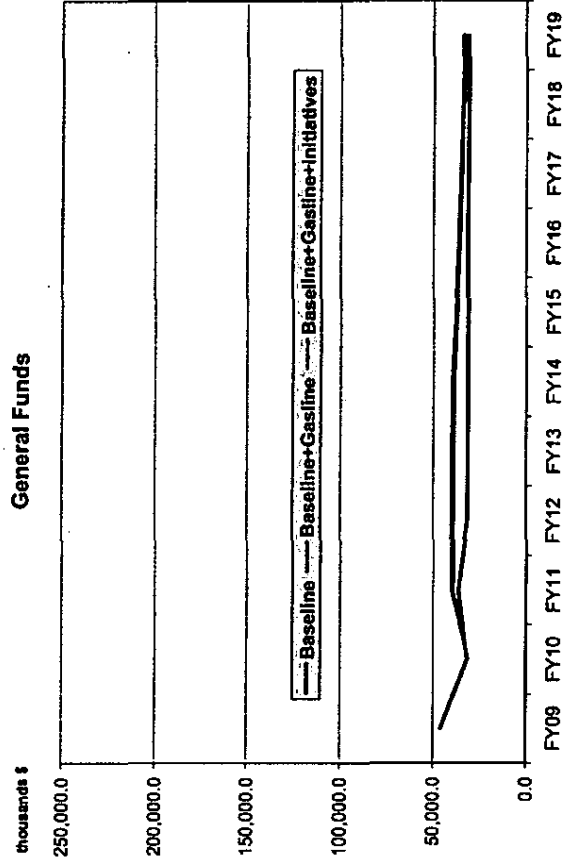
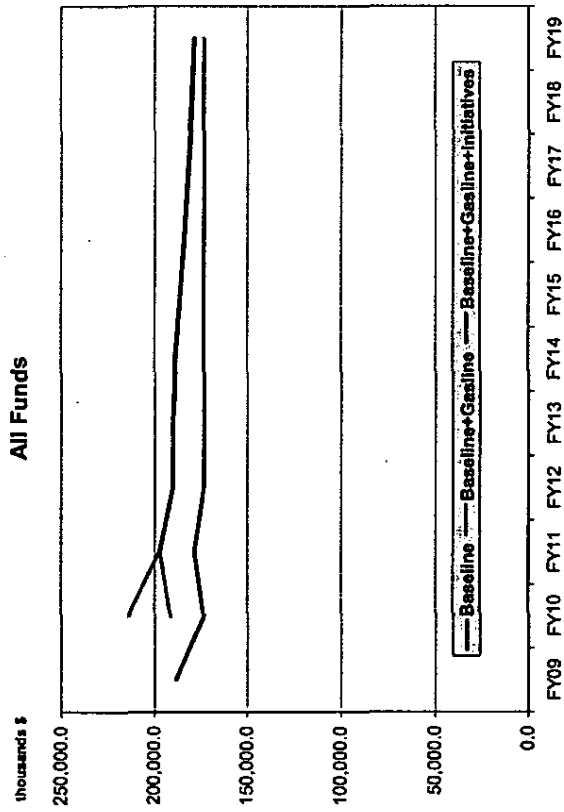
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Total Appropriations	188,076.3	196,692.7	178,975.1	173,925.1	173,925.1	173,925.1	173,925.1	173,925.1	173,925.1	173,925.1	173,925.1
General Fund	38,229.2	25,249.3	30,623.9	25,573.9	25,573.9	25,573.9	25,573.9	25,573.9	25,573.9	25,573.9	25,573.9
General Fund Match	7,648.5	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1
Federal Funds	85,366.2	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6
Other State Funds	56,832.4	81,524.7	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5
Operations	169,729.6	171,825.1	172,475.1	172,475.1	172,475.1	172,475.1	172,475.1	172,475.1	172,475.1	172,475.1	172,475.1
General Fund	23,232.5	23,473.9	24,123.9	24,123.9	24,123.9	24,123.9	24,123.9	24,123.9	24,123.9	24,123.9	24,123.9
General Fund Match	6,298.5	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1
Federal Funds	83,366.2	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6
Other State Funds	56,832.4	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	169,729.6	171,825.1	172,475.1	172,475.1	172,475.1	172,475.1	172,475.1	172,475.1	172,475.1	172,475.1	172,475.1
General Fund	23,232.5	23,473.9	24,123.9	24,123.9	24,123.9	24,123.9	24,123.9	24,123.9	24,123.9	24,123.9	24,123.9
General Fund Match	6,298.5	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1
Federal Funds	83,366.2	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6
Other State Funds	56,832.4	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5
Capital	18,346.7	24,867.6	6,500.0	1,450.0	1,450.0	1,450.0	1,450.0	1,450.0	1,450.0	1,450.0	1,450.0
General Fund	14,996.7	1,775.4	6,500.0	1,450.0	1,450.0	1,450.0	1,450.0	1,450.0	1,450.0	1,450.0	1,450.0
General Fund Match	1,350.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	2,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	23,092.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Labor & Workforce Development

Baseline plus Gasline (thousands \$)

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Total Appropriations	198,431.7	190,995.6	196,875.1	189,325.1	189,325.1	187,925.1	185,295.1	182,951.1	181,075.9	179,275.7	178,075.6
General Fund	43,084.6	25,833.9	46,023.9	40,973.9	40,973.9	39,573.9	36,643.9	34,299.9	32,424.7	30,924.5	29,724.4
General Fund Match	7,648.5	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1
Federal Funds	90,866.2	85,751.6	85,751.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6
Other State Funds	56,832.4	72,743.0	58,432.5	58,432.5	58,432.5	58,432.5	58,732.5	58,732.5	58,732.5	58,432.5	58,432.5
Operations	173,485.0	175,185.1	183,375.1	180,875.1	180,875.1	180,875.1	179,365.1	177,917.1	176,758.7	175,532.0	174,790.6
General Fund	24,487.9	24,333.9	32,523.9	32,523.9	32,523.9	32,523.9	30,713.9	29,265.9	28,107.5	27,180.8	26,439.4
General Fund Match	6,298.5	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1
Federal Funds	85,866.2	85,751.6	85,751.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6
Other State Funds	56,832.4	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,732.5	58,732.5	58,732.5	58,432.5	58,432.5
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	173,485.0	175,185.1	183,375.1	180,875.1	180,875.1	180,875.1	179,365.1	177,917.1	176,758.7	175,532.0	174,790.6
General Fund	24,487.9	24,333.9	32,523.9	32,523.9	32,523.9	32,523.9	30,713.9	29,265.9	28,107.5	27,180.8	26,439.4
General Fund Match	6,298.5	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1	6,667.1
Federal Funds	85,866.2	85,751.6	85,751.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6	83,251.6
Other State Funds	56,832.4	58,432.5	58,432.5	58,432.5	58,432.5	58,432.5	58,732.5	58,732.5	58,732.5	58,432.5	58,432.5
Capital	24,946.7	15,810.5	13,500.0	8,450.0	8,450.0	7,050.0	5,930.0	5,034.0	4,317.2	3,743.8	3,285.0
General Fund	18,596.7	1,500.0	13,500.0	8,450.0	8,450.0	7,050.0	5,930.0	5,034.0	4,317.2	3,743.8	3,285.0
General Fund Match	1,350.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	5,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	14,310.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Labor & Workforce Development



Quick Facts & Figures

	UAF	UAA	UAS
Headcount Fall 2008			
Urban Campuses	5,212	15,356	2,625
Community Campuses	4,464	4,369	975
Total	9,676	19,725	3,600

Comparisons from 2003 to 2008

Occupational Endorsements	NA	NA / 47	NA/28
Certificates	78 / 190	88 / 87	21 / 52
Associate Degrees	246 / 238	530 / 679	72 / 65
Baccalaureate Degrees	395 / 444	770 / 871	80 / 93
Master's Degrees	163 / 199	204 / 289	61 / 116
Doctorate Degrees	36 / 29	NA	NA
First-Time Freshmen	1,057 / 943	1,581 / 1,907	193 / 220
Foreign Students	398 / 315	448 / 472	78 / 45
Female/Male Ratio 2008	5,894 / 3,934	11,837 / 7,891	2,409 / 1,189
% Female	60%	60%	67%
UA Scholars	510 / 698	809 / 1,081	66 / 65
Alaska Native Students	2,299 / 2,048	1,790 / 1,864	762 / 493
Average Age UA Student	28 / 27	28 / 27	31 / 30
Instructional Faculty FTE	373 / 383	458 / 511	95 / 97
Staff FTE	1,500 / 1,518	968 / 987	203 / 222
External Research	\$99.4 m / \$108 m	\$10.2 m / \$8.8 m	\$1.2 m / \$2.1 m



UA Request Compared to Actual Appropriation

FY	UA's Requested GF* Increase	State Appropriated GF* Increase	Salary and Fixed Cost Obligations	NGF
2000	\$16.3 m	\$6.0 m	\$12.9 m	\$2.5 m
2001	\$16.9 m	\$15.7 m	\$11.7 m	\$3.7 m
2002	\$16.8 m	\$10.7 m	\$10.7 m	\$7.1 m
2003	\$16.9 m	\$9.7 m	\$10.3 m	\$8.6 m
2004	\$13.6 m	\$4.6 m	\$9.9 m	\$9.3 m
2005**	\$19.3 m	\$15.5 m	\$18.6 m	\$13.6 m
2006**	\$19.5 m	\$17.1 m	\$18.8 m	\$17.6 m
2007**	\$40.5 m	\$34.3 m	\$29.9 m	\$18.7 m
2008	\$27.8 m	\$10.0 m	\$12.9 m	\$15.8 m
2009	\$28.4 m	\$20.5 m	\$14.5 m	\$13.9 m
Total	\$216.0 m	\$144.1 m	\$150.2 m	\$110.8 m

*Includes GF/AMT/TVEP/ASTF/BLIC
 **Includes extraordinary PERS/TERS retirement increases for: FY05 \$8.8m GF; FY06 \$6.9m GF; FY07 \$7.9m GF

Bottom Line: In only four of the last 20 years have general fund increases covered the salary and fixed cost obligations and allowed for state-funded program growth.

UA's Impact on Alaska

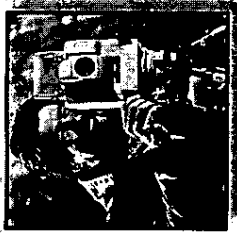
Completion of at least one workforce training course at UA leads to an average 18 percent increase in earnings.

The UA Scholars Program keeps young Alaskans in state. More than 4,250 Scholars have enrolled since 1999, earning more than 1,200 degrees and certificates to date. More than 90 percent of them stay in Alaska to work, raise families and contribute to the economy.

New Occupational Endorsement and Workforce Credential tracks are tailored toward non-traditional students who have a specific career goal: like a promotion.

UA freshmen in baccalaureate engineering programs have doubled since 2004, with a 30 percent increase in the last year. State labor economists predict strong employment opportunities in engineering and related fields.

UA graduates in health programs have increased over 20 percent in the last five years. The latest enrollment figures, at nearly 3,450 students, are up an incredible 86 percent since 2000. Health-care workers are highly sought for employment, with demand even higher in rural Alaska.



Budget Request

And Performance Summary

FY 2010



UNIVERSITY of ALASKA

Many Traditions. One Alaska

University of Alaska Anchorage (UAA):

Anchorage, Kenai, Mat-Su, Homer, Kodiak and Valdez
 Outreach centers: Cordova, Copper Center and Eagle River

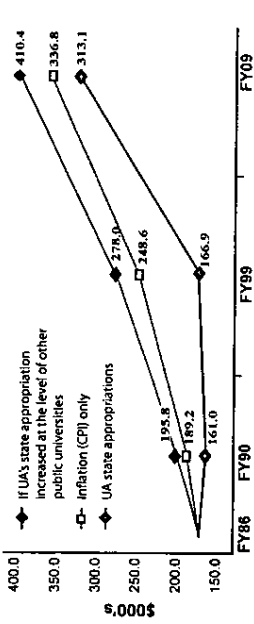
University of Alaska Southeast (UAS):

Juneau, Sitka and Ketchikan

University of Alaska Fairbanks (UAF):

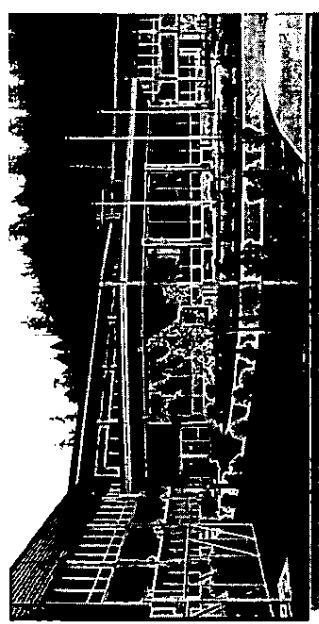
Fairbanks, Bethel, Dillingham, Nome, Kotzebue, Tanana Valley and Interior-Aleutians
 Outreach centers: Fort Yukon, Galena, McGrath, Nenana, Tok and Unalaska

State Appropriation Comparison



Where We Could Be: If state funding increased at the average for Lower-48 public universities
 Where We Should Be: If state participation was adjusted for inflation (CPI)
 Where We Are: Nearly \$24.6 million is consumed by extraordinary increases in state retirement

Bottom Line: State support for UA has not kept pace with the average of Lower 48 counterparts. At the same time, retirement costs have skyrocketed.



UA Facilities Need Investment

- UA requires annual capital funding of \$50 million for major renewal and renovation (R&R), plus an additional annual investment to begin to address the R&R backlog known as "deferred maintenance."
- This investment is in addition to operating funds UA dedicates each year (\$31 million in FY09) to maintain 400 buildings - 6.7 million square feet across the state.
- When capital R&R funding falls below \$50 million annually, UA's maintenance backlog grows.
- Every year, UA's highest priority capital budget request is major R&R. Since FY2000, UA's annual request has averaged \$75 million. State appropriations have averaged \$16 million.
- UA's R&R inventory now exceeds \$800 million--a critical level.

Strengthening Alaska's Economy

- The University of Alaska leaves an economic footprint in the state of nearly \$1 billion annually, including:
 - Direct and indirect payroll
 - Student and visitor spending
 - And millions in goods and services paid to 1,200 Alaska businesses in 70 communities
- Nine out of 10 recent high school graduates rate the quality of education at UA as good or very good, a dramatic improvement since 1999.
- UA research brings over \$150 million to the state each year, employs nearly 2,400 people and has a total payroll of \$92 million. Future growth in UA research will require a state investment in new facilities.
- Charitable donations to the UA Foundation reached a record \$31 million in FY08, with nearly 6,450 people, businesses and foundations supporting the university's programs, scholarships and students.
- UA now attracts 63 percent of college-bound high school graduates in Alaska, up from 45 percent in the mid-1990s.



Bottom Lines: Students, parents, employers, alumni and citizens support the UA system.

FY10 Operating Budget Request Summary

	State Approp.	Receipt Authority	Total
Operating Budget	313,107.1	\$25,007.6	838,114.7
FY10 Operating Request Items			
Used Base Requirements			
Personnel Increases	9,098.4	5,676.5	14,774.9
Operational Operating Cost Increases	8,359.4	9,458.6	17,818.0
Subtotal - Adjusted Base Requirements	17,457.8	15,135.1	32,592.9
UA Program Enhancement and Growth			
Outreach	2,628.1	846.6	3,474.7
Engineering, Climate	3,823.4	7,120.0	10,943.4
Other Programs	3,073.2	3,213.5	6,286.7
Force and Campus Programs	2,341.8	619.9	2,961.7
Subtotal - Priority Program Enhancement and Growth	11,866.5	11,800.0	23,666.5
UA FY10 Incremental Request	29,324.3	26,935.1	56,259.4
UA FY10 Operating Budget Request	342,431.4	51,942.7	894,374.1
Percent Change FY09 Received to FY10 Request	9.4%	5.1%	6.7%
Rating Budget Adjustments	2,957.5	(47,677.0)	(44,719.5)
UA FY10 Operating Budget Request with Adjustments	345,388.9	504,265.7	849,654.6

University of Alaska FY10 Capital Budget Request Summary

	State Approp.	Receipt Authority	Total
Operating Existing Facilities R&R Annual Requirement	50,000.0		50,000.0
Life Sciences Innovation and Learning Facility	82,195.0	20,625.0	102,820.0
Auke Lake Way Campus Entry Improvements & Road Realign.	4,130.0		4,130.0
Sports Arena	65,000.0		65,000.0
Facilities Planning & Design	47,300.0	15,800.0	63,100.0
Including Major R&R and Deferred Maintenance Backlog	150,000.0		150,000.0
Alaska Region Research Vessel		100,000.0	100,000.0
General Receipt Authority		15,000.0	15,000.0
Subtotal - FY10 Facility Capital Needs	398,625.0	151,425.0	550,050.0
0 Project and Equipment Requests			
IGY Projects	20,950.0		20,950.0
State Projects	21,500.0		21,500.0
Alaska Education Policy Project	700.0		700.0
University Equipment Refresh (administrative & academic)	90,000.0		90,000.0
Compliance/Business Efficiency Solutions	10,000.0		10,000.0
Subtotal - FY10 Project and Equipment Requests	143,150.0		143,150.0
UA FY10 Capital Budget Request	541,775.0	151,425.0	693,200.0

FY08 REPORT CARD

From FY07	From FY99
High Demand Job Area Degrees Awarded Up 1%	Up 38%
First-Time Full-Time Undergraduate Retention Down 1.5 points	Up 9.5 points
Student Credit Hours No Change	Up 16%
Grant-funded Research Expenditures Down 4.6%	Up 97%
University-Generated Revenue No Change	Up 90%

Funding Analysis Comparison

University of Alaska Compared to Western States	U of A	WICHE
State Appropriation to Higher Education	9.8%	FY06 11.6%
State Grant Aid per Student	\$28	\$416
Ratio: Instruction Expenditures per Student FTE	\$9,373	\$6,545
2-year, 4-year and Graduate Institutions		\$9,813
4-year and Graduate Institutions only	\$14,090	
Ratio: Appropriation per Student FTE		\$7,073
2-year, 4-year and Graduate Institutions		\$15,613
4-year and Graduate Institutions only	13.9	12.9
Staff per 100 FTE Students*	\$118,734	\$54,283
Research Generated per Faculty**		

Note: * UA Peer Institutions with less than 35,000 student FTE.

** Only FY05 Faculty figures were available on WICHE website: <http://www.wiche.edu/policy/facbook/>

Bottom Lines: UA instructional costs and state appropriations, per student, are in line with our Western neighbors.

Dispelling the Myths

The university does not compare itself with obviously larger institutions to justify costs. UA campuses use nationally established peer comparisons as guidelines. Peer campuses include Missouri State at Rolla, Utah's Weber State, and University of Wyoming.

Rural campuses are far more efficient than many people might think, and are moving toward even greater efficiencies.

UA has steadily decreased its dependence on state funds - from 60 percent of its overall budget to about 40 percent. However, fixed cost challenges (retirement and health care) may require more state funding in the future.

The university's business practices have saved millions of dollars in operating costs and maximized the use of our work force.

Health and pharmacy benefits are aggressively negotiated to keep rates low. Expanded disease management incentives result in healthier employees and reduced medical costs.

Serving a vast area presents unique challenges to the administration. UA consistently comes out as either average or below average on administrative costs and staffing levels compared with our peers.



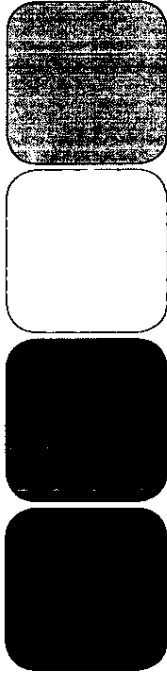
UNIVERSITY
of ALASKA

Many Traditions One Alaska

University Relations
P.O. Box 755200
Fairbanks, AK 99775-5200

www.alaska.edu/state/

FACTS
Not Fiction



University of Alaska

Did you know?

UA enrollment is healthy - student credit hour production has increased 18 percent since 1999, with a headcount increase of more than 7 percent.

Sixty three percent of Alaska's college-bound high school graduates now choose to attend one of UA's 16 campuses across the state. That's up from 40 percent in the mid-1990s.

Over 80 percent of jobs in Alaska and the nation require at least one year of post-secondary education or workforce training.

UA research is one of Alaska's largest industries. In 2007, UA received over \$132 million for research from public and private sources outside the state.

Facts Not Fiction

FICTION

Top administrator salaries are too high

FACT UA pays executives based on market comparisons. However, due to decades-long budget constraints, they are paid, on average, 10-20 percent below their colleagues at comparable institutions.

The President's annual salary of \$300,000 is about 30 percent below the national average for a system president. According to a recent survey in the Chronicle of Higher Education, the average salary for similar positions is \$389,000 per year.

FICTION

UA wants to be the "Harvard of the North"

FACT Though UA strives to be a quality institution, its costs and administrative levels are based on comparisons with schools of similar size and mission.

Unlike the "big name" private schools of the Lower 48, UA campuses are open admission institutions with few restrictions on enrollment. UA also embraces the community college, vocational and technical mission that more restrictive universities overlook.

FICTION

UA's tuition is too high

FACT Other universities across the nation have raised their tuition at higher rates. UA is still less expensive than other four-year public schools, including Arizona, California, Montana, North Dakota, Oregon, South Dakota and Washington State.

Tuition revenue at UA covers less than a quarter of the actual costs. But return on investment is high - working college graduates in Alaska make almost 50 percent more each year than working high school or GED graduates.

FICTION

The university is fat and inefficient

FACT That claim is ancient history. UA was cut \$20 million in the late eighties, was flat funded through the nineties, and has absorbed numerous cost increases.

The truth is, UA funding has not kept up with inflation. In fact, in the last 20 years, UA has received program money, beyond fixed costs, just four times. This is particularly challenging in light of high cost drivers, such as retirement, utilities, fuel and healthcare.

FICTION

The university offers too many degree programs. It shouldn't try to be all things to all people

FACT According to the Western Interstate Commission on Higher Education (WICHE), the University of Alaska offers 30 percent fewer degree programs than the average offered by other universities in the West.

New programs in recent years have been aimed directly at addressing high priority state workforce needs such as engineering, nursing and allied health careers.

FICTION

There are too many rural campuses

FACT UA's rural campuses consume less than most people think - only 13 percent of total funds received by the state. Serving our rural neighbors is an integral part of the University of Alaska's mission.

FICTION

If the university would sell some of its land it would have all the money it needs

FACT Even after the state transfers 250,000 acres of land to the university per 2005 legislation, it will take many years before these remote, undeveloped lands produce regular income. In 20 years, it's estimated that proceeds from UA land will support 5 percent of the university's budget. Land income is important, but not the total budget fix.

FICTION

Professors don't spend enough time in the classroom

FACT University faculty workloads are consistent with institutions throughout the United States. Faculty members are required to perform multiple functions outside the classroom - including student advising, research and public service - as a condition of their employment.

FICTION

The university is top heavy with administrators

FACT National data on administrative staffing levels and costs consistently show UA at or below average for peer institutions.

University of Alaska 10-year Plan

Operating Budget Assumptions

The baseline scenario reflects the Governor's proposed FY10 budget increment level. This funding level is less than the UA Board of Regents's fixed cost increment; therefore some service level decreases are projected in key areas from FY09 to FY10. UA's 10-year plan includes projected contract and policy mandated personnel services increases, unlike other state agencies.

This plan has a GF Operating baseline increase of four percent based on the national Higher Education Price Index (HEPI). HEPI is an inflation index designed specifically to track the primary cost drivers in higher education. It is an essential planning tool for educational managers, enabling schools to project the future budget and funding increases required to maintain real purchasing power and investment. HEPI has averaged four percent for the past five years for the nation as a whole.

UA's actual fixed costs are projected to increase from four to five percent per year, based on projected contract requirements. A lower rate of increase will be challenging to achieve and represents a commitment by UA to continue realizing efficiencies.

The operating gasline related increments would support increased capacity for gasline related programs such as Engineering and Construction. UA is not producing enough graduates in these areas to meet current demand, much less demand increases anticipated from the gasline. In response to state needs, \$4.3 million of the Board of Regents' approved FY10 request for Operations-GF is for gasline related programs and program support. This plan assumes the proportion of gasline related operating program increments will grow over this 10-year timeframe incrementally through FY19.

In addition to gasline related initiatives, UA has a number of other program initiatives designed to meet critical state needs. UA's K-12 Outreach initiatives, though not directly gasline related, are essential in order for UA to have a pool of Alaskan students with the skills required to enter gasline related programs. Another fundamental function provided by UA is Health career training. Though not directly gasline related, each of these initiative areas will provide support toward current and projected future workforce needs, which may be intensified by the gasline impact.

Capital Budget Assumptions

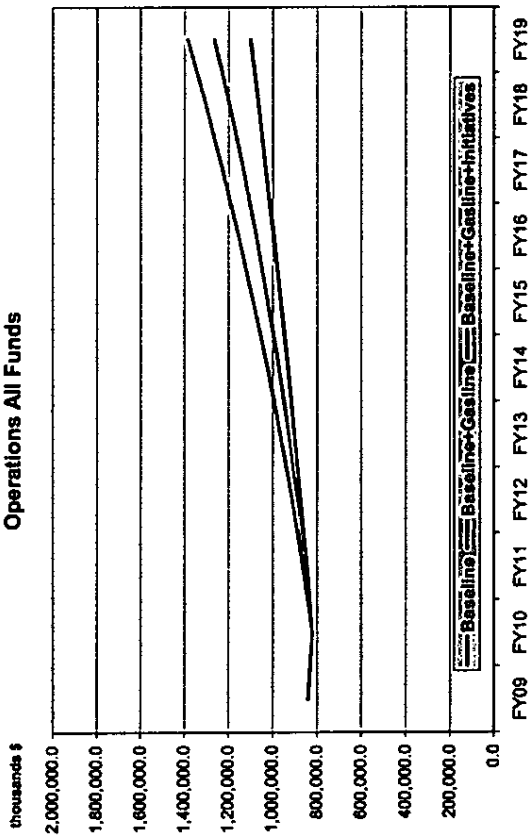
The capital projects presented in each scenario are based on the UA Board of Regents 6-year Capital Plan. The first three years of the plan are used for direct project cost estimates, and out year projects are represented by general placeholder cost estimates.

It is fiscally responsible to maintain existing facilities. The Governor's proposed FY10 budget provides \$10 million of UA's \$50 million annual renewal and renovation (R&R) requirement. This will add \$40 million to UA's deferred maintenance backlog which already exceeds \$800 million. For the period of FY11 through FY19, the baseline scenario incorporates \$50 million annually in capital GF to meet the Annual Renewal & Replacement requirement to keep the backlog from growing. This plan also includes a pay down of the deferred maintenance backlog of \$100 million annually.

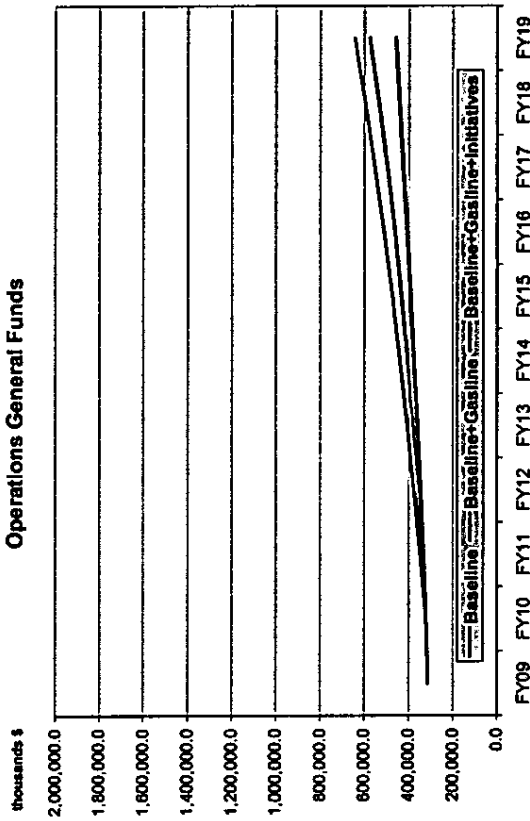
The FY10 UA Board of Regents capital request includes \$25 million in UA Engineering planning; this has been moved to FY11 as it is not included in the Governor's proposed FY10 budget. There is a placeholder for UA Engineering projects in FY12. A significant proportion of out-year Capital-GF listed as initiative is anticipated to support gasline related program growth.

University

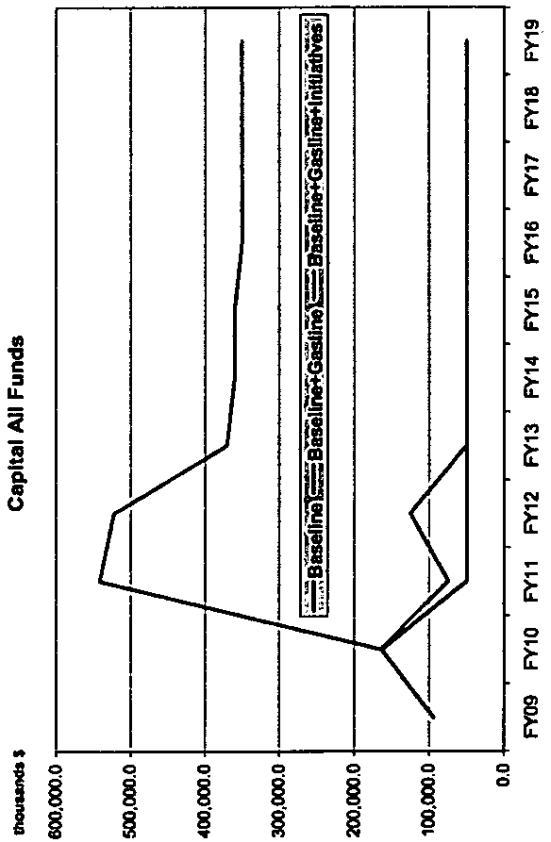
Operations All Funds



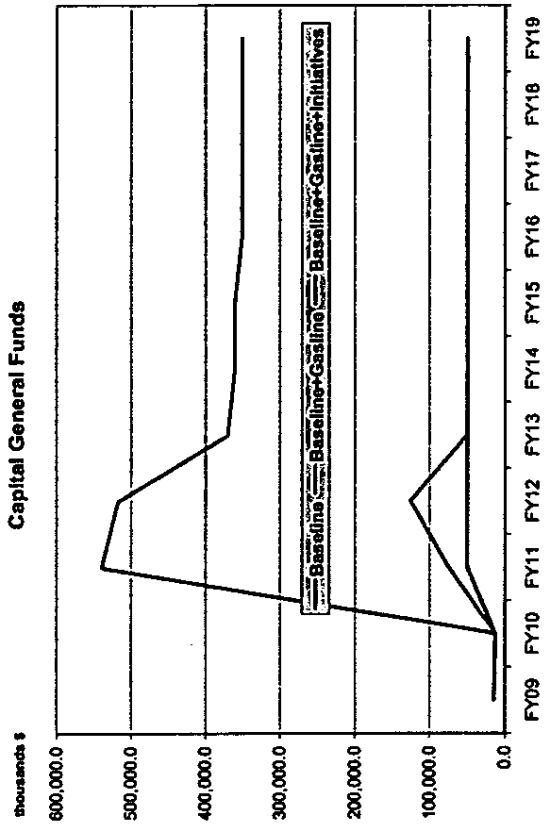
Operations General Funds



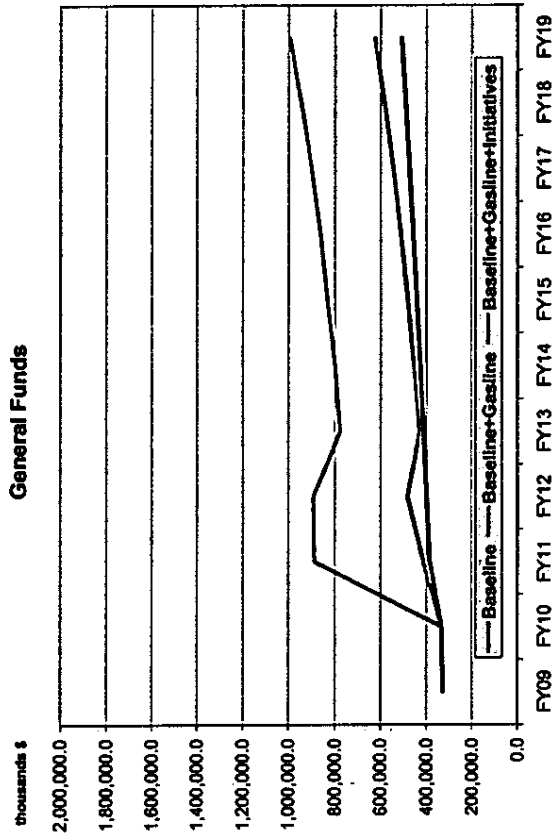
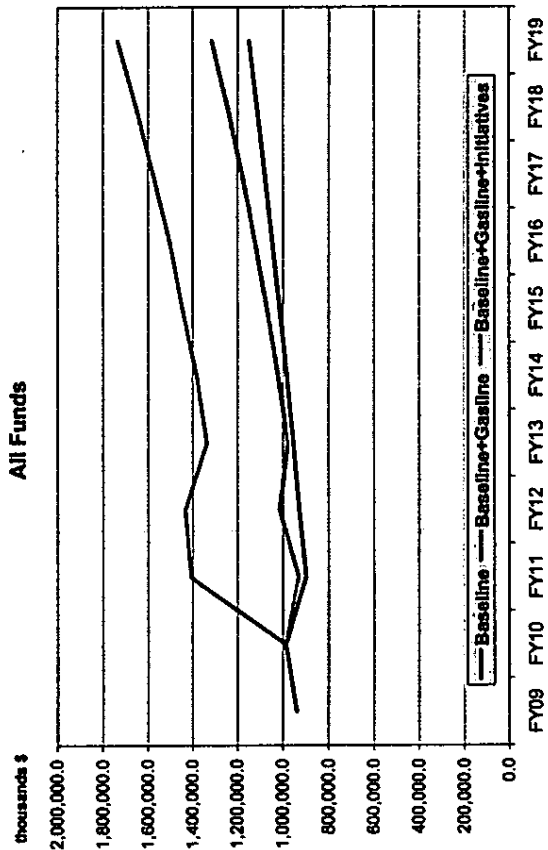
Capital All Funds



Capital General Funds



University



UA PLAN BASELINE ASSUMPTIONS: *Notes for FY09 Baseline Appropriations and department assumptions for FY10 and beyond*

- The Governor's FY09 Capital Budget Includes \$46,075.0 in Legislative add-on projects (\$75.0 General Funds and \$46,000.0 Other Funds) for UA.
- This plan assumes future baseline GF program support growth at UA of 4% annually. This growth rate assumption will be challenging to achieve in part due to anticipated contract and policy mandated personnel services increases, which are included in this plan.
- The FY10 baseline numbers represent the Governor's proposed operating and capital budgets; however, these are less than the amount required for UA to maintain FY09 service levels.
- FY10 Operations-GF includes \$9.4 million for fixed cost increases; this is \$6.3 million (not including utilities) less than the level necessary for UA to continue operations at FY09 service levels. Also included is: \$800.0 in K-12 Outreach; \$1,000.0 in Energy and Cooperative Extension; and \$1,843.9 in Health Academic Programs. It is important to note that to implement these programs the fixed cost shortfall will need to be addressed.
- Also included in the FY10 Operations-GF are transfers of Small Business Development Center funding from Business License and Corporate Fees to GF, and the Alaska National Guard/University of Alaska Tuition Scholarship Program (TSP) from the Department of Military and Veteran Affairs to the UA.
- The Higher Education Price Index (HEPI) is an inflation index designed specifically to track the primary cost drivers in higher education. It is an essential planning tool for educational managers, enabling schools to project the future budget and funding increases required to maintain real purchasing power and investment. HEPI has averaged 4% for the past 5 years.
- In response to state needs, UA has focused a majority of its resources on growing programs in high demand job areas. Most of these programs have higher costs associated with them due to: a need for competitive wages to recruit faculty; smaller class sizes because of strict accreditation limits and lab constraints; and needs for costly academic equipment.
- At UA, the primary contributors to Operations- Other State Funds are Student tuition and fees and general university receipts such as individual, local and corporate giving.
- The FY10 Baseline Operations incorporated unrealizable budget authority reductions in Other State Funds of \$22.6 million and Federal Funds of \$25.4 million.
- This plan assumes modest growth in Operations- Federal Funds; realizing this growth requires state investment in research space.
- Some of the FY10 Operations- Other State Funds budget increments are dependent on unfunded GF increments and will not be realizable at this level without the GF funding.
- This plan assumes tuition rate increases of 5% per year, which is just enough to keep up with the portion of fixed cost increases reliant on this source.
- Over this ten year period UA will become proportionally more dependent on state funds, due to having optimized the non-general fund leveraging opportunities at this time.
- The FY10 Capital-GF includes \$10 million of the \$50 million annual R&R requirement, and \$2.2 million of pass-thru funding to Providence Alaska Medical Center for the Alaska Family Medicine Residency Program.
- \$50 million per year in Renewal and Renovation is necessary in order to not add to the deferred maintenance backlog.
- FY10 Capital - Federal Funds is for the Alaska Region Research Vessel; and some receipt authority for other potential Federal projects.
- FY10 Capital-Other State Funds include bonding for the UAF Life Sciences Innovation and Learning Facility and the UAF Energy Technology Building. It is important to note that without the GF portion this authority will likely be unrealizable.
- College preparation program focus is necessary to continue increasing the number of qualified students and successful graduates.

University

Baseline Budget Growth 1/

(thousands \$)

	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
Total Appropriations	937,011.4	985,688.8	897,767.7	925,628.9	953,225.3	981,895.8	1,012,650.2	1,044,636.2	1,077,905.3	1,112,510.9	1,148,624.1
General Fund	321,962.9	328,899.6	379,556.5	392,929.8	406,838.0	421,302.6	436,345.7	451,990.6	468,261.3	485,182.8	502,781.2
General Fund Match	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3
Federal Funds	156,076.9	246,558.5	132,581.3	134,530.7	135,463.6	136,404.0	137,351.9	138,307.4	139,270.6	140,241.5	141,220.1
Other State Funds	454,204.3	405,453.4	380,852.6	393,391.1	406,146.4	419,411.9	434,175.3	449,560.9	465,596.1	482,309.3	499,845.5
Operations	842,956.7	822,063.8	847,767.7	875,628.9	903,225.3	931,895.8	962,650.2	994,636.2	1,027,905.3	1,062,510.9	1,098,624.1
General Fund	307,898.2	316,899.6	329,556.5	342,929.8	356,838.0	371,302.6	386,345.7	401,990.6	418,261.3	435,182.8	452,781.2
General Fund Match	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3
Federal Funds	156,076.9	131,558.5	132,581.3	134,530.7	135,463.6	136,404.0	137,351.9	138,307.4	139,270.6	140,241.5	141,220.1
Other State Funds	374,204.3	369,028.4	380,852.6	393,391.1	406,146.4	419,411.9	434,175.3	449,560.9	465,596.1	482,309.3	499,845.5
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	842,956.7	822,063.8	847,767.7	875,628.9	903,225.3	931,895.8	962,650.2	994,636.2	1,027,905.3	1,062,510.9	1,098,624.1
General Fund	307,898.2	316,899.6	329,556.5	342,929.8	356,838.0	371,302.6	386,345.7	401,990.6	418,261.3	435,182.8	452,781.2
General Fund Match	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3
Federal Funds	156,076.9	131,558.5	132,581.3	134,530.7	135,463.6	136,404.0	137,351.9	138,307.4	139,270.6	140,241.5	141,220.1
Other State Funds	374,204.3	369,028.4	380,852.6	393,391.1	406,146.4	419,411.9	434,175.3	449,560.9	465,596.1	482,309.3	499,845.5
Capital	94,054.7	163,625.0	50,000.0	50,000.0	50,000.0	50,000.0	50,000.0	50,000.0	50,000.0	50,000.0	50,000.0
General Fund	14,054.7	12,200.0	50,000.0	50,000.0	50,000.0	50,000.0	50,000.0	50,000.0	50,000.0	50,000.0	50,000.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	115,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	80,000.0	36,425.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

1. UA baseline figures include wage and benefit increases.

Notes for FY09 Baseline Appropriations and department assumptions for FY10 and beyond

FY09 numbers include a \$4,840.0 GF transfer from the Governor's office for Fuel and Utilities.
See prior page for assumptions.

UA PLAN GASLINE RELATED ASSUMPTIONS: *Describe department assumptions for gasline appropriations estimates below:*

- The Governor's proposed FY10 budget includes \$800.0 in Operations- GF for K-12 bridging programs that support engineering and other gasline related programs.
- In response to state needs, \$4.3 million of the Board of Regents' approved FY10 request for Operations-GF was for gasline related programs and program support, such as engineering.
- This plan assumes that the proportion of gasline related operating program increments will grow over this 10-year timeframe incrementally through FY19.
- The gasline related Capital-GF includes training equipment for gasline related programs in FY10, planning money for UA engineering facilities in FY11, and a placeholder for the actual construction costs for these facilities in FY12.
- A significant proportion of out-year Capital-GF listed under other growth is anticipated to support gasline related program growth.
- College preparation program focus is necessary to continue increasing the number of qualified students in gasline related programs and produce successful graduates in these programs.

University

Gasline Related Budget Growth
(thousands \$)

	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
Total Appropriations	0.0	1,072.0	30,770.1	88,413.2	24,921.5	39,246.8	56,893.5	77,401.3	101,993.2	131,183.4	165,482.1
General Fund	0.0	0.0	29,507.1	85,577.3	18,445.6	28,374.0	40,655.0	55,614.1	73,613.6	95,056.0	120,388.4
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	1,072.0	1,263.1	2,835.9	6,476.0	10,872.9	16,238.5	21,787.2	28,379.6	36,127.4	45,093.7
Operations	0.0	0.0	5,770.1	13,413.2	24,921.5	39,246.8	56,893.5	77,401.3	101,993.2	131,183.4	165,482.1
General Fund	0.0	0.0	4,507.1	10,577.3	18,445.6	28,374.0	40,655.0	55,614.1	73,613.6	95,056.0	120,388.4
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	1,263.1	2,835.9	6,476.0	10,872.9	16,238.5	21,787.2	28,379.6	36,127.4	45,093.7
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	0.0	0.0	5,770.1	13,413.2	24,921.5	39,246.8	56,893.5	77,401.3	101,993.2	131,183.4	165,482.1
General Fund	0.0	0.0	4,507.1	10,577.3	18,445.6	28,374.0	40,655.0	55,614.1	73,613.6	95,056.0	120,388.4
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	1,263.1	2,835.9	6,476.0	10,872.9	16,238.5	21,787.2	28,379.6	36,127.4	45,093.7
Capital	0.0	1,072.0	25,000.0	75,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General Fund	0.0	0.0	25,000.0	75,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	1,072.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Describe department assumptions for gasline appropriations estimates:

See prior page for assumptions.

UA PLAN NEW INITIATIVES (Except Gasline) ASSUMPTIONS: *Describe department assumptions for new initiatives (except gasline) appropriations estimates below:*

- A significant proportion of out-year Capital-GF listed under other growth is anticipated to support gasline related program growth.
- Items from the Board of Regents' FY10 approved capital request that were unfunded in the Governor's proposed FY10 budget have been shifted to FY11 and FY12, with some of the projects distributed across multiple years in phases. Some of the projects planned for FY11 have been shifted to FY12.
- In FY11, anticipated requests include: the UAF Life Sciences Innovation and Learning Facility; UAS Auke Lake Campus Entry Improvements and Road Realignment; the UAA Sports Arena; the UAF Energy Technology Building; additional or replacement dorms at all three MAUs; planning for the UAA cogeneration plant; planning for the UAF Fire Station and Student Firefighter Training Center; feasibility studies for Community Campus new facilities; as well as first phases of project and equipment requests in the areas of energy, climate and Alaska education policy.
- In FY12, anticipated capital requests include: the UAF Fire Station and Student Firefighter Training Center; the UAA Cogeneration plant; UAA and UAF classroom expansions; and UAA Health Sciences Phase II.
- Out year increments are placeholders for such things as potential projects coming from the Community Campus feasibility study results and/or increased state demand in a particular program area requiring additional facility investment.
- This plan assumes continued efficiencies are realized in space utilization of existing facilities.
- A solution to deferred maintenance is important; this plan incorporates \$100 million per year for the next 8 years to pay down deferred maintenance. There are other funding options to be discussed.
- For every \$100 million in new facilities investment there can be an expected increase of \$3-5 million in operating costs.
- Over this ten year period UA will become proportionally more dependent on state funds, due to having optimized the non-general fund leveraging opportunities at this time.
- College preparation program focus is necessary to continue increasing the number of qualified students and successful graduates.

University

Initiatives (Except Gasline)

(thousands \$)

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Total Appropriations	0.0	0.0	478,567.3	420,160.3	357,719.7	360,263.7	377,115.9	381,670.0	395,469.0	408,276.4	419,966.7
General Fund	0.0	0.0	473,024.9	409,408.8	344,904.7	342,908.9	350,573.8	347,757.9	354,298.8	360,010.9	364,682.2
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	1,363.8	1,851.2	5,657.3	7,674.0	14,927.2	21,496.5	28,479.5	35,899.8	43,940.5
Other State Funds	0.0	0.0	4,178.5	8,900.3	7,157.6	9,680.7	11,614.9	12,415.6	12,690.7	12,365.7	11,344.0
Operations	0.0	0.0	11,894.3	22,435.3	37,719.7	50,263.7	67,115.9	81,670.0	95,469.0	108,276.4	119,966.7
General Fund	0.0	0.0	8,351.9	16,683.8	24,904.7	32,908.9	40,573.8	47,757.9	54,298.8	60,010.9	64,682.2
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	1,363.8	1,851.2	5,657.3	7,674.0	14,927.2	21,496.5	28,479.5	35,899.8	43,940.5
Other State Funds	0.0	0.0	2,178.5	3,900.3	7,157.6	9,680.7	11,614.9	12,415.6	12,690.7	12,365.7	11,344.0
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	0.0	0.0	11,894.3	22,435.3	37,719.7	50,263.7	67,115.9	81,670.0	95,469.0	108,276.4	119,966.7
General Fund	0.0	0.0	8,351.9	16,683.8	24,904.7	32,908.9	40,573.8	47,757.9	54,298.8	60,010.9	64,682.2
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	1,363.8	1,851.2	5,657.3	7,674.0	14,927.2	21,496.5	28,479.5	35,899.8	43,940.5
Other State Funds	0.0	0.0	2,178.5	3,900.3	7,157.6	9,680.7	11,614.9	12,415.6	12,690.7	12,365.7	11,344.0
Capital	0.0	0.0	466,673.0	397,725.0	320,000.0	310,000.0	310,000.0	300,000.0	300,000.0	300,000.0	300,000.0
General Fund	0.0	0.0	464,673.0	392,725.0	320,000.0	310,000.0	310,000.0	300,000.0	300,000.0	300,000.0	300,000.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	2,000.0	5,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Describe department assumptions for new initiatives (except gasline) appropriations estimates.

See prior page for assumptions.

University

Baseline plus Gasline

	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
Total Appropriations	937,011.4	986,760.8	928,537.8	1,014,042.1	978,146.8	1,021,142.6	1,069,543.7	1,122,037.5	1,179,898.5	1,243,694.3	1,314,106.2
General Fund	321,952.9	328,899.6	409,063.6	478,507.1	425,283.6	449,676.6	477,000.7	507,604.7	541,874.9	580,238.8	623,169.6
General Fund Match	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3
Federal Funds	156,076.9	246,558.5	132,581.3	134,530.7	135,463.6	136,404.0	137,351.9	138,307.4	139,270.6	140,241.5	141,220.1
Other State Funds	454,204.3	406,525.4	382,115.7	396,227.0	412,622.4	430,284.8	450,413.8	471,348.1	493,975.7	518,436.7	544,939.2
Operations	842,956.7	822,063.8	853,537.8	889,042.1	928,146.8	971,142.6	1,019,543.7	1,072,037.5	1,129,898.5	1,193,694.3	1,264,106.2
General Fund	307,898.2	316,699.6	334,063.6	353,507.1	375,283.6	399,676.6	427,000.7	457,604.7	491,874.9	530,238.8	573,169.6
General Fund Match	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3
Federal Funds	156,076.9	131,558.5	132,581.3	134,530.7	135,463.6	136,404.0	137,351.9	138,307.4	139,270.6	140,241.5	141,220.1
Other State Funds	374,204.3	369,028.4	382,115.7	396,227.0	412,622.4	430,284.8	450,413.8	471,348.1	493,975.7	518,436.7	544,939.2
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	842,956.7	822,063.8	853,537.8	889,042.1	928,146.8	971,142.6	1,019,543.7	1,072,037.5	1,129,898.5	1,193,694.3	1,264,106.2
General Fund	307,898.2	316,699.6	334,063.6	353,507.1	375,283.6	399,676.6	427,000.7	457,604.7	491,874.9	530,238.8	573,169.6
General Fund Match	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3
Federal Funds	156,076.9	131,558.5	132,581.3	134,530.7	135,463.6	136,404.0	137,351.9	138,307.4	139,270.6	140,241.5	141,220.1
Other State Funds	374,204.3	369,028.4	382,115.7	396,227.0	412,622.4	430,284.8	450,413.8	471,348.1	493,975.7	518,436.7	544,939.2
Capital	94,054.7	164,697.0	75,000.0	125,000.0	50,000.0	50,000.0	50,000.0	50,000.0	50,000.0	50,000.0	50,000.0
General Fund	14,054.7	12,200.0	75,000.0	125,000.0	50,000.0	50,000.0	50,000.0	50,000.0	50,000.0	50,000.0	50,000.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	115,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	80,000.0	37,497.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

University

Baseline plus Gasline plus New Initiatives

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Total Appropriations	937,011.4	986,760.8	1,407,105.1	1,434,202.4	1,335,866.5	1,381,406.3	1,446,659.6	1,503,707.5	1,575,367.5	1,651,970.7	1,734,072.9
General Fund	321,952.9	328,899.6	882,088.5	887,915.9	770,188.3	782,585.5	827,574.5	855,362.6	898,173.7	940,249.7	987,851.8
General Fund Match	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3
Federal Funds	156,076.9	246,558.5	133,945.1	136,381.9	141,120.9	144,078.0	152,279.1	159,803.9	167,750.1	176,141.3	185,160.6
Other State Funds	454,204.3	406,525.4	386,294.2	405,127.3	419,780.0	439,985.5	462,028.7	483,763.7	506,666.4	530,802.4	556,283.2
Operations	842,956.7	822,063.8	865,432.1	911,477.4	865,866.5	1,021,406.3	1,086,659.6	1,153,707.5	1,225,367.5	1,301,970.7	1,384,072.9
General Fund	307,898.2	316,699.6	342,415.5	370,190.9	400,188.3	432,585.5	467,574.5	505,362.6	546,173.7	590,249.7	637,851.8
General Fund Match	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3
Federal Funds	156,076.9	131,558.5	133,945.1	136,381.9	141,120.9	144,078.0	152,279.1	159,803.9	167,750.1	176,141.3	185,160.6
Other State Funds	374,204.3	369,028.4	384,294.2	400,127.3	419,780.0	439,985.5	462,028.7	483,763.7	506,666.4	530,802.4	556,283.2
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	842,956.7	822,063.8	865,432.1	911,477.4	865,866.5	1,021,406.3	1,086,659.6	1,153,707.5	1,225,367.5	1,301,970.7	1,384,072.9
General Fund	307,898.2	316,699.6	342,415.5	370,190.9	400,188.3	432,585.5	467,574.5	505,362.6	546,173.7	590,249.7	637,851.8
General Fund Match	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3
Federal Funds	156,076.9	131,558.5	133,945.1	136,381.9	141,120.9	144,078.0	152,279.1	159,803.9	167,750.1	176,141.3	185,160.6
Other State Funds	374,204.3	369,028.4	384,294.2	400,127.3	419,780.0	439,985.5	462,028.7	483,763.7	506,666.4	530,802.4	556,283.2
Capital	94,054.7	164,697.0	541,673.0	522,725.0	370,000.0	360,000.0	360,000.0	350,000.0	350,000.0	350,000.0	350,000.0
General Fund	14,054.7	12,200.0	539,673.0	517,725.0	370,000.0	360,000.0	360,000.0	350,000.0	350,000.0	350,000.0	350,000.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	115,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	80,000.0	37,497.0	2,000.0	5,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Department of Education & Early Development – 10 Year Fiscal Plan Assumptions

BASELINE BUDGET GROWTH (SCENARIO) 1

Notes for FY09 Baseline Appropriations and department assumptions for FY10 and beyond: Salary adjustments are included for FY10 but not highlighted below.

- **Foundation Program Projections:** Foundation Program projections reflect the following increases per Fiscal Note 2 (HB273) adjusted for updated student counts- FY10 \$47,492.4, FY11 \$57,406.3, FY12 \$12,901.0, FY13 \$12,075.0. As a primary assumption for this formula program it must be noted the division of School Finance has been tracking a steady decline in student population which is in contrast to the Department of Labor and Workforce Development Alaska Population Projections document. It is also assumed that legislation would be required to increase the Base Student Allocation (BSA) to hold harmless the districts with severely declining student populations FY14 through FY19. Since many factors impact the state aid calculation such as enrollment and required local effort, the trends would indicate a need to project declining entitlement payments. Using a historical perspective, state aid can remain relatively flat over multiple years during times of decreasing state revenue. On the optimistic side, the program should be sufficiently funded primarily due to the fact a tremendous amount of work has been accomplished through the efforts of the Education Funding Task Force and the implementation of their recommendations with the support of the governor and the legislature to build an equitable formula.
- **Foundation Program - Public School Trust Funds** from tobacco taxes fluctuates annually and will reduce or increase the amount of general fund required to fully fund the Foundation program. The published report online from the Department of Revenue shows a slight increase from FY08 to FY09. Funding will remain flat in this projection since no long term trends are available.
- **Pupil Transportation** reflects an increase of \$1,777.2 in FY10 and an increase of \$1,946.1 in FY11 per the latest student counts and based on the Anchorage CPI increases estimated at 3.2% (DLWD). The projection for Pupil Transportation from FY12 through FY19 reflects an average annual increase of 2.75% based on the annual inflation assumption as reported by the Alaska Permanent Fund.
- **Boarding Home Grants** includes an increment of \$350.0 GF in the base for Galena's program beginning in FY10, Youth in Detention and Special Schools reflects no increments in a fiscally conservative environment (Special Education Service Agency has minor fluctuations in population and a decrement of 5.3 GF is projected in FY10).
- **Alaska Challenge Youth Academy** includes an increment of 185.2 GF in FY10 based on student count. FY11 through FY19 reflects flat funding. Formula generated increases were rejected by the Alaska State Legislature in FY08 as

Department of Education & Early Development – 10 Year Fiscal Plan Assumptions

excessive. Legislation would be required to remove the link to formula funding and create a GF base budget in DMVA for annual appropriations.

- School Performance Incentive Program will be allowed to sunset after FY09. \$4,800.0 is included in the non-formula section of the spreadsheet for FY09 only.
- Executive Administration projections include a decrement in FY10 of 30.0 GF based on SB285 fiscal note for start up funding for district support activities.
- School Finance and Facilities contains an increment of \$24.7 GF for school bus inspections and \$45.2 GF for school bus driver training. These are included in the base budget beginning in FY10 as a fixed cost.
- Student & School Achievement, Assessments section projects a fixed cost annual increase of \$250.0 GF for state assessment contracts. The Standards Based Assessments and the High School Graduation Qualifying Examination are trending with a 3.5% to 4.0% annual increase just to maintain the current level of services. This amount has been included in the baseline budget growth projections beginning in FY10. Increments based on the Mental Health Trust recommendations are also included in the base for Autism Resources and Rural Secondary Transitions.
- Alaska State Council on the Arts includes an increment of \$56.5 in federal authority to receive and expend additional National Endowment of the Arts grant funding.
- State Facilities Rent includes an additional \$210.6 GF in the base budget projected from FY2010 through FY19 to provide funding for leases (DOA FY10 Projections) and to secure additional space.
- Alaska Commission on Post Secondary Education – Western Interstate Commission for Higher Education (WICHE) program assumes contractual increases at 4% annually in the base beginning in FY11 through FY19 based on current trends. This RDU includes an increase in federal authority of \$330.0 for carryforward funds from the prior year.
- Washington, Wyoming, Alaska, Montana and Idaho (WWAMI) Program – University of Washington School of Medicine. Fiscal note for additional students provides an increase of \$524.7 GF for FY10 and the program projects an annual increase of 4% through FY19 based on the number of students participating.

Capital

- Mt. Edgecumbe High School - \$2,000.0 GF is included in the FY10 Governor's capital budget request for projects on the priority list developed from the six year CIP master plan. \$5,000.0 has been included through FY15 and reduced to

Department of Education & Early Development – 10 Year Fiscal Plan Assumptions

\$1,000.0 annually out to FY19 to complete a majority of the projects in the current six year CIP master plan. The CIP master plan would be scheduled for an update in FY14.

- School Construction/Major Maintenance - Assumes Debt Reimbursement does not sunset and is re-authorized. FY11 through FY19 consists of SC/MM at \$100,000.0 annually in the base numbers. The FY10 Governor's capital budget contains only \$42,514.1 for major maintenance using Alaska Housing Finance Corporation receipts.
- FY12 and beyond assumes \$50.0 capital appropriations for other components annually.

NEW INITIATIVES (Except Gasline)

Describe department assumptions for new initiatives (except gasline) appropriations estimates below;

- Foundation Program includes \$2,000.0 for the Age 4 Pilot Program as part of Education Reform beginning in FY10 with a \$2,000.0 annual increase through FY14 and flat funding projected from FY15 out to FY19 set at \$10,000.0 annually. The annual increases will serve an additional 500 children per year under the pilot program and would reach a service level of 2,500 children in FY14 according to this scenario.
- Executive Administration includes an increment of \$824.2 GF justified as follows: During the last legislative session, the legislature passed SB285 (Ch.70) adding AS 14.07.032 and amending AS 14.07.020(a) and AS 14.07.03, which provides the Department of Education & Early Development with the clear, legal authority to improve instructional practices in school districts. The funding in this increment will be directed toward district/school improvement in the areas of math, science, arts, information technology, networks, culture and social studies by contracting the services of specialists for nine-month periods during the school year. The department fully anticipates a critical need for additional contracted staff to address the increasing need to provide professional and technical assistance to school districts and has projected an additional \$800.0 GF in FY11 with flat funding through FY19. General funds are critical and required to implement and support this state mandate.
- School Finance & Facilities includes an increment of \$150.0 GF in FY10 to provide funding to contract for 3 regionally based auditors to review new claims for intensive students.
- Early Learning Coordination has an increase of \$800.0 GF in FY10 to serve approximately 60 - 80 additional children in Head Start programs. Approximately

Department of Education & Early Development – 10 Year Fiscal Plan Assumptions

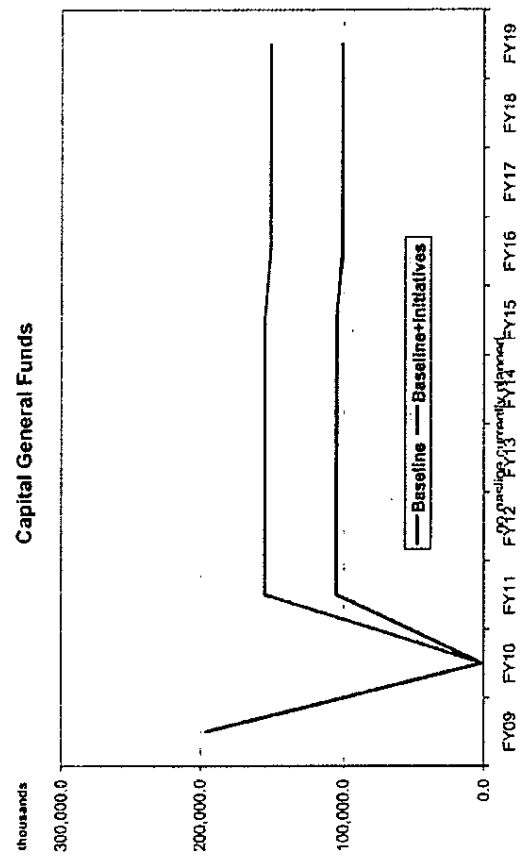
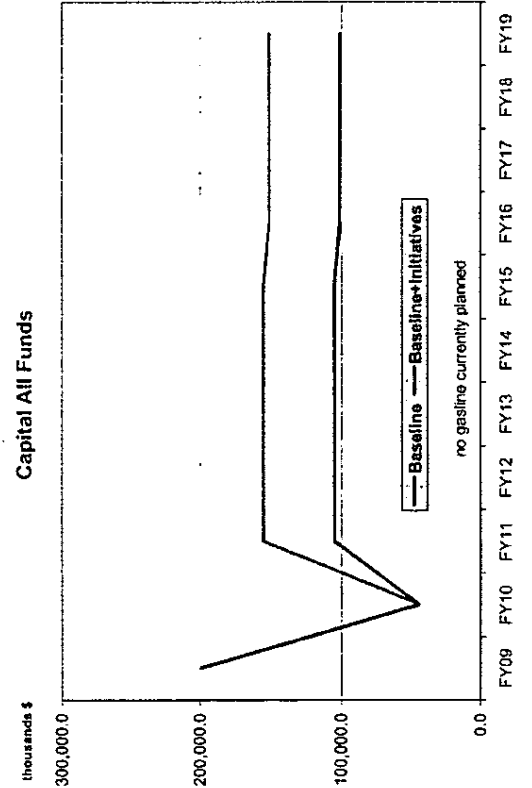
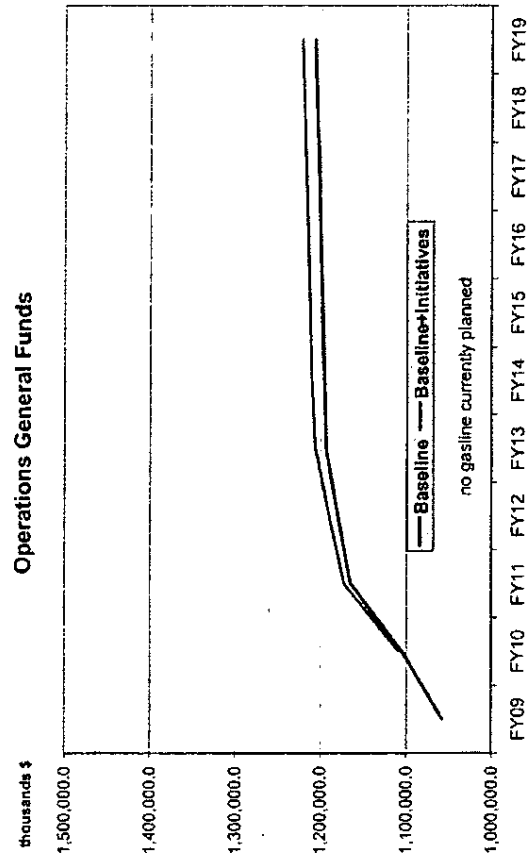
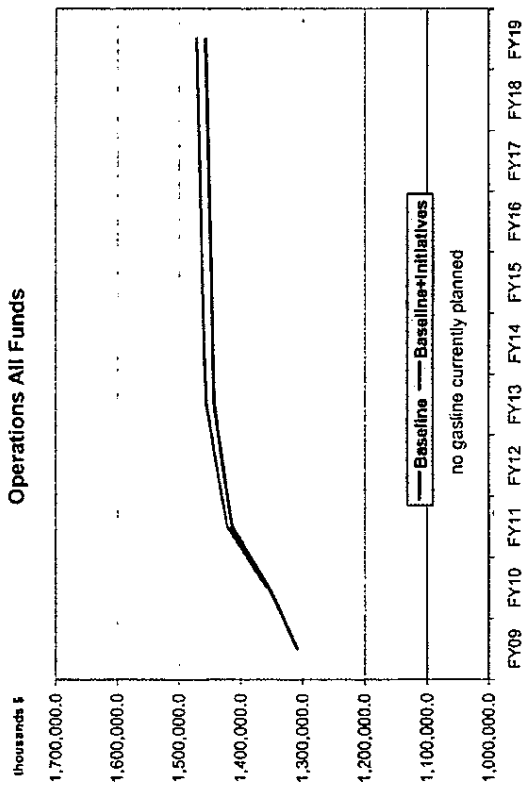
1,000 Alaska children remain on wait lists for Head Start. The department projects a need to increase the funding by \$800.0 in FY11 and again in FY12 to add capacity to the program. The funding is projected to remain flat from FY13 to FY19 under this scenario.

- Professional Teaching Practices Commission will be funded with 252.1 GF to replace Receipt Supported Services revenue generated from teacher certification fees. In order to remain self-supporting, the Teacher Certification component no longer has the ability to distribute a portion of their receipts to PTPC.

Capital

- School Construction/Major Maintenance - \$50,000.0 - Assumes Debt Reimbursement does not sunset and is re-authorized. FY11 through FY19 consists of an additional \$50,000.0 to provide an annual split of \$50,000.0 for major maintenance to address the ever growing backlog of projects and \$100,000.0 for new school construction due to the deterioration of old BIA and Molly Hootch schools.

Education



Education

Baseline Budget Growth 1/

(thousands \$)

	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
Total Appropriations	1,507,894.2	1,399,041.1	1,519,431.4	1,534,459.4	1,548,663.2	1,550,845.1	1,553,081.6	1,551,374.4	1,553,725.1	1,556,135.3	1,558,606.7
General Fund	1,252,593.5	1,105,431.2	1,268,139.8	1,283,162.8	1,297,361.4	1,299,537.9	1,301,768.8	1,300,055.8	1,302,400.4	1,304,804.3	1,307,269.1
General Fund Match	928.6	947.1	947.1	947.1	947.1	947.1	947.1	947.1	947.1	947.1	947.1
Federal Funds	214,567.9	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5
Other State Funds	39,804.2	77,704.3	35,386.0	35,391.0	35,396.2	35,401.6	35,407.2	35,413.0	35,419.1	35,425.4	35,432.0
Operations	1,308,786.6	1,354,527.0	1,414,431.4	1,429,409.4	1,443,613.2	1,445,795.1	1,448,031.6	1,450,324.4	1,452,675.1	1,455,085.3	1,457,556.7
General Fund	1,056,545.9	1,103,431.2	1,163,139.8	1,178,112.8	1,192,311.4	1,194,487.9	1,196,718.8	1,199,005.8	1,201,350.4	1,203,754.3	1,206,219.1
General Fund Match	928.6	947.1	947.1	947.1	947.1	947.1	947.1	947.1	947.1	947.1	947.1
Federal Funds	214,567.9	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5
Other State Funds	36,744.2	35,190.2	35,386.0	35,391.0	35,396.2	35,401.6	35,407.2	35,413.0	35,419.1	35,425.4	35,432.0
Formula Programs	1,050,201.3	1,098,637.8	1,157,990.2	1,172,602.8	1,186,436.5	1,188,243.5	1,190,100.2	1,192,008.0	1,193,968.2	1,195,982.4	1,198,051.9
General Fund	1,015,110.3	1,064,909.8	1,124,262.2	1,138,874.8	1,152,708.5	1,154,515.5	1,156,372.2	1,158,280.0	1,160,240.2	1,162,254.4	1,164,323.9
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0
Other State Funds	14,300.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0
Formula Detail											
Foundation Program	979,867.2	1,025,996.6	1,083,402.9	1,096,303.9	1,108,378.9	1,108,378.9	1,108,378.9	1,108,378.9	1,108,378.9	1,108,378.9	1,108,378.9
General Fund	944,776.2	992,268.6	1,049,674.9	1,062,575.9	1,074,650.9	1,074,650.9	1,074,650.9	1,074,650.9	1,074,650.9	1,074,650.9	1,074,650.9
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0
Other State Funds	14,300.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0
Pupil Transportation	58,516.6	60,293.8	62,239.9	63,951.5	65,710.2	67,517.2	69,373.9	71,281.7	73,241.9	75,256.1	77,325.6
General Fund	58,516.6	60,293.8	62,239.9	63,951.5	65,710.2	67,517.2	69,373.9	71,281.7	73,241.9	75,256.1	77,325.6
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Boarding Home Grants	1,340.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8
General Fund	1,340.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Youth in Detention	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0
General Fund	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Education

Baseline Budget Growth 1/

(thousands \$)

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Special Schools	3,132.8	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5
General Fund	3,132.8	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AK Challenge Youth Aca	6,243.9	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1
General Fund	6,243.9	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	258,585.3	255,889.2	256,441.2	256,806.6	257,176.7	257,551.6	257,931.4	258,316.4	258,706.9	259,102.9	259,504.8
General Fund	41,435.6	38,521.4	38,877.6	39,238.0	39,602.9	39,972.4	40,346.6	40,725.8	41,110.2	41,499.9	41,895.2
General Fund Match	928.6	947.1	947.1	947.1	947.1	947.1	947.1	947.1	947.1	947.1	947.1
Federal Funds	193,776.9	194,167.5	194,167.5	194,167.5	194,167.5	194,167.5	194,167.5	194,167.5	194,167.5	194,167.5	194,167.5
Other State Funds	22,444.2	22,253.2	22,449.0	22,454.0	22,459.2	22,464.6	22,470.2	22,476.0	22,482.1	22,488.4	22,495.0
Capital	199,107.6	44,514.1	105,000.0	105,050.0	105,050.0	105,050.0	105,050.0	105,050.0	105,050.0	105,050.0	105,050.0
General Fund	196,047.6	2,000.0	105,000.0	105,050.0	105,050.0	105,050.0	105,050.0	105,050.0	105,050.0	105,050.0	105,050.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	3,060.0	42,514.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

1. Baseline wage and benefit increases are handled in the statewide spreadsheet.

Notes for FY09 Baseline Appropriations and department assumptions for FY10 and beyond

See cover sheet

Education

Initiatives (Except Gasline)

(thousands \$)

	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
Total Appropriations	0.0	4,026.3	7,626.3	10,426.3	12,426.3	14,426.3	14,426.3	14,426.3	14,426.3	14,426.3	14,426.3
General Fund	0.0	4,026.3	57,626.3	60,426.3	62,426.3	64,426.3	64,426.3	64,426.3	64,426.3	64,426.3	64,426.3
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operations	0.0	4,026.3	7,626.3	10,426.3	12,426.3	14,426.3	14,426.3	14,426.3	14,426.3	14,426.3	14,426.3
General Fund	0.0	4,026.3	7,626.3	10,426.3	12,426.3	14,426.3	14,426.3	14,426.3	14,426.3	14,426.3	14,426.3
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Formula Programs	0.0	2,000.0	4,000.0	6,000.0	8,000.0	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0
General Fund	0.0	2,000.0	4,000.0	6,000.0	8,000.0	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Formula Detail											
Foundation Program	0.0	2,000.0	4,000.0	6,000.0	8,000.0	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0
General Fund	0.0	2,000.0	4,000.0	6,000.0	8,000.0	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pupil Transportation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Boarding Home Grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Youth in Detention	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special Schools	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AK Challenge Youth Aca	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	0.0	2,026.3	3,626.3	4,426.3	4,426.3	4,426.3	4,426.3	4,426.3	4,426.3	4,426.3	4,426.3
General Fund	0.0	2,026.3	3,626.3	4,426.3	4,426.3	4,426.3	4,426.3	4,426.3	4,426.3	4,426.3	4,426.3
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Education

Baseline plus Initiatives

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Total Appropriations	1,507,894.2	1,403,067.4	1,577,057.7	1,594,885.7	1,611,089.5	1,615,271.4	1,617,507.9	1,615,800.7	1,618,151.4	1,620,561.6	1,623,033.0
General Fund	1,252,593.5	1,109,457.5	1,325,766.1	1,343,589.1	1,359,787.7	1,363,964.2	1,366,195.1	1,364,482.1	1,366,826.7	1,369,230.6	1,371,695.4
General Fund Match	928.6	947.1	947.1	947.1	947.1	947.1	947.1	947.1	947.1	947.1	947.1
Federal Funds	214,567.9	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5
Other State Funds	39,804.2	77,704.3	35,386.0	35,391.0	35,396.2	35,401.6	35,407.2	35,413.0	35,419.1	35,425.4	35,432.0
Operations	1,308,786.6	1,358,553.3	1,422,057.7	1,439,835.7	1,456,039.5	1,460,221.4	1,462,457.9	1,464,750.7	1,467,101.4	1,469,511.6	1,471,983.0
General Fund	1,056,545.9	1,107,457.5	1,170,766.1	1,188,539.1	1,204,737.7	1,208,914.2	1,211,145.1	1,213,432.1	1,215,776.7	1,218,180.6	1,220,645.4
General Fund Match	928.6	947.1	947.1	947.1	947.1	947.1	947.1	947.1	947.1	947.1	947.1
Federal Funds	214,567.9	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5	214,958.5
Other State Funds	36,744.2	35,190.2	35,386.0	35,391.0	35,396.2	35,401.6	35,407.2	35,413.0	35,419.1	35,425.4	35,432.0
Formula Programs	1,050,201.3	1,100,637.8	1,161,990.2	1,178,602.8	1,194,436.5	1,198,243.5	1,200,100.2	1,202,008.0	1,203,968.2	1,205,982.4	1,208,051.9
General Fund	1,015,110.3	1,066,909.8	1,128,262.2	1,144,874.8	1,160,708.5	1,164,515.5	1,166,372.2	1,168,280.0	1,170,240.2	1,172,254.4	1,174,323.9
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0
Other State Funds	14,300.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0
Formula Detail											
Foundation Program	979,867.2	1,027,996.6	1,087,402.9	1,102,303.9	1,116,378.9	1,118,378.9	1,118,378.9	1,118,378.9	1,118,378.9	1,118,378.9	1,118,378.9
General Fund	944,776.2	994,268.6	1,053,674.9	1,068,575.9	1,082,650.9	1,084,650.9	1,084,650.9	1,084,650.9	1,084,650.9	1,084,650.9	1,084,650.9
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0	20,791.0
Other State Funds	14,300.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0	12,937.0
Pupil Transportation	58,516.6	60,293.8	62,239.9	63,951.5	65,710.2	67,517.2	69,373.9	71,281.7	73,241.9	75,256.1	77,325.6
General Fund	58,516.6	60,293.8	62,239.9	63,951.5	65,710.2	67,517.2	69,373.9	71,281.7	73,241.9	75,256.1	77,325.6
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Boarding Home Grants	1,340.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8
General Fund	1,340.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8	1,690.8
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Youth in Detention	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0
General Fund	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

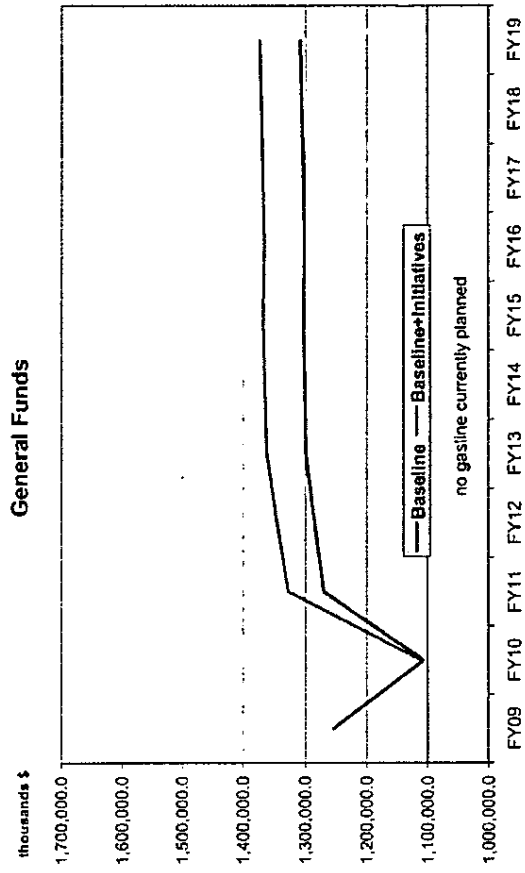
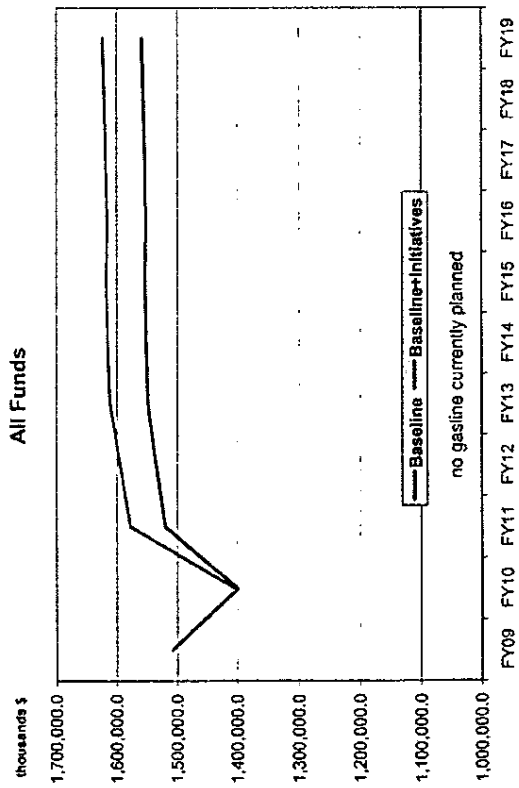
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Education

Baseline plus Initiatives

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Special Schools											
General Fund	3,132.8	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5
General Fund Match	3,132.8	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5	3,127.5
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AK Challenge Youth Acar											
General Fund	6,243.9	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1
General Fund Match	6,243.9	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1	6,429.1
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs											
General Fund	258,585.3	257,915.5	260,067.5	261,232.9	261,603.0	261,977.9	262,357.7	262,742.7	263,133.2	263,529.2	263,931.1
General Fund Match	41,435.6	40,547.7	42,503.9	43,664.3	44,029.2	44,398.7	44,772.9	45,152.1	45,536.5	45,926.2	46,321.5
Federal Funds	928.6	947.1	947.1	947.1	947.1	947.1	947.1	947.1	947.1	947.1	947.1
Other State Funds	193,776.9	194,167.5	194,167.5	194,167.5	194,167.5	194,167.5	194,167.5	194,167.5	194,167.5	194,167.5	194,167.5
Other State Funds	22,444.2	22,253.2	22,449.0	22,454.0	22,459.2	22,464.6	22,470.2	22,476.0	22,482.1	22,488.4	22,495.0
Capital											
General Fund	199,107.6	44,514.1	155,000.0	155,050.0	155,050.0	155,050.0	155,050.0	151,050.0	151,050.0	151,050.0	151,050.0
General Fund Match	196,047.6	2,000.0	155,000.0	155,050.0	155,050.0	155,050.0	155,050.0	151,050.0	151,050.0	151,050.0	151,050.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	3,060.0	42,514.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Education



DRAFT
Alaska Education Plan

January 23, 2009

From: DEPT. OF EDUCATION

Introduction

Welcome to the Alaska Education Plan. Created by Alaskans from many walks of life, it is the state's first blueprint for public education. The plan provides the basis for accountability to the public.

The plan answers these fundamental questions: What is Alaska's vision for our schools and students? What are our goals? What attributes and skills do we want high school graduates to possess? What actions will allow us to meet these goals and make this vision a reality?

In short, the vision and goals in the Alaska Education Plan are our destination. The actions are the roadmap. Knowing where we want to go, we can determine if our expenditures of money and effort are efficiently and effectively getting us there.

The public, having a clear vision for our schools and students, can measure performance against these goals. The plan, which will periodically be reviewed and revised, encourages Alaskans to participate in the goal-setting process and own the results.

The Alaska Statewide Education Summit, held in November 2008 in Anchorage, initiated the effort to develop the Alaska Education Plan. Nearly 450 participants discussed education topics ranging from preschool to postsecondary, technology to finances, community partnerships to culture.

Two principles guided the summit's structure: focused conversations among those who gather in a common cause will produce a shared vision, and collective wisdom is generated when groups gather in discussion.

Participants met in eight groups, each group discussing a separate topic in education. Each group identified challenges, opportunities, goals and actions for its topic. A ninth group crafted vision and mission statements and graduation outcomes – a list of the desired skills and attributes that Alaska high school graduates should possess as a result of their public education.

The Alaska Education Plan organizes the results from all eight groups at the summit into three topics, in order to provide greater focus. They are World-Class Schools; Community, Culture, and Family; and Student Health and Safety. Other topics discussed at the summit -- such as finance, technology, early education, and partnerships -- have been integrated throughout the three remaining topics.

Each topic in the plan includes a rationale for action, a goal, and broadly stated actions for each goal. Groups of Alaskans will continue to meet in 2009 to develop a detailed, prioritized action plan for each goal.

The Alaska Education Plan, related background documents, and its ongoing progress are featured on the web site of the Alaska Department of Education & Early Development at www.eed.state.ak.us/.

Vision

Vision: An Alaska education opens a world of possibilities.

- Our parents value learning
- Our communities support dreams and create opportunities
- Our schools inspire thinking
- Our graduates build the future

Mission

Mission: Alaska's education system fosters creativity and curiosity, and embraces diversity. Alaska's students have the skills and knowledge to contribute to their local and the global community by understanding the past and present, and are prepared for the future.

World-Class Students Graduation Outcomes

Possess a broad knowledge base

- Know and be able to discuss the critical bodies of knowledge in art, science, literature/language arts, history, geography and health in addition to being skilled in reading, writing, and mathematics
- Apply content knowledge to everyday situations
- Use prior knowledge to acquire new knowledge, develop new skills, and expand understanding

Communicate effectively

- Express ideas clearly, both verbally and in writing
- Communicate through listening and discussion with others
- Read, understand and respond to written information
- Understand and respond to verbal information

Use technology skills

- Use a broad range of technologies to pursue interests, investigate and solve problems, and communicate and share ideas
- Be personally accountable for the ethical use of technology
- Use the Internet to explore questions; collect, evaluate and select information sources; synthesize conclusions; and communicate the results

Think logically and critically

- Solve problems using questioning, reasoning, and analysis
- Acquire and manage information to understand and solve problems
- Understand and apply decision-making processes in a variety of settings
- Be able to select, use and evaluate information for specific purposes
- Explore, consider and evaluate divergent viewpoints and ideas

Be healthy

- Apply the knowledge, habits and attitudes that promote physical and mental health
- Participate in collaborative and responsible relationships
- Make informed and safe choices
- Set and achieve personal goals
- Connect with family and culture values

Recognize, value and use creativity

- Appreciate artistic expression
- Demonstrate creative thinking
- Show self-expression
- Honor traditional art forms

Be a responsible and ethical citizen

- Understand and participate in the democratic process
- Demonstrate respect for people and cultures
- Demonstrate respect for the environment and evaluate the use of resources
- Take responsibility for personal actions and understand the impact those actions have on others
- Demonstrate an ability to approach problems from a global perspective
- Be an effective and responsible decision-maker who contributes to the community
- Adapt to a diverse and changing world

Be an enthusiastic learner

- Make a commitment to create quality work and strive for excellence
- Use a variety of learning strategies, personal skills, and time management skills to enhance learning
- Reflect on and evaluate learning for self-improvement
- Understand the relevance of learning a broad range of skills

World-Class Schools

Rationale for action

World-class schools are the ultimate goal for Alaska's public education system. All the other goals feed into this. These schools will nurture the students described in this plan's graduation objectives as world-class students.

There are many success stories in Alaska's schools, ranging from caring teachers helping struggling students, to the graduates who fill our work places, to creative programs by school districts to teach students independent living skills and the skills for jobs or postsecondary (after high school) education.

And yet there are many gaps in the education of Alaska's children. Some students are already behind on their first day of kindergarten. As they grow older, roughly a quarter of students are less than proficient in one or more of the fundamental skills of reading, writing and math. Several categories of students are less likely to do well in school -- ethnic minorities, students with disabilities, students from low-income families, and students who don't know English well.

At least a third of Alaska students will leave school without a diploma. About 40 percent of recent Alaska high school graduates who attend the University of Alaska need remedial courses. Some Alaska high school graduates have completed their public education yet do not have a direction in life and are not prepared for a career, while well-paying, interesting jobs go unfilled.

World-class schools will have the support of families and communities. World-class schools will honor local cultures and integrate them into instruction.

World-class schools will have strong academic standards and high expectations for all students, yet these schools will support the varied needs and interests of each student, both in academics and activities. World-class schools will have the flexibility to provide alternative pathways to student success. They will offer career and technical courses, preparation and guidance.

World-class schools will attract, prepare and retain quality teachers and administrators. World-class schools will have appropriate facilities and technology. They will build partnerships with entities outside of the schools.

Goal

All students will graduate prepared for careers or postsecondary training and education.

Actions

1. Ensure that families, if they desire, can access in their community affordable, high-quality early care and learning programs for children ages 3-5.
2. Define an education system, aligned from preschool to postsecondary, that ensures all students are prepared to transition to the next level of education, career, or life path of their choice.
3. Review the state's academic standards to determine alignment with world-class 21st century skills and Alaska's graduation outcomes.
4. Establish partnerships that enhance readiness for postsecondary education, career preparation, and life.
5. Develop a staff development infrastructure that is collaborative, need-based, research-proven, and provides opportunities for continuous growth for new and experienced teachers.
6. Ensure that public and private postsecondary institutions, business and industry, tribal organizations and state agencies work collaboratively to develop and maintain a coherent educational plan designed to achieve Alaska's high education expectations.
7. Collaborate with Alaska's postsecondary institutions to ensure that education-related degree programs and staff development programs reflect research, best practices, Alaska's diverse cultures, and alignment to academic standards, and are sufficient in scale and scope to meet the public school work force needs.
8. Empower students by engaging them as active partners in their own learning through technology.
9. Ensure that teachers have the training to effectively use technology to support instruction.
10. Establish and maintain a statewide public telecommunications network that provides the opportunity for instruction, communication and distance education.
11. Ensure that the state foundation funding program is comprehensible to the public, sufficient to meet world-class performance expectations, responsive to the changing needs of Alaska's work force, and predictable enough to facilitate effective planning.
12. Provide consistent funding for school construction and major maintenance projects.

Community, Culture and Family

Rationale for action

Family engagement has emerged as a central focus in Alaska education. Viewing parents as the first and best teachers of their children goes beyond their role in early education. Engagement means involving families in every aspect of educational planning, implementation and evaluation throughout their children's education.

Engagement means more than inviting parents to attend school functions or parent conferences or to join the PTA. Parent involvement must be more than asking parents to approve decisions about the school or their children that have already been made. Schools that make adjustments for parents with busy schedules, different backgrounds and varying comfort levels with schools will enjoy more parental involvement. Relevant parent engagement is recognizing that the school serves the interests of parents.

When parents join with other community members and the school to determine behavioral expectations or learning goals for their children, they become partners in their children's education. Student achievement data can demonstrate how well a student is progressing toward the state's grade-level expectations, but only parent and student feedback can reveal how positive the learning climate is and how well the school is serving the community's valued interests.

Schools that support and celebrate school choice and family engagement must be committed to sharing information about program options, assessment data, and other information that is critical to evaluating what is best for children. Choice without knowledge has no meaning.

Goal

Schools will form strong partnerships with families and communities, and will respect and embrace local cultures.

Actions

1. Develop and implement strategies that encourage Alaskans to value and support education and lifelong learning.
2. Formulate a shared vision of community-based education that respects culture, school governance and community ownership.
3. Implement a system of data collection and reporting of prekindergarten-postsecondary programming so parents, communities, and policy makers can make informed decisions.
4. Increase diversity in the teaching profession.

5. Ensure that Alaska's standards for culturally responsive schools are applied.
6. Provide new and experienced educators with sufficient training and ongoing support to integrate and instruct within the context of a community's indigenous cultures.
7. Ensure that schools' instruction, organization and operational procedures reflect and respond to student, family and community values and needs.
8. Support opportunities for school choice, education alternatives and distance-delivery options that are high quality, standards-based and flexible to meet the individual needs of a child or family.
9. Provide support and resources for parents who choose to home school their children.
10. Create a sustainable infrastructure committed to developing and maintaining partnerships that enhance student success.

Student Health and Safety

Rationale for action

Creating healthy, safe schools requires healthy families and communities. Children who have a strong connection to family values, customs and beliefs develop the confidence to reach for a star and the talent to grab one.

If children cannot rely on positive connections at home, they will settle for any substitute that satisfies this longing, including gang affiliation, harmful relationships, violence, and drug and alcohol abuse.

Schools must be proactive, focusing on the prevention of unsafe and unhealthy practices. Several ingredients are necessary to create a safe and healthy school environment. Schools will form partnerships with community entities to achieve these goals.

Schools must consistently demand zero tolerance for violence, drugs, disruptive behavior, and harassment. Schools must provide support and intervention services for parents and students, a broad range of activities, rigorous academic and vocational programs, and learning alternatives that meet the interests and learning needs of every child and family.

School staff must receive training and support to enforce school expectations. Students, parents, educators and community members must teach and model a consistent set of values as the basis for every activity, program, lesson or expectation.



Schools should be models of healthy nutrition and physical activity, teaching students good habits. Approximately one in 10 Alaska children is obese. At least half of Alaska's children do not meet recommended levels of physical activity.


Goal

Students will have access to safe schools, where they develop healthy and safe practices for life.

Actions

1. Develop a comprehensive health and safety plan that uses the expertise of parents, communities, tribal organizations, social and civic organizations, state agencies, and school districts.
2. Implement health and wellness programs that address substance abuse, suicide, sex education, bullying, Internet safety, mental health, and personal safety.

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3. Implement nutrition and physical activity programs to ensure that students develop patterns of lifelong healthy behaviors.
 4. Ensure that students, staff and community members are provided safe and secure schools.



January 23, 2009

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Alaska State Legislature
HOUSE FINANCE COMMITTEE
Agenda
1:30 PM

Tuesday, February 3, 2009

Budget Overviews:

Department of Education and Early Development

Larry Ledoux Commissioner, Department of Education and Early Development

Mark Lewis, Director, Administrative Services, DOE

Eddy Jeans, Director, Education Support Services, Education and Early Development

University

Mark Hamilton, President, University of Alaska

Pete Kelly, Director, State Relations, University of Alaska

Labor and Workforce Development-Workforce Development-Regulatory

Clark Bishop, Commissioner, Department of Labor and Workforce Development

Guy Bell, Assistant Commissioner and Director, Division of Administrative Services,
Department of Labor and Workforce Development