

**01/22/13**  
**BUDGET**  
**OVERVIEW**  
**FY 14:**  
**UNIVERSITY**  
**OF ALASKA**

<TARGET><BILL></BILL><SUBJECT>01-22-13 BUDGET OVERVIEW  
FY 14 UNIVERSITY OF  
ALASKA</SUBJECT><COMM>HF IN28</COMM></TARGET>



UNIVERSITY  
*of* ALASKA

*Many Traditions One Alaska*

# FY14 Budget Overview

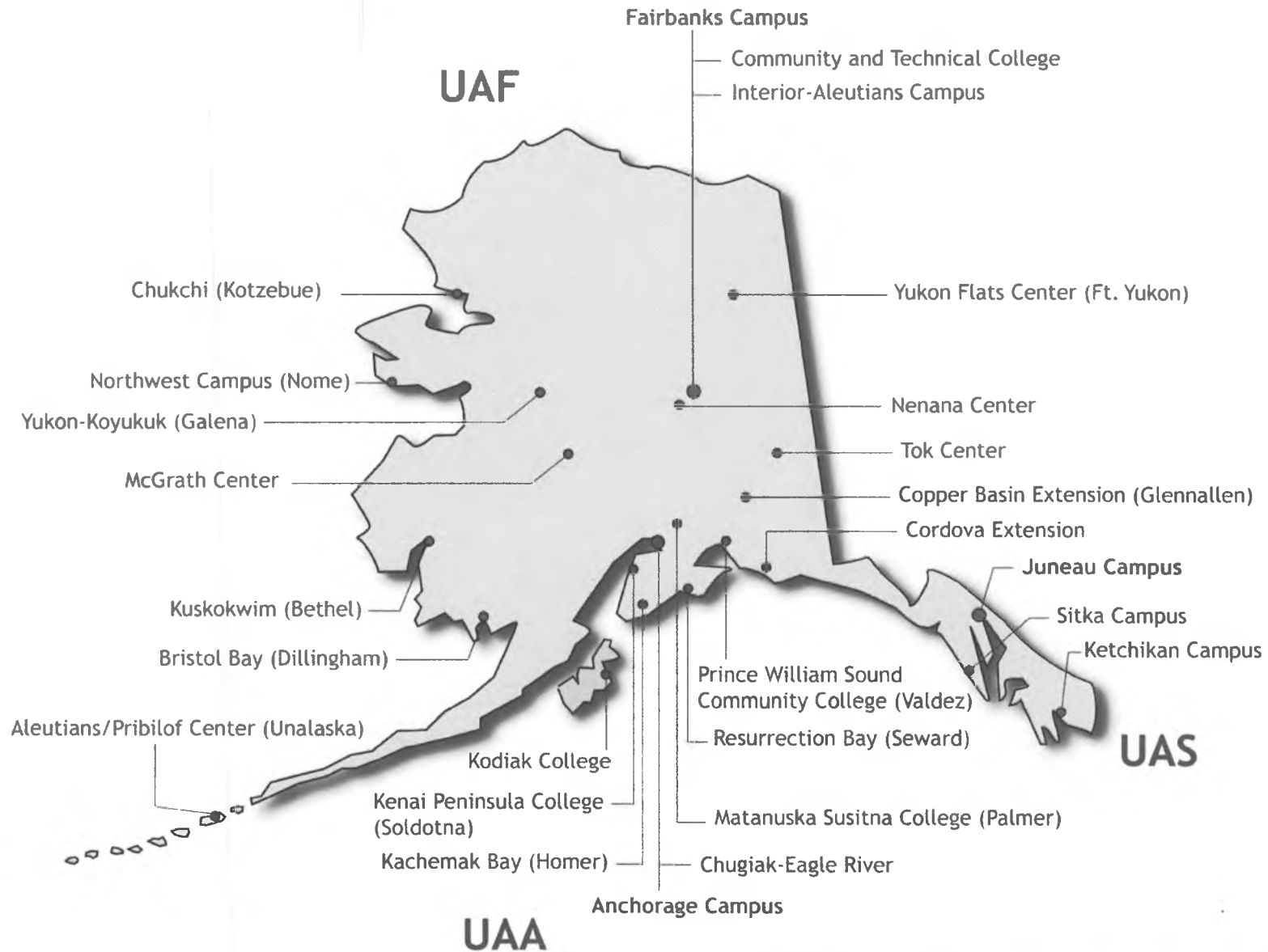
House Finance Committee

January 22, 2013



UNIVERSITY  
*of* ALASKA  
*Many Traditions One Alaska*

# Many Traditions, One Alaska



# UA's Mission

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



# Who Are We?

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



# Core Competencies

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- Higher Education

- PhD
- BA/BS
- MA/MS
- AA

- Workforce Development

- Licenses
- Skilled labor training
- Certificates
- Industry partnerships

- Research and Development (R&D)

- State needs
- International needs
- Federal needs
- Economic needs

- Cultural Priority and Integration








- Community Partners



# FY12 Report Card

# Performance Review

**From FY11**

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

# Challenges

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



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

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



# Major SDI Initiatives Underway Since Last Year

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- **Improved Student Services**

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



- **Partnerships K-12**

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



# Major SDI Initiatives Underway Since Last Year

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

# FY14 Budget Request

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## Supporting SDI Themes

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



# Governor's Proposed FY14 Operating Budget

(in thousands of \$)

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

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



# Deferred Maintenance

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## \* Bottom Line \*

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



# Governor's Proposed FY14 Capital Budget

(in thousands of \$)

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



# Deferred Maintenance

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

# Federal Agencies Seek Out UA Research

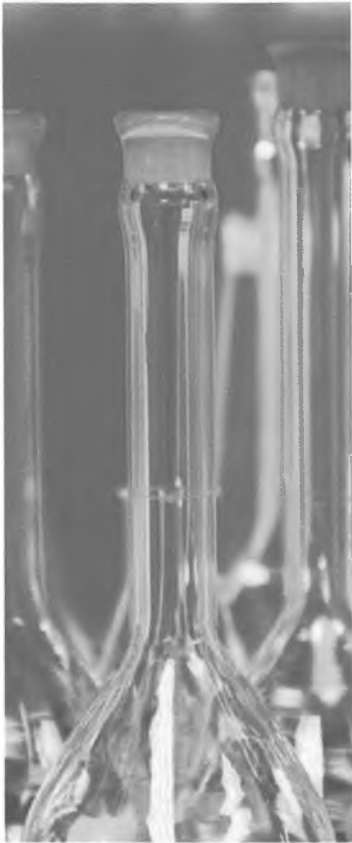
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- \$133 million external research funding
- Growing recognition that Alaska should have more involvement in circumpolar research questions and answers
- To be competitive complimentary Alaska funding for research is needed



# Research – Economic Impacts

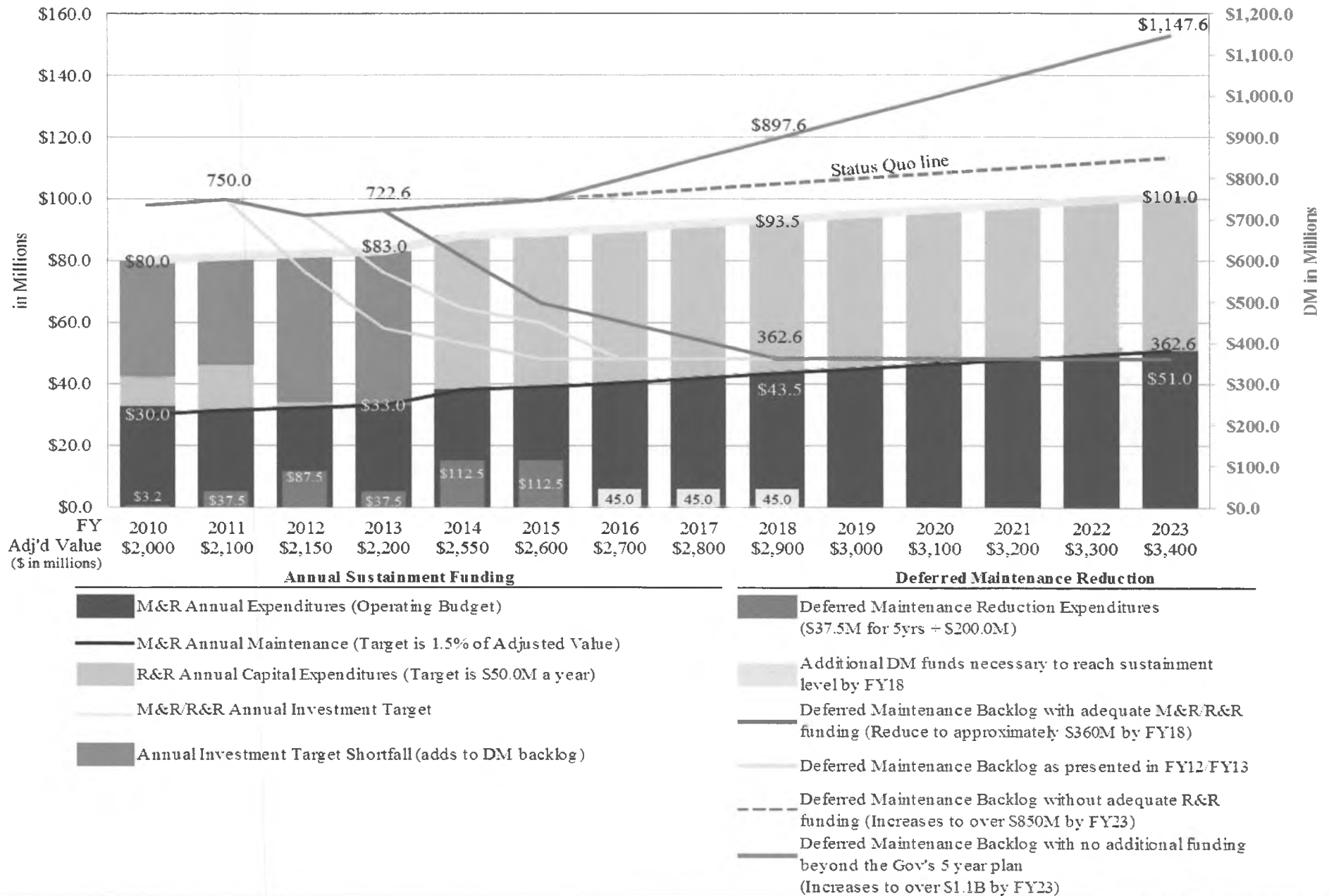
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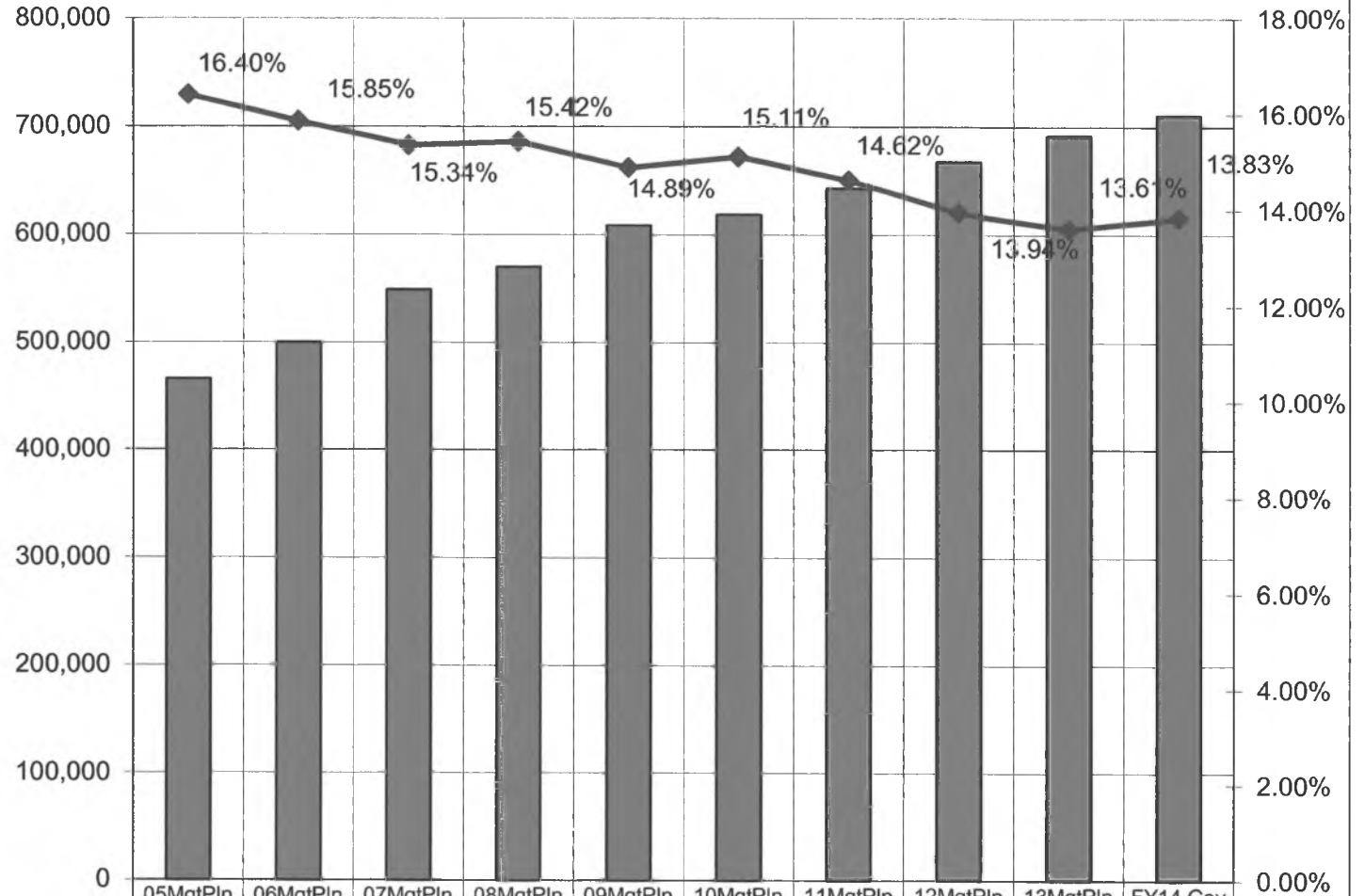
- \$92 M payroll  
(50/50 split – UA & private sector)
- Alaska answers to Alaska questions
- Good value – each \$1 invested leveraged to at least \$5



# Sustainment Funding Model for UA Facilities



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



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

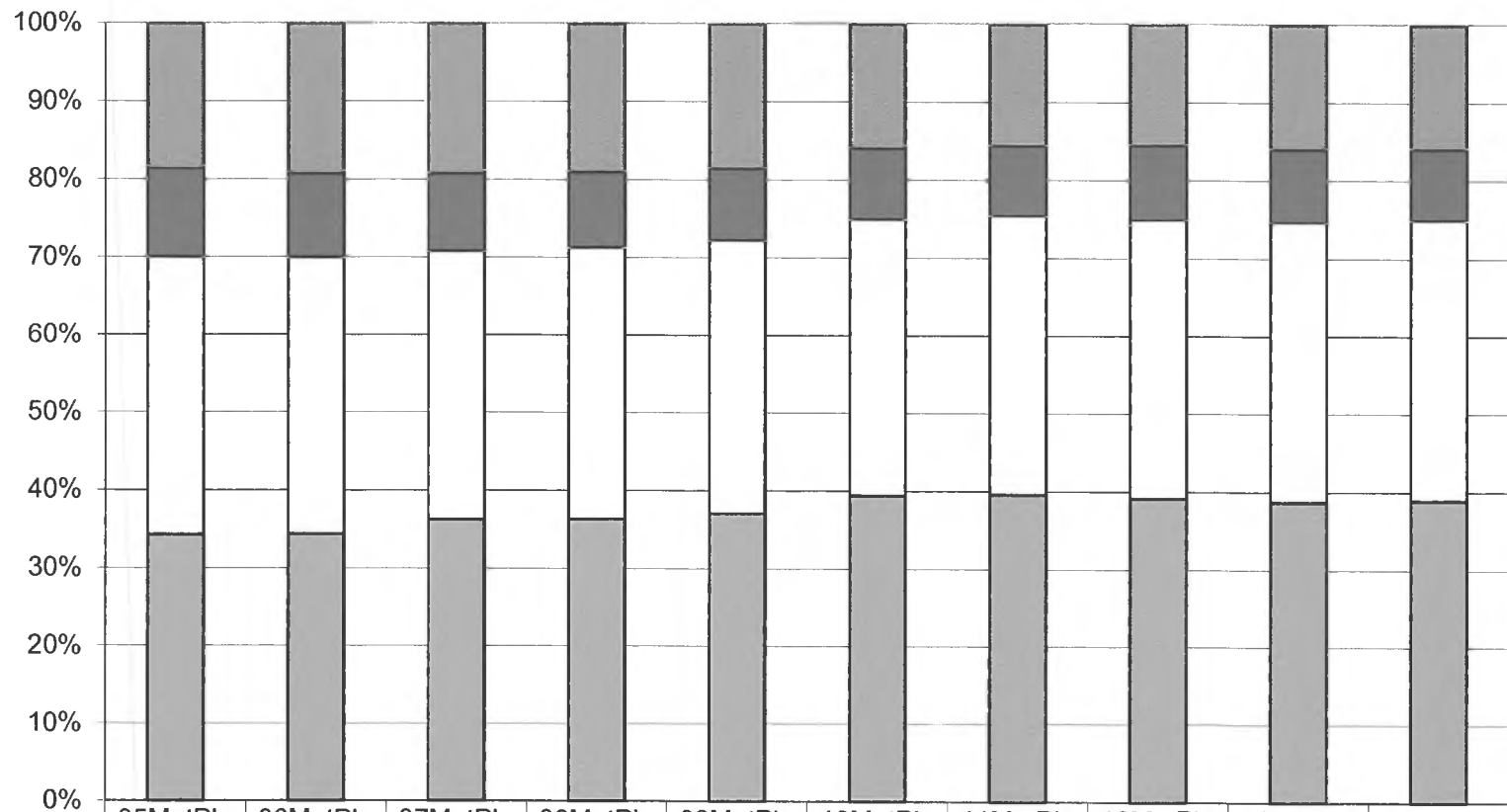
The University's total FY14 GF budget equals \$1,856 per resident worker.\*

■ Total Agency Budget (GF Only)	466,123.4	499,588.3	548,800.9	570,114.0	608,584.7	618,692.4	642,910.0	667,795.2	691,549.4	710,190.3
◆ % of Agency Budget to Total Agencies' budgets	16.40%	15.85%	15.34%	15.42%	14.89%	15.11%	14.62%	13.94%	13.61%	13.83%

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

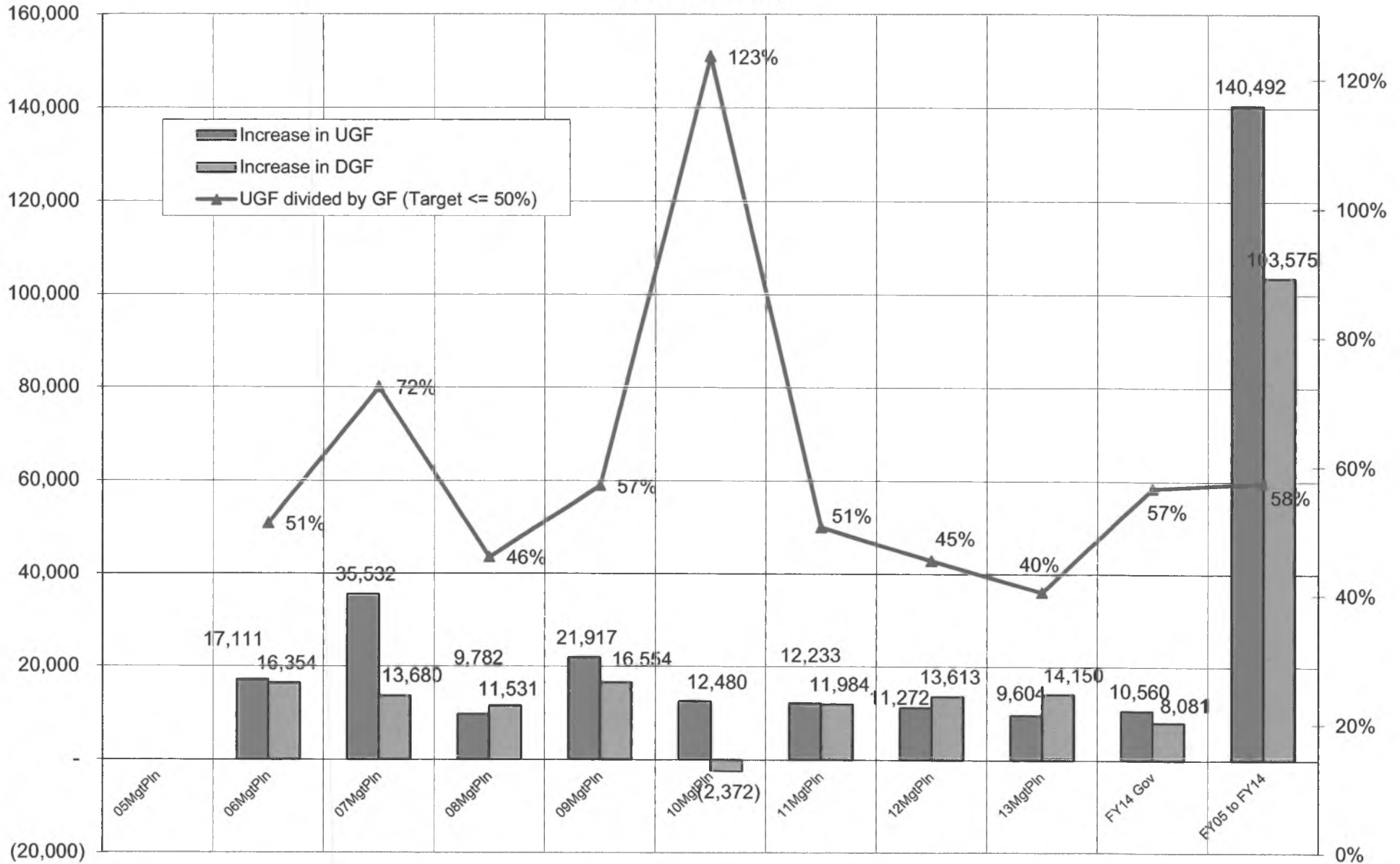
**University of Alaska  
Percent of the Total Department's Budget by Fund Group  
(All Funds)  
(\$ Thousands)**

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

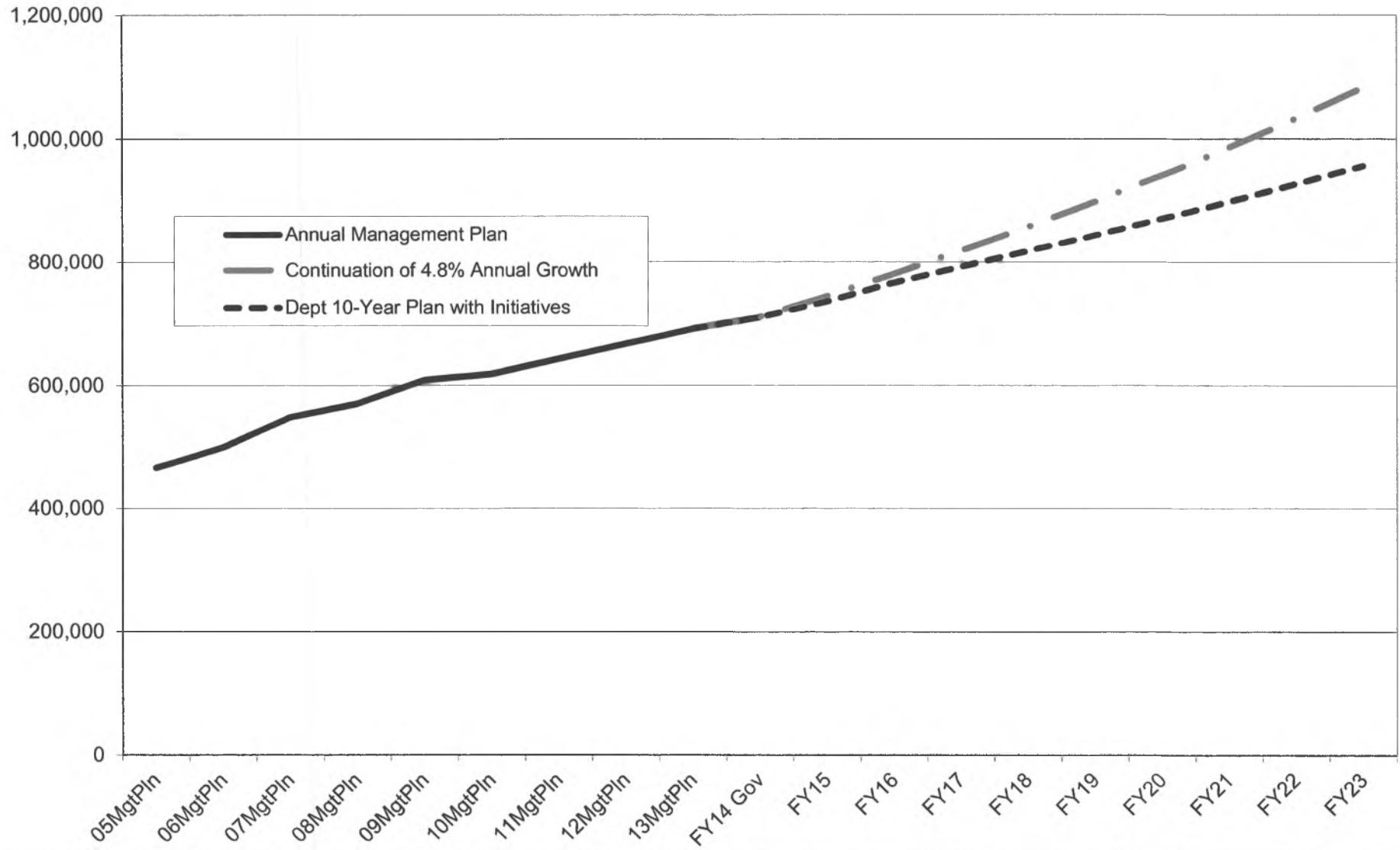


	05MgtPln	06MgtPln	07MgtPln	08MgtPln	09MgtPln	10MgtPln	11MgtPln	12MgtPln	13MgtPln	FY14 Gov
■ Federal Receipts (Fed)	124,362.0	137,797.8	149,524.0	152,660.9	156,076.9	131,558.5	132,798.7	137,953.7	147,944.3	150,852.7
■ Other State Funds (Other)	75,436.2	76,916.2	77,108.2	77,337.6	78,295.1	74,608.0	76,146.0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

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



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



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

