

**02/04/14  
BUDGET  
OVERVIEW  
FY 15:  
UNIVERSITY  
OF ALASKA**

<TARGET><BILL></BILL><SUBJECT>02-04-14 BUDGET OVERVIEW  
FY 15 UNIVERSITY OF  
ALASKA</SUBJECT><COMM>HFIN28</COMM></TARGET>

2/4/14

University of Alaska

# FY15 Budget Overview

House Finance Committee  
February 4, 2014

Shaping  
Alaska's  
Future

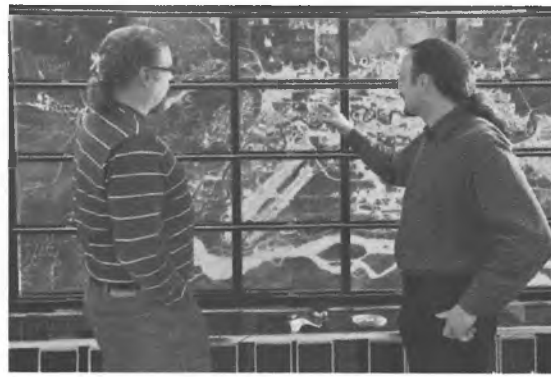


UNIVERSITY  
*of* ALASKA

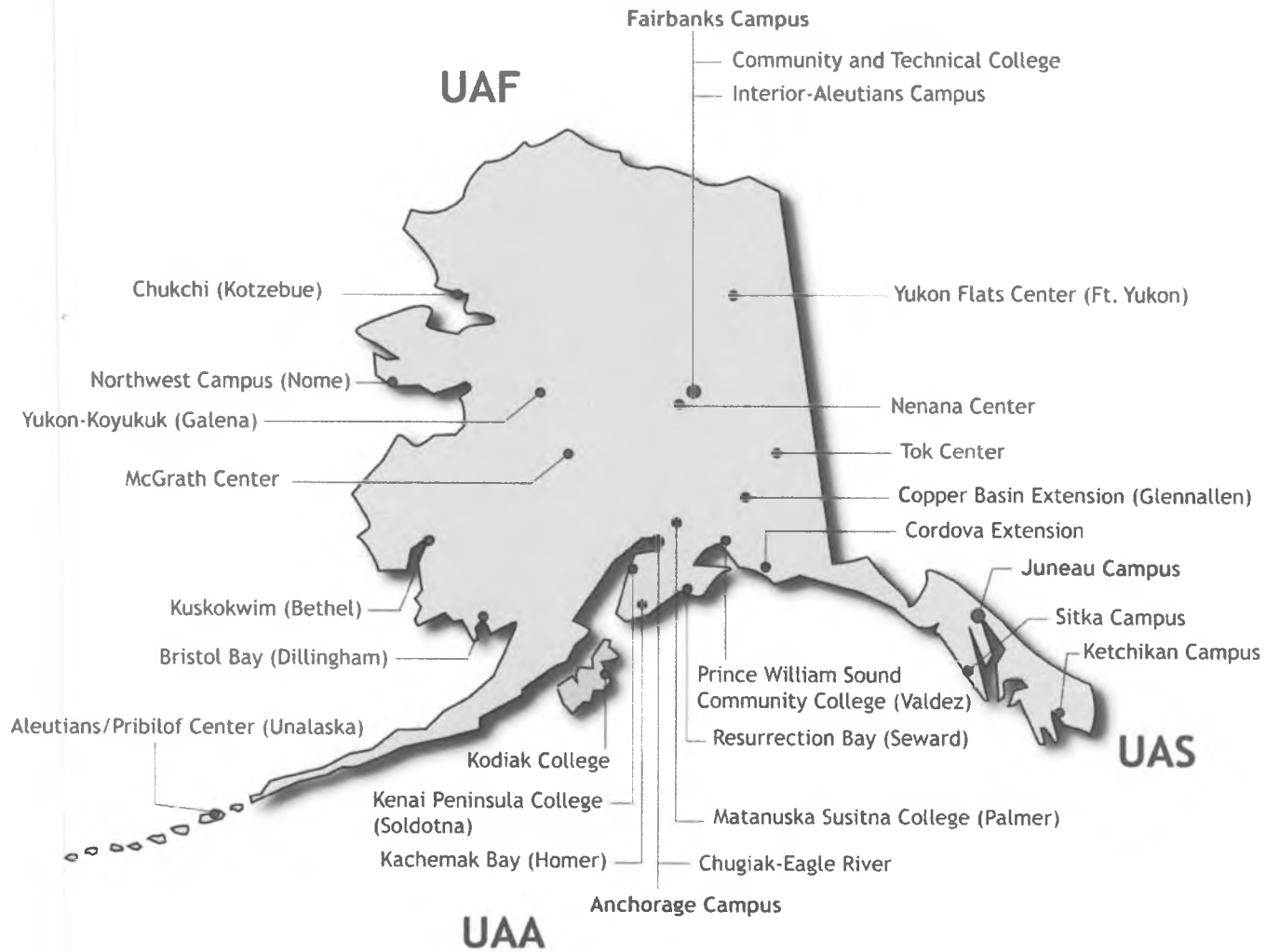
*Many Traditions One Alaska*

# The UA Mission

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



# Serving All Alaskans



3 universities; 12 community campuses;  
numerous outreach centers

# Shaping Alaska's Future ...

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

# Shaping Alaska's Future

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

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

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



# FY15 Budget

UA is in year three of a continuous improvement plan...  
a comprehensive and collaborative systemwide initiative to:

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

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



# Inspiring Opportunity

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



# Core Services

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



## From FY12 **FY13 Report Card**

Up 7.6%



Degrees, Certificates and  
Endorsements

Up 12.1%



Baccalaureate Degree  
Completion Within 6 Years

Up 9.1%



Baccalaureate Engineering  
Degrees

Up 16%



Health-Related Awards

Down -2.2%



Grant-Funded Research  
Expenditures

Up 9.5%



Bachelor Degree-Seekers  
Completing 30 Credits A Year

# Challenges

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

# Commitment to Improvement

## Higher education paradigm shift:

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

## Important partnerships:

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

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



# The Model:

## Eliminate Cost + Generate Revenue

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



# FY15 Program: Reduced to just the basics

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



# FY15 Program GF Increment

\$90K

# University of Alaska FY15 Governor's Proposed Operating Budget

(in thousands of \$)

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

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

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

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

(4) UAF P3 Housing Development

# FY15 Capital Request

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



# FY15 Capital Request

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



# University of Alaska FY15 Governor's Proposed Capital Budget

(in thousands of \$)

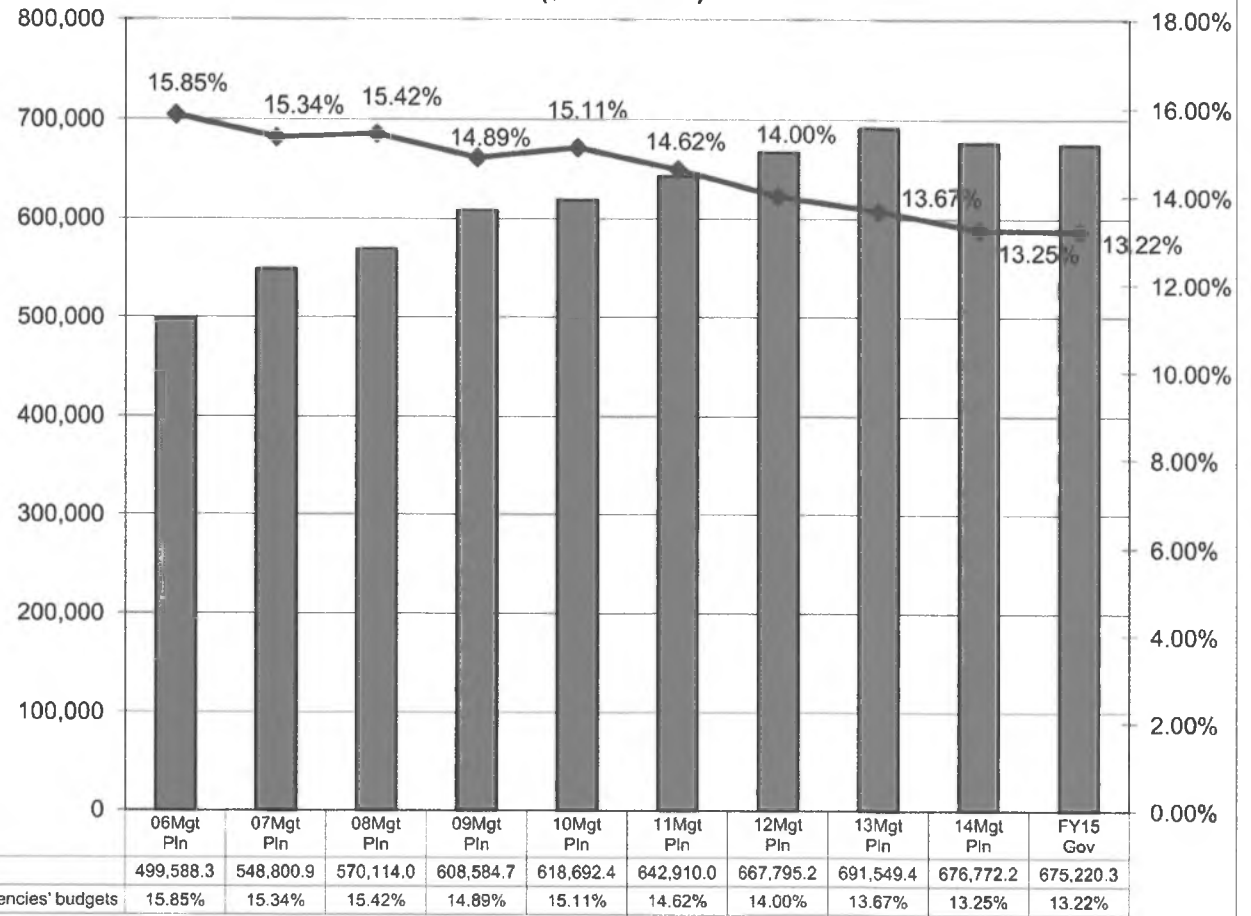
	Gov.'s Proposed Budget		
	State Approp.	Receipt Auth.	Total
<b>Deferred Maintenance (DM) / Renewal &amp; Repurposing (R&amp;R)</b>	<b>37,500.0</b>		<b>37,500.0</b>
<b>New Starts/Continuation</b>			
UA Engineering Building Completion (UAA and UAF)	10,000.0	10,000.0	20,000.0
UAF Heat & Power Plant Major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

# Graphs from the Legislative Finance Division

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

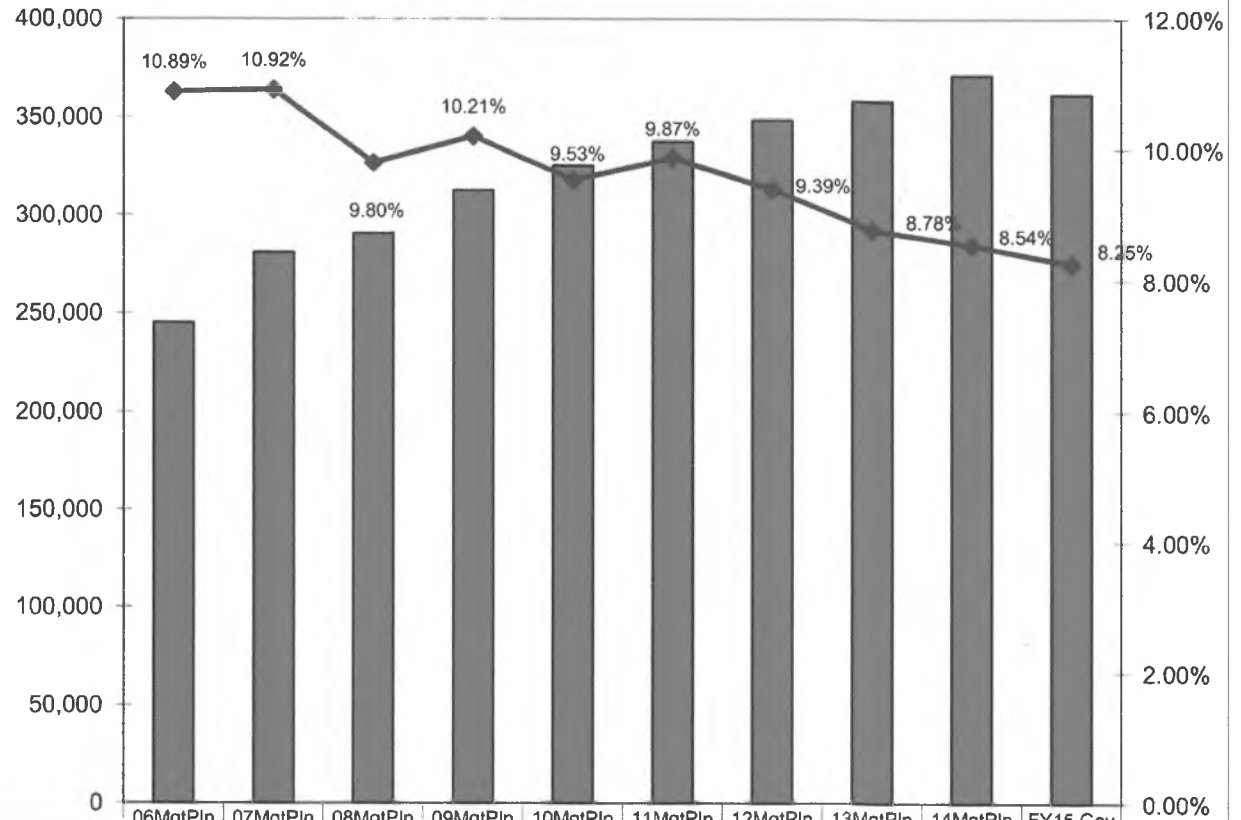
The University's GF budget grew by about \$176 million (35%) between FY06 and the FY15 Governor's Request - an average annual growth rate for that period of 3.4%.

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



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

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



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

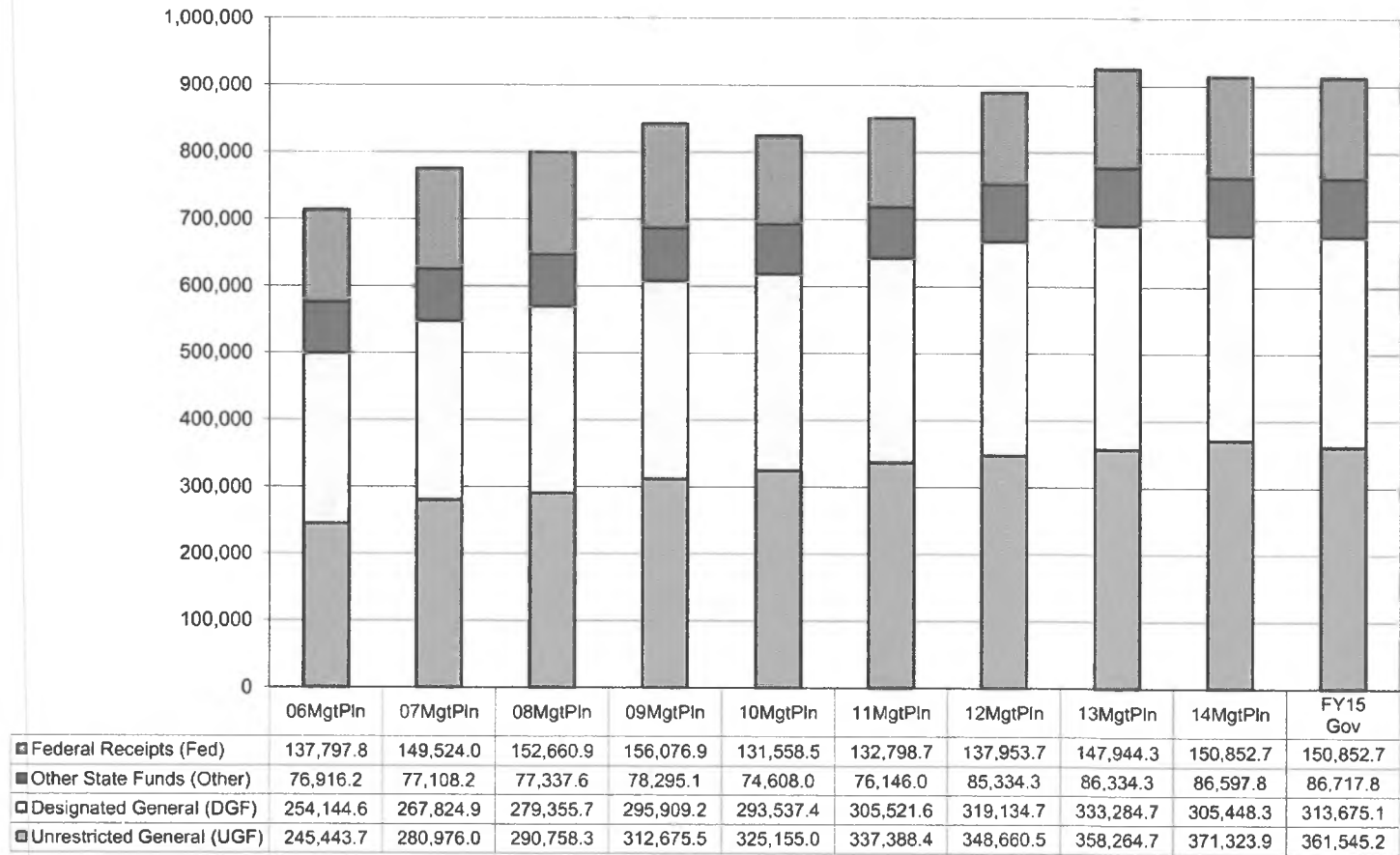
The University's total FY15 UGF budget equals \$1,092 per resident worker.\*

	06MgtPln	07MgtPln	08MgtPln	09MgtPln	10MgtPln	11MgtPln	12MgtPln	13MgtPln	14MgtPln	FY15 Gov
■ University Unrestricted General (UGF)	245,443.7	280,976.0	290,758.3	312,675.5	325,155.0	337,388.4	348,660.5	358,264.7	371,323.9	361,545.2
◆ % of University UGF to Total UGF in All Agencies' Budgets	10.9%	10.9%	9.8%	10.2%	9.5%	9.9%	9.4%	8.8%	8.5%	8.3%

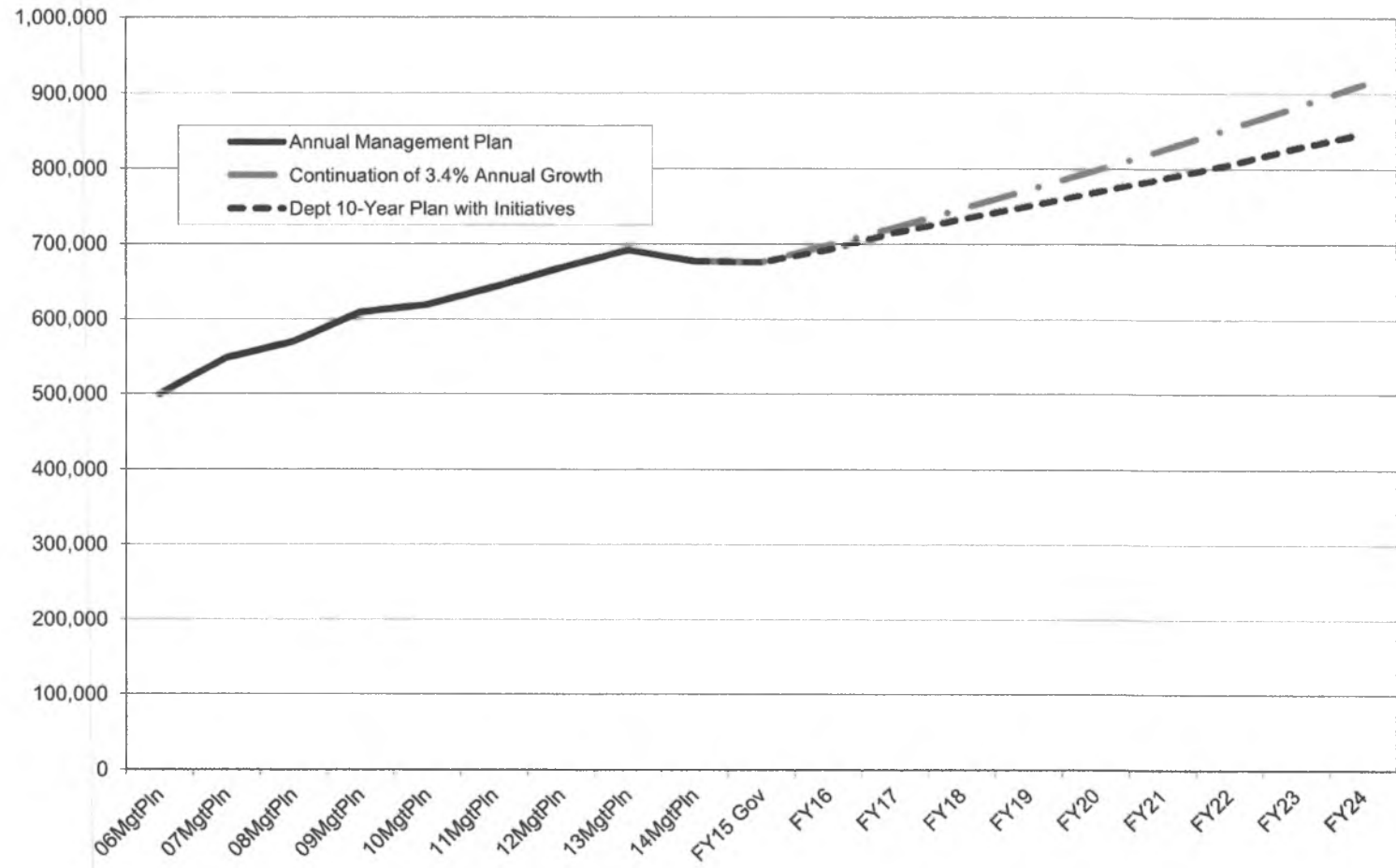
\* According to the Department of Labor and Workforce Development, there were 331,081 resident workers in Alaska in 2011.

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

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



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

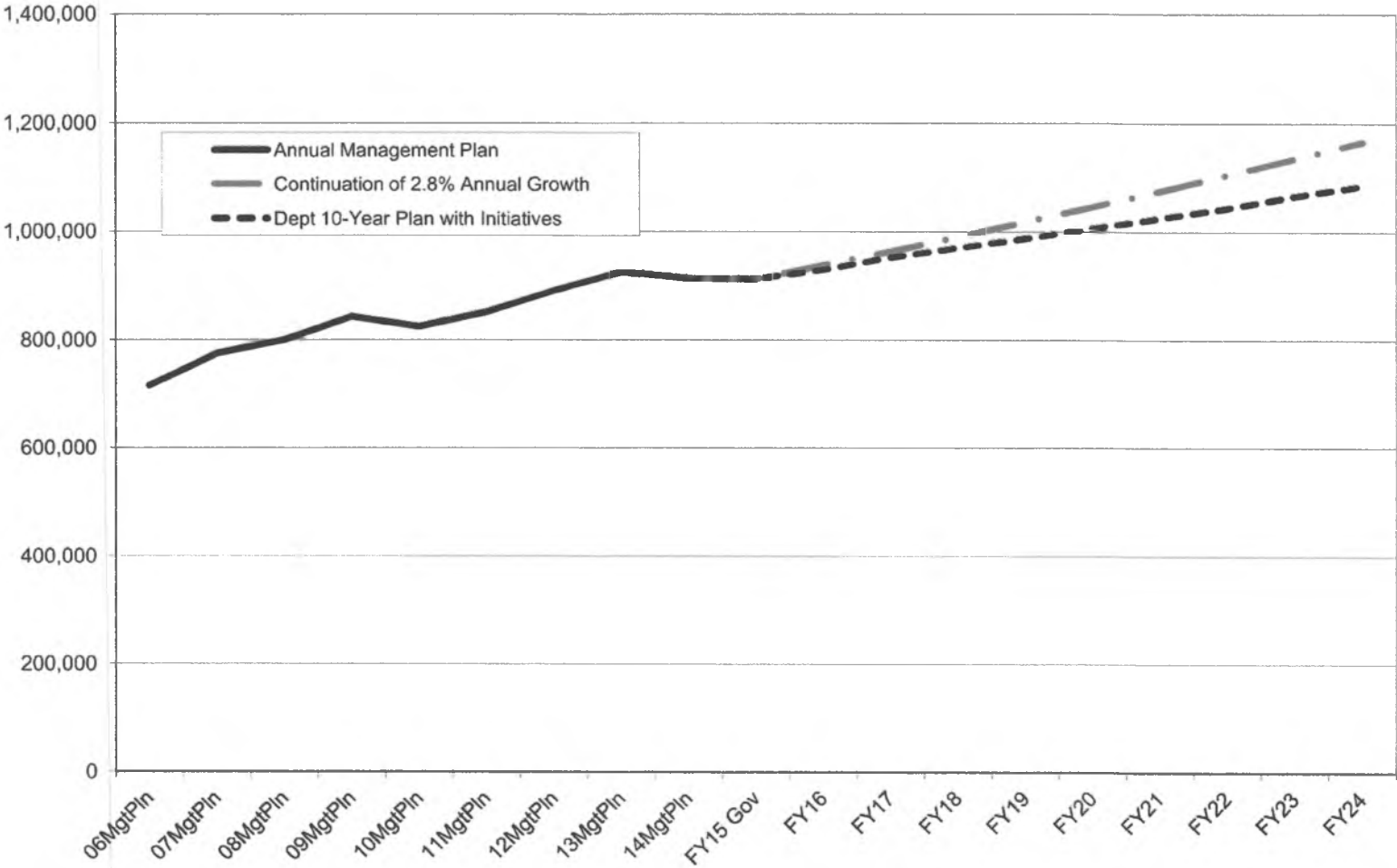


1/29/2014

Legislative Finance Division

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



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