

**01/30/2013
BUDGET
OVERVIEW
FY 14:
UNIVERSITY
OF ALASKA**

<TARGET><BILL></BILL><SUBJECT>01-30-2013 BUDGET OVERVIEW
FY 14 UNIVERSITY OF
ALASKA</SUBJECT><COMM>SF28</COMM></TARGET>



UNIVERSITY
of ALASKA

Many Traditions One Alaska

FY14 Budget Overview

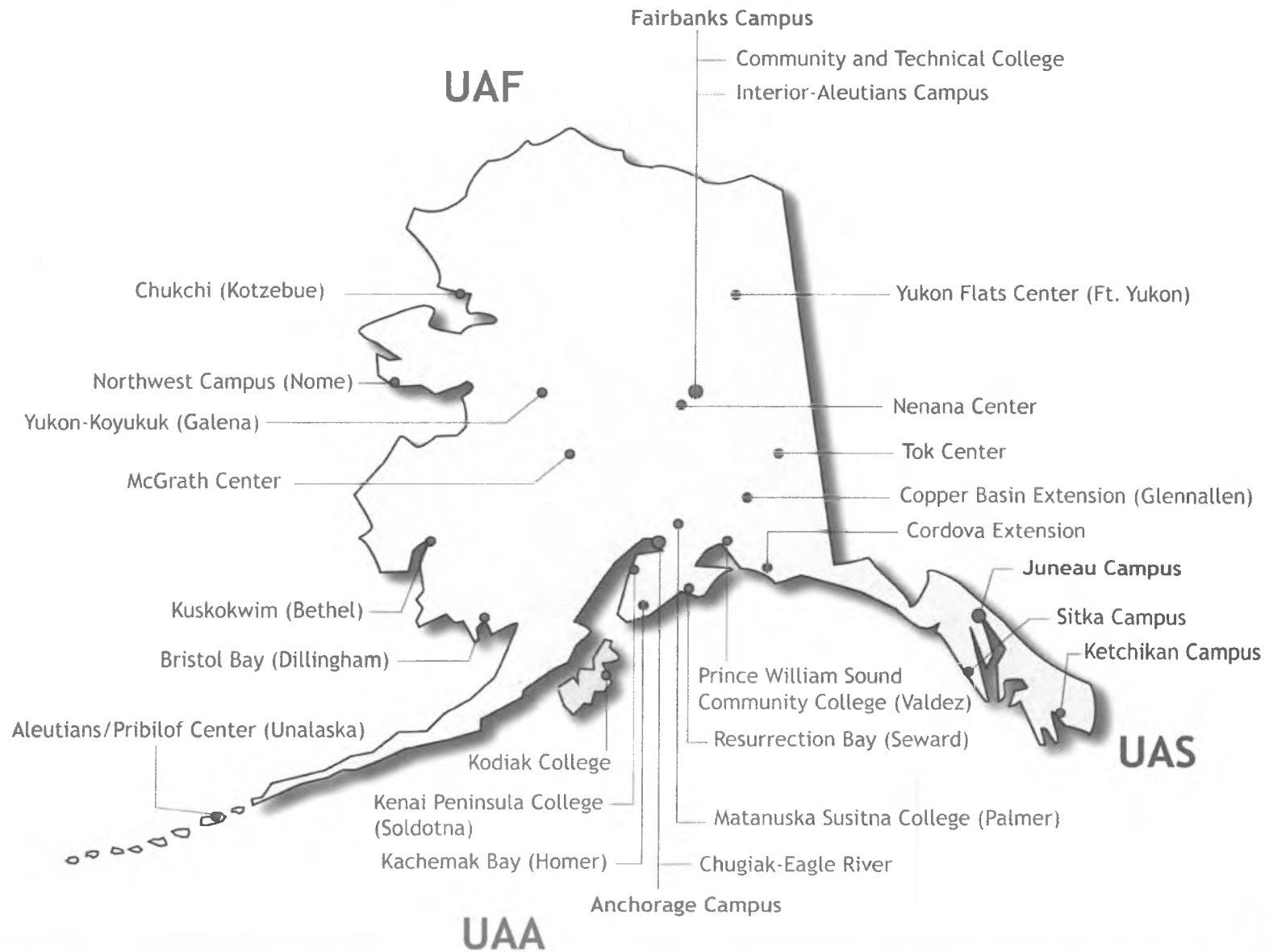
Senate Finance Committee

January 30, 2013

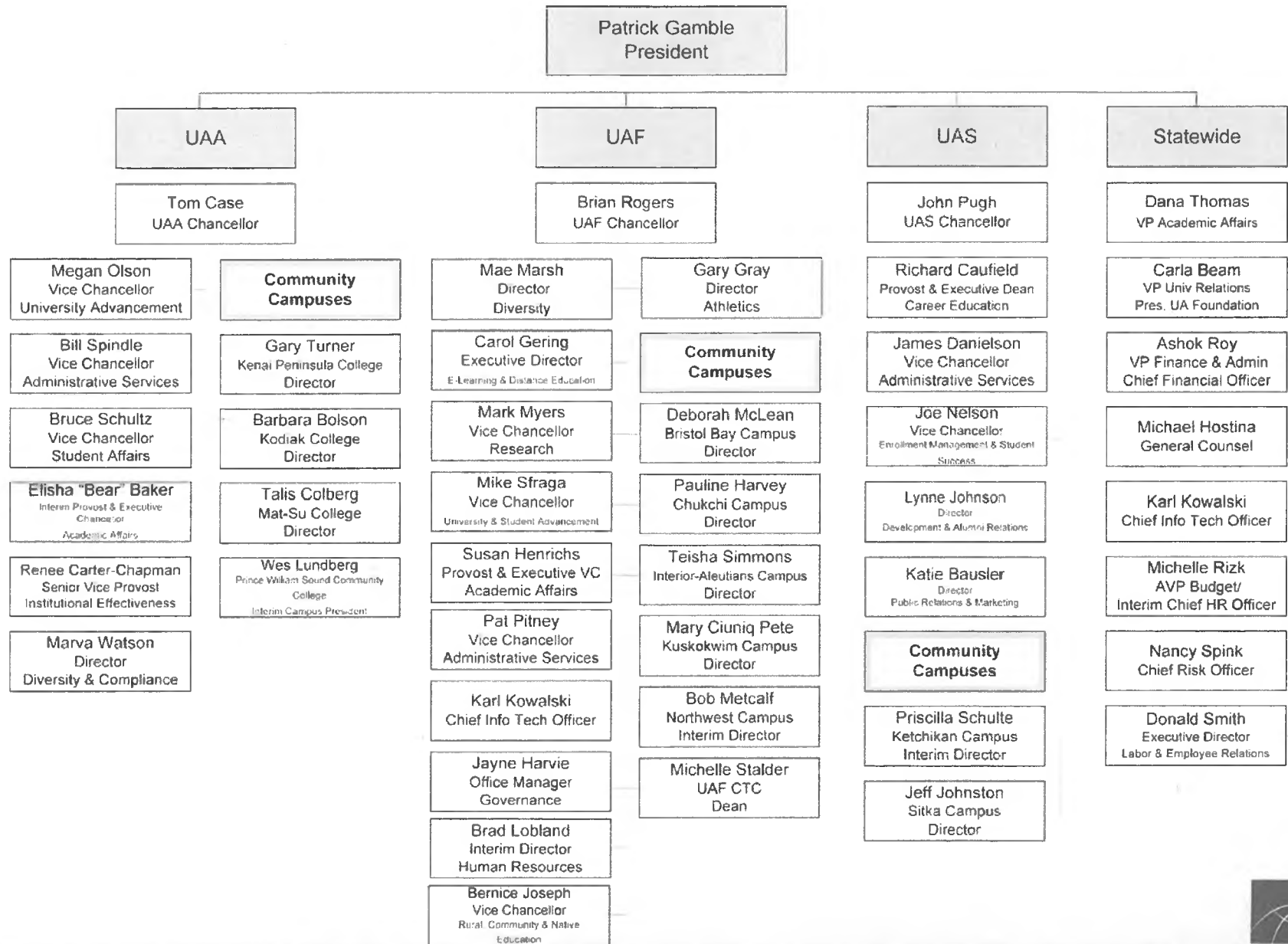


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Many Traditions, One Alaska



UA Organizational Chart



UA's Mission

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



Who Are We?

- 34,000 students; more than 50 nationalities
- 3 urban campuses; thirteen community campuses; numerous outreach centers
- More than 500 degrees
- 4,174 graduates (FY12)



Core Competencies








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



FY12 Report Card

Performance Review

From FY11

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

Challenges

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



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

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



Major SDI Initiatives Underway Since Last Year

- **Improved Student Services**

- Advising — e.g. 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
- Dual enrollment

Major SDI Initiatives Underway Since Last Year

- **Public & Private Partnerships**

- UAS Center for Mine Training (CMT); Consolidated Alaska Mining Initiative
- 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 General Education Requirements (GERs)
- Common cut scores

FY14 Budget Request

Supporting SDI Themes

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



FY14 Operating Budget Request



Student Achievement and Attainment

- **Student-Focused and Service-Based**
- **Enhanced Services for Students**
 - STEM capacity increase
 - e-Learning opportunity becoming normalized across UA
 - On-line technology benefitting student services
- **Mandatory Comprehensive Advising**
 - FY13 investment results detected?
 - FY14 request with more emphasis on community campuses
- **Retention, Completion, Graduation**
- **Community Engagement**
 - K-12



UA request: \$1.6 M

Productive Partnerships with Alaska's Schools

- **Supports UA's Commitment to Working with the K-12 System**
 - Cultural standards – must eventually balance with merit standards for graduation
 - MOOCs (massive open online classes) – potential for dramatic intervention
 - Testing norms: cut scores, admissions, scholarships
 - P-20W — shared database of educational experience from childhood to workforce
- **Work on “The 3 Critical Years”**
 - Strengthen the most effective bridging opportunities from high school to the University
 - Dual credit
 - Internships
 - Tech prep
 - RAHI – Rural Alaska Honors Institute
 - Summer academies
 - RRANN – Recruiting and Retention of Alaska Natives into Nursing
 - Live homework help
- **Teacher Education**
 - Alaska Teacher Placement
 - Alaska Teacher Education Consortium
 - UAA Center for Alaska Education Policy Research (CAEPR)

UA request: \$500 K



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Productive Partnerships with Alaska's Public Entities and Private Industries

- **Leverage GF through better use of public and private partnerships**
- **Meet industry requirements job for job to fill high demand needs**
 - Health/Biomedical
 - Workforce Development – requiring higher entry standards
 - Fisheries, Seafood and Maritime Initiative (FSMI)
 - Consolidated Alaska Mining Initiative (CAMI)
- **Fostering Knowledge of Alaska Issues, Culture and History through the UA Press**

UA request: \$3.3 M

Research and Development to Sustain Alaska's Communities and Economic Growth

- **Create Economic Value from UA Intellectual Property**
 - UAA/UAF Offices of Intellectual Property and Commercialization
 - Venture capital
- **Focus R&D Where UA has a Competitive Advantage**
 - High performance computing
 - Specific research critically important to the Arctic and Alaska
 - Fisheries, seafood, oceans, alternative energy, mining, health care, Arctic engineering
 - Collaborative research
 - Unmanned Aerial Systems (UAS)
 - Alaska EPSCoR
 - Poker Flat



UA request: \$800 K



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UA Board of Regents' FY14 Operating Budget

(in thousands of \$)

Governor's Proposed Operating Budget

	State Approp.	Receipt Auth.	Total	State Approp.	Receipt Auth.	Total
Base - FY13 Operating Budget	363,712.8	560,632.7	924,345.5	363,712.8	560,632.7	924,345.5
Adjusted Base Requirements						
<i>Compensation Increases</i>	7,692.1	7,692.1	15,384.2	7,692.1	7,692.1	15,384.2
<i>New Facility/Additions Estimated Operating Costs</i>	3,107.0	346.2	3,453.2	2,817.0	346.2	3,163.2
<i>Lease and Debt Service Costs</i>	382.9	3,020.0	3,402.9		3,020.0	3,020.0
<i>Other Cost Increases¹</i>	2,040.0	2,165.0	4,205.0			
Subtotal-Adjusted Base Requirements	13,222.0	13,223.3	26,445.3	10,509.1	11,058.3	21,567.4
	3.6%	2.4%	2.9%	2.9%	2.0%	2.3%
High Demand Program Requests						
<i>Student Achievement and Attainment</i>	1,556.1	320.8	1,876.9			
<i>Productive Partnerships with Alaska's Schools</i>	543.6	73.4	617.0			
<i>Productive Partnerships with Alaska's Public and Private Industries</i>	3,273.5	1,015.8	4,289.3			
Health/Biomedical	1,155.6	433.0	1,588.6			
Workforce Development	1,031.1	245.0	1,276.1			
Fisheries, Seafood and Maritime Initiative (FSMI)	396.8	125.0	521.8			
Consolidated Alaska Mining Initiative (CAMI)	490.0	212.8	702.8			
Fostering Knowledge of AK Issues, Culture & History Through UA Press	200.0	-	200.0			
<i>R&D to Sustain Alaska's Communities and Economic Growth</i>	800.0	150.0	950.0			
Subtotal- High Demand Programs	6,173.2	1,560.0	7,733.2			
	1.7%	0.3%	0.8%			
Budget Adjustments²	683.8	4,245.0	4,928.8	(19.1)	1,715.0	1,695.9
FY14 Increment	20,079.0	19,028.3	39,107.3	10,490.0	12,773.3	23,263.3
Total FY14 Proposed Operating Budget	383,791.8	579,661.0	963,452.8	374,202.8	573,406.0	947,608.8
% Chg. FY13-FY14 Operating Budget	5.5%	3.4%	4.2%	2.9%	2.3%	2.5%

— ZERO —

¹ Other cost increases: utility costs; facilities maintenance and repair; security and compliance mandates; non-personal services fixed costs

² 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)

FY14 Capital Budget Request



FY14 Capital Budget

- Deferred Maintenance (DM)
 - UAF Co-gen Power Plant
- Renewal and Repurposing (R&R)
- UAF/UAA new engineering buildings completion
- Research specific to Alaska issues



Deferred Maintenance



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

UA Board of Regents' FY14 Capital Budget

(in thousands of \$)

Governor's Proposed Capital Budget

	State Approp.	Receipt Auth.	New Legis.	Total	State Approp.	Receipt Auth.	Total
Deferred Maintenance (DM)/Renewal & Repurposing	37,500.0			37,500.0	37,500.0		37,500.0
Additional DM Backlog Reduction	75,000.0			75,000.0			
<i>UAF Cogen Power Plant</i>	22,000.0			22,000.0			
<i>UAS Hendrickson Remodel and Renovation</i>	3,600.0			3,600.0			
<i>DM Projects Systemwide</i>	49,400.0			49,400.0			
Annual Renewal & Repurposing Sustainment Initiative			50,000.0	50,000.0			— ZERO —
New Starts/Continuation							
<i>UA Engineering Building Completion</i>	108,900.0	10,000.0		118,900.0			
<i>UAF CCHRC Sustainable Village Phase 2-4</i>		1,300.0		1,300.0		1,300.0	1,300.0
Research for Alaska							
<i>UAF Alaska Chinook Salmon Production and Decline</i>	3,100.0	6,200.0		9,300.0			
<i>UAF Partnership to Develop Statewide Energy Solutions</i>	5,500.0	3,000.0		8,500.0			
<i>UAF Improving Arctic Oil Spill Response Through a Dedicated Oil Spill Science & Technology Center</i>	1,500.0	2,000.0		3,500.0			— ZERO —
<i>UAF Enhance Base Maps for Alaska Resources</i>	1,900.0			1,900.0			
Other Capital Requests							
<i>SW Replace Wide Area Network Components</i>	500.0			500.0			
Total FY14 Proposed Capital Budget	233,900.0	22,500.0	50,000.0	306,400.0	37,500.0	1,300.0	38,800.0

Getting Control of Deferred Maintenance

* Bottom Line *

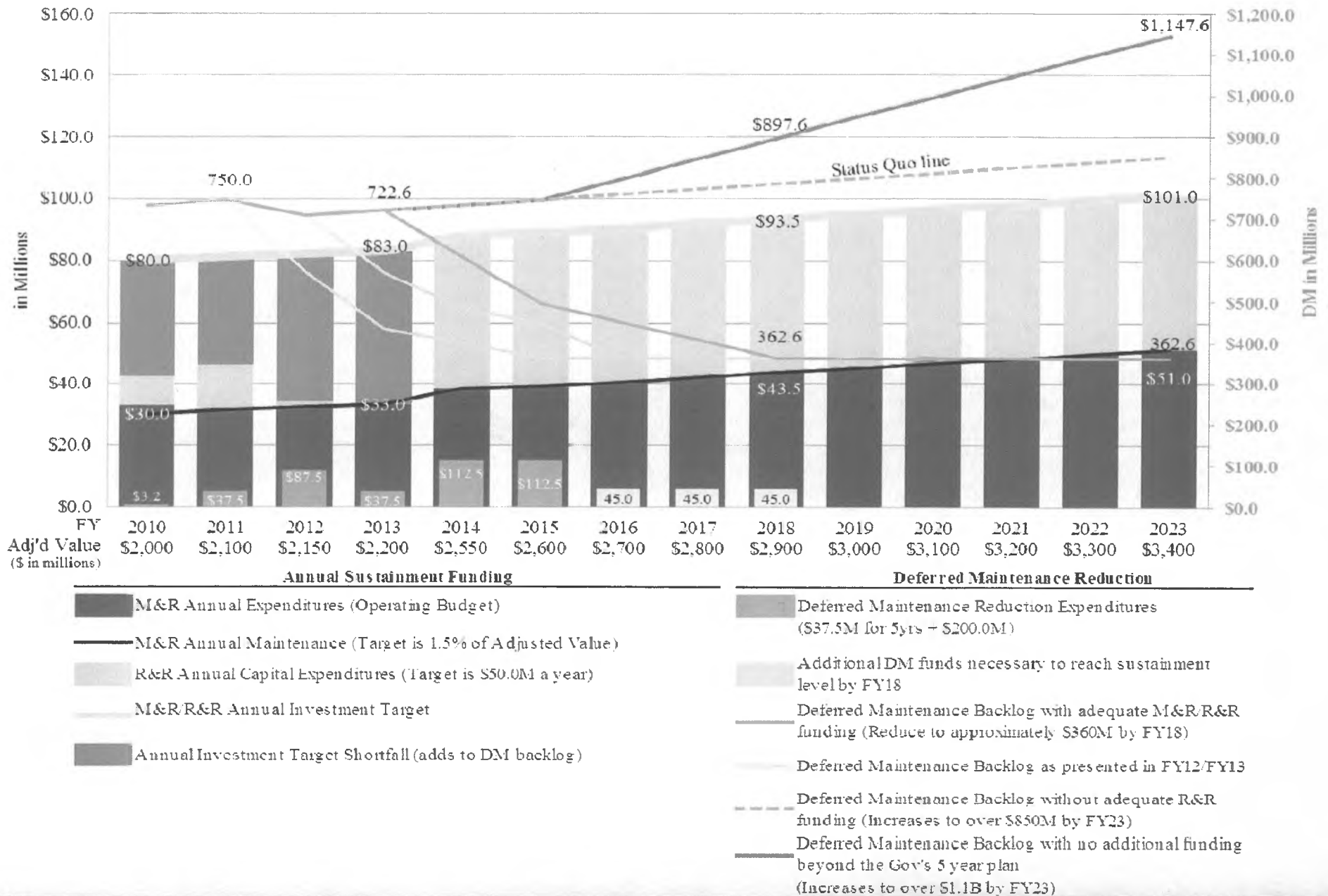
UA seriously needs programmatic solutions to acquiring annual funds for real property maintenance, R&R and DM reduction. Going back to the well each year is clearly not working in the state's best financial interest.

M&R

R&R

DM

Sustainment Funding Model for UA Facilities



A Few Words About Research



Research for Alaska



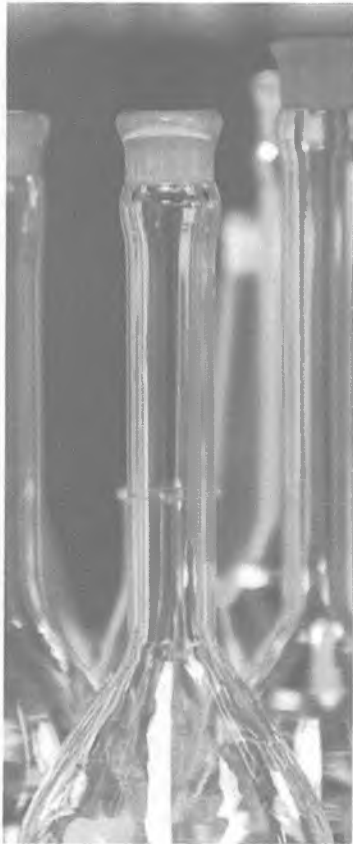
- Chinook salmon production and decline
- Energy technology, analysis & development
- Expanded test-bed capabilities (diesel, wind-diesel, hydro-kinetic)
- More research on geothermal, wind & biofuel
- Strategic resource digital mapping

Federal Agencies Seek Out UA Research

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



Research – Economic Impacts



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