

01/29/15

BUDGET

OVERVIEW

FY 16:

UNIVERSITY

OF ALASKA

<TARGET><BILL></BILL><SUBJECT>01-29-15 BUDGET OVERVIEW
FY 16 UNIVERSITY OF
ALASKA</SUBJECT><COMM>HF IN29</COMM></TARGET>

TRANSACTION REPORT

P. 01

JAN-29-2015 THU 03:55 PM

FOR: house finance

4656813

SEND

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
JAN-29	03:54 PM	4655334	43"	1	FAX TX	OK	179	

TOTAL : 43S PAGES: 1

COMMITTEE ACTION ON LEGISLATION

Fax to Chief Clerk's Office 5334

HOUSE FINANCE SECRETARY:

Jodie McDonnell

PAGE 1 OF 1

DATE: 01-29-2015

SHORT TITLE	ACTION TAKEN ON LEGISLATION
FY16 Budget overview: UNIVERSITY of ALASKA FY16 Budget overview: DEPT. of Fish & Game	<input type="checkbox"/> Moved Out of Committee <input type="checkbox"/> Moved CS () Out of Committee <input type="checkbox"/> Moved HCS () Out of Committee <input type="checkbox"/> Heard and Held <input type="checkbox"/> Heard and Held Assigned to Subcommittee <input type="checkbox"/> Bill Postponed to _____ <input type="checkbox"/> Scheduled but not Heard <input type="checkbox"/> Failed to Move Out of Committee N/A
SHORT TITLE	<input type="checkbox"/> Moved Out of Committee <input type="checkbox"/> Moved CS () Out of Committee <input type="checkbox"/> Moved HCS () Out of Committee <input type="checkbox"/> Heard and Held <input type="checkbox"/> Heard and Held Assigned to Subcommittee <input type="checkbox"/> Bill Postponed to _____ <input type="checkbox"/> Scheduled but not Heard <input type="checkbox"/> Failed to Move Out of Committee
SHORT TITLE	<input type="checkbox"/> Moved Out of Committee <input type="checkbox"/> Moved CS () Out of Committee <input type="checkbox"/> Moved HCS () Out of Committee <input type="checkbox"/> Heard and Held <input type="checkbox"/> Heard and Held Assigned to Subcommittee <input type="checkbox"/> Bill Postponed to _____ <input type="checkbox"/> Scheduled but not Heard <input type="checkbox"/> Failed to Move Out of Committee
SHORT TITLE	<input type="checkbox"/> Moved Out of Committee <input type="checkbox"/> Moved CS () Out of Committee <input type="checkbox"/> Moved HCS () Out of Committee <input type="checkbox"/> Heard and Held <input type="checkbox"/> Heard and Held Assigned to Subcommittee <input type="checkbox"/> Bill Postponed to _____ <input type="checkbox"/> Scheduled but not Heard <input type="checkbox"/> Failed to Move Out of Committee



ALASKA STATE LEGISLATURE
HOUSE FINANCE COMMITTEE

State Capitol, Room 519

Rep. Mark Neuman, Co-Chair

Rep. Steve Thompson, Co-Chair

Thursday, January 29, 2015

1:30 PM

Agenda:

FY16 University of Alaska Overview

Presenting in Person:

PG Pat Gamble, President, University of Alaska
Ch Chris Christensen, Associate Vice-President of State Relations, University of Alaska
MR Michelle Rizk, Associate Vice-President of Budget, University of Alaska

FY16 Department of Fish and Game Overview

Presenting in Person:

cdfg Sam Cotten, Commissioner, Department of Fish and Game
KB Kevin Brooks, Deputy Commissioner, Department of Fish and Game
CS Charles Swanton, Deputy Commissioner, Department of Fish and Game



ALASKA STATE LEGISLATURE
HOUSE FINANCE COMMITTEE

State Capitol, Room 519

Rep. Mark Neuman, Co-Chair

Rep. Steve Thompson, Co-Chair

Thursday, January 29, 2015

1:30 PM

Agenda:

FY16 University of Alaska Overview

FY16 Department of Fish and Game Overview

University of Alaska

FY16 Budget Overview

House Finance Committee
January 29, 2015

Shaping
Alaska's
Future



UNIVERSITY
of ALASKA

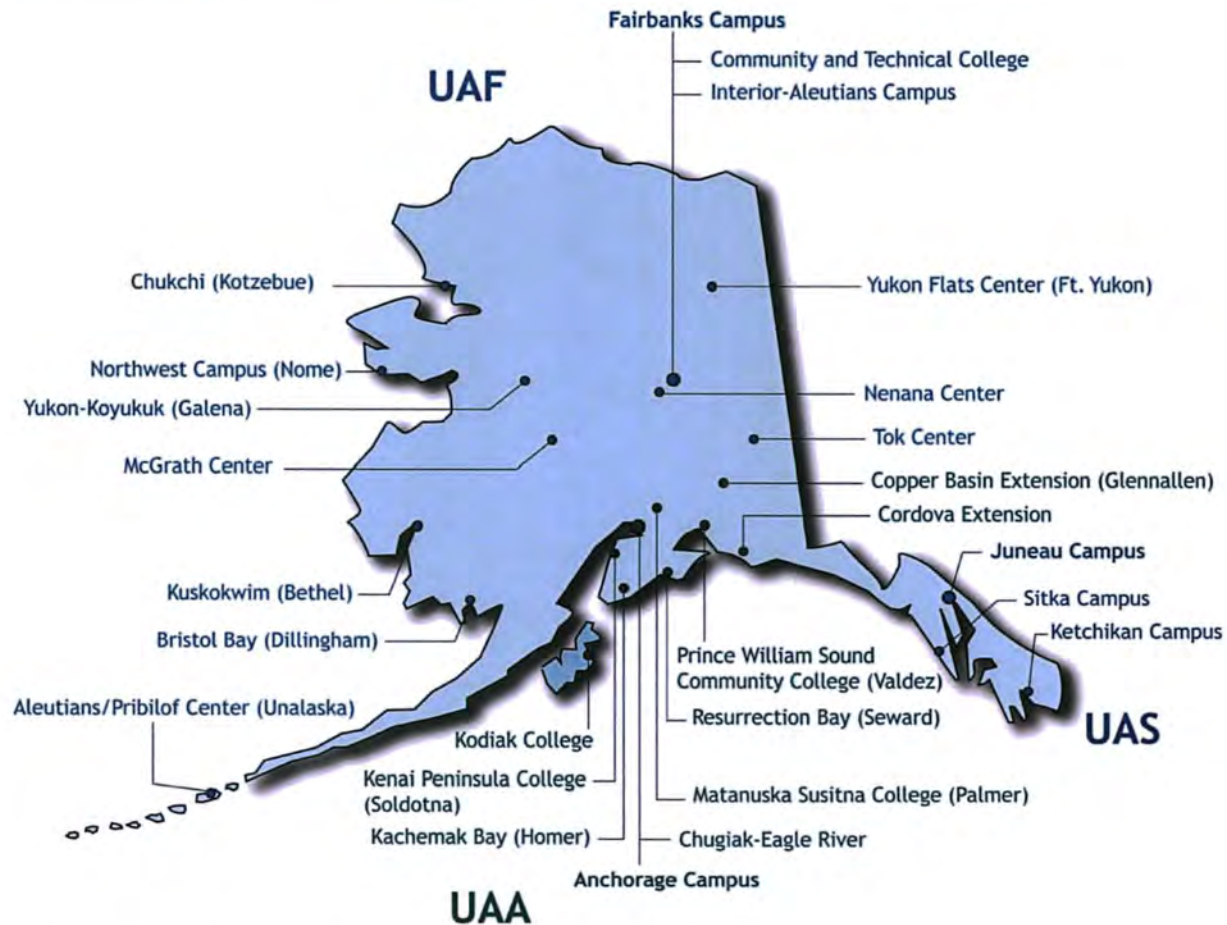
Many Traditions One Alaska

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

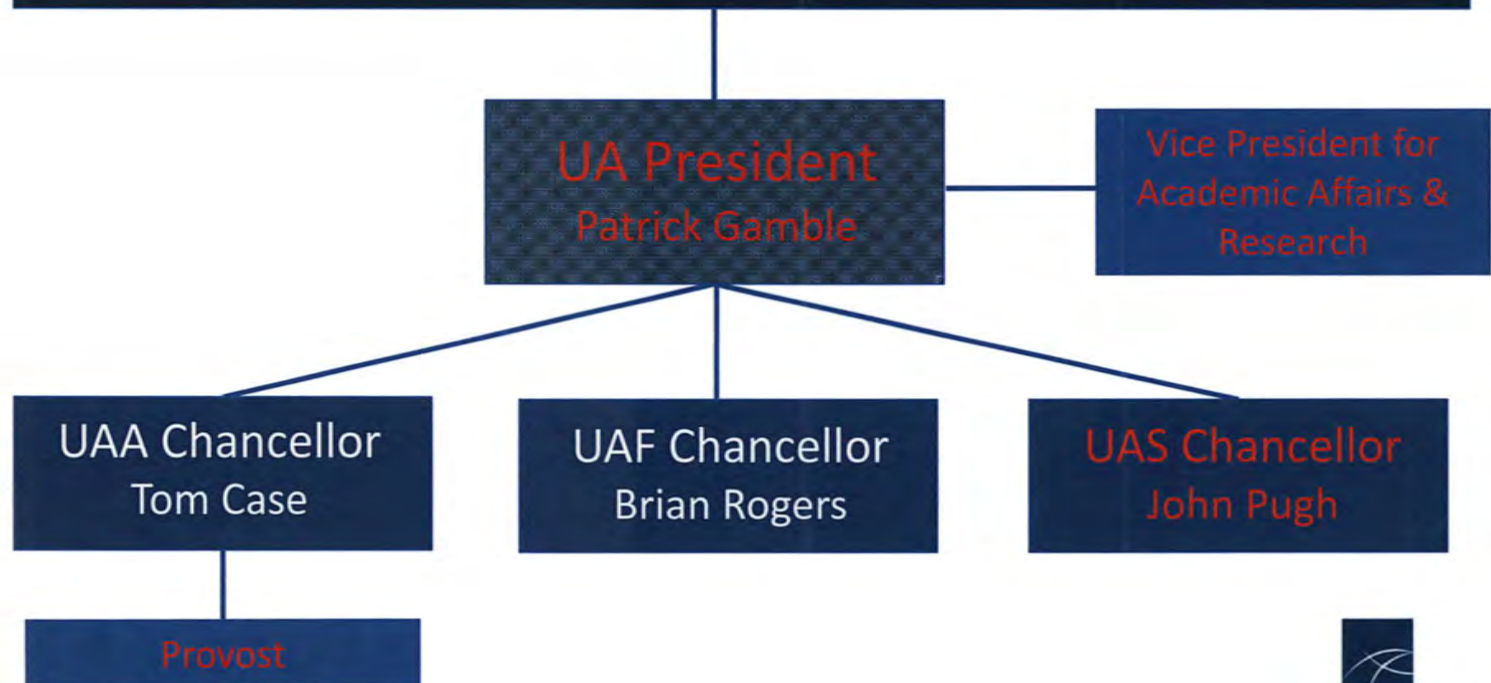


3 universities; 12 community campuses;
numerous outreach centers

Top Level Organizational Chart

Board of Regents

Jyotsna Heckman, Chair; Mike Powers, Vice Chair; Kenneth Fisher, Secretary; Gloria O'Neill, Treasurer; Dale Anderson; Sheri Buretta; John Davies; Courtney Enright; Mary Hughes; Lisa Parker; Andy Teuber



Shaping Alaska's Future

It's our map for navigating the challenging terrain ahead. It will guide decisions about people, programs and resources at UA for years to come.

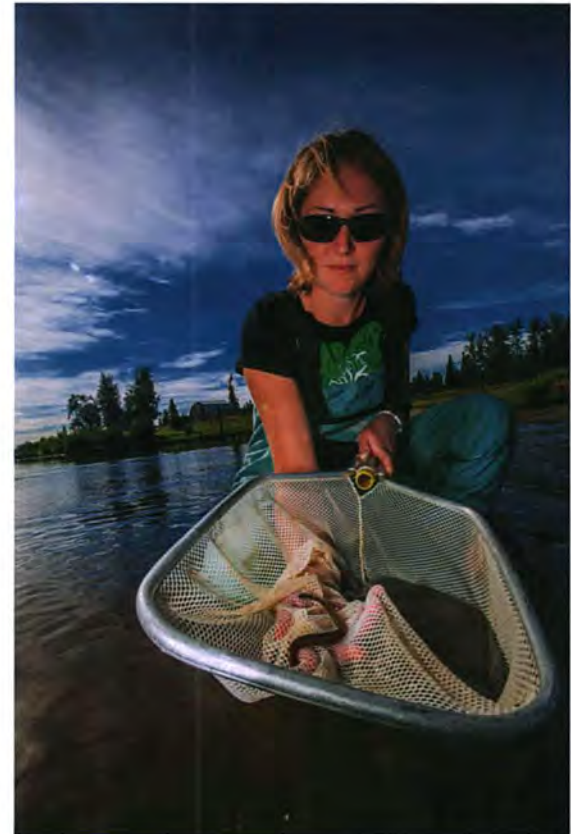


Shaping Alaska's Future

A strong university system is essential to a healthy and growing economy and way of life.

That strength is measured by:

- *The number and quality of our graduates at every level*
- *Our results in meeting the workforce and research needs of Alaska*
- *Our partnership with others in tackling the state's challenges and opportunities*



FY16 Budget

Focused on a core, continuing to deliver best ever results, building a reputation for excellence.

- Student experience, retention, and success
- Data-driven decision making, program and training prioritization, meeting Alaska's business requirements
- Research and partnerships to enhance Alaska's communities and economic growth



Core Services and the FY16 Budget

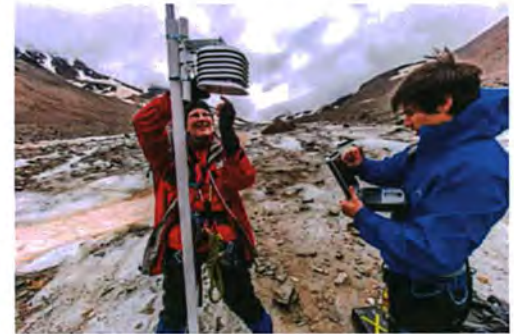
Our core programs, those where the university is strongest, must continue on to meet state and student needs until the pressure eases.

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



Maintaining Results

- Graduation rate nearly 12 percent higher than FY10
- Degrees and certificates awarded in FY14 at an all-time high – up 31 percent from FY10
 - Engineering degrees up 25 percent from FY10
 - Degrees in high-demand job areas up 22 percent
 - Teacher education degrees up 27 percent since FY10
- Received more than \$650 million in competitive research grants since FY10 - \$118 M in FY14 alone



Achieving New Results

- UA percentage of total degrees that are STEM, 6th in the U.S for public institutions.
- UAA 2015 list of the best online programs for master's degrees in education.
- UAA ranked by US News and World Report in the top 5% out of 1421 institutions in the Western Region.
- UAA Experimental Economics ranked 10th in the nation.
- UAS 2015 list Best Online Teaching Degrees.
- UAF Homeland Security and Emergency Management (HSEM) program, ranked as 2nd in the US for affordability of program and 5th in the US for quality of program.
- UAF research publications and citations on Arctic research top not only the nation, but are also #1 in the world!



How to Strengthen the Core?

Address the higher education paradigm shift:

- keep building value and accountability
- a balance of tuition and fees
- compete, stay relevant, embrace institutional excellence, service

Establish partnerships:

- the State of Alaska, federal government, commercial businesses
- K-12 schools; other universities
- private industry

Build a reputation for excellence that will continue to attract students, excellent faculty, research dollars, and that give us a place at the table.



“Niches” – The Focal Points

- Research for Alaska’s needs
- FSMI – Alaska’s largest workforce
- Arctic Policy
- Aerospace
- Health Sciences
- Geo Sciences
- Land Grant Exploitation

The Model:

Eliminate Cost + Generate Revenue

- Prioritize and reallocate resources
- Space utilization: reduce leased space, consolidate
- Long-term facility management plan... Sightlines, university building fund, Land Grant Equivalency initiative
- Control energy expense
- System-level collaborations
- Commercialization
- Investment opportunities...unmanned aerial systems, alternative energy, arctic research, climate research, fisheries, oceans, space physics
- Enroll and retain more students

Challenges

- Readiness for college and/or workforce
- The “core”
- Communicating a positive message of quality and excellence while rightsizing staff and faculty, programs and departments, to meet a state budget reduction plan
- Addressing aging infrastructure
- Meeting the needs of public and private partners
- Preserving the ability to invest for future returns in the “cut ... cut ... cut ...” environment

FY16 Operating Budget Challenges

Compounding effect of increased costs and funding reductions

-25% Baseline Impact Illustration Over 3 Years (in millions of \$)

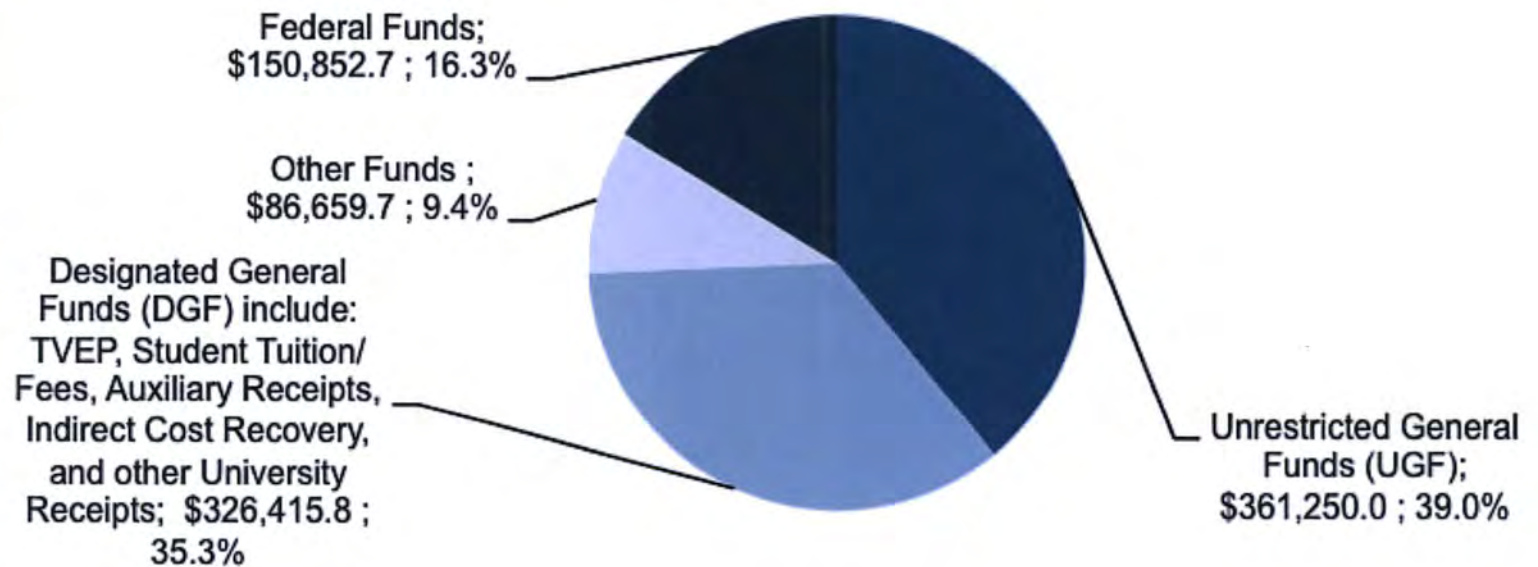
	Parnell	Parnell (WIP)	Estimate 3yr Impact		
	FY15	FY16	FY16	FY17	FY18
GF Baseline Begin	371.3	370.6	373.3	361.2	324.8
GF Reduction %	-4.6%	-1.6%	-3.2%	-10.1%	-11.2%
GF Reduction \$	-17.0	-6.1	-12.1	-36.4	-36.3
GF Increment \$*	16.3	8.8	0.0	0.0	0.0
GF Baseline End	370.6	373.3	361.2	324.8	288.5
Fixed Cost	-11.4		-24.7	-11.0	-10.0
Effective GF Baseline	359.2		336.5	313.8	278.5
GF Reduction \$	-17.0		-18.2	-36.4	-36.3
Fixed Cost "must pays"	-11.4		-24.7	-11.0	-10.0
UA System Bogey	-28.4		-42.9	-47.4	-46.3

Baseline Reduced (3 years) -\$90.9 million

Grand Total -\$136.6 million

* Excludes \$0.3 million technical adjustment

University of Alaska FY2016 Governor's Operating Budget by Fund Source



University of Alaska
FY2016 Governor's Operating Budget
(in thousands of \$)

	Unrestricted General Funds (UGF)	Designated General Funds (DGF)	Federal Funds (Fed)	Other Funds	Total
FY15 Operating Budget	370,599.7	316,693.5	150,852.7	86,717.8	924,863.7
Rev. FY15 One-time funded items	(1,981.5)	(1,082.1)	-	(1,865.0)	(4,928.6)
Base - FY15 Operating Budget	368,618.2	315,611.4	150,852.7	84,852.8	919,935.1
Governor's Budget Reduction	(18,168.5)				(18,168.5)
Adjusted Base Requirements					
Compensation Increases	9,318.8	9,318.8			18,637.6
UA Federation of Teachers (UAFT) ⁽¹⁾ Local 6070	241.2	241.2			482.4
United Academics Faculty (UNAC)	2,814.9	2,814.9			5,629.8
UA Adjuncts (UNAD)	169.6	169.6			339.2
Fairbanks Firefighters Union (FFU)	38.3	38.3			76.6
UA Staff	5,611.8	5,611.8			11,223.6
Student Employees	286.9	286.9			573.8
Temporary Employees	156.1	156.1			312.2
Utility Cost Increases ⁽²⁾					-
Facility Maintenance and Repair ⁽³⁾	1,081.5	1,081.5			2,163.0
Unfunded Federal Mandates	65.8	-			65.8
Disability Support Coordinators ⁽³⁾	65.8				65.8
Subtotal-Adj'd Base Requirements	10,466.1	10,400.3	-	-	20,866.4
	2.8%	3.3%			2.3%
High Demand Program Requests					
Student Advising and Completion ⁽³⁾	334.2				334.2
Subtotal-High Demand Programs	334.2	-	-	-	334.2
Budget Adjustments					
Technical Vocational Education Program		403.1			403.1
Mental Health Trust Authority				1,806.9	1,806.9
Subtotal-Budget Adjustments	-	403.1	-	1,806.9	2,210.0
FY16 Operating Change	(7,368.2)	10,803.4	-	1,806.9	5,242.1
FY16 Operating Budget	361,250.0	326,414.8	150,852.7	86,659.7	925,177.2
% Chg. FY15-FY16 Operating Budget	-2.0%	3.4%		2.1%	0.6%

(1) Contract has been ratified by members.

(2) Assumes a portion of the utility cost increases will be covered by the fuel trigger mechanism and supplemental funding. Funding contingent on oil prices being greater than \$70 per barrel.

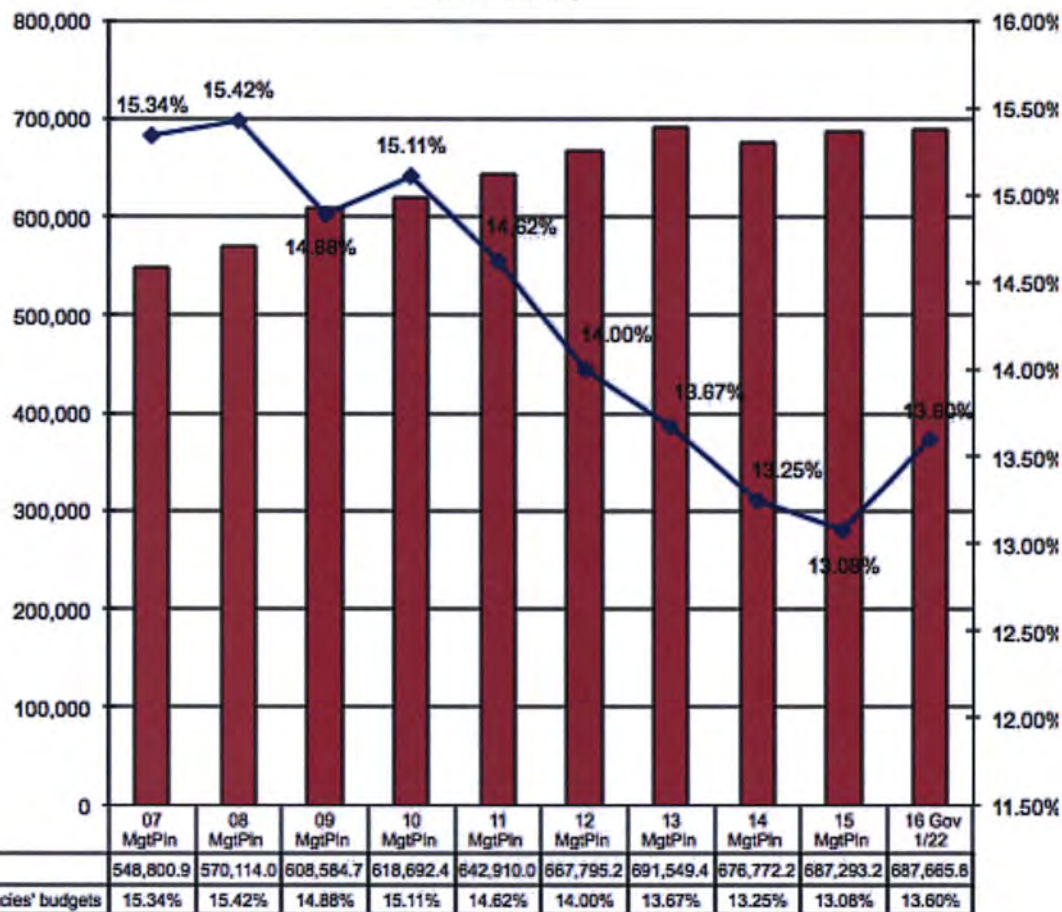
(3) Partial one-time funding in FY15.

Graphs from the Legislative Finance Division

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

The University's GF budget grew by \$138,864.9 million between FY07 Mgt Plan and FY16 Governor's Request - an average annual growth rate of 13.60%.

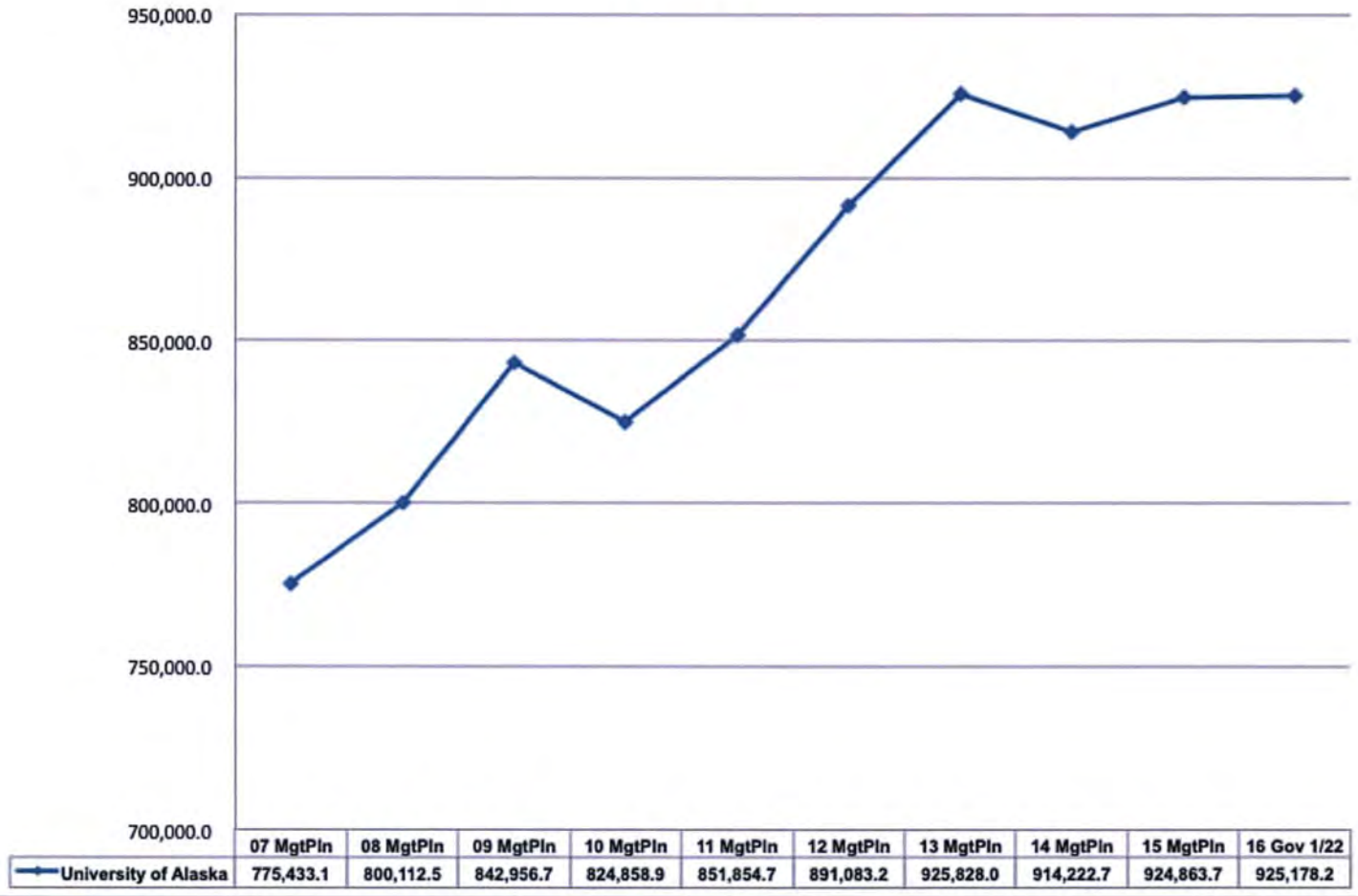
The University's total FY16 Governor's Request GF budget equals \$2,063 per resident worker.*



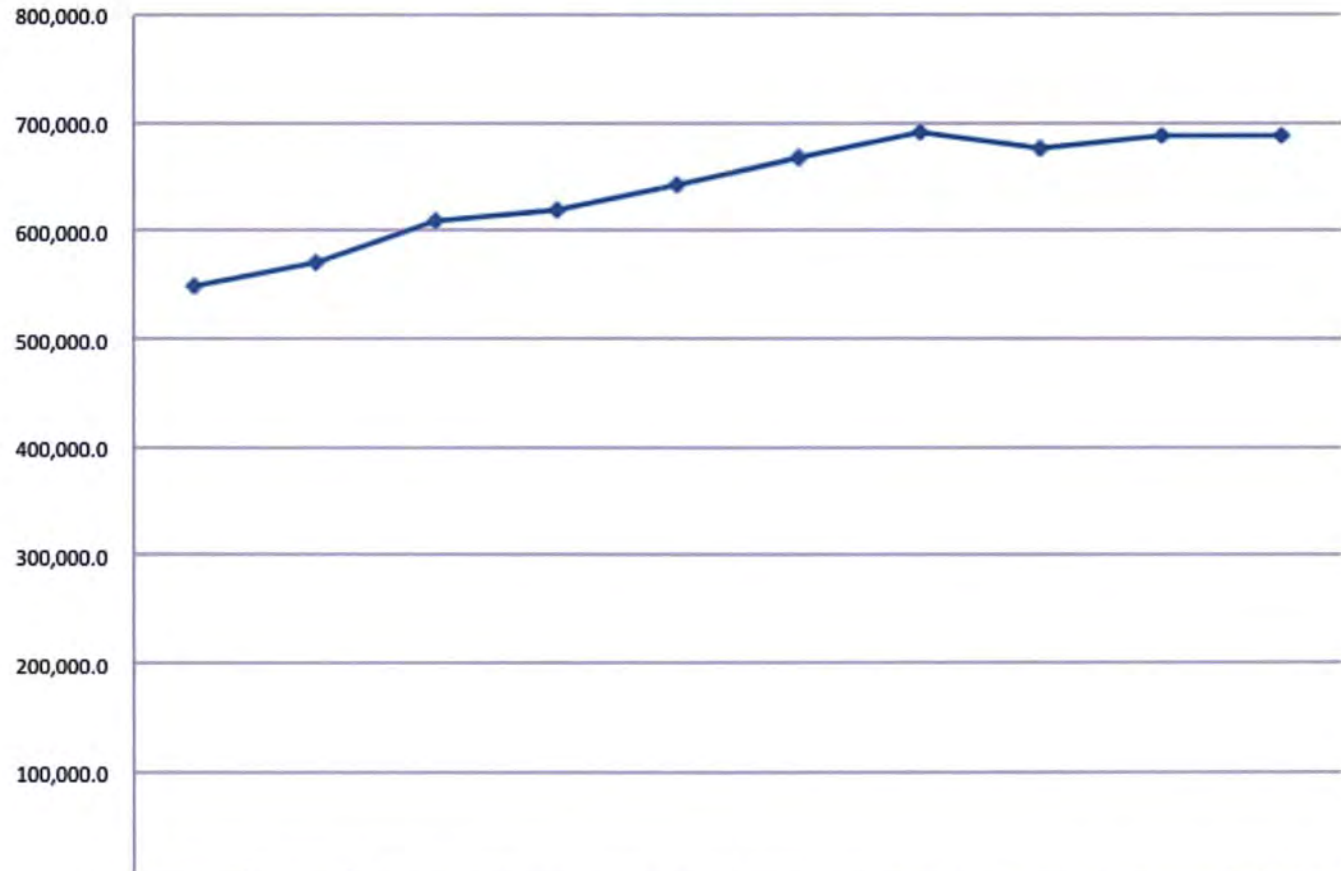
* According to the Department of Labor and Workforce Development, there were 333,283 resident workers in Alaska in 2012.



**Appropriations within the University of Alaska
(All Funds)
(\$ Thousands)**



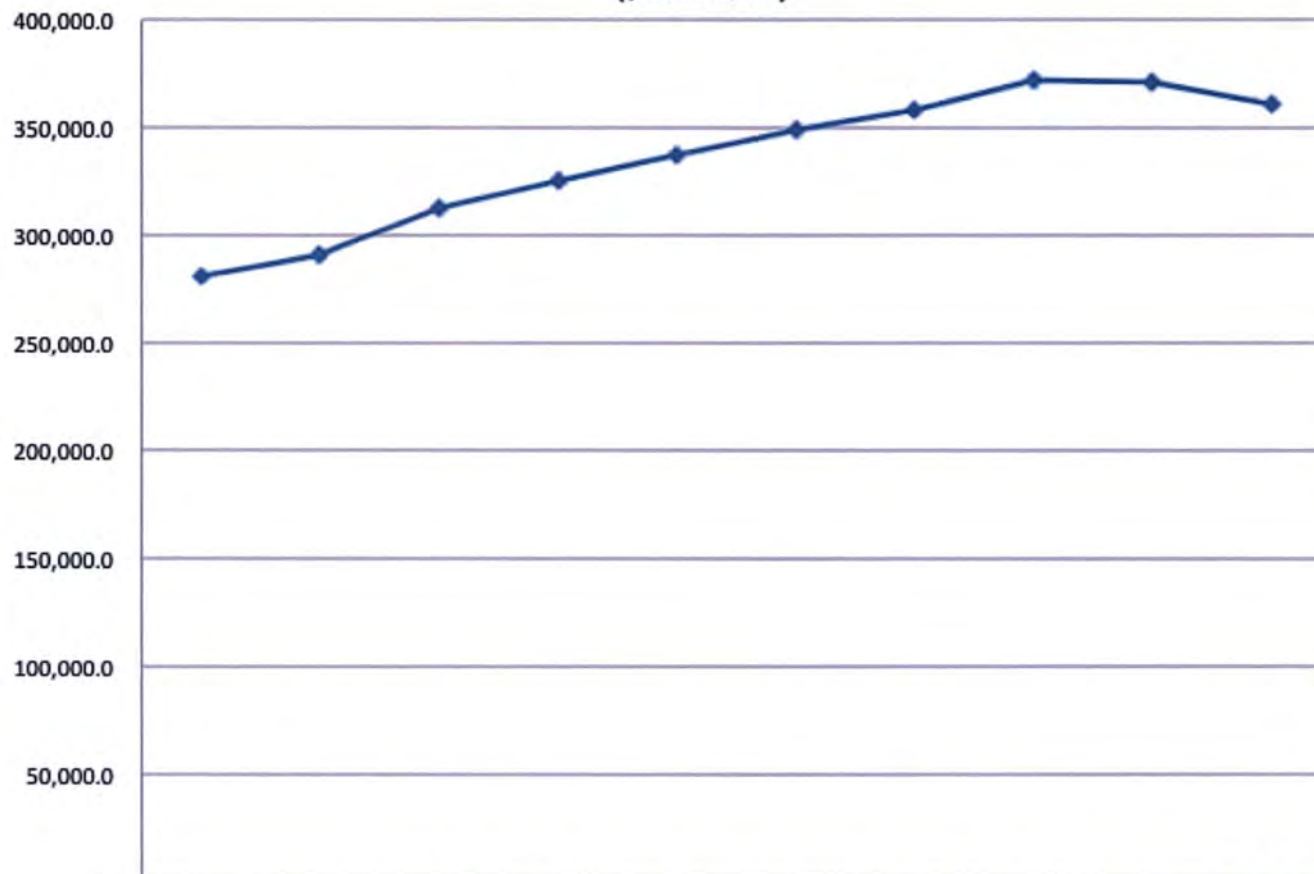
**Appropriations within the University of Alaska
(GF Only)
(\$ Thousands)**



	07 MgtPIn	08 MgtPIn	09 MgtPIn	10 MgtPIn	11 MgtPIn	12 MgtPIn	13 MgtPIn	14 MgtPIn	15 MgtPIn	16 Gov 1/22
University of Alaska	548,800.9	570,114.0	608,584.7	618,692.4	642,910.0	667,795.2	691,549.4	676,772.2	687,293.2	687,665.8



**Appropriations within the University of Alaska
(UGF Only)
(\$ Thousands)**



	07 MgtPln	08 MgtPln	09 MgtPln	10 MgtPln	11 MgtPln	12 MgtPln	13 MgtPln	14 MgtPln	15 MgtPln	16 Gov 1/22
— University of Alaska	280,976.0	290,758.3	312,675.5	325,155.0	337,388.4	348,660.5	358,264.7	371,323.9	370,599.7	361,250.0

FY16 Capital Request

- Deferred maintenance funding
- Complete UAF Engineering building



University of Alaska – “First evers, best evers” list January 2015

The following list represents a compilation of achievements and improvements from across the University of Alaska system over the last five years. Efforts to improve graduation rates, streamline administrative processes, provide stronger student services, and create a better university experience have led to numerous measurable advances. Such positive performance outcomes are a validation of Alaska’s investment in the University of Alaska and in the changes we are implementing.

Student Success:

***(Shaping Themes 1, 2 & 5)**

- Bachelor's degree completion rate (full-time students in six years or less) is at an **all-time high of almost 32 percent across the UA System and has increased almost 15 percent (4.1 percentage points) from FY10 to FY14 alone**. This is above the national average of 31 percent for other public, open admission universities according to the National Center for Education Statistics. UAF leads with a baccalaureate graduation rate of 41.5 percent in FY14.
- Students completing 30 credits or more: increased from 13 percent (FY10) to 15.2 percent (FY14).
- Significantly reduced transfer issues and the time required to assess transfer credits throughout the system. For example, UAA's transfer credit processing time has gone from 45 days in 2011 to just 3 days by 2014.
- The average eLearning credit load per student is at its highest level ever at 3.3 credits per student across the system.
- UAA piloted mandatory student orientation and advising in fall 2013 resulting 85.5% of student participants persisting into the following spring semester compared to 76% among non-participants.
- UAA - For the second consecutive year, students earned a record number of degrees, certificates and occupational endorsements: 2,633, up 5.8 percent from last year.
- UAF baccalaureate six-year graduation rates top 42% in 2014, a first in the UA system.
- UAS produced a record number of graduates in AY13-14: 717 (up +14.6% from prior year). This continues a trend of over five years of increasing graduates at the associates, baccalaureate, and graduate levels.

- UAS improved its first-time, full-time retention rate by +2.5% by expanding student success initiatives including: Stay on Track Program, mandatory advising, Early Alert program for struggling students, and a newly-created Writing Center.
- UAS designed and implemented a new Superintendents' Academy to educate new school superintendents across Alaska; the initial group has 10 participants. The state saw a 50% turnover in superintendents last year. The Academy builds on UAS success in offering its Principals' endorsement program.
- UAS Teacher Education data show highest level of teacher preparation productivity-ratio of teacher education graduates to number of faculty.
- UAS students obtained employment in fields related to their training at a higher rate than the national average.

Academic and Degree Programs

*(Shaping Themes 1 & 4)

- Six new centers established from 2011 to 2013.
- 29 new certificate and degree programs established between 2010 and 2014; 14 deletions occurred during the same period.
- Engineering degrees: from 148 in FY10 to 185 in FY14 --**a 25 percent increase.**
- Health degrees: from 824 in FY10 to 988 in FY14 -- **a 20 percent increase.**
- Number of programs 100 percent available by eLearning is at its **highest point ever** – 129 programs.
- **Highest number of degrees and certificates awarded ever in FY14**, over 4,900, representing more than a 30 percent increase since FY10.
- The number of high-demand job area degrees awarded **grew 22 percent** from FY10 to FY14.
- UAA - U.S. News & World Report included the University of Alaska Anchorage in its 2015 list of the **best online programs for master's degrees in education. UAA is ranked 30th, placing it in the top 20 percent of all 179 schools included.**
- UAS - The University of Alaska Southeast online teaching program has earned a place on a list of the **Best Online Teaching Degrees in 2015** put out by the Affordable Colleges Foundation (ACF). **UAS placed as #14 out of 36 schools recognized on the list.**

Workforce Development

*(Shaping Themes 1, 3, 4 & 5)

- FY10-14 Associate and Certificate majors **increased by 26 percent** from 7,808 to 9,845.
- FY10-14 Increased High Demand Job Area Degrees **by 22 percent** from 2,731 to 3,341.
- FY10-14 investments in workforce development through TVEP totaled more than \$19 million.
- UA has taken leadership roles on industry-supported workforce development plans with strategic outcomes in Career & Technical Education, Health, Fisheries-Seafood-Maritime, and Mining. The highly acclaimed Maritime Workforce Development Plan was completed in close collaboration with industry and is being executed.
- UA has received more than \$7.5 million in federal Dept. of Labor grants targeted for Alaskan workers displaced by foreign trade.
- UAA High Demand Job Area (HDJA) program awards set a new record high with 1,824 awards in 2014. This total represents 70 percent of all certificates and awards at UAA. Major contributors included: Health awards (665), Business, Finance & Management (373), Teacher Education (228), and Engineering (125). **The area with the largest single increase was in Transportation (up 42% to 120 awards, an increase of 35 awards over last year).**
- UAF Homeland Security and Emergency Management (HSEM) program, directed by Cam Carlson, was **ranked as 2nd in the US for affordability of program and 5th in the US for quality of program** in the 2014 Emergency Management Degree Guide.
- UAS Mine Training Center opened in 2010 to address the underground mine training for Southeast and the balance of state industry needs. The program is growing student enrollment rapidly from Alaska and Canada.
- Future Educators of Alaska was federally recognized as a Career Technical Student Organization integrating leadership with traditional knowledge to encourage rural education as career paths for students.

Scholarships, Funding and Giving

*(Shaping Theme 1)

- Grant aid awarded to UA students **up \$9.4 million in four years** (2009-10 \$20.4m, 2013-14 \$29.8m).

- Scholarship aid awarded to UA students **up \$10.6 million in four years** (2009-10 \$19.2m, 2013-14 \$29.9m).
- **Total financial aid awarded to UA students is \$137.0 million, up 14 percent** since 2008-2009 (2009-10 \$120.1m, 2013-14 \$137.0m).
- **Alumni giving (dollars raised from alumni) increased 101 percent** over the last 5 years from \$671K in FY10 to \$1.35 million in FY14.
- The UA Foundation reports FY14 system private fundraising results of \$23.1 million in total private gifts raised. This represents an **increase of 32 percent** over FY13 system total of \$17.4 million. Of particular note is total **giving from alumni in FY14, which increased 28 percent over FY13 across the system.** Congratulations go to the advancement teams at UAA, UAF and UAS.

Research

***(Shaping Themes 3, 4, & 5)**

- UA has received a **total of more than \$650 million in external and highly competitive research funding since FY10, with more than \$118 million received in FY14 alone.** For every \$1 in state funding spent toward research, UA brings in \$4.6 in external research funding.
- **UAF research publications and citations on Arctic research top not only the nation, but are also #1 in the world!**

UA Reputation

***(Shaping Themes 1, 2 & 5)**

- ACT scores: **32 percent increase in scores sent** to UA between FY09 and FY14; and **41 percent MORE students indicate UA as their first choice in FY14 vs. FY09.**
- The proportion of recent Alaska high-school graduates who go to college has stayed roughly the same since 2010, with about half entering postsecondary within 12 months of graduating from high school. **More than 60 percent** of all recent Alaska high school grads who pursue postsecondary education choose UA, equivalent to about half of all college-bound recent Alaska high school graduates. This has been the pattern since 2010. Nationally, about 70 percent of all recent high school grads enter postsecondary within 12 months of graduating.
- Since FY10, more than 21,000 degrees and certificates have been awarded by UA.

*** Shaping Alaska's Future is UA's map for navigating the challenging terrain ahead, and it will guide decisions about people, programs and resources at UA for years to come. The Shaping Themes listed below act as the plan's framework for continuous improvement and innovation, and contain nearly two-dozen important change initiatives for UA.**

1. Student Achievement and Attainment
2. Productive Partnerships with Alaska's Schools
3. Productive Partnerships with Public Entities and Private Industries
4. Research & Development (R&D) and Scholarship to Enhance Alaska's Communities and Economic Growth
5. Accountability to the People of Alaska