

02/11/15
BUDGET
OVERVIEW
FY 16:
UNIVERSITY
OF ALASKA

<TARGET><BILL></BILL><SUBJECT>02-11-15 BUDGET OVERVIEW
FY 16 UNIVERSITY OF
ALASKA</SUBJECT><COMM>SFIN29</COMM></TARGET>

University of Alaska

FY16 Budget Overview

Senate Finance Committee
February 11, 2015

Shaping
Alaska's
Future



UNIVERSITY
of ALASKA

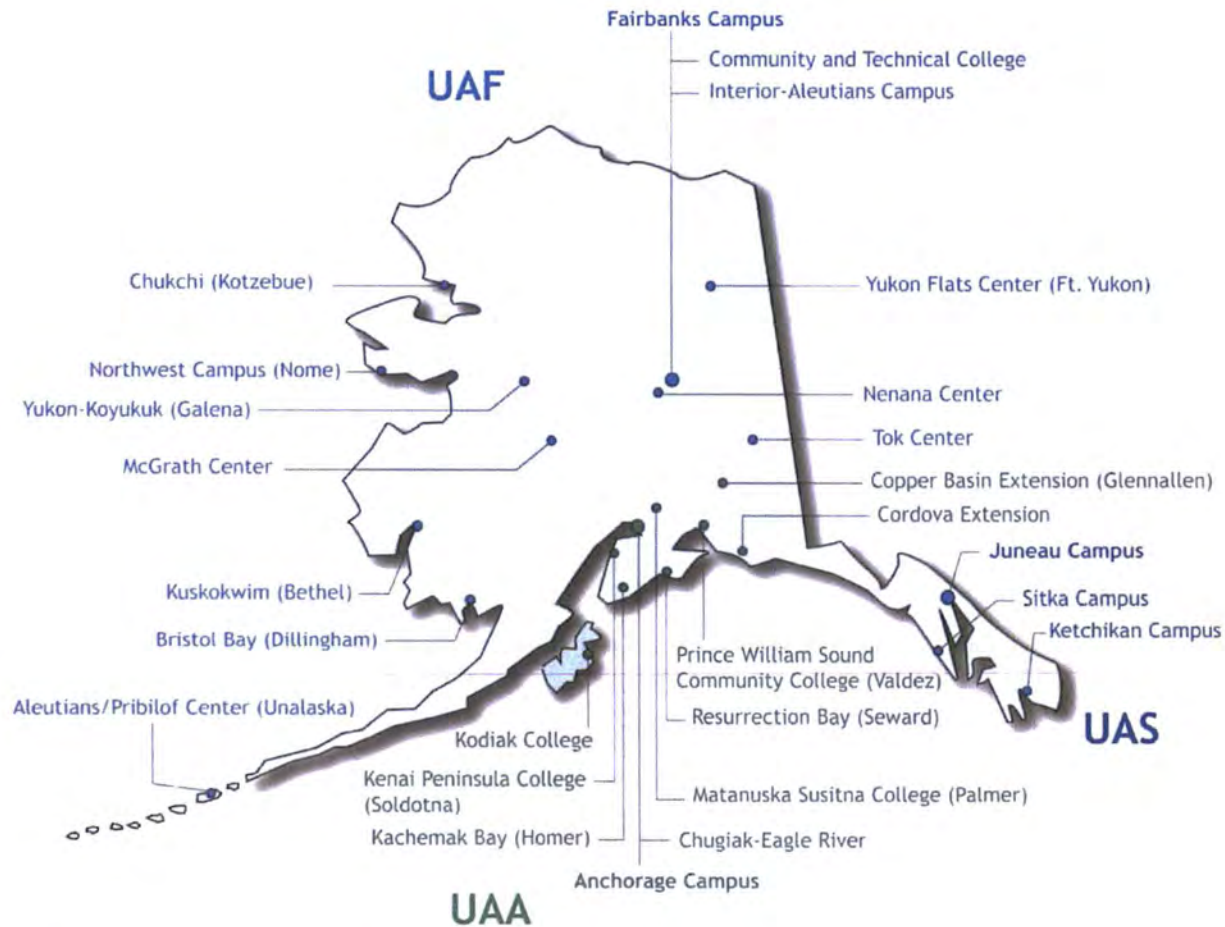
Many Traditions One Alaska

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

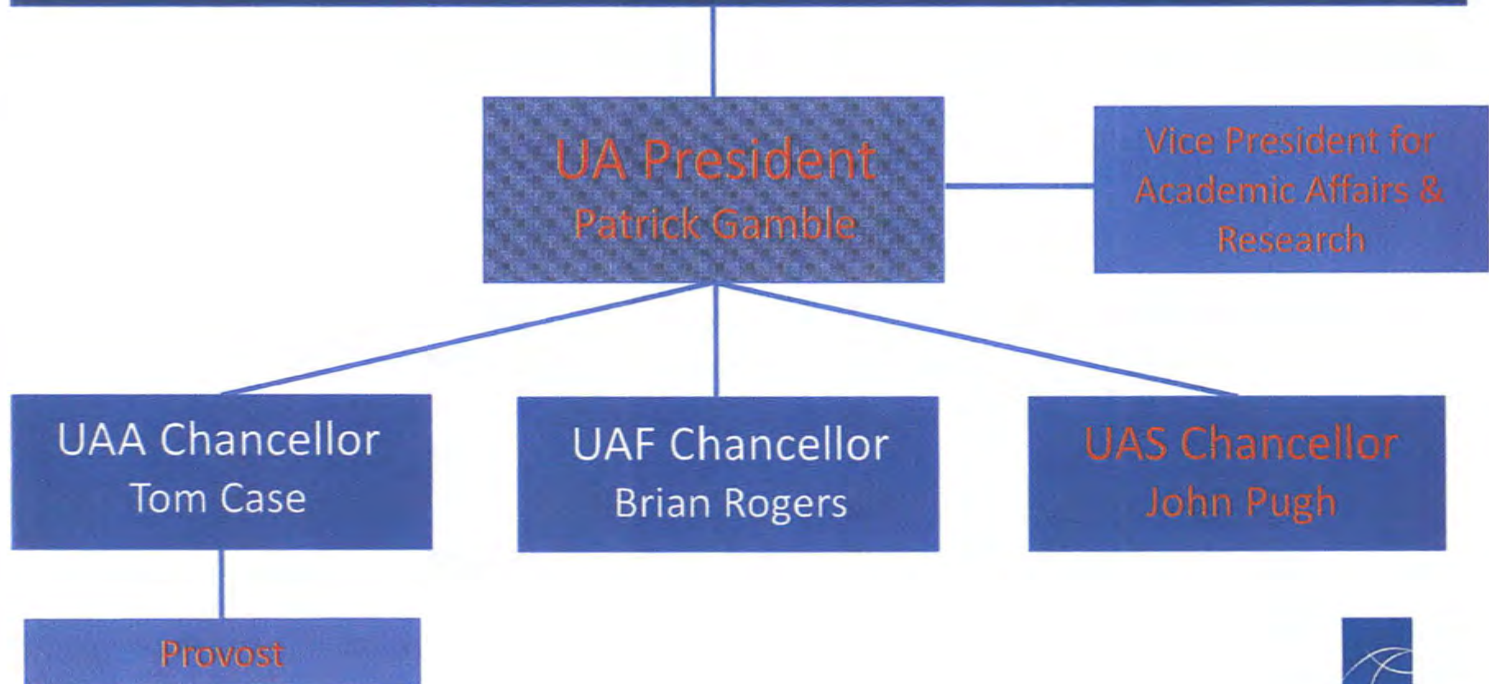


3 universities; 12 community campuses;
numerous outreach centers

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

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-FY18 Budget Strategy

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



“The Core” and the FY16 Budget

Our core programs, those where demand is high and the university demonstrates strength, are essential to continue meeting state and student needs.

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



Recognize and Maintain 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



Preserve and Enhance Reputation

- 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 showing accountability
- balance tuition and fees
- compete, stay relevant, embrace institutional academic excellence, and student service

Establish partnerships:

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

Build an institutional reputation for excellence:

- college and workforce ready students, excellent faculty, and robust research dollars
- earn a well deserved seat at the academic table with peers



“Niches” = Aim Points

- Research for Alaska’s needs
- Fisheries, Seafood and Maritime Initiative (FSMI)
 - Alaska’s largest workforce
- Arctic Policy
- An Aerospace State
- Health Sciences
- Geo Sciences
- Land grant initiative

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 initiative
- Control energy use
- System-level collaborations ... IT
- Commercialization
- Investment opportunities...unmanned aerial systems, alternative energy, arctic research, climate research, fisheries, oceans, space physics, public-private
- Enroll and retain more students



Challenges

- “Readiness”
- “The Core”
- Communicating a positive message of quality and excellence while rightsizing staff, faculty, programs and departments
- Aging infrastructure
- Meeting the terms, expectations of public and private partners
- Preserving an essential ability to invest

UA view of the FY16 Operating Budget

Short Term Challenges

Long Term Implications

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

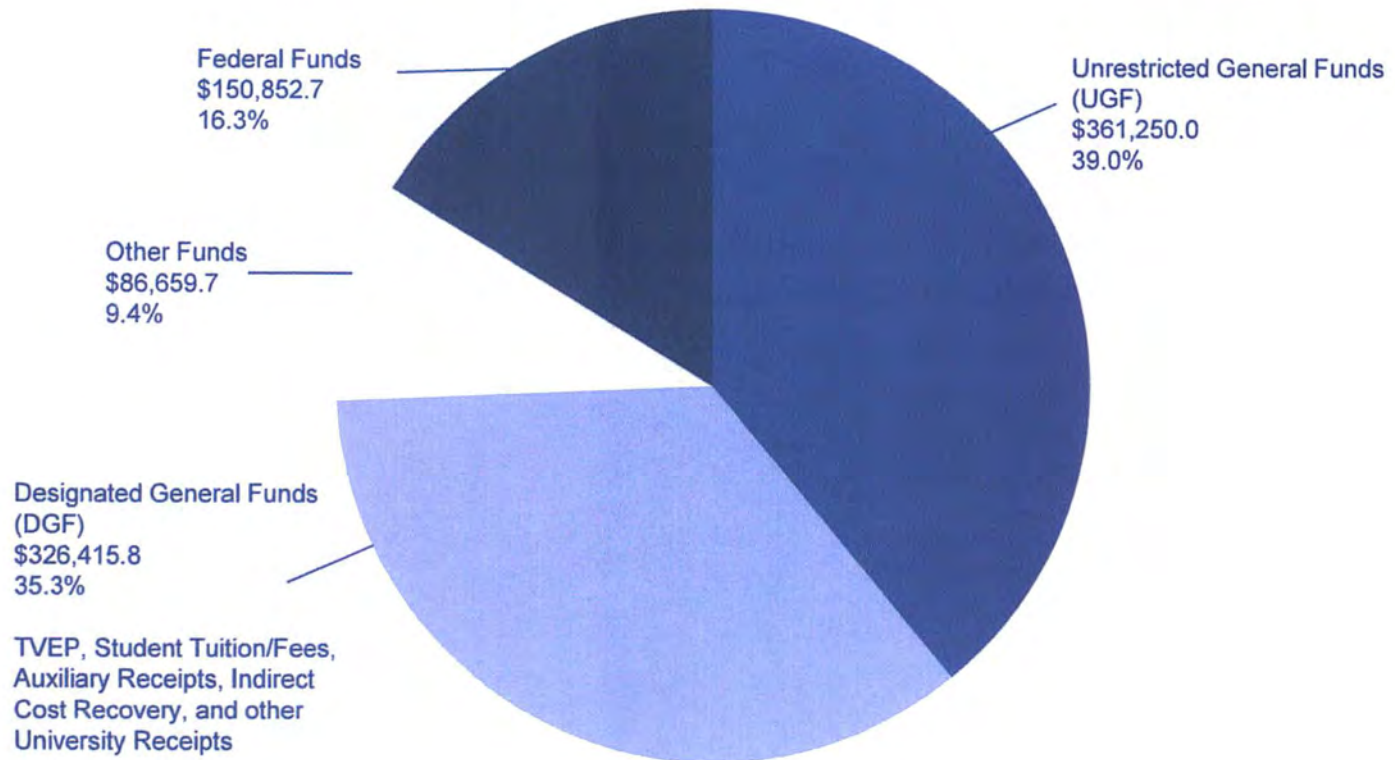
	Parnell	Parnell (WIP)	Estimate 3yr Impact		
	FY15	FY16	FY16	FY17	FY18
GF Baseline Begin	371.3	370.6	373.3	361.2	324.8
GF Reduction %	-4.6%	-1.6%	-3.2%	-10.1%	-11.2%
GF Reduction \$	-17.0	-6.1	-12.1	-36.4	-36.3
GF Increment \$*	16.3	8.8	0.0	0.0	0.0
GF Baseline End	370.6	373.3	361.2	324.8	288.5
Fixed Cost	-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
Obligations	-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%	0.0%

(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.

FY16 Capital Request

- Deferred maintenance funding
- Complete UAF Engineering building

