



UNIVERSITY
of ALASKA

Many Traditions One Alaska

First Review of FY07 Operating Budget

Board of Regents
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Fairbanks, Alaska

Prepared by Statewide Planning & Budget Development
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Table of Contents

First Review of FY07 Operating Budget1

FY07 Operating Budget Request5

Salary and Benefits Summary6

Revenue Summary: Budget Authority and Actual Revenue by Source FY04-FY077

FY07 Operating Budget Request Items Narrative8

Change in State Funding By Source FY00-FY0712

Operating Budget Trend by Campus13

Operating Budget Trend by NCHEMS14

Operating Budget Trend by Fund Source14

Approved FY07 Operating Budget Request Guidelines15

FY07 Operating Budget Request Timeline16

X. First Review of FY07 Operating Budget

Reference Bound Separately

POLICY CITATION

Regents' Policy 05.01.01.A. – Budget Policy, states, "The budget of the University of Alaska represents an annual operating plan stated in fiscal terms."

RATIONALE/RECOMMENDATION

President Hamilton and Associate Vice President Pitney will lead a discussion on UA's FY07 operating budget request. The proposed FY07 operating budget request includes the necessary resource to cover FY06 adjusted base increases (i.e., contractual and fixed cost increases) plus state funding directed to program enhancements and growth. Consistent with the Board of Regents' FY07 operating budget request guidelines, program growth investments will be prioritized on the following principles:

- Preparing Alaskans to meet the major economic opportunities that will present themselves in future years.
- Keeping young Alaskans in state attending UA, thus preparing Alaskan's to fill legacy jobs.
- Continuing to build the unique centers of academic excellence UA offers.

The program requests will also support UA campuses with existing efforts toward the UA Strategic Plan 2009 goals of student success, research excellence, educational quality, responsiveness to state needs, faculty and staff strength, technology and facility development, and diverse revenue sources.

There will be a brief review on the continued integration and implementation of performance budgeting. UA's existing five performance measures provide a practical tool to quantify and articulate progress towards the Board's strategic goals. In the past two months the system office and each MAU have completed their analyses on past trend and future strategies to achieve results on the five primary performance measures. Additionally, there are two process oriented measures added for FY06 to emphasize academic program outcomes assessment and enrollment management planning. These analyses are available at <http://www.alaska.edu/swbudget/pm/details.xml>.

The summary table below is the preliminary draft FY07 operating budget request. The increments include funding for FY06 adjusted base requirements, a new approach to facilities R&R funding, and FY07 program enhancement requests totaling \$79.5 million. Of that total, UA generated revenue can fund \$32.1 million and the remaining \$47.4 million is requested from state appropriations. The separately bound reference provides a more detailed summary of the FY07 operating budget request.

Preliminary Draft - FY07 Operating Budget Request Summary

	State Approp.	Receipt Authority	Total
FY06 Operating Budget	248,188.8	466,036.0	714,224.8
FY06 Adjusted Based Increment Requirements	33,748.9	18,713.7	52,462.6
<i>% Change</i>	<i>13.6%</i>	<i>4.0%</i>	<i>7.3%</i>
Facilities Renewal and Replacement (ph 1 of 10)	3,000.0	1,000.0	4,000.0
<i>% Change</i>	<i>1.2%</i>	<i>0.2%</i>	<i>0.6%</i>
FY07 Program Enhancement/Growth Priorities	10,600.0	12,400.0	23,000.0
<i>% Change</i>	<i>4.3%</i>	<i>2.7%</i>	<i>3.2%</i>
Total FY07 Increment Request	47,348.9	32,113.7	79,462.6
<i>% Change</i>	<i>19.1%</i>	<i>6.9%</i>	<i>11.1%</i>
Total FY07 Operating Budget Request	295,537.7	498,149.7	793,687.4

The FY06 adjusted base increment requirements are significant and driven heavily by three abnormally costly yet unavoidable items; retirement system increases, contractually obligated health care cost increases, and utility increases. These three items alone account for \$21 million of UA's FY07 state appropriation increment. Other base cost increases include contractually and policy obligated wage increases, new facility operating costs, facility M&R increases and network bandwidth cost increases.

Facilities renewal and replacement is a new request in UA's operating budget. This necessary budget item has consistently been requested through UA's capital budget, however, there has not been sufficient nor regular legislative support of capital funding for existing facility R&R. Due to the inconsistent nature of capital funding support for UA's facility R&R requests, UA's deferred maintenance level has increased substantially in the last seven years and now exceeds \$400 million. University administration is in the process of investigating multiple budget mechanisms to secure consistent and sufficient annual R&R funding.

Within current campus operating budgets, UA has sustained a facilities maintenance funding level of nearly \$20 million annually, 1.5% of building value. Additionally, UA has submitted annual capital funding requests of \$40-50 million for facilities safety, code and R&R requirements (approximately 3% of building value). In the last seven years, however, legislative capital funding for safety, code and R&R has averaged about \$6 million annually, with the highest capital appropriation for R&R reaching \$14 million and the lowest being zero in both 2003 and 2004.

Using \$40 million as the annual R&R requirement and \$6 million as the average investment, the cumulative under funding during the last seven years for UA's capital R&R totals \$230 million, thus explaining the

increase in UA's deferred maintenance level from an acceptable level near \$200 million in FY98 to a over \$400 million today. The impact of this R&R funding disconnect is accumulated deferred maintenance that is at a level that needs attention.

Through this R&R operating request mechanism, university administration is proposing an escalating operating fund request over the next 10 years to accumulate an annual operating fund level of \$40 million for facilities R&R requirements. This alone, however, is not sufficient; at the same time, UA must continue safety, code and R&R funding requests in the capital budget, and propose separate legislation that will direct some amount of the state's anticipated FY06 and FY07 surplus toward UA's R&R and deferred maintenance requirements.

The final funding priorities in the FY07 budget include program enhancement and growth in the following four categories:

1. Continuing program to address state needs
2. Preparing Alaskans for the new jobs
3. Competitive university research investment, and
4. Administrative priorities.

Currently, there are over \$20 million of campus program requests that are being prioritized within these categories. Attention will be given to programs started in the last couple of years, that are contributing significantly to UA's performance measures, but are supported on funding sources that are not considered base (i.e foundation funding, workforce development, grants funding, etc.). Additionally, programs that contribute to the imminent workforce requirements for mining, construction and gas operations will be included. Securing support for developing competitive research as a true growth industry option for Alaska is also key in this request. The last growth category is a small amount for several competing administrative needs.

The following issues impacting UA's budget request will be discussed during the presentation:

- FY07 University Generated Revenue Assumptions
- Tuition rates increase 10%
- Performance Targets and Assumptions
- Employee salary and contract provisions are similar to FY06 thus increases at 4.5%
- PERS and TRS retirement system contribution will increase 5 percentage points of base salary.
- Health and other staff benefits have been substantial and mitigation of these cost increases will be on the forefront of the planning process.

The separately bound reference includes the following documents:

- FY07 Preliminary Operating Budget Request Proposal
- Brief Description of Proposed Operating Request Items
- FY07 Budget Revenue Summary
- Performance Based Budgeting Whitepaper Listing and Links

Additional steps necessary prior to approval of UA's FY07 operating budget request scheduled for the November 1 Board of Regents' meeting include:

- Incorporating Board of Regents input
- Incorporating campus performance targets
- Integrating and aligning the operating and capital budget requests
- Prioritizing program request for the enhancement/growth categories
- Developing and refining request amounts and narrative descriptions
- Developing presentation format consistent with focus/theme

University of Alaska
**** DRAFT** FY07 Operating Budget Request ** DRAFT****
(\$000's)

FY06 Operating Budget	State Approp.	Receipt Authority	Total
General Fund/General Fund Match	245,165.4		245,165.4
Technical Vocational Education Program Account	2,822.6		2,822.6
Mental Health Trust	200.8		200.8
Receipt Authority		466,036.0	466,036.0
FY06 Operating Budget	\$ 248,188.8	\$ 466,036.0	\$ 714,224.8

FY07 Proposed Operating Request Items

FY06 Adjusted Base Requirements			
-Salary and Benefits			
AK. Comm. Colleges' Federation of Teachers (ACCFT)			
<i>Salary Increase</i>	770.4	67.0	837.4
<i>Retirement</i>	800.0	129.2	929.2
<i>Health/Other</i>	750.4	119.7	870.1
AK. Higher Ed. Crafts and Trades Employees (AHECTE)			
<i>Salary Increase</i>	461.8	10.4	472.2
<i>Retirement</i>	554.2	14.0	568.2
<i>Health/Other</i>	473.1	12.5	485.6
United Academics Faculty (UNAC)			
<i>Salary Increase</i>	2,383.5	488.2	2,871.7
<i>Retirement</i>	2,859.9	656.0	3,515.9
<i>Health/Other</i>	2,440.9	590.3	3,031.2
UA Staff, Graduate Assistants, and Adjuncts			
<i>Salary Increase</i>	4,391.8	2,596.4	6,988.2
<i>Retirement</i>	5,435.9	3,405.7	8,841.5
<i>Health/Other</i>	4,499.9	3,134.7	7,634.6
Salary and Benefits Subtotal	25,821.6	11,224.2	37,045.8
-Additional Non-Discretionary Cost Increases			
Operating Fixed Costs	1,029.9	2,811.9	3,841.8
Utility Increases (FY06 unanticipated)	2,000.0	1,250.0	3,250.0
Utility Increases (FY07 projected)	1,200.0	400.0	1,600.0
Risk Management/Insurance Fees	200.0	400.0	600.0
Network Bandwidth	850.0	850.0	1,700.0
M&R Increment (maintaining 1.5% of building value)	971.6	350.0	1,321.6
New Facility Op, M&R, R&R (Aviation, ISF, Lena, Mues, BiRD, Ward etc.)	1,675.8	1,427.6	3,103.4
Additional Non-Discretionary Subtotal	7,927.3	7,489.5	15,416.8
Subtotal - FY06 Adjusted Base Requirements	33,748.9	18,713.7	52,462.6
<i>FY06 Adjusted Base Requirement</i>	<i>13.6%</i>	<i>4.0%</i>	<i>7.3%</i>
Facilities Renewal and Replacement (ph 1 of 10)	3,000.0	1,000.0	4,000.0
Preparing Alaskans for Economic Opportunity - Priority Program Enhancement and Growth			
Continuing Programs in State Needs (Ed, Health, Eng)	3,000.0	1,000.0	4,000.0
Preparing Alaskans for the New Jobs	3,000.0	3,000.0	6,000.0
Competitive University Research Investment (Ph 1 of 5)	4,000.0	8,000.0	12,000.0
Administrative Priorities	600.0	400.0	1,000.0
Subtotal - Program Enhancement and Growth	10,600.0	12,400.0	23,000.0
Total FY07 Increment Request	47,348.9	32,113.7	79,462.6
Total FY07 Operating Budget Request	\$ 295,537.7	\$ 498,149.7	\$ 793,687.4
% Change FY06 Budget to FY07 Request	19.1%	6.9%	11.1%

Salary & Benefits Summary

	State Approp.	Receipt Authority	Total
-Salary and Benefits Summary			
AK. Comm. Colleges' Federation	2,320.8	315.9	2,636.7
AK. Higher Ed. Crafts and Trades	1,489.0	37.0	1,526.0
United Academics Faculty (UNAC)	7,684.2	1,734.6	9,418.8
UA Staff, Graduate Assistants,	14,327.5	9,136.8	23,464.3
Total	25,821.6	11,224.2	37,045.8
- Salary and Benefits Summary			
Salary Increase	8,007.5	3,162.0	11,169.5
Retirement:			
PERS	4,679.4	2,039.0	6,718.5
TRS	2,357.5	1,027.3	3,384.8
ORP	2,613.0	1,138.6	3,751.6
Retirement Total	9,649.9	4,204.9	13,854.8
Health Only	6,593.0	2,878.6	9,285.9
Other:			
Medicare and Social Security	456.9	199.5	643.5
Workers' Compensation	234.9	102.5	330.8
Other Benefits*	879.4	676.7	1,761.3
Health/Other Total	8,164.2	3,857.3	12,021.5
Total	25,821.6	11,224.2	37,045.8
	70%	30%	

* Other benefits include Life, Long Term Disability, Unemployment, Labor Relations, etc.

University of Alaska - Revenue Summary - DRAFT
Budget Authority and Actual Revenue by Source FY04-FY07

	FY05	FY06		FY07 BOR		FY04	FY05	FY06	%	FY07	%	Net
	Auth	Auth	% Change	Preliminary	Proposal	Actuals	Actuals	Actuals (est)	Change	Actuals (est)	Change	Change
State Appropriations												
General Fund	225,287.9	242,388.1	7.6%	285,737.0		209,736.9	225,287.9	242,388.1	7.6%	285,737.0	17.9%	43,348.9
General Fund Match	2,777.3	2,777.3	0.0%	6,777.3		2,777.3	2,777.3	2,777.3	0.0%	6,777.3	144.0%	4,000.0
General Fund MH Trust	200.8	200.8	0.0%	200.8		200.8	200.8	200.8	0.0%	200.8	0.0%	0.0
Workforce Development Funds	2,868.9	2,822.6	-1.6%	2,822.6		2,868.9	2,868.9	2,822.6	-1.6%	2,822.6	0.0%	0.0
State Appropriations Total	231,134.9	248,188.8	7.4%	295,537.7		215,583.9	231,134.9	248,188.8	7.4%	295,537.7	19.1%	47,348.9
Receipt Authority/Unversity Generated Revenue												
University Receipts												
-Interest Income	4,667.8	4,667.8	0.0%	4,667.8		1,026.6	2,415.8	2,512.4	4.0%	2,587.8	3.0%	75.4
-Auxiliary Receipts	42,675.9	47,082.9	10.3%	48,966.2		37,172.1	38,085.7	39,100.0	2.7%	40,273.0	3.0%	1,173.0
-Student Tuition/Fees(net)						61,494.6	69,661.7	77,021.0	10.6%	85,493.3	11.0%	8,472.3
<i>-Student Tuition/Fees(gross)</i>	<i>75,897.9</i>	<i>85,764.6</i>	<i>13.0%</i>	<i>96,056.4</i>		<i>67,754.9</i>	<i>75,885.5</i>	<i>83,474.0</i>	<i>10.0%</i>	<i>92,656.1</i>	<i>11.0%</i>	<i>9,182.1</i>
-Indirect Cost Recovery (ICR)	33,832.0	37,385.8	10.5%	40,675.8		29,724.0	32,407.4	35,324.1	9.0%	38,432.6	8.8%	3,108.5
-University Receipts	77,216.4	76,420.9	-1.0%	80,443.4		51,470.3	67,947.4	67,884.9	-0.1%	74,715.0	10.1%	6,830.1
University Receipts Subtotal	234,290.0	251,322.0	7.3%	270,809.5		180,887.6	210,518.0	221,842.4	5.4%	241,501.7	8.9%	19,659.3
Federal Receipts	124,362.0	137,797.8	10.8%	149,924.0		113,054.4	121,090.2	130,988.3	8.2%	142,537.7	8.8%	11,549.4
State Inter Agency Receipts	18,800.0	18,800.0	0.0%	18,800.0		9,357.6	10,491.0	10,500.0	0.1%	10,815.0	3.0%	315.0
MHTAAR	50.0	680.0		1,180.0		50.0	50.0	680.0		1,180.0	73.5%	500.0
CIP Receipts	4,762.2	4,762.2	0.0%	4,762.2		2,236.4	2,953.4	3,000.0	1.6%	3,090.0	3.0%	90.0
UA Intra Agency Receipts	51,824.0	52,674.0	1.6%	52,674.0		45,693.1	41,727.6	52,149.1	25.0%	52,149.1	0.0%	0.0
RA/UGR Total	434,088.2	466,036.0	7.4%	498,149.7		351,279.1	386,830.2	419,159.8	8.4%	451,273.5	7.7%	32,113.7
Total	665,223.1	714,224.8	7.4%	793,687.4		566,863.0	617,965.1	667,348.6	8.0%	746,811.2	11.9%	79,462.6

**University of Alaska
FY07 Operating Budget Request Items**

Adjusted Base Requirements

Salary Maintenance

- **Contract and Policy Mandated Salary Increases**
The requested amount covers the negotiated contract agreements for ACCFT Faculty (4.6%), AHECTE (4.1%), UNAC faculty (4.7%), , UNAD (4.7%) and the policy mandated salary increase (P04.05.040) for UA employees not represented by a union. This current estimate represents an approximate 4.3% increment across employee groups using preliminary base salary figures.

- **Retirement Benefit increases**
PERS, TRS and ORP continue to be a driving force in UA's increased incremental need for FY07. The following represents the new FY07 employer contribution rates for the above three retirement programs: PERS 21%; TRS 26%; ORP 21%. Note: The new ORP Defined Contribution program has a contribution rate of 12% and has very little projected impact on the budgetary numbers at this time.

- **Health and Other Staff Benefit Cost Increases**
This line item conveys the estimated incremental increase of \$12M for both Health Care Costs and other non-retirement related benefits to the university for FY07. The estimate for Health Care increment amounts to \$9M and other related benefits (life, long term disability, unemployment, labor relations, etc.) is estimated at \$3M. Note: Health care costs were impacted by union negotiated contracts and under-recovery dollars associated with these contracts. Assumptions will be revisited and this figure will be refined prior to the final request.

Additional Non-Discretionary Cost Increases

- **Operating Fixed Costs**
This covers general increases of non-personal service related expenditures at 1.5% as well as extra-ordinary cost increases for library materials and journal subscriptions ranging between 12% and 15% annually.

- Utility Increases (FY06 unanticipated /FY07 projected)
Unanticipated increases in utility costs have significantly impacted the University and its ability to adjust to the staggering increases in the cost of natural resources that heat, cool and provide power to campuses throughout the UA system. These requests cover the FY06 unbugeted and projected FY07 utility and fuel oil cost increases. These will be refined over the next month as better price estimates become available.
- Risk Management/Insurance Fees
Risk management fees have increased over the past few years. UA has managed its fee increases by adjusting coverage; however increases are needed to maintain the appropriate insurance coverage. This amount would support required insurance and risk assessment increases.
- Network Bandwidth
An increasing amount of network bandwidth is required to maintain instructional delivery, video conference advances, and research strength. Every month UA usage increases with the added technology demands.
- M&R Increment Increase
UA's annual maintenance and repair is calculated at 1.5% of current building value. Each MAU is asked to annually increase its M&R contribution in order to keep pace with its ever increasing building value. This request covers the M&R requirement.
- New Facility Operating and M&R Cost
This request covers the M&R requirement and anticipated new facility operating costs which includes the following: UAA (Aviation Facility, Integrated Science Facility, Ward Building); UAF (Lena Point, Museum, BiRD, Ft. Yukon).
- Renewal and Replacement Investment (Phase 1 of 10)
It is extremely important that facility renewal and replacement be addressed given UA's amount of deferred maintenance (over \$400M) that has accumulated over the last seven years due to the \$230M of underfunded capital R&R requests. The overall goal of this request is to build an on-going funding source to annually fund UA facility R&R requirements (similar to how M&R has been funded since FY93). At this time, to reduce UA's deferred maintenance to an acceptable level, UA will continue requesting safety, code and R&R funding via the capital budget. At this level of request it will take ten years to accumulate an annual R&R fund representing 2.5%-3.0% of UA's adjusted building value.

Preparing Alaskans for Economic Opportunity- Priority Program Enhancement and Growth

- Continuing programs in state needs
Over the last few years UA has started programs responding directly to state needs. These include the Behavioral Health Program Partnership covering rural human services through a PhD in Clinical Psychology, Allied Health programs at sites throughout the state, a general baccalaureate engineering program in Anchorage, revamped teacher education programs at all MAUs and several others. Many of these programs have been started on stable, but not base funding sources and many have just the necessary start-up funds. Through this request UA will finish the un-finished by securing base funding for the programs already started that have proven success in supporting UA's performance goals, including meeting state work force needs. There are significantly more MAU program funding requests in this category than can be accommodated, therefore, over the next month, competing programs will be ranked and selected for inclusion within this request.
- Preparing Alaskans for New Jobs
UA is actively engaged with the Alaska Department of Labor and Workforce Development, unions and industry partners to prepare Alaskans for the jobs that will be created from the mining, gasoline, and other construction booms that are happening. By quantifying the job demand, then implementing recruitment, training and educational opportunities today, UA can help position Alaskans for legacy jobs – not just the short term jobs. Specific program requests in this category have not been finalized; however, they will include funding for mining training, construction program investments from training in rural Alaska to construction, engineering, and project managements programs through student recruitment and retention strategies.
- Competitive University Research Investment (Ph 1 of 5)
This request was included in UA's FY06 budget, however it was not funded. This request represents the first of five phases necessary for Alaska to capitalize on the many benefits of research as an industry. Currently, externally funded research activity fuels over 2,300 jobs in Alaska. At UA, research activity leverages \$7 externally for every dollar from the state. This first phase would provide an additional \$8M of Non-General Fund (NGF) revenue. If the state provides a phased approach to increasing its annual university research investment by \$20M and provides capital funding for up-to-date research facilities. Over the next five years the state can expect an additional \$120M in externally funded research activity. Additionally, the state's investment and policy direction would create the environment to promote industry research endeavors.

Items being prioritized for investment include: 1) health, behavioral health, and biomedical research program faculty, post-doctoral candidates, and graduate

students; 2) technology transfer and intellectual property program office; 3) competitive graduate student stipends; 4) matching funds to meet the requirements for strategic external grants; and selected priorities 5) strengthen interdisciplinary and applied research and areas in fisheries and ocean sciences, engineering, and global climate change.

- **Administrative Priorities**

This request can accommodate ten high priority administrative positions requests. Currently MAU's have submitted 26 administrative requests ranging from student services, IT support, accountability and performance reporting, marketing, and SW leadership positions for procurement and workforce development programs. Of the \$2.2M of administrative position requests, most must be funded through efficiency savings and internal reallocations. Only the highest priority positions for which reallocation is not an option will be included in this category.

Change in State Funding by Source FY00-FY07 (in thousands)

(\$000's)	FY00	FY01	FY02	FY03	FY04	FY05	FY06	Proposed FY07
General Fund	\$169,366.0	\$181,158.8	\$192,521.9	\$202,836.9	\$209,736.9	\$225,287.9	\$242,388.1	\$289,737.0
General Fund Match	2,777.3	2,777.3	2,777.3	2,777.3	2,777.3	2,777.3	2,777.3	2,777.3
Mental Health Trust	200.8	200.8	200.8	200.8	200.8	200.8	200.8	200.8
ASTF Earnings	2,630.0	2,630.0	876.7					
ASTF Endowment				2,315.0				
ACPE Dividend		2,000.0	2,000.0					
VocEd SB289/SB137		1,781.0	2,868.9	2,868.9	2,868.9	2,868.9	2,822.6	2,822.6
Total	\$174,974.1	\$190,547.9	\$201,245.6	\$210,998.9	\$215,583.9	\$231,134.9	\$248,188.8	\$295,537.7
Annual % Change	3.6%	8.9%	5.6%	4.8%	2.2%	7.2%	7.4%	19.1%
Annual Change	6,011.2	15,573.8	10,697.7	9,753.3	4,585.0	15,551.0	17,053.9	47,348.9

Previously reported as state funding now reported seperately in Other Funds.

MHTAAR	102.0	100.0	136.8	50.0	50.0	680.0	1,180.0
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Notes: The FY01 ASTF Appropriation was for \$2,630.0 million, but due to earnings shortfall, UA only received \$876,700.

In the FY04 Supplemental budget, UA received an additional \$631.3 of TVEP funding which is not included in the figures above. It was a 2 year appropriation affecting both FY04 and FY05.

In FY05, \$631.3 TVEP, \$189,228.35 Workforce Development funding, \$2.2 License Plate Revenue and a \$65.0 reappropriation to UA are not included in GF above.

Source: SW Planning & Budget Development, September 8, 2005.

Operating Budget Trend by Campus

Total University of Alaska	FY03 Actual			FY04 Actual			FY05 Actual			FY05 BOR Authorized			FY06 BOR Authorized		
	State Approp.	Receipt Authority	Total Funds	State Approp.	Receipt Authority	Total Funds	State Approp.	Receipt Authority	Total Funds	State Approp.	Receipt Authority	Total Funds	State Approp.	Receipt Authority	Total Funds
Systemwide Components Summary															
Reductions & Additions															
Total SW BRA										0.0	2,107.9	2,107.9	0.0	7,846.8	7,846.8
Statewide Programs & Services															
Statewide Services	8,440.0	15,053.2	23,493.2	8,373.1	15,053.2	25,912.7	10,033.0	19,592.1	29,625.1	11,341.1	25,560.8	36,901.9	11,594.1	28,386.9	39,981.0
Statewide Networks	6,872.1	4,660.0	11,532.1	6,953.8	4,660.0	11,334.7	7,544.4	5,107.5	12,651.9	7,226.2	7,097.3	14,323.5	7,833.2	8,135.0	15,968.2
Total SPS	15,312.1	19,713.2	35,025.3	15,326.9	19,713.2	37,247.4	17,577.4	24,699.6	42,277.0	18,567.3	32,658.1	51,225.4	19,427.3	36,521.9	55,949.2
University of Alaska Anchorage															
Anchorage Campus	64,743.2	87,886.0	152,629.2	66,627.5	87,799.2	163,739.5	71,097.9	99,873.4	489,137.5	70,794.6	122,040.1	192,834.7	75,636.5	125,700.6	201,337.1
Kenai Pen. Col.	4,045.9	2,586.8	6,632.7	4,043.5	2,586.8	7,119.5	4,862.4	3,603.6	8,466.0	4,661.9	4,221.6	8,883.5	5,412.4	4,400.4	9,812.8
Kodiak College	1,957.5	1,261.8	3,219.3	1,977.8	1,261.8	3,198.8	2,084.7	1,006.0	3,090.7	2,061.6	1,427.5	3,489.1	2,224.2	1,466.3	3,690.5
Mat-Su College	3,072.6	3,118.2	6,190.8	3,129.6	3,118.2	6,132.5	3,328.3	2,713.2	6,041.5	3,276.8	4,618.4	7,895.2	3,498.3	4,709.0	8,207.3
Prince Wm Snd CC	1,906.4	2,969.9	4,876.3	1,949.0	2,969.9	5,147.7	2,034.6	2,828.8	4,863.4	2,084.6	3,485.1	5,569.7	2,255.7	3,558.9	5,814.6
Total UAA	75,725.6	97,822.7	173,548.3	77,727.4	97,735.9	185,338.0	83,407.9	110,025.0	193,432.9	82,879.5	135,792.7	218,672.2	89,027.1	139,835.2	228,862.3
University of Alaska Fairbanks															
Bristol Bay Campus	842.6	1,206.3	2,048.9	840.9	1,206.3	2,633.3	886.1	1,921.5	2,807.6	881.7	1,808.1	2,689.8	937.7	2,072.6	3,010.3
Chukchi Campus	611.4	971.6	1,583.0	607.1	971.6	1,778.8	628.0	851.6	1,479.6	625.7	1,025.9	1,651.6	688.0	1,062.9	1,750.9
Ak. Cooperative Ext.	3,060.7	2,925.9	5,986.6	3,015.1	2,925.9	5,956.0	3,170.4	3,682.7	6,853.1	3,123.2	3,589.0	6,712.2	3,337.7	4,079.0	7,416.7
Fairbanks Campus	70,491.6	84,056.6	154,548.2	72,388.1	84,056.6	164,861.6	76,643.9	94,950.9	171,594.8	76,430.5	103,447.5	179,878.0	83,271.1	110,710.6	193,981.7
Fairbanks Org. Res.	14,955.9	89,400.1	104,356.0	14,810.0	89,400.1	106,484.0	16,304.1	96,466.9	112,771.0	16,533.9	115,606.4	132,140.3	16,843.5	120,830.9	137,674.4
Interior-Aleut. Campus	1,096.9	1,444.4	2,541.3	1,434.2	1,444.4	3,105.7	1,202.3	1,910.1	3,112.4	1,197.2	1,919.3	3,116.5	1,315.0	2,338.6	3,653.6
Kuskokwim Campus	2,022.0	2,184.4	4,206.4	2,077.2	2,184.4	5,043.6	2,145.6	3,311.1	5,456.7	2,146.5	2,956.7	5,103.2	2,369.9	3,369.8	5,739.7
Northwest Campus	1,287.9	806.8	2,094.7	1,317.9	806.8	2,493.2	1,349.4	728.4	2,077.8	1,347.1	1,271.6	2,618.7	1,440.4	1,296.5	2,736.9
Rural College	3,675.9	2,618.6	6,294.5	3,376.4	2,618.6	7,856.2	4,038.7	5,900.1	9,938.8	3,738.3	4,042.8	7,781.1	4,090.0	6,833.3	10,923.3
Tanana Valley Campus	3,454.1	3,266.7	6,720.8	3,650.9	3,266.7	6,911.7	3,451.8	3,559.8	7,011.6	3,326.2	4,161.9	7,488.1	3,688.1	3,815.3	7,503.4
Total	101,499.0	188,881.4	290,380.4	103,517.8	188,881.4	307,124.1	109,820.3	213,283.1	323,103.4	109,350.3	239,829.2	349,179.5	117,981.4	256,409.5	374,390.9
University of Alaska Southeast															
Juneau Campus	14,553.7	11,469.9	26,023.6	15,016.0	11,469.9	28,412.1	16,057.9	12,625.2	28,683.1	16,196.2	17,037.3	33,233.5	17,244.8	18,626.8	35,871.6
Ketchikan Campus	1,838.0	1,197.7	3,035.7	1,914.8	1,197.7	3,240.8	2,108.8	1,770.0	3,878.8	1,979.1	2,009.6	3,988.7	2,128.1	2,048.6	4,176.7
Sitka Campus	2,070.5	3,859.8	5,930.3	2,081.0	3,859.8	5,500.6	2,162.6	3,198.1	5,360.7	2,162.6	4,653.3	6,815.9	2,380.1	4,747.2	7,127.3
Total UAS	18,462.2	16,527.4	34,989.6	19,011.8	16,527.4	37,153.5	20,329.3	17,593.3	37,922.6	20,337.9	23,700.2	44,038.1	21,753.0	25,422.6	47,175.6
Total University															
	210,998.9	322,944.7	533,943.6	215,583.9	322,857.9	566,863.0	231,134.9	365,601.0	596,735.9	231,135.0	434,088.1	665,223.1	248,188.8	466,036.0	714,224.8
Other Appropriations	265.9		265.9	1,415.0		1,415.0	887.7		887.7	696.4		696.4	77.5		77.5

GF includes GF, GF/Match, GF/MHT, S and T Funds, ACPE Funds, and Workforce Development Funds

Other Appropriations for FY05 include \$631.3 TVEP, \$189.2 Workforce Development funds, \$2.2 License Plate Revenue, \$65.0 reappropriation to UAA.

Source: SW Planning & Budget Development, September 8, 2005.

Operating Budget Trend by NCHEMS

University of Alaska

NCHEMS Summary	FY03 Actuals	FY04 Actual	FY05 Actual	FY05 BOR Authorized	FY06 BOR Authorized
Instruction and Student Related					
Academic Support	24,660.1	26,678.8	31,553.3	27,381.0	35,645.2
Instruction	138,042.6	148,323.4	152,818.0	179,754.3	187,562.1
Intercollegiate Athl.	7,013.1	7,367.1	7,933.5	7,450.2	7,795.1
Library Services	15,725.3	16,471.7	14,648.3	16,136.1	14,479.5
Scholarships	11,673.6	13,900.4	13,921.2	12,265.3	11,073.4
Student Services	24,664.8	26,533.1	28,533.5	25,387.3	27,795.1
Instruction and Student Related Subtotal	221,779.5	239,274.5	249,407.8	268,374.2	284,350.4
Infrastructure					
Institutional Support	73,489.1	75,560.7	83,829.7	91,250.3	97,751.8
Debt Service	2,866.8	3,385.9	3,675.7	3,908.0	4,358.0
Physical Plant	55,682.7	59,255.8	61,269.2	55,897.1	61,958.7
<i>Includes M&R*</i>	<u>21,269.8</u>	<u>21,825.7</u>	<u>22,000.0</u>	<u>20,218.0</u>	<u>21,654.0</u>
Infrastructure Subtotal	132,038.6	138,202.4	170,774.6	171,273.4	185,722.5
Public Service	24,533.6	26,420.8	29,336.4	21,884.6	23,235.4
Research	121,586.3	125,513.5	131,291.3	117,023.5	130,576.9
Auxiliary Services	34,005.6	37,451.8	37,925.8	42,487.7	44,785.5
Subtotal	533,943.6	566,863.0	618,735.9	621,043.4	198,597.8
Unallocated Authority				64,397.7	67,208.1
Totals	533,943.6	566,863.0	618,735.9	685,441.1	735,878.8
Supplemental/One Time Items	265.9	1,415.0	887.7	696.4	2.5

Operating Budget Trend by Fund Source

Total by Funding Source	FY03 Actual	FY04 Actual	FY05 Actual	FY05 BOR Authorized	FY06 BOR Authorized
State Appropriated Funds					
State Appropriations**	208,683.9	215,583.9	231,134.9	231,134.9	248,188.8
Science & Technology Funds	2,315.0	0.0	0.0	0.0	0.0
State Appropriations Subtotal	210,998.9	215,583.9	231,134.9	231,134.9	248,188.8
University Receipts					
Interest Income	1,144.1	1,026.6	2,263.7	4,667.8	4,667.8
Auxiliary Receipts	33,877.2	37,172.1	38,195.7	39,294.5	42,916.7
Student Tuition/Fees***	54,492.7	61,494.6	69,484.1	79,279.3	86,616.6
Indirect Cost Recovery	24,923.2	29,724.0	31,216.9	33,832.2	37,183.1
University Receipts	56,342.4	51,470.3	55,574.8	77,216.2	79,937.8
University Receipts Subtotal	170,779.6	180,887.6	196,735.2	234,290.0	251,322.0
Other Funds					
MHTAAR	136.8	50.0	50.0	50.0	680.0
Federal Receipts	99,331.4	113,054.4	115,849.0	124,362.0	137,797.8
CIP Receipts	3,966.3	2,236.4	2,328.1	4,762.2	4,762.2
State Inter-Agency Receipt****	10,304.5	9,357.6	10,407.0	18,800.0	18,800.0
UA Intra-Agency Receipts	38,426.1	45,693.1	40,231.7	51,824.0	52,674.0
Totals	533,943.6	566,863.0	596,735.9	665,223.1	714,224.8
Supplemental/One Time Items*****	265.9	1,415.0	887.7	696.4	77.5

*FY05 Actual M&R is estimated

**State Appropriations includes GF, GF/Match, GF/MHT, S and T Funds, ACPE Funds, and Workforce Development Funds

***In accordance with GASB 34, the university is required to report student tuition and fee revenue net of all allowances and discounts. FY03 was the first year reported under the new regulation, for more information see www.alaska.edu/swbudget/publication/tuitionallowance.pdf

****In FY03 State Intra-Agency Receipts were broken out of University Receipts and listed separately. Intra-Agency Receipts became UA Intra Agency Receipts.

*****Supplemental/One Time Items for FY05 include \$631.3 TVEP, \$189.2 Workforce Development funds, \$2.2 License Plate Revenue, \$65.0 reappropriation to UAA.

University of Alaska FY07 Operating Budget Request Guidelines

Student Success, research excellence, educational quality, responsiveness to state needs, faculty and staff strength, technology, facility development and diverse revenue sources are all categories outlined in the UA 2009 Strategic Plan. The Board of Regents' is committed to finding new and innovative ways to achieve the above standards by setting unique and well thought out strategic goals. Performance Based Budgeting will be used to objectively measure and evaluate the successful attainment of these goals.

During this budget cycle, particular focus needs to take place in the area of compensation preservation and the integrity of the facility infrastructure. Of particular importance is the stability of the retirement program (PERS/TRS funding).

In order to build and maintain a solid foundation, from which established goals can be achieved, incremental state investment will be requested and additional University revenues will be generated. These revenues will then be allocated towards the support of the following objectives:

- ◆ Maintain the financial integrity of the institution by offering equitable and competitive salaries as well as supporting facility and maintenance costs to the extent funding will permit.
- ◆ Emphasize and gain adequate financial support for existing facilities in order to maintain quality and reliability.
- ◆ Maintain our commitment to finding new and innovative ways to solve the ever increasing cost of our employee benefit programs.
- ◆ Continue our efforts to assess and respond to the instructional needs of the allied health and behavioral health sciences as well as other high priority programs necessary in various communities around the state.
- ◆ Assess and ensure quality throughout all aspects of program delivery.
- ◆ Maintain commitment to faculty support in research and professional development.
- ◆ Continued efforts to maximize the use of instructional technology.
- ◆ Continue efforts to maintain and improve technological resources, including support for the implementation of uniform UA System-wide software packages in order to streamline the reporting process.
- ◆ Continue to improve our educational quality by building on the strength of our UA staff through the use of professional development programs.

It cannot be over emphasized that growth in UA program capacity has been significant over the last five years. Due to this growth in capacity we now need to maximize the use of these various programs with a focus on the following outcomes:

- ◆ Prepare Alaskans to meet the major economic opportunities that will present themselves in future years.
- ◆ Keep young Alaskans in state attending UA, thus preparing Alaskan's to fill future leadership positions.
- ◆ Continue building the unique centers of academic excellence UA offers.

In order to maintain our high standard of accountability the following standards will be used for evaluation and reporting:

- ◆ *Annual Management Report Reviews*
- ◆ *Annual Operating Reviews*
- ◆ *Regular Unit Level Reporting*
- ◆ *Regular Performance Tracking*
- ◆ *Regular Legislative Measure Tracking*

FY07 Operating Budget Request Timeline

June 2005

- 01 Quarterly Business Council Meeting
- 21-22 Board of Regents Meeting, Fairbanks
- 28 Initial Budget Meeting with MAU's

July 2005

- 06 Quarterly Business Council Meeting – Video Conference
- 16 PACS reconciled to FY06 Authorization
- 16 Calculate salary increase preliminary amounts for FY07 Budget Request
- 16 PACS reconciliation instructions for FY07 Budget Request published
- 31 FY06 Authorized Scenario due to OMB

August 2005

- 01 PPB White Papers Due
- 01 Preliminary Deferred Maintenance List - Preliminary
- 01 FY07 MAU Budget Increment Requests Due
 - ◆ Prioritized New Programs & Extraordinary Fixed Costs
 - ◆ Operating & New Capital/ Building Projects
- 04 SAC/BC meeting with Vice Chancellors and Provosts to review Academic Initiatives
- 05 Presidents Cabinet Meeting with Chancellors
- 12 Facilities Council Review of Capital Requests, Anchorage
- 15 Send Request for Information from Campuses for Legislative Measures Report
- 15 ABS Narrative Instructions
- 15 President's review of all Operating Increments Requests
- 16 Business Council Meeting to Review/Discuss all Operating and Capital Increments – In Person
- 22 Agenda items for September Board of Regents meeting due
- 22 Data Freeze for FY05 Actuals
- 31 FY06 Management Plan Scenario to OMB

September 2005

- 01 Yellow Book Preparation
- 01 Preliminary Deferred Maintenance List - Final
- 07 Quarterly Business Council Meeting – Video
- 09 Board of Regents Budget Items Distribution
- 14 Facilities Council Meeting, Anchorage
- 20 Preliminary Information on FY07 Operating & Capital Increments to OMB
- 20-21 Board of Regents Meeting, Anchorage, Review Initial Drafts of FY07 Operating and Capital Budget Requests, FY06 Authorized Budget, FY05 Actuals and Final Budget
- 20-28 Legislative Measures Report Development/Review
- 28 Proposed Capital Projects to OMB via ABS
- 28 FY05 Final Authorized & Actual Scenarios in ABS
- 30 Performance Measures, Targets and Goals Due

October 2005

- 03** OMB - Meetings with Governor on budget issues
- 03** Yellow Book – 1st Draft
- 05** Business Council Meeting Review
- 12** Facilities Council Meeting - Fairbanks
- 14** Board of Regents Agenda items due
- 18** MAU completion of FY07 Operating Budget Narrative in ABS including Mission, Goals/Strategy, Services Provided, Service Changes, Accomplishments and Key Issues
- 20-30** Campus Financial Operational Reviews
- 29** FY07 Budget Detail Completion in ABS

November 2005

- 01** Department level narrative and performance measures due to OMB via ABS for Executive Budget
- 01** Board of Regents Meeting, Fairbanks, FY07 Budget Request Presentation for Approval
- 02** Business Council Meeting – Video
- 09** Facilities Council Meeting, Anchorage
- 11** Board of Regents Agenda items due for December Meeting
- 20** Operating & Capital Budgets due to OMB via ABS
- 30** Prepare FY07 Redbook Draft

December 2005

- 07-08** Board of Regents Meeting, Anchorage
- 14** Facilities Council Meeting, Anchorage
- By 15** Governor's Operating, Capital and Mental Health budget bills and budget plan released
- 19** Yellow Book - Final
- 19** Finalize Red Book

January 2006

- 01** FY07 Redbook Distribution
- 04** Quarterly Business Council Meeting
- 15-25** Capital Status Report (CP3s) due to OMB
- 20** Supplemental due to OMB
- 20-21** Board of Regents Retreat, Anchorage
- 25** Board Agenda Items Due

February 2006

- 01** Draft FY07 Governor Amended scenario submitted to OMB (Operating & Capital if any)
- 01** Quarterly Business Council Meeting
- 15-17** Board of Regents, Juneau
- 16** Final FY07 Governor Amended scenario due