



UNIVERSITY
of ALASKA

Many Traditions One Alaska

Proposed FY08 Operating Budget Request

Reference #1

Board of Regents
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Fairbanks, Alaska

Prepared by Statewide Planning & Budget Development
(907) 450-8180

Table of Contents

Introduction.....	1
Proposed FY08 Operating Budget Request Summary.....	4
Proposed FY08 Operating Budget Request Adjusted Base Detail	5
Revenue Summary	6
Details of Changes between the September 2006 draft and the FY08 Proposed Operating Budget Request	7
FY08 Operating Budget Request Item Descriptions	8
FY08 Program Growth and Enhancement Priorities: Full Program Listing.....	13
Performance Measures and Performance Budgeting Implementation.....	15
Graph: GF Appropriation in Real and Nominal Dollars FY86-FY07	21
Graph: Authorized Budget and Actual Revenue FY86-FY08 est.	22
Changes in State Funding by Source FY00-FY08.....	23
Changes in State Funding by Source FY00-FY08 with retirement detail.	24
Operating Budget Trend by Campus	25
FY99-FY06 Expenditure Actuals	26
Operating Budget Trend by NCHEMS.....	28
Operating Budget Trend by Fund Source	28
Graph: Revenue by Source FY90, FY99, FY03-FY08 est	29
Graph: FY99& FY06 Expenditures by NCHEMS Category and Fund Type	30
Regular and Temporary Employees by Occupation Fall Semesters 2000-2005	31
Regular Faculty Instructional Productivity by Campus Fall 2003-2005	32
Student Headcount by Campus Fall 2001-2006 Opening.....	33
Full-Time Part Time Student Headcount by Campus Fall 2000-2006 Opening	34
Student Credit Hours with Audited Hours by Campus Fall 2001-2006 Opening	35
Student Full Time Equivalent (FTE) Enrollment by Campus Fall 1995-2006 Opening	36
Proposal Paper Fund TRS Directly.....	37
FY08 Operating Budget Request Guidelines.....	39

University of Alaska
Proposed FY08 Operating Budget
Introduction

Irrespective of the outcome of gas line negotiations, the state of Alaska needs to prepare for the vibrant economic future. The oil pipeline of the mid 1970's caught Alaskans by surprise. Without a sufficiently trained workforce, the state was forced to stand by as waves of outsiders took many of the jobs and benefited from the rapid creation of wealth that resulted from the pipeline boom. As we look to Alaska's next few years and see prospects for a similar economic expansion, one thing becomes clear – getting Alaskans ready to take the lasting jobs is key. Over the next 1000 days, the university will embark on a program to anticipate the high demand jobs of the future and again work with Alaskan industries to create the degree and certification programs those jobs will require. The result will be a trained Alaskan workforce ready to respond to the needs of a prosperous state.

In the last eight years, the University of Alaska has consistently identified high demand occupations and responded with the help of the legislature and industry partners. The results have been outstanding. Students have been drawn to those programs and upon graduation recruited by Alaskan businesses to work in their chosen field. Nursing alone has produced more than 100 additional graduates each year with remarkable savings to employers and a reduction in out-of-state workers.

The proposed FY08 operating budget request provides for maintaining the responsive programs already established and provides for priority program growth. A prerequisite to growing priority programs is funding to cover existing programs and services, the adjusted base increases (i.e., contractual and fixed cost increases) including the substantial increase in retirement rates just approved. After the adjusted base requirements, program enhancement and growth requests include:

- Investments in high demand programs to prepare Alaskans,
- Investment in competitive university research, and
- Investments for accountability associated with student success, college readiness, and priority program support requests.

The adjusted base increment requirements include contractually and policy obligated wages, contractually obligated health care costs, and non-personnel related costs.

The state funded retirement requirement at \$40.8 million with \$37 million from GF and \$3.8 million from NGF represents the full actuarial rate set for FY08 by the Alaska Retirement Management Board (ARMB). This actuarial has far reaching, unintended consequences. Therefore, the university has sent a proposal to the State to fund TRS directly rather than through an employer rate increase allowing the K-12 formula not to have to be adjusted and UA to maintain its competitive research position. A copy of the proposal is included on page 37.

	State Approp.	Receipt Authority	Total
FY07 Operating Budget	282,532.0	491,575.1	774,107.1
FY07 Adjusted Base Requirement	17,538.3	11,935.3	29,473.6
<i>% Change</i>	<i>6.2%</i>	<i>2.4%</i>	<i>3.8%</i>
FY08 Program Priority Program Enhancement and Growth	14,708.8	20,693.9	35,402.7
<i>% Change</i>	<i>5.2%</i>	<i>4.2%</i>	<i>4.6%</i>
State Funded Retirement Requirement	37,023.3	3,864.7	40,888.0
<i>% Change</i>	<i>13.1%</i>	<i>0.8%</i>	<i>5.3%</i>
Total FY08 Increment Request	69,270.4	36,493.9	105,764.3
<i>% Change</i>	<i>24.5%</i>	<i>7.4%</i>	<i>13.7%</i>
Total FY08 Operating Budget Request	351,802.4	528,069.0	879,871.4
Renewal and Replacement Annual Requirement (Phase 1 & 2 of 10)	6,000.0	2,000.0	8,000.0

The program enhancement and growth funding request is primarily focused in the strategic areas of Health and Health Policy, Engineering and Construction, Transportation and Energy, Climate Impact and Alaska’s Natural Resources and Fisheries and Ocean Sciences. Additional information is listed below.

- Preparing Alaskans for Jobs-** Funding in this category will provide for additional high demand programs in health, fisheries and ocean sciences, engineering and construction, as well as disciplines with expanding student demand including geography, journalism, business and core disciplines. Marketing and outreach needs will also be accommodated. Examples of specific program investments being proposed include strengthening the master’s in public health, expanding the WWAMI program which provides first year medical school instruction in partnership with the University of Washington, a dental hygiene program in Fairbanks, additional behavioral health instruction, engineering, and the construction management 2+2 program that tracks from a 2-year technical degree to a baccalaureate degree.
- Competitive University Research Investment (Phase 1 & 2 of 5)-** Funding in this category represents completion of the first phase plus the second phase of five phases necessary for Alaska to capitalize on the many benefits of research as an industry. After the five-phased investment, the state will have doubled its direct investment in competitive research with the expectation of UA increasing university generated research revenue to an additional \$120M.
- Accountability-**Funding investments include strategies for student success including college readiness programs, advising, bridge programs, and development education. This request will address students who come to UA academically unprepared and will enhance retention and graduation rates. The accountability request will also accommodate high priority academic and program support requests.

The priority program enhancement and growth request totals \$14.7M in state funding and represents state funded program growth of 5 percent.

Also requested as an alternative approach to capital funding is an operating increment for annual facilities and equipment R&R funding.

University of Alaska
FY08 Operating Budget Request Summary
Proposed October 18, 2006
(in thousands)

	State Approp.	Receipt Authority	Total
FY07 Operating Budget	\$ 282,532.0	\$ 491,575.1	\$ 774,107.1
FY08 Proposed Operating Request Items			
Adjusted Base Requirement			
<i>Salary</i>	8,063.3	3,691.4	11,754.7
<i>Health Care</i>	4,925.5	2,091.7	7,017.2
Salary and Health Care Cost Increases	12,988.8	5,783.1	18,771.9
-Additional Non-Discretionary Cost Increases			
Library, Utilities, Bandwidth, and Facility Costs	4,549.5	6,152.2	10,701.7
Adjusted Base Requirement	17,538.3	11,935.3	29,473.6
Priority Program Enhancement and Growth			
Preparing Alaskans for Jobs	6,708.8	2,580.0	9,288.8
<i>Allied Health, Nursing, WWAMI, Public Health and Behavioral Health</i>	-	-	-
<i>Engineering and Construction Management</i>	-	-	-
<i>Fisheries and Ocean Sciences Undergraduate and Related Programs</i>	-	-	-
<i>Additional High Demand Programs</i>	-	-	-
<i>Meeting Student Demand, Strengthening Existing Programs, and Outreach</i>	-	-	-
University Research Investment (Phase 2 of 5)	6,000.0	17,113.9	23,113.9
<i>Biomedical & Health Research</i>	-	-	-
<i>Engineering, Transportation and Energy</i>	-	-	-
<i>Climate Impact and Alaska's Natural Resources</i>	-	-	-
Accountability	2,000.0	1,000.0	3,000.0
<i>Student Success, College Readiness Programs, Advising, Bridge Programs, Dev. Ed</i>	-	-	-
<i>Academic and Program Support</i>	-	-	-
Program Enhancement and Growth	14,708.8	20,693.9	35,402.7
	42%	58%	100%
FY08 Adjusted Base and Program Request	32,247.1	32,629.2	64,876.3
Total FY08 Operating Budget	\$ 314,779.1	\$ 524,204.3	\$ 838,983.4
State Funded Retirement Requirement	37,023.3	3,864.7	40,888.0
Renewal and Replacement Annual Requirement (Phase 1 & 2 of 10)	6,000.0	2,000.0	8,000.0

Salary & Benefits Summary

	State Approp.	Receipt Authority	Total
-Salary and Health Summary			
AK. Comm. Colleges' Federation of Teachers (ACCFT)	683.3	650.5	1,333.8
AK. Higher Ed. Crafts and Trades Employees (AHECTE)	762.7	91.6	854.3
United Academics Faculty (UNAC)	2,013.3	2,214.5	4,227.8
UA Staff, Graduate Assistants, Adjuncts	9,529.5	2,826.5	12,356.0
Total	12,988.8	5,783.1	18,771.9

Additional Non-Discretionary Cost Increases

-Additional Non-Discretionary Cost Increases			
Library/Operating Fixed Costs	1,086.6	3,400.4	4,487.0
Utility Increases (FY08 projected)	467.5	1,135.2	1,602.7
Risk Management/Insurance Fees	400.0	400.0	800.0
Network Bandwidth	800.0	800.0	1,600.0
M&R Increment (maintaining 1.5% of building value)	1,126.4	416.6	1,543.0
New Facility Op, M&R(ANSEP, WARD, MAPTS, Kach, PWSCC Museum, LARS)	669.0	0.0	669.0
Total	4,549.5	6,152.2	10,701.7

State Funded Retirement Requirement

-Retirement Summary			
AK. Comm. Colleges' Federation of Teachers (ACCFT)	4,201.0	580.7	4,781.7
AK. Higher Ed. Crafts and Trades Employees (AHECTE)	1,635.7	7.8	1,643.5
United Academics Faculty (UNAC)	11,306.7	1,440.6	12,747.3
UA Staff, Graduate Assistants, Adjuncts	19,879.9	1,835.6	21,715.5
Total	37,023.3	3,864.7	40,888.0

Alternative Approaches to Assigning Available NGF

Scenario 1

NGF is applied to Salary and Health only

- Salary and Health Summary			
Salary Increase	5,628.5	6,126.2	11,754.7
Health	3,495.6	3,521.6	7,017.2
Total	9,124.1	9,647.8	18,771.9
	49%	51%	

Scenario 1

NGF is applied to Salary and Health only

Retirement:

PERS	18,767.2	0.0	18,767.2
TRS	13,267.3	0.0	13,267.3
ORP/New ORP	8,853.5	0.0	8,853.5
Retirement Total	40,888.0	0.0	40,888.0

Scenario 2 (As Requested)

NGF is applied to Salary, Retirement and Health

Salary Increase	8,063.3	3,691.4	11,754.7
Health	4,925.5	2,091.7	7,017.2
Total	12,988.8	5,783.1	18,771.9
	69%	31%	

Scenario 2

NGF is applied to Salary, Retirement and Health

Retirement:

PERS	18,767.2	0.0	18,767.2
TRS	13,267.3	0.0	13,267.3
ORP/New ORP	4,988.8	3,864.7	8,853.5
Retirement Total	37,023.3	3,864.7	40,888.0

University of Alaska - Revenue Summary
Budget Authority and Actual Revenue by Source FY05-FY08

	Budgeted Values					Actual Values						
	FY06 Auth	FY07 Auth	% Change	FY08 BOR Preliminary Proposal	% Change	FY05 Actuals	FY06 Actuals	FY07 Actuals (proj)	% Change	FY08 Actuals (est)	% Change	Net Change
State Appropriations												
General Fund	242,388.1	274,671.9	13.3%	343,690.0		225,287.9	244,743.7	274,671.9	12.2%	343,690.0	25.1%	69,018.1
General Fund Match	2,777.3	4,777.3	72.0%	4,777.3		2,777.3	2,777.3	4,777.3	72.0%	4,777.3		-
General Fund MH Trust	200.8	200.8	0.0%	200.8		200.8	200.8	200.8	0.0%	200.8		-
Workforce Development Funds	2,822.6	2,882.0	2.1%	3,134.3		2,868.9	2,822.6	2,882.0	2.1%	3,134.3		252.3
State Appropriations Subtotal	248,188.8	282,532.0	13.8%	351,802.4	24.5%	231,134.9	250,544.4	282,532.0	12.8%	351,802.4	24.5%	69,270.4
Receipt Authority												
Interest Income	4,667.8	4,667.8	0.0%	6,053.1	29.7%	2,263.7	5,291.2	5,820.3	10.0%	6,053.1	4.0%	232.8
Auxiliary Receipts	42,916.7	43,746.7	1.9%	46,226.1	5.7%	37,629.0	40,120.5	41,324.1	3.0%	43,803.6	6.0%	2,479.4
Student Tuition/Fees(net)	86,616.6	90,516.6	4.5%	98,382.2	8.7%	69,484.1	78,734.3	87,395.1	11.0%	95,260.6	9.0%	7,865.6
Indirect Cost Recovery	37,183.1	37,183.1	0.0%	41,311.7	11.1%	31,217.0	31,856.5	34,405.0	8.0%	38,533.6	12.0%	4,128.6
University Receipts	79,937.8	88,828.7	11.1%	92,824.4	4.5%	56,036.2	51,810.8	56,540.0	9.1%	61,688.2	9.1%	5,148.2
University Receipts Subtotal	251,322.0	264,942.9	5.4%	284,797.5	7.5%	196,630.0	207,813.3	225,484.5	8.5%	245,339.1	8.8%	19,854.6
Federal Receipts	137,797.8	149,524.0	8.5%	165,049.3	10.4%	115,955.3	119,794.1	129,377.6	8.0%	144,902.9	12.0%	15,525.3
State Inter Agency Receipts	18,800.0	18,800.0	0.0%	19,794.6	5.3%	10,405.9	12,069.8	12,431.9	3.0%	13,426.4	8.0%	994.6
MHTAAR	680.0	825.0		825.0		50.0	558.0	825.0		825.0		-
CIP Receipts	4,762.2	4,762.2	0.0%	4,881.6	2.5%	2,328.1	2,898.4	2,985.4	3.0%	3,104.8	4.0%	119.4
UA Intra Agency Receipts	52,674.0	52,721.0	0.0%	52,721.0	0.0%	40,232.1	42,889.6	42,889.6	0.0%	42,889.6	0.0%	-
Receipt Authority Subtotal	466,036.0	491,575.1	5.5%	528,069.0	7.4%	365,601.4	386,023.2	413,994.0	7.2%	450,487.9	8.8%	36,493.9
Revenue Total	714,224.8	774,107.1	8.4%	879,871.4	13.7%	596,736.3	636,567.6	696,526.0	9.4%	802,290.3	15.2%	105,764.3

FY08 Operating Budget Request
Detail of Changes between the September 2006 draft and the FY08 Proposed
Operating Budget Request

In September 2006, the items listed below were noted as necessary improvements prior to approval of UA's FY08 operating budget request scheduled for the November 1, 2006 Board of Regents' meeting:

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

Below is a complete list of improvements that have occurred in the proposed FY08 Operating Budget Request from September 2006 to this final proposal.

Incorporating Board of Regents input:

- The need based financial aid NGF request was removed and tuition estimate was updated to a 7 percent increase from a 9 percent increase.

Refining request amounts and narrative descriptions:

- Retirement amounts have been updated to reflect the University's actual liability amount reported from the State of Alaska (additional \$4.3 million)
- The University generated revenue amounts available toward additional non-discretionary costs increase was increased by \$796,000 as a more realistic projection. The additional NGF was applied to Utilities Increases. Utilities cost increases have been refined based on more current and thorough estimates. The first draft budget included \$338,500 in NGF which has been updated to \$1,135.2 million.
- The GF amount for New Facility Operating costs was increased by the NGF amount as these particular facilities are unable to generate NGF.

Prioritizing program requests for the enhancement/growth categories:

The introduction provided a summary for each category and page 13 of the operating reference document provides a complete program listing for each request category. The Fisheries and Ocean Sciences Undergraduate and Related Programs request was moved from the Research program category to the Preparing Alaskans for Jobs category where it is a better fit; thus the Preparing Alaskans for Jobs is higher than the original range provided in September.

Incorporating campus performance targets:

Each Chancellor has submitted respective targets and goals on UA's performance measures. The MAU performance measure documents are available at <http://www.alaska.edu/swbudget/pm/details.xml> and page 15 of the reference document contains a summary of performance goals for the system.

**University of Alaska
FY08 Operating Budget Request Items**

Adjusted Base Requirements

Adjusted Base Salary and Health Care Cost Increases

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. Also included is an increase for graduate stipends to accommodate a phased approach to reach peer average levels in three years. This current estimate represents an approximate 4.5 percent increment across employee groups.

- **Health Cost Increases**
This line item conveys the estimated increment of \$7M for Health Care Costs for FY08. This increase represents a 15 percent increase in the UA employer health care contribution per employee per month versus 20 percent in FY07. This is the third year of a negotiated contract where employer rates increased 20 percent and 17 percent in the first two years. Future contribution rate increases are expected to moderate. The philosophy is the University contribution should cover 80 percent of health costs and through the past increases, UA has met this standard.

Adjusted Base Additional Non-Discretionary Cost Increases

- **Library and Other Operating Fixed Costs**
The general fund request portion will primarily address the fixed costs increases for libraries including increased costs for electronic library materials, digital library licensing, increasing access to web based archives and on-line research and necessary library materials for program expansion. The NGF funds will be used toward other non-discretionary cost increases in contractual services, commodities, etc.

- **Utility Increases (FY08 projected)**
This request covers the projected FY08 utility and fuel oil cost increases, estimated at a 10 percent increase over FY07. Anchorage was recently required to switch natural gas providers and is expecting a 20 percent increase in FY08. Utility increases will continue to be monitored throughout the year.

- **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 and operation 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. Minimum funding was dedicated to this in FY07; however, upgrades beyond this will require substantial capital investment.
- **M&R Increment Increase**
UA's annual maintenance and repair is calculated at 1.5 percent 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 include the following: UAA (ANSEP, WARD, MAPTS, Kachemak Bay Campus, and the PWSCC Museum); UAF (LARS)

State Funded Retirement Requirement

- **Retirement Benefit Increases**
PERS, TRS and ORP continue to be a driving force in UA's increased incremental need for FY08. The following represents the new FY08 employer contribution rates for the above three retirement programs: PERS 33.75 percent; TRS 54.03 percent; ORP 33.68 percent. These increases are substantial. For comparison purposes, the FY07 employer contribution rates are PERS 20.58 percent; TRS 26.0 percent; ORP 21.0 percent. Note: The new ORP Defined Contribution program has a contribution rate of 12 percent and will help mitigate the retirement increment.

	Retirement Systems Employer Contribution Rates				
	FY04	FY05	FY06	FY07	FY08
Public Employees Retirement System (PERS)	5.58%	10.58%	15.58%	20.58%	33.75%
Teachers Employees Retirement System (TRS)	12.00%	16.00%	21.00%	26.00%	54.03%
UA Optional Retirement Program (ORP)	11.00%	13.00%	16.33%	21.00%	33.68%
New UA Optional Retirement Program (Eff. July, 2005)			12.05%	12.05%	12.05%
New State Defined Contribution Per SB141 (Eff. July 2006)				10.00%	10.00%

Priority Program Enhancement and Growth

- Preparing Alaskans for Jobs

In FY07, \$6M of general fund was requested, over \$4M of general fund increases were appropriated and invested in programs addressing high demand occupations, including the Behavioral Health Program Partnership covering rural human services, public policy, vocational education, nursing and allied health programs at sites throughout the state, and a general baccalaureate engineering program at Anchorage.

The FY08 request will provide funding for additional high demand programs in health, engineering and construction, as well as disciplines with expanding student demand including geography, journalism, business and core disciplines. Marketing and outreach needs will also be accommodated. Examples of specific program investments being proposed include strengthening the master's in public health, expanding the WWAMI program which provides first year medical school instruction in partnership with the University of Washington, a dental hygiene program in Fairbanks, additional behavioral health instruction, fisheries and ocean sciences undergraduate and related programs, engineering, and construction management 2+2 program that tracks from a 2 year technical degree to a baccalaureate degree.

- Competitive University Research Investment (Phase 1 & 2 of 5)

This request was included in UA's FY07 budget for \$4M, and received funding of \$1M toward the Joint Psychology PhD, Bio-Med Research and GINA (Geographic Information Network of Alaska). This request represents completion of the first phase plus the second phase 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 approximately \$7 externally for every dollar from the state. 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.

- Biomedical and Health Research (GF: \$1,500.0).

This area of research buttresses the University's vastly expanded instructional programs in medical and allied health professions and behavioral health (e.g., doubling nursing output, expanding WWAMI, new joint UAF/UAA PhD in Psychology) by further building faculty expertise, and capitalizes on state and University infrastructure investments (e.g., UAA Integrated Science Building, UAF's WRRB, BiRD, and BIOS, and the State Health and Virology Laboratories), and over \$45M of National Institutes of Health capacity building and competitive research grants. This has been one of the most rapidly growing

areas of investment by and in the University over the last several years and it is tightly targeted at recognized Alaskan health disparities and emerging health threats such as the avian influenza virus identified in the State report “Health Research in Alaska.” In addition to strengthening faculty expertise in areas ranging from nutrition and toxicology to obesity, substance abuse, and neuroscience, the University plans to substantially enhance its research into health policy issues including costs and accessibility.

- Engineering, Transportation, and Energy (GF \$2,000.0)

The University has greatly expanded its programmatic offerings in engineering and related fields. Research opportunities are stimulated by continued leveraging opportunities offered by the Department of Energy’s Arctic Energy Office, and the recently legislated University of Alaska Transportation Center (UATC) and Arctic Engineering Research Center. As just one example of opportunities, AUTC is provided up to \$3.5M per year of funding from the Department of Transportation, dependent upon a 1:1 match from non-federal funds. Similarly, with federal support the Center for Supply Chain Integration at UAA is playing a leading role in meeting Defense Department needs for modernized logistic planning and management incorporating radio frequency identification devices, and these programs have already both attracted new industry to the state and started to spin off high technology private enterprises. Research funding needs in these engineering fields and programs include matching funds, augmentation of faculty expertise in targeted areas (e.g., methane hydrate production to enhance our ability to exploit North Slope resources), and a significantly expanded cadre of postdoctoral scholars, research faculty, and technical staff.

- Climate Impact and Alaska’s Natural Resources (GF \$2,500.0)

Global as well as national and state attention will be focused on change in the Arctic and circumpolar northern regions during the upcoming International Polar Year (IPY, 2007-2008). We have an unparalleled opportunity to take advantage of the unique breadth and depth of University expertise in relevant disciplines to springboard our capacity to significantly higher levels, and so in doing to assure to the state a sustainable base for understanding and forecasting the forces that affect our capacity to effectively steward our renewable natural resources, marine and terrestrial, and simultaneously to promote the potential for continued growth of extractive industries (e.g., mining, oil and gas) in the face of growing regulatory pressures. We also believe that Alaska’s unique expertise in understanding and adapting to change can lead to economic growth through development and export of new technologies, for example through our partnership with the Cold Climate Housing Center on the UAF campus, and in agricultural and renewable energy developments with Chena Hot Springs Resort. Our strategies include drawing national and international attention to our expertise, in order to enhance our competitiveness and help direct federal initiatives toward topics of Alaskan interest. Second, we are forming cross-disciplinary teams from our current institutes to better address the interacting forces of policy and nature.

These steps require support for team leadership and management, new instrumentation, and the attraction and facilitation of world class research faculty and staff in carefully selected areas to buttress existing strengths. Third, through SCoR we have worked with the leadership of the Alaska Departments of Fish and Game, Natural Resources, and Environmental Conservation to prioritize their research needs and identify faculty expertise and programs that can meet those needs. We require resources to augment agency and federal investments in existing programs to more precisely target the specific issues that enable state agencies to better capitalize on our natural resources.

- **Accountability**

This request includes strategies for student success. At present, over 2/3 of the degree seeking freshmen enter UA unprepared for the rigors of college level English and math. These unprepared students are three times less likely to graduate from UA as their colleagues who enter with freshmen level skills. UA is working collaboratively with K12 in Alaska to find solutions.

The first step to improve the success of under-prepared students is to properly assess their skills and place students in the proper courses to meet their needs. Enhancements in advising support and learning laboratories are needed to ensure students have the guidance and resources to predict success. Innovative course content, delivery and scheduling is currently being developed to meet the needs of the many non-traditional students – workers, parents and distance students.

The second aspect to this broad initiative is outreach to K12. School teachers, students and parents must be aware of the expectations of college level work. Communications with school districts, alignment of curriculum and awareness of student knowledge and skills are important outreach efforts UA must engage in to help K12 better prepare students for Alaska's future.

The accountability request will also accommodate academic and program support requests including document imaging, environmental health and safety operations, systemwide information technology requests, and grant writing support.

- **Renewal and Replacement Investment (Phase 1 & 2 of 10)**

It is extremely important that facility renewal and replacement be addressed given UA's amount of deferred maintenance (over \$440M) that has accumulated. The overall goal of this request is to build an annual funding source for UA facility R&R requirements. This year's annual R&R requirement is \$43M and is the highest priority capital request; however, absent full annual capital investments for R&R another solution is to build an operating fund to meet these needs. This alternative approach to the R&R funding request was unsuccessful in FY07; therefore, the request covers Phase 1 and Phase 2.

**FY08 Programs Growth and Enhancement Priorities
Full Program Listing**

- Preparing Alaskans for Jobs** **GF: 6,708.8 NGF: 2,580.0 Total: 9,288.8**
- Health GF: 2,056.5 NGF: 420.0 Total: 2,476.5
 - Clinical Health Aide Program Instruction at College of Rural Alaska
 - Dental Program at Tanana Valley Campus
 - Nursing Core and Expansion at Anchorage Campus
 - WWAMI Program Expansion at Anchorage Campus
 - Allied Health Programs delivered Statewide at Anchorage Campus
 - Master of Public Health at Anchorage Campus

 - Engineering and Construction Management GF: 930.0 NGF: 205.0 Total: 1,135.0
 - Bachelor of Science in Engineering Enrollment Growth at Anchorage Campus
 - UAA/UAS 1+3 Program in Engineering
 - Construction Technology at Juneau Campus
 - Construction Management 2+2 degree program at Anchorage Campus
 - Bridge Programs for Students in High Demand Job Areas at Anchorage Campus
 - Mining Training and Computer and Electronics Faculty at Kenai Peninsula College

 - Fisheries and Ocean Sciences Undergraduate and Related Programs GF: 1,000.0 NGF: 1,000.0 Total: 2,000.0
 - Undergraduate Fisheries Program Expansion with matching private funds

 - Other High Demand Programs GF: 605.0 NGF: 270.0 Total: 875.0
 - Systemwide Integrated Geography Program at Fairbanks Campus
 - Computer Network Technology at Anchorage Campus
 - Small Business Excellence Award (SBDC) and Business Faculty Support at Anchorage Campus

 - Meeting Student Demand, Strengthening Existing Programs and Marketing/Outreach GF: 2,117.3 NGF: 685.0 Total: 2,802.3
 - High Demand Program Delivery via Distance Systemwide
 - Expand General Education Offerings at Anchorage and Kenai Peninsula College
 - Expand Eagle River and Military Offerings at Anchorage Campus
 - Educational Leadership at Juneau Campus
 - AK Native Programs Faculty at Fairbanks Campus
 - Marketing, Community Outreach and Surveys Systemwide
 - Career Service Center at Mat-Su

University Research Investment (Phase 2 of 5)**GF: 6,000.0 NGF: 17,113.9 Total: 23,113.9**

- **Biomedical and Health Research** GF: 1,500.0 NGF: 4,300.0 Total: 5,800.0
 - This area of research buttresses the University's vastly expanded instructional programs in medical and allied health professions and behavioral health (e.g., doubling nursing output, expanding Washington, Wyoming, Alaska, Montana, Idaho (WWAMI) Medical Education, new joint UAF/UAA PhD in Psychology) by further building faculty expertise, and capitalizes on state and University infrastructure investments (e.g., UAA Integrated Science Building, UAF's West Ridge Research Building (WRRB), Biological Research and Diagnostics Facility (BiRD), and (BioSciences Facility) BIOS, and the State Health and Virology Laboratories), and over \$45M of National Institutes of Health capacity building and competitive research grants.
- **Engineering, Transportation, and Energy** GF: 2,000.0 NGF: 5,700.0 Total: 7,700.0
 - Research opportunities are stimulated not just by faculty and student expertise associated with the growing quality of these educational programs, but by continued leveraging opportunities offered by the Department of Energy's Arctic Energy Office, and the recently legislated University of Alaska Transportation Center (UATC) and Arctic Engineering Research Center
- **Climate Impact and Alaska's Natural Resources** GF: 2,500.0 NGF: 7,113.9 Total: 9,613.9
 - Global as well as national and state attention will be focused on change in the Arctic and circumpolar northern regions during the upcoming International Polar Year (IPY, 2007-2008). The University has an unparalleled opportunity to take advantage of the unique breadth and depth of University expertise in relevant disciplines to springboard capacity to significantly higher levels, and so in doing to assure to the state a sustainable base for understanding and forecasting the forces that affect capacity to effectively steward renewable natural resources, marine and terrestrial, and simultaneously to promote the potential for continued growth of extractive industries (e.g., mining, oil and gas) in the face of growing regulatory pressures.

Accountability**GF: 2,000.0 NGF: 1000.0 Total: 3,000.0**

- **Student Success, College Readiness Programs, Advising, Bridge Programs and Developmental Education** GF: 1,500.0 NGF: 500.0 Total: 2,000.0
 - Additional funding to support the following initiatives:
 - Institution of mandatory assessment and placement
 - Enhanced advising support for unprepared students
 - Enhanced learning support services, equipment and facilities
 - Innovative developmental Math learning programs
 - Outreach to inform K12 of college expectations and student readiness
- **Academic and Program Support** GF: 500.0 NGF: 500.0 Total: 1,000.0
 - Chief Records Officer and Records Retention Program (Document Imaging)
 - Environmental Health and Safety Operations
 - Systemwide Information Technology Requests
 - Grant Writing Support/ Resources
 - Research Grants and Contract Administrative Support (NGF)
 - UA Foundation Support (NGF)

University of Alaska
Performance Measures and Performance-Based Budgeting
October 2006

Introduction

Performance-based budgeting (PBB) has become relatively integrated into UA's budget process and continues to be a driving factor in the FY08 operating and capital requests. This year, for the first time, PBB awards will be based on recent performance.

The Board of Regents approved a \$1.5 million general fund pool to be withheld from the FY07 budget distribution for FY07 PBB awards to be distributed based on recent performance. In addition to the FY07 PBB base funding pool, an additional award pool of up to \$1 million in one-time funding will be available in FY07, for a total possible award of \$2.5 million. For FY08, given the maturity of the process, the Board will likely be asked to approve an award pool of approximately \$4 million.

Seven performance measures are in use at the University of Alaska, including: graduates of high demand degree programs, student retention, student credit hour enrollment, grant-funded research expenditures, university generated revenue, strategic enrollment management planning and academic program outcomes assessment. Additional performance measures in development include community campus measures identified by campus directors in September 2006 and a Faculty Partnership and Outreach performance measure.

Each MAU recently submitted an in-depth assessment of recent performance, accounting for expectations, strategies and mission in addition to proposing targets and goals for FY08 through FY12. The President and each Chancellor will agree on award distributions and appropriate targets and goals over the next few weeks. The complete strategic analyses, proposed target and goals as well as an assessment of past performance are available online at: <http://www.alaska.edu/swbudget/pm/details.xml>.

The table on the next page gives a system-level performance trends as well as UA's future targets and goals, and is followed by information highlights for each measure. The information highlights include an assessment of recent MAU and system-level performance as well as system-level targets and goals. The FY08 to FY12 system-level targets and goals stated in this document may be adjusted slightly as MAU targets and goals are finalized.

UA System - Performance Metrics to Demonstrate Progress Toward Board of Regents Strategic Goals

Metric and Strategic Goal	Baseline Performance				Targets			Goals			Average Annual Percent Change FY08 - FY12
	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	
Number of degrees awarded in Alaska high job demand degree programs - Responsive to State Needs / Educational Quality	1,839	1,989	2,065	2,209	2,338	2,375	2,488	2,589	2,698	2,797	4%
Retention rates for first-time full-time cohorts in Certificate, Associate, Baccalaureate programs - Student Success	63%	65%	65%	64%	66%	67%	68%	70%	71%	72%	2%
Annual number of student credit hours attempted (Thousands) - Student Success / Educational Quality	533	559	556	558	563	570	581	593	604	617	2%
Grant Funded Research Expenditures (Millions) - Research Excellence	111	116	123	129	137	149	160	170	180	190	7%
University Generated Revenue (Millions) - Diverse Sources of Revenue	289	313	333	364	388	403	425	453	473	499	5%

Updated October 2006. Final FY08 - FY12 targets and goals will be available mid-November.

Performance Measure Highlights

High Demand Job Area Programs

- UA met its target of a 7 percent increase from FY05 to FY06 on this performance measure and anticipates meeting its FY07 target of a 6 percent increase. The university must average a 4 percent annual increase from FY08 to FY12 in the number of degrees awarded in high demand job programs to achieve its goal of almost 2,800 degrees in FY12. Enrollments in these programs are increasing at a rate consistent with meeting this goal, with an overall 11 percent increase from FY04 – FY06; however, it will be necessary to focus internal resource reallocations to maintain this level of performance.
- UAA increased the number of high demand job area degrees awarded over the last year by more than 6 percent, falling in between its nominal and high FY06 goals of 1.5 percent increase (1,286) and a 6.8 percent increase (1,354), respectively.
- UAF increased the number of high demand job area degrees awarded by more than 8 percent (51) over last year, nearly meeting the FY06 target of a 10 percent (66) increase. Since FY04, UAF has increased the number of high demand job area degrees awarded by almost 14 percent. To meet its FY10 goal, UAF needs to maintain an average annual growth of more than 6 percent over the next four years. UAF is on track to meeting this goal, given recent enrollment growth in high demand job area degree programs.
- UAS did not meet its aggressive FY06 target of a 30 percent (50) increase for this performance measure; however, reasonable growth of about 6 percent (10) was achieved. Enrollment in high demand job area degree programs is up 14 percent at UAS since FY04.

Student Credit Hours

- The UA system's FY06 target increase for student credit hour production was 3 percent (15,700 SCH) over the FY05 level; however, final student credit hour production for FY06 landed at 0.3 percent (1,800 SCH) above the FY05 level.
- The FY07 system-level target assumes a 1 percent enrollment increase from FY06, which equates to an additional 5,000 SCH. FY07 projections indicate that UA's student credit hour production will likely remain nearly even with the level seen between FY04 and FY06, which means UA will likely not meet its FY07 target increase but will maintain current levels. It is important to note that while overall enrollment is relatively flat, enrollment in high demand job area programs is improving significantly.
- An annual average increase of almost 2 percent is required to meet the targets and goals for FY08 through FY12. Steady enrollment gains will have to be made each year in order to meet future targets and goals for this performance measure at the system level.

- UAA FY06 student credit hour production is up 1.8 percent from FY05, surpassing its nominal target of a 0.4 percent increase and just meeting its high target of a 1.8 percent increase. UAA had relatively little growth in SCH (400 SCH) from FY04 to FY05.
- UAF student credit hour production peaked in FY04 and has decreased each year since. UAF's FY06 SCH production was down more than 1 percent from FY05 and down 4.6 percent from FY04 levels. Actual FY06 SCH production was more than 5 percent (9,000 SCH) below the target.
- In FY06, UAS SCH production fell by more than 3 percent from the FY05 level, landing about 5 percent (2,700 SCH) below the FY06 target value.

Undergraduate Retention

- Undergraduate retention rates have increased significantly over the last few years; however, they can vary from year to year. UA undergraduate retention dropped slightly to 64.1 percent in FY06, down from 65.4 percent in FY05. Preliminary results for FY07 retention indicate that UA will achieve an overall undergraduate retention rate of about 66 percent, just shy of its FY07 target, and a significant improvement from the FY06 performance level.
- To achieve the 2012 retention goal of 72 percent, UA must achieve an increase of about 1 percentage point each year from FY08 through FY12. Reaching the FY12 goal will set UA above average for peer institutions and will be worthy of major celebration, but may prove to be a challenge.
- Undergraduate retention at UAA dropped by more than a percentage point over the last year, from 65.9 percent in FY05 to 64.6 percent in FY06. Preliminary FY07 results show UAA at about 68 percent undergraduate retention.
- UAF undergraduate retention dropped nearly two percentage points over the last year, from 65.3 percent in FY05 to 63.5 percent in FY06. UAF projected a target undergraduate retention rate of 65 percent in both FY06 and FY07. Preliminary FY07 results show UAF at about 68 percent undergraduate retention.
- UAS maintained undergraduate retention levels over the last year, holding steady at 64.7 percent in FY06. Significant improvement on this measure has occurred over the last three years. FY06 retention is 9 percentage points higher than in FY03 when only 55.6 percent of UAS undergraduates were retained. Preliminary FY07 results show UAS at about 58 percent undergraduate retention.

Grant Funded Research Expenditures

- To achieve its current research focus goal in 2012, UA must increase grant-funded research expenditures by an average annual rate of 7 percent from FY08 - FY12. This is reasonable in conjunction with UA's ongoing investment in its research enterprise and the current external funding environment.

- From FY01 to FY05, grant-funded research expenditures increased by an average of 12 percent annually across the system; however, growth slowed to just under 5 percent in FY06, about two-thirds the target growth level. Given FY06 performance, a 6 percent increase is necessary in FY07 to meet the target.
- From FY05 to FY06, UAA grant-funded research expenditures increased by more than 20 percent (\$2.4 million), surpassing its high FY06 target of 10 percent growth to a total of \$12.4 million as well as the high FY07 target of \$13.1 million.
- UAF grant-funded research expenditures increased more than 3 percent (\$3.4 million) from FY05, landing at about \$114 million in FY06. UAF's FY06 target of 119.0 million represented a 7.4 percent increase. In context of UAF's recent performance, an increase of more than 8 percent will be necessary to meet the FY07 target. Since UAF drives more than 90 percent of this performance measure for the system, steady, strong performance on this metric will be needed to meet system targets and goals in the future.
- UAS generated \$800,000 in FY06 grant-funded research expenditures, up 33 percent (\$200,000) from FY05. This performance is right in line with the FY06 target of \$700,000.

University Generated Funds

- UA exceeded its FY06 target and realized an increase of 9 percent (\$18.7 million) on this performance measure. UA expects to meet its FY07 and FY08 targets, equivalent to a 6.5 and 5.5 percent annual increase, respectively. Continued growth in university generated revenue is expected due to increases in tuition revenue and development efforts; however, growth will be moderated by a smaller FY08 tuition rate increase than in recent years as well as slowing federal research investment. The proposed staff benefit rate increase may have a significant negative impact on this performance measure and is of particular concern relative to UA's competitive research capacity.
- UAA increased university generated revenue by about 9 percent (\$10 million) in FY06. This performance falls above UAA's high FY06 target of a 7 percent (\$8 million) increase and nearly meets the FY07 high goal as well.
- UAF increased university generated revenue by more than 7 percent (\$13 million) over the last year, falling short of its FY06 target increase of 10 percent (\$19 million).
- UAS exceeded its FY06 and FY07 target growth of \$200,000, with more than 12 percent (\$2.2 million) growth this year.
- University generated revenue at Statewide surpassed the FY06 target value due to exceptional interest income earnings in FY06.

Strategic Enrollment Management Planning

This process measure was reported for the first time by each MAU in the FY06 PBB reports and will be incorporated into the next PBB update, after FY08 through FY12 targets and goals are finalized. Phase I of this metric measures the number of academic colleges, schools, and community campuses having and responding to a strategic enrollment management planning process, relative to the total number of academic colleges, schools and community campuses. Along with a preliminary data report, MAUs provided an assessment of FY06 performance, accounting for expectations, strategies and mission in addition to setting targets and goals through FY12.

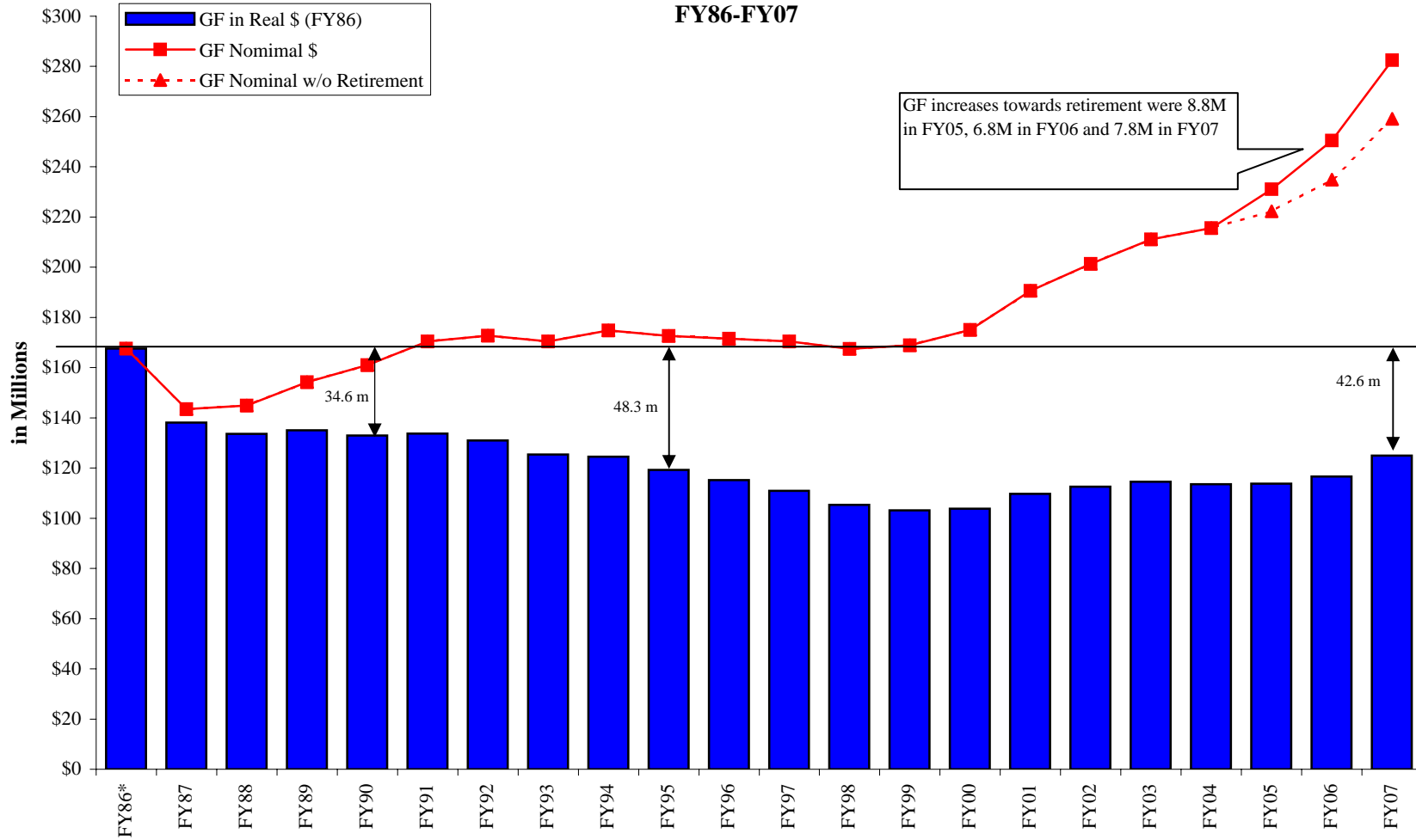
Phase II, starting in FY07, requires unit plan evaluations based on MAU-defined criteria.

Academic Program Outcomes Assessment

This process measure was reported for the first time by each MAU in the FY06 PBB reports and will be incorporated into the next PBB update, after FY08 through FY12 targets and goals are finalized. In Phase I, this metric measures the proportion of programs conducting outcomes assessment and responding according to MAU guidelines. At a minimum, programs should identify desirable student learning outcomes and have a plan to regularly measure their attainment. Along with a preliminary data report, MAUs provided an assessment of FY06 performance, accounting for expectations, strategies and mission in addition to setting targets and goals through FY12.

In Phase II, the definition of this metric will transition to a measure focused on a combination of continued assessment and successful response to outcomes assessment findings. A timetable for starting Phase II has not been set yet.

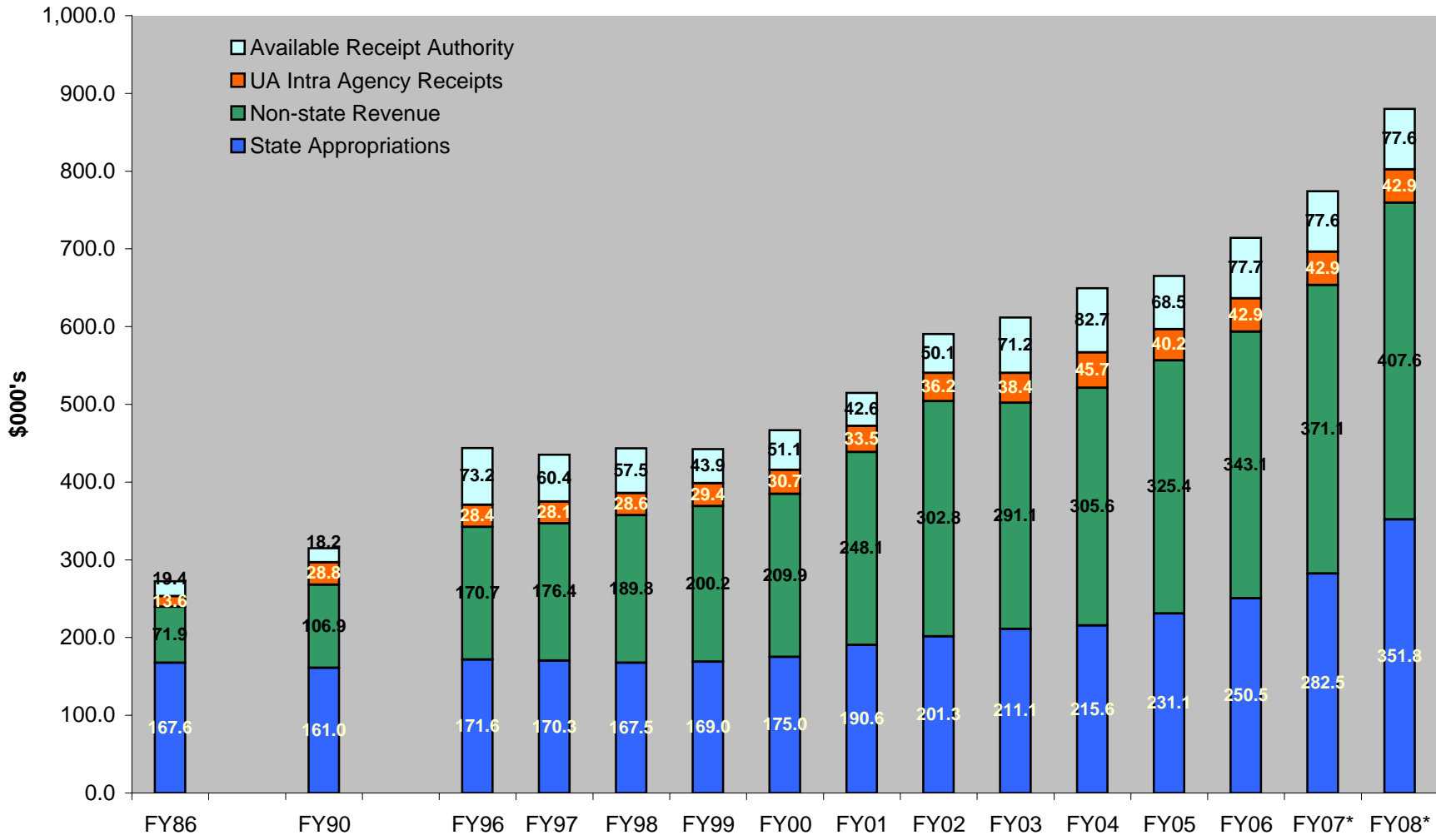
**University of Alaska
State Appropriation** in Real and Nominal Dollars
FY86-FY07**



*UA State Appropriation in FY86 Dollars (Real \$'s)

**State Appropriation includes GF, GF/Match, GF/MHT, ASTF, ACPE Funds, and Workforce Development Funds

University of Alaska Authorized Budget and Actual Revenue FY86-FY08 est.



*FY07 and FY08 are estimated

Change in State Funding by Source FY00-FY08 (in thousands)

(\$000's)	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	Proposed FY08
General Fund	\$169,366.0	\$181,158.8	\$192,521.9	\$202,836.9	\$209,736.9	\$225,287.9	\$244,743.7	\$274,671.9	\$343,690.0
General Fund Match	2,777.3	2,777.3	2,777.3	2,777.3	2,777.3	2,777.3	2,777.3	4,777.3	4,777.3
Mental Health Trust	200.8	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	2,882.0	3,134.3
Total	\$174,974.1	\$190,547.9	\$201,245.6	\$210,998.9	\$215,583.9	\$231,134.9	\$250,544.4	\$282,532.0	\$351,802.4
Annual % Change	3.6%	8.9%	5.6%	4.8%	2.2%	7.2%	8.4%	12.8%	24.5%
Annual Change	6,011.2	15,573.8	10,697.7	9,753.3	4,585.0	15,551.0	19,409.5	31,987.6	69,270.4

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

MHTAAR	102.0	100.0	136.8	50.0	50.0	558.0	825.0	825.0
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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.

FY06 License Plate Revenue \$2.5 and FFA Director funding \$68.3

Change in State Funding by Source FY00-FY08 (in thousands)

(with Retirement Shown Separately)

(\$000's)	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	Proposed FY08
General Fund	\$169,366.0	\$181,158.8	\$192,521.9	\$202,836.9	\$209,736.9	\$216,487.9	\$226,699.9	\$251,101.7	\$283,096.5
General Fund Match	2,777.3	2,777.3	2,777.3	2,777.3	2,777.3	2,777.3	2,777.3	4,777.3	4,777.3
Mental Health Trust	200.8	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	2,882.0	3,134.3
Total without Retirement	\$174,974.1	\$190,547.9	\$201,245.6	\$210,998.9	\$215,583.9	\$222,334.9	\$232,500.6	\$258,961.8	\$291,208.9
Annual % Change	3.6%	8.9%	5.6%	4.8%	2.2%	3.1%	4.6%	11.4%	12.5%
Annual Change without Retirement	6,011.2	15,573.8	10,697.7	9,753.3	4,585.0	6,751.0	10,165.7	26,461.2	32,247.1
Prior Year State Appropriation	\$168,962.9	\$174,974.1	\$190,547.9	\$201,245.6	\$210,998.9	\$215,583.9	\$231,134.9	\$248,188.8	\$282,532.0
Annual Change without Retirement	6,011.2	15,573.8	10,697.7	9,753.3	4,585.0	6,751.0	10,165.7	26,461.2	32,247.1
Retirement Increment						8,800.0	6,888.2	7,882.0	37,023.3
Supplemental one-time funds for Utilities							2,355.6		
Total State Appropriations	\$174,974.1	\$190,547.9	\$201,245.6	\$210,998.9	\$215,583.9	\$231,134.9	\$250,544.4	\$282,532.0	\$351,802.4
Previously reported as state funding now reported separately in Other Funds.									
MHTAAR		102.0	100.0	136.8	50.0	50.0	558.0	825.0	825.0

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.

FY06 License Plate Revenue \$2.5 and FFA Director funding \$68.3

Operating Budget Trend by Campus

Total University of Alaska	FY04 Actual			FY05 Actual			FY06 Actual			FY06 BOR Authorized			FY07 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														7,846.8	7,846.8
Total SW BRA										0.0	7,846.8	7,846.8	0.0	7,686.8	7,686.8
Statewide Programs & Services															
Statewide Services	8,373.1	17,539.6	25,912.7	10,033.0	19,592.1	29,625.1	11,409.9	22,524.1	33,934.0	11,849.3	28,386.9	40,236.2	14,232.9	29,211.1	43,444.0
Statewide Networks	6,953.8	4,380.9	11,334.7	7,544.4	5,107.6	12,652.0	7,848.9	4,509.0	12,357.9	7,833.2	8,135.0	15,968.2	9,073.9	9,156.3	18,230.2
Total SPS	15,326.9	21,920.5	37,247.4	17,577.4	24,699.7	42,277.1	19,258.8	27,033.1	46,291.9	19,682.5	36,521.9	56,204.4	23,306.8	38,367.4	61,674.2
University of Alaska Anchorage															
Anchorage Campus	66,627.5	97,112.0	163,739.5	71,097.9	99,873.3	170,971.2	76,369.2	107,090.2	183,459.4	75,509.9	125,700.6	201,210.5	86,052.4	133,142.7	219,195.1
Kenai Pen. Col.	4,043.5	3,076.0	7,119.5	4,862.4	3,603.7	8,466.1	5,574.0	4,331.2	9,905.2	5,226.8	4,400.4	9,627.2	6,154.4	5,265.3	11,419.7
Kodiak College	1,977.8	1,221.0	3,198.8	2,084.7	1,006.2	3,090.9	2,299.3	872.5	3,171.8	2,224.2	1,466.3	3,690.5	2,450.3	1,613.5	4,063.8
Mat-Su College	3,129.6	3,002.9	6,132.5	3,328.4	2,713.1	6,041.5	3,597.1	2,729.0	6,326.1	3,498.3	4,709.0	8,207.3	3,808.7	4,757.6	8,566.3
Prince Wm Snd CC	1,949.0	3,198.7	5,147.7	2,034.6	2,828.8	4,863.4	2,353.5	2,255.2	4,608.7	2,255.7	3,558.9	5,814.6	2,650.8	3,911.7	6,562.5
Total UAA	77,727.4	107,610.6	185,338.0	83,408.0	110,025.1	193,433.1	90,193.1	117,278.1	207,471.2	88,714.9	139,835.2	228,550.1	101,116.6	148,690.8	249,807.4
University of Alaska Fairbanks															
Bristol Bay Campus	840.9	1,792.4	2,633.3	886.1	1,921.5	2,807.6	945.0	1,869.6	2,814.6	937.7	2,072.6	3,010.3	1,016.2	2,162.5	3,178.7
Chukchi Campus	607.1	1,171.7	1,778.8	627.9	851.8	1,479.7	717.9	799.1	1,517.0	688.0	1,062.9	1,750.9	735.5	1,038.8	1,774.3
Ak. Cooperative Ext.	3,015.1	2,940.9	5,956.0	3,170.4	3,682.7	6,853.1	3,396.0	3,716.9	7,112.9	3,337.7	4,079.0	7,416.7	3,605.5	4,622.7	8,228.2
Fairbanks Campus	72,388.1	92,473.5	164,861.6	76,644.1	94,950.9	171,595.0	82,984.9	97,091.2	180,076.1	83,271.1	110,710.6	193,981.7	94,478.3	117,106.7	211,585.0
Fairbanks Org. Res.	14,810.0	91,674.0	106,484.0	16,304.1	96,466.8	112,770.9	17,112.3	103,691.6	120,803.9	16,843.5	120,830.9	137,674.4	19,433.5	125,420.3	144,853.8
Interior-Aleut. Campus	1,434.2	1,671.5	3,105.7	1,202.3	1,910.0	3,112.3	1,292.1	1,992.6	3,284.7	1,315.0	2,338.6	3,653.6	1,356.0	2,562.7	3,918.7
Kuskokwim Campus	2,077.2	2,966.4	5,043.6	2,145.5	3,311.0	5,456.5	2,476.5	2,903.5	5,380.0	2,369.9	3,369.8	5,739.7	2,616.0	3,163.6	5,779.6
Northwest Campus	1,317.9	1,175.3	2,493.2	1,349.4	728.5	2,077.9	1,432.8	583.2	2,016.0	1,440.4	1,296.5	2,736.9	1,500.3	1,010.8	2,511.1
Rural College	3,376.4	4,479.8	7,856.2	4,038.7	5,900.1	9,938.8	4,378.1	5,650.9	10,029.0	4,090.0	6,833.3	10,923.3	4,477.4	7,638.7	12,116.1
Tanana Valley Campus	3,650.9	3,260.8	6,911.7	3,451.8	3,559.7	7,011.5	4,155.2	4,284.8	8,440.0	3,900.1	3,815.3	7,715.4	4,630.6	5,702.5	10,333.1
Total	103,517.8	203,606.3	307,124.1	109,820.3	213,283.0	323,103.3	118,890.8	222,583.4	341,474.2	118,193.4	256,409.5	374,602.9	133,849.3	270,429.3	404,278.6
University of Alaska Southeast															
Juneau Campus	15,016.0	13,396.1	28,412.1	16,057.8	12,625.3	28,683.1	17,326.5	14,308.6	31,635.1	17,269.8	18,534.5	35,804.3	19,219.7	19,300.7	38,520.4
Ketchikan Campus	1,914.8	1,326.0	3,240.8	2,108.8	1,770.0	3,878.8	2,225.4	1,787.5	4,012.9	2,035.6	2,140.9	4,176.5	2,399.5	2,213.9	4,613.4
Sitka Campus	2,081.0	3,419.6	5,500.6	2,162.6	3,198.3	5,360.9	2,349.8	3,332.5	5,682.3	2,292.6	4,747.2	7,039.8	2,640.1	4,886.2	7,526.3
Total UAS	19,011.8	18,141.7	37,153.5	20,329.2	17,593.6	37,922.8	21,901.7	19,428.6	41,330.3	21,598.0	25,422.6	47,020.6	24,259.3	26,400.8	50,660.1
Total University															
	215,583.9	351,279.1	566,863.0	231,134.9	365,601.4	596,736.3	250,244.4	386,323.2	636,567.6	248,188.8	466,036.0	714,224.8	282,532.0	491,575.1	774,107.1
Other Appropriations	2.1		2.1	887.7		887.7	72.9		72.9	77.5		77.5	2.0		2.0

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

FY06 Actuals include \$2,355.6M supplemental for Utility Increases; Other Appropriations include \$75.0 for FFA Director (less \$4.6 lapsed) and \$2.5 License Plate Revenue

Other Appropriation for FY07 is \$2.0 License Plate Revenue

University of Alaska
FY99-FY06 Expenditure Actuals

	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	% Change	% Change
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	FY05-FY06	FY99-FY06
Statewide Pgms & Services										
Commodities	622.6	816.1	1,370.6	1,031.6	861.7	834.4	1,231.4	1,287.9	5%	107%
Contractual Services	11,133.2	11,420.7	14,856.0	14,540.1	15,206.5	15,794.2	17,315.7	19,858.9	15%	78%
Equipment	1,137.8	771.3	1,767.3	744.6	464.8	445.7	990.3	586.0	-41%	-48%
Land/Buildings	298.5	165.3	288.7	254.4	(144.9)	48.9	266.0	(187.4)	-170%	-163%
Miscellaneous	1,585.6	1,601.7	1,568.3	1,587.6	1,489.1	1,694.6	1,598.1	1,746.3	9%	10%
Salaries & Benefits	9,805.3	10,857.5	12,085.3	14,294.9	15,854.7	17,141.0	19,079.6	20,909.1	10%	113%
Unrestricted	9,805.3	10,689.9	11,761.9	13,620.0	14,959.1	15,625.9	17,311.8	19,026.8	10%	94%
Restricted	0.0	167.6	323.4	674.9	895.6	1,515.1	1,767.8	1,882.3	6%	N/A
Student Aid	48.7	815.7	1,603.2	2,309.4	81.9	76.2	96.7	94.1	-3%	93%
Travel	684.9	793.1	991.8	1,083.7	1,211.5	1,212.4	1,726.4	2,042.8	18%	198%
Total	25,316.6	27,241.4	34,531.1	35,846.4	35,025.3	37,247.4	42,304.2	46,337.7	10%	83%
University of AK Southeast										
Commodities	2,743.2	2,600.8	3,279.5	3,851.8	3,802.0	3,686.4	3,619.2	3,938.3	9%	44%
Contractual Services	4,386.3	4,691.7	5,676.6	7,677.5	6,284.9	6,557.8	6,746.5	6,885.0	2%	57%
Equipment	303.4	238.2	521.1	365.0	347.8	1,228.2	407.3	299.9	-26%	-1%
Land/Buildings	309.4	29.6	4.1	481.4	554.1	364.3	326.2	704.8	116%	128%
Miscellaneous	203.8	116.4	165.1	89.2	279.2	295.9	465.1	550.6	18%	170%
Salaries & Benefits	15,270.8	16,016.6	17,513.0	19,719.9	21,209.6	22,560.6	23,749.9	26,188.9	10%	71%
Unrestricted	14,671.4	15,162.4	16,212.0	17,581.3	18,737.0	19,937.5	21,631.2	23,773.2	10%	62%
Restricted	599.4	854.2	1,301.0	2,138.6	2,472.6	2,623.1	2,118.7	2,415.7	14%	303%
Student Aid	933.3	1,110.9	1,348.7	1,513.0	1,974.2	2,063.2	2,164.4	2,176.7	1%	133%
Travel	524.1	624.5	874.0	1,182.2	1,121.4	1,058.9	1,137.6	1,277.3	12%	144%
Total	24,674.3	25,428.5	29,382.2	34,879.8	35,573.2	37,815.3	38,616.2	42,021.5	9%	70%
University of AK Anchorage										
Commodities	13,175.7	12,882.1	14,637.7	16,259.4	15,639.3	16,225.0	18,162.4	17,554.7	-3%	33%
Contractual Services	23,012.4	23,824.1	26,994.8	29,621.1	30,914.7	35,275.9	34,983.9	37,140.4	6%	61%
Equipment	1,826.7	1,851.4	4,463.8	2,803.7	2,969.6	2,150.5	2,174.9	1,389.7	-36%	-24%
Land/Buildings	1,513.6	797.5	1,359.6	634.4	1,383.9	1,123.3	1,244.5	1,562.4	26%	3%
Miscellaneous	1,830.9	2,790.5	3,029.9	3,275.9	3,246.2	3,463.7	3,812.4	3,892.7	2%	113%
Salaries & Benefits	83,792.6	87,068.8	91,928.8	99,119.8	108,310.1	116,541.5	121,438.6	133,754.0	10%	60%
Unrestricted	73,967.2	75,730.4	79,510.6	84,987.4	92,563.0	99,864.0	104,444.9	115,217.6	10%	56%
Restricted	9,825.4	11,338.4	12,418.2	14,132.4	15,747.1	16,677.5	16,993.7	18,536.4	9%	89%
Student Aid	6,211.7	5,832.4	6,085.5	7,616.9	10,355.0	10,877.3	11,411.2	11,718.6	3%	89%
Travel	2,799.9	3,022.5	3,483.2	3,984.4	4,175.5	3,730.7	4,241.0	4,394.9	4%	57%
Total	134,163.7	138,069.3	151,983.2	163,315.4	176,994.3	189,387.9	197,468.9	211,407.4	7%	58%

FY99-FY06 Expenditure Actuals

	FY99 Actuals	FY00 Actuals	FY01 Actuals	FY02 Actuals	FY03 Actuals	FY04 Actuals	FY05 Actuals	FY06 Actuals	% Change FY05-FY06	% Change FY99-FY06
University of AK Fairbanks										
Commodities	25,253.6	26,287.6	31,392.5	31,854.5	31,757.0	34,042.1	36,977.2	34,978.7	-5%	39%
Contractual Services	46,884.4	51,313.9	55,158.7	63,444.1	67,662.2	64,780.1	66,365.9	71,913.7	8%	53%
Equipment	9,872.1	7,110.1	18,151.3	7,713.4	9,218.6	11,680.1	9,017.6	8,365.3	-7%	-15%
Land/Buildings	1,342.3	1,285.2	2,827.3	3,421.7	2,526.2	1,777.0	1,324.2	1,010.6	-24%	-25%
Miscellaneous	4,919.3	5,127.1	6,762.0	6,152.5	4,904.7	5,399.2	6,896.6	6,850.9	-1%	39%
Salaries & Benefits	113,280.2	120,537.6	126,427.4	140,048.5	156,883.2	170,908.5	182,559.1	196,519.4	8%	73%
Unrestricted	85,417.3	89,962.9	94,382.7	102,520.0	111,337.4	118,266.6	124,199.4	133,693.0	8%	57%
Restricted	27,862.9	30,574.7	32,044.7	37,528.5	45,545.8	52,641.9	58,359.7	62,826.4	8%	125%
Student Aid	6,389.3	6,466.3	6,754.1	7,721.6	9,603.1	11,118.8	12,224.2	12,989.4	6%	103%
Travel	6,446.9	6,712.3	8,745.6	9,288.4	10,203.1	10,264.5	10,560.8	11,567.6	10%	79%
Total	<u>214,388.0</u>	<u>224,840.0</u>	<u>256,219.0</u>	<u>269,644.5</u>	<u>292,758.1</u>	<u>309,970.3</u>	<u>325,925.6</u>	<u>344,195.6</u>	<u>6%</u>	<u>61%</u>
 UA Total										
Commodities	41,795.1	42,586.5	50,680.2	52,997.1	52,060.0	54,787.9	59,990.2	57,759.6	-4%	38%
Contractual Services	85,416.3	91,250.5	102,686.2	115,282.7	120,068.3	122,408.0	125,412.0	135,798.0	8%	59%
Equipment	13,140.0	9,971.0	24,903.5	11,626.7	13,000.8	15,504.5	12,590.1	10,640.9	-15%	-19%
Land/Buildings	3,463.8	2,277.6	4,479.8	4,791.8	4,319.3	3,313.5	3,160.9	3,090.4	-2%	-11%
Miscellaneous	8,539.6	9,635.7	11,525.3	11,105.2	9,919.2	10,853.4	12,772.2	13,040.5	2%	53%
Salaries & Benefits	222,149.1	234,480.4	247,954.5	273,183.1	302,257.6	327,151.6	346,827.2	377,371.4	9%	70%
Unrestricted	183,861.4	191,545.5	201,867.2	218,708.7	237,596.5	253,694.0	267,587.3	291,710.6	9%	59%
Restricted	38,287.7	42,934.9	46,087.3	54,474.4	64,661.1	73,457.6	79,239.9	85,660.8	8%	124%
Student Aid	13,583.0	14,225.2	15,791.6	19,160.9	22,014.2	24,135.5	25,896.5	26,978.8	4%	99%
Travel	10,455.7	11,152.3	14,094.6	15,538.7	16,711.5	16,266.5	17,665.8	19,282.6	9%	84%
Total	<u>398,542.6</u>	<u>415,579.2</u>	<u>472,115.6</u>	<u>503,686.1</u>	<u>540,350.9</u>	<u>574,420.9</u>	<u>604,314.9</u>	<u>643,962.2</u>	<u>7%</u>	<u>62%</u>

Operating Budget Trend by NCHEMS

University of Alaska

NCHEMS Summary	FY04 Actual	FY05 Actual	FY06 Actual	FY06 BOR Authorized	FY07 BOR Authorized
Instruction and Student Related					
Academic Support	26,678.8	31,553.0	36,204.7	35,645.2	38,331.8
Instruction	148,323.4	152,818.4	165,097.2	187,562.1	213,173.0
Intercollegiate Athl.	7,367.1	7,933.5	8,961.9	7,795.1	8,893.7
Library Services	16,471.7	14,648.4	15,121.2	14,479.5	15,399.1
Scholarships	13,900.4	13,921.3	15,361.4	11,073.4	11,750.8
Student Services	26,533.1	28,533.3	30,198.8	27,795.1	30,000.8
Instruction and Student Related Subtotal	239,274.5	249,407.9	270,945.2	284,350.4	317,549.2
Infrastructure					
Institutional Support	75,560.7	83,830.4	86,947.4	97,751.8	113,735.8
Debt Service	3,385.9	3,675.7	3,426.9	4,358.0	5,258.0
Physical Plant	59,255.8	61,268.8	65,092.1	61,958.7	66,968.2
<i>Includes M&R*</i>	21,825.7	22,498.2	23,462.8	21,654.0	22,975.6
Infrastructure Subtotal	138,202.4	148,774.9	155,466.4	164,068.5	185,962.0
Public Service	26,420.8	29,335.8	31,203.4	23,235.4	24,197.6
Research	125,513.5	131,292.0	138,212.0	130,576.9	147,288.7
Auxiliary Services	37,451.8	37,925.7	40,740.6	44,785.5	44,517.5
Subtotal	566,863.0	596,736.3	636,567.6	647,016.7	719,515.0
Unallocated Authority				67,208.1	54,592.1
Totals	566,863.0	596,736.3	636,567.6	714,224.8	774,107.1
Supplemental/One Time Items	1,415.0	887.7	72.9	77.5	2.0

Operating Budget Trend by Fund Source

Total by Funding Source	FY04 Actual	FY05 Actual	FY06 Actual	FY06 BOR Authorized	FY07 BOR Authorized
State Appropriated Funds					
State Appropriations**	215,583.9	231,134.9	250,544.4	248,188.8	282,532.0
Science & Technology Funds	0.0	0.0	0.0	0.0	0.0
State Appropriations Subtotal	215,583.9	231,134.9	250,544.4	248,188.8	282,532.0
University Receipts					
Interest Income	1,026.6	2,263.7	5,291.2	4,667.8	4,667.8
Auxiliary Receipts	37,172.1	37,629.0	40,120.5	42,916.7	43,746.7
Student Tuition/Fees***	61,494.6	69,484.1	78,734.3	86,616.6	90,516.6
Indirect Cost Recovery	29,724.0	31,217.0	31,856.5	37,183.1	37,183.1
University Receipts	51,470.3	56,036.2	51,810.8	79,937.8	88,828.7
University Receipts Subtotal	180,887.6	196,630.0	207,813.3	251,322.0	264,942.9
Other Funds					
MHTAAR	50.0	50.0	558.0	680.0	825.0
Federal Receipts	113,054.4	115,955.3	119,794.1	137,797.8	149,524.0
CIP Receipts	2,236.4	2,328.1	2,898.4	4,762.2	4,762.2
State Inter-Agency Receipt****	9,357.6	10,405.9	12,069.8	18,800.0	18,800.0
UA Intra-Agency Receipts	45,693.1	40,232.1	42,889.6	52,674.0	52,721.0
Totals	566,863.0	596,736.3	636,567.6	714,224.8	774,107.1
Supplemental/One Time Items*****	1,415.0	887.7	72.9	77.5	2.0

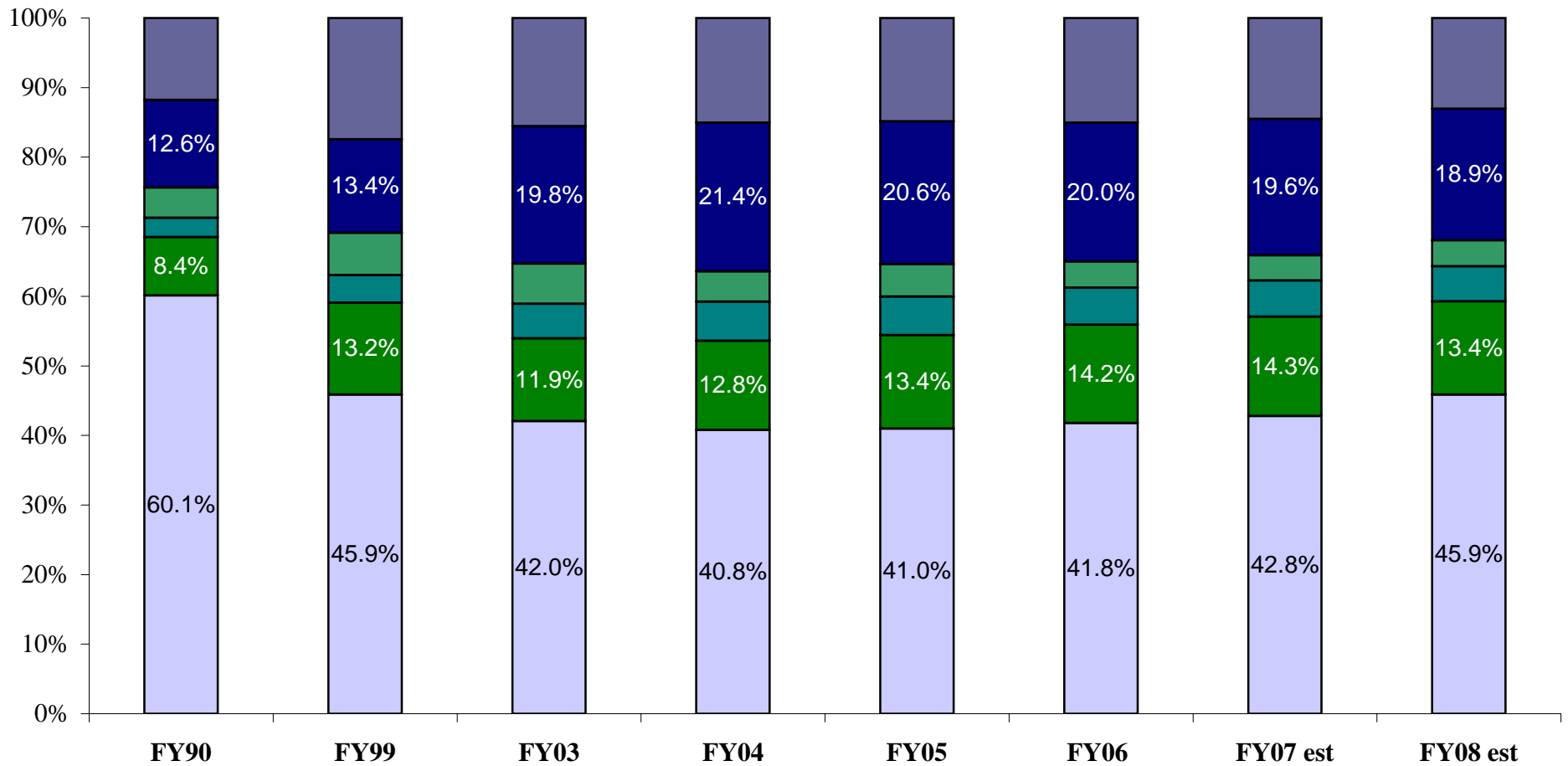
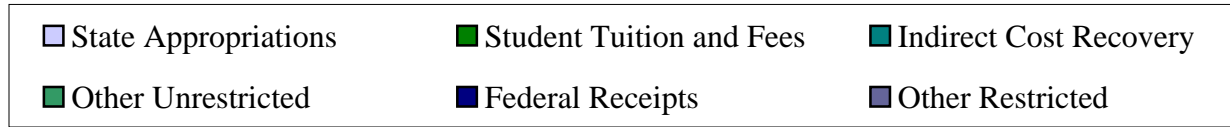
**State Appropriations includes GF, GF/Match, GF/MHT, S and T Funds, ACPE Funds, and Workforce Development Funds. Includes \$2,355.6M supplemental for Utility Increases.

***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

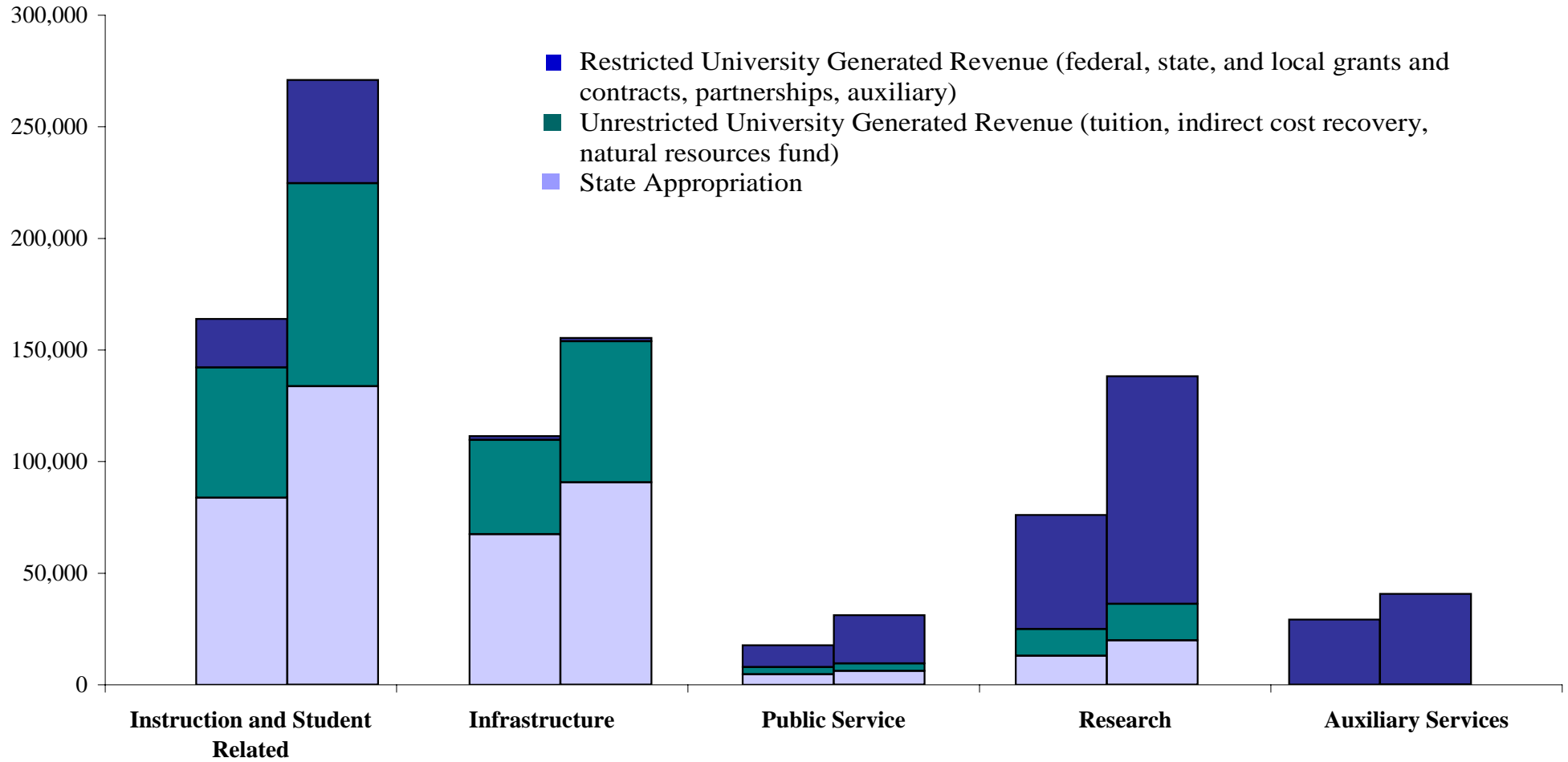
****In FY03 State Intra-Agency Receipts were broken out of University Receipts and listed separately. Intra-Agency Receipts became UA Intra Agency Receipts.

*****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. FY06 includes \$75.0 for FFA Director (\$4.6 lapsed) and \$2.5 for License Plate Revenue; FY07 includes \$2.0 for License Plate Revenue

University of Alaska Revenue by Source FY90, FY99, FY03-FY08est



FY99 & FY06 Expenditures by NCHEMS Category and Fund Type



**Regular and Temporary Employees by Occupation
Fall Semesters 2000 - 2005**

	Fall Semester					% Change 2001-2005
	2001	2002	2003	2004	2005	
Regular Employees						
Staff	2,717	2,894	3,005	2,931	3,010	10.8
Faculty	1,105	1,164	1,231	1,253	1,269	14.8
Total Regular	3,822	4,058	4,236	4,184	4,279	12.0
Temporary Employees						
Staff	535	574	549	569	593	10.8
Faculty	1,092	1,093	1,080	1,079	1,114	2.0
Graduate Assistant	405	479	510	563	551	36.0
Student	1,472	1,482	1,475	1,386	1,403	-4.7
Total Temporary	3,504	3,628	3,614	3,597	3,661	4.5
Total Employees	7,326	7,686	7,850	7,781	7,940	8.4

Note: These figures include all employees with active assignments as of October 1st. Employees are classified by primary EEO occupation code.

Source: Data supplied by MAUs via UA Information Systems: BANNER HR Federal Reporting Extracts 2000 - 2005.

**Regular Faculty Instructional Productivity by Campus
Fall 2003-2005**

	Fall 2003		Fall 2004		Fall 2005	
	Regular Instruction Faculty FTE	Direct Student Faculty Ratio	Regular Instruction Faculty FTE	Direct Student Faculty Ratio	Regular Instruction Faculty FTE	Direct Student Faculty Ratio
Anchorage	382.3	14.1	384.7	14.7	399.3	14.1
Kenai	26.3	11.5	28.5	9.3	26.6	10.4
Kodiak	6.3	13.5	5.4	10.0	7.0	9.2
Mat-Su	16.0	10.7	16.0	11.0	18.0	11.2
PWSCC	6.0	10.6	6.0	8.5	6.0	8.5
Fairbanks	263.7	10.4	250.0	11.5	249.6	11.8
CRCO						
Bristol Bay	2.0	11.6	2.0	6.9	2.0	8.4
Chukchi	2.0	11.4	2.0	8.9	2.0	8.2
Interior/Aleutians	2.5	16.8	4.1	8.9	2.9	5.5
Kuskokwim	8.7	7.8	10.6	6.5	11.5	4.6
Northwest	3.7	6.5	4.0	4.7	4.0	4.2
Rural College	12.0	12.3	13.4	11.7	15.0	10.6
Tanana Valley	36.0	11.4	27.0	12.4	29.2	9.3
Juneau	62.6	11.1	68.2	12.1	69.6	11.2
Ketchikan	10.0	10.2	11.0	11.0	10.5	9.0
Sitka	10.3	8.6	10.4	9.3	13.2	7.0
UA Anchorage	436.8	13.8	440.5	14.1	457.0	13.6
UA Fairbanks	330.6	10.6	313.2	11.2	316.1	11.1
UA Southeast	82.9	10.7	89.6	11.6	93.3	10.4
UA System	850.2	12.2	843.2	12.8	866.3	12.3

Note: Due to rounding, the campus sum may not equal the MAU total and MAU sums may not equal the system totals.

Source: Data supplied by MAUs via UA Information Systems: Banner HR Federal Reporting Extract 2005.
Compiled by Statewide Planning and Budget Development.

**Student Headcount by Campus
Fall 2001 - 2006 Opening**

	2001	2002	2003	2004	2005	2006	% Change	
							2001-06	2005-06
Anchorage	11,671	12,296	12,947	12,964	13,271	13,313	14.1	0.3
Kenai	1,576	1,557	1,631	1,482	1,512	1,501	-4.8	-0.7
Kodiak	660	610	580	493	440	424	-35.8	-3.6
Mat-Su	1,258	1,335	1,433	1,313	1,327	1,338	6.4	0.8
PWSCC	782	1,024	793	972	823	878	12.3	6.7
Fairbanks	4,875	5,122	5,412	5,291	5,270	5,034	3.3	-4.5
College of Rural Alaska								
Bristol Bay	192	289	404	327	215	272	41.7	26.5
Chukchi	123	118	243	235	146	177	43.9	21.2
Interior/Aleutians	334	221	457	304	285	244	-26.9	-14.4
Kuskokwim	230	221	326	317	250	218	-5.2	-12.8
Northwest	233	264	321	384	127	262	12.4	106.3
Rural College	1,059	1,263	1,441	2,056	2,205	2,124	100.6	-3.7
Tanana Valley	2,665	2,975	3,330	3,306	3,090	3,147	18.1	1.8
Juneau	2,035	2,217	2,089	2,179	2,130	2,091	2.8	-1.8
Ketchikan	431	450	529	639	569	493	14.4	-13.4
Sitka	991	917	794	778	682	708	-28.6	3.8
UA Anchorage	15,700	16,577	17,089	16,934	17,020	17,031	8.5	0.1
UA Fairbanks	7,251	7,930	9,003	8,974	8,435	8,341	15.0	-1.1
UA Southeast	3,291	3,435	3,233	3,353	3,108	3,012	-8.5	-3.1
UA System	25,957	27,623	28,961	28,794	28,154	27,879	7.4	-1.0

Note: Reported headcount is unduplicated. Campus headcount totals add up to more than MAU totals and MAU headcounts add up to more than the system total. This occurs because it is common for students to take courses at multiple campuses and/or multiple MAUs in the same semester. Therefore, some students would be double counted if headcounts were summed across campuses and MAUs. Headcount includes students who audit credit courses. Closing estimates for each campus are based on averages (fall semesters only) of the change in headcount, student credit hours, and FTE between the opening and closing extracts at each reporting level.

Source: Data Supplied by MAUs via UA Information Systems: Banner SI Fall Semester opening extracts 2001 - 2006. Compiled by Statewide Planning and Budget Development.

**Full-Time Part-Time Student Headcount by MAU
Fall 2001 - 2006 Opening**

	2001	2002	2003	2004	2005	2006	% Change		2006 % of Total
							2001-06	2005-06	
UAA									
Campus Full-Time	6,210	6,539	6,932	7,230	7,219	7,447	19.9	3.2	43.7
UA Full-Time	63	59	70	117	98	155	146.0	58.2	0.9
Sub-Total FT	6,273	6,598	7,002	7,347	7,317	7,602	21.2	3.9	44.6
Part Time	9,427	9,979	10,087	9,587	9,703	9,429	0.0	-2.8	55.4
Total	15,700	16,577	17,089	16,934	17,020	17,031	8.5	0.1	100.0
UAF									
Campus Full-Time	3,726	3,917	4,201	4,204	4,162	3,976	6.7	-4.5	47.7
UA Full-Time	107	105	118	140	110	150	40.2	36.4	1.8
Sub-Total FT	3,833	4,022	4,319	4,344	4,272	4,126	7.6	-3.4	49.5
Part Time	3,418	3,908	4,684	4,630	4,163	4,215	23.3	1.2	50.5
Total	7,251	7,930	9,003	8,974	8,435	8,341	15.0	-1.1	100.0
UAS									
Campus Full-Time	820	869	843	953	923	863	5.2	-6.5	28.7
UA Full-Time	91	93	108	136	119	167	83.5	40.3	5.5
Sub-Total FT	911	962	951	1,089	1,042	1,030	13.1	-1.2	34.2
Part Time	2,380	2,473	2,282	2,264	2,066	1,982	-16.7	-4.1	65.8
Total	3,291	3,435	3,233	3,353	3,108	3,012	-8.5	-3.1	100.0
UA System									
Full-Time	10,867	11,432	12,100	12,552	12,447	12,482	14.9	0.3	44.8
Part Time	15,090	16,191	16,861	16,242	15,707	15,397	2.0	-2.0	55.2
Total	25,957	27,623	28,961	28,794	28,154	27,879	7.4	-1.0	100.0

Note: A full-time undergraduate student is enrolled in 12 or more credit hours (SCH) and a full-time graduate student is enrolled in 9 or more SCH.

Classification of full-time and part-time status excludes audited SCH. Students are categorized into one of three levels:

- 1) part-time at the system level and thus part-time at the campus/MAU level;
- 2) full-time at the system level but part-time at the campus/MAU level (indicated by inclusion in the 'Full-time UA System' headcount); or
- 3) full-time at the campus/MAU level and thus full-time at the system (indicated by inclusion in the 'Full-time campus/MAU' headcount).

For example: An undergraduate enrolled for a total of 12 SCHs, 9 at Fairbanks and 3 at Tanana Valley, would be included in the full-time UA system count for Fairbanks and the full-time UA system count for Tanana Valley. An undergraduate enrolled for a total of 15 SCHs, 3 at Anchorage and 12 at Kodiak would be included in the full-time campus/MAU count for Kodiak and in the full-time UA system count for Anchorage. A graduate student enrolled for a total of 6 SCH, 3 at Juneau and 3 at Fairbanks, would be included in the part-time counts at both campuses/MAUs.

Source: Data Supplied by MAUs via UA Information Systems: Banner SI Fall Semester opening extracts 2001 - 2006. Compiled by Statewide Planning and Budget Development.

**Student Credit Hours with Audited Hours by Campus
Fall 2001 - 2006 Opening**

	2001	2002	2003	2004	2005	2006	% Change	
							2001-06	2005-06
Anchorage	105,250	111,639	118,724	122,814	123,913	126,772	20.4	2.3
Kenai	9,944	9,416	9,952	9,089	9,425	9,922	-0.2	5.3
Kodiak	2,816	2,562	2,558	2,154	1,908	1,916	-32.0	0.4
Mat-Su	8,836	9,744	10,392	9,562	9,718	9,401	6.4	-3.3
PWSCC	2,772	3,415	3,253	3,296	3,226	3,527	27.3	9.3
Fairbanks	44,639	46,615	48,893	48,728	48,830	45,895	2.8	-6.0
College of Rural Alaska								
Bristol Bay	598	933	1,201	844	688	972	62.5	41.3
Chukchi	430	433	865	814	578	605	40.7	4.7
Interior/Aleutians	1,117	890	2,079	966	964	1,027	-8.1	6.5
Kuskokwim	1,295	1,392	1,682	1,610	1,257	1,053	-18.7	-16.2
Northwest	779	755	863	976	407	492	-36.8	20.9
Rural College	3,848	4,602	5,651	8,175	9,005	8,601	123.5	-4.5
Tanana Valley	13,356	15,609	16,739	15,729	14,272	15,294	14.5	7.2
Juneau	14,611	15,494	14,878	16,009	15,516	15,205	4.1	-2.0
Ketchikan	2,102	2,159	2,733	3,216	3,028	2,334	11.0	-22.9
Sitka	4,010	3,797.5	3,525	3,731	3,387	3,428	-14.5	1.2
UA Anchorage	129,618	136,775	144,879	146,915	148,190	151,538	16.9	2.3
UA Fairbanks	66,062	71,229	77,973	77,842	76,000	73,939	11.9	-2.7
UA Southeast	20,723	21,451	21,136	22,956	21,931	20,967	1.2	-4.4
UA System	216,402	229,455	243,987	247,713	246,121	246,443	13.9	0.1

Source: Data Supplied by MAUs via UA Information Systems: Banner SI Fall Semester opening extracts 2001 - 2006.
Compiled by Statewide Planning and Budget Development.

**Student Full-Time-Equivalent (FTE) Enrollment by Campus
Fall 1995 - 2006 Opening**

	2001	2002	2003	2004	2005	2006	% Change	
							2001-06	2005-06
Anchorage	7,077.6	7,531.0	7,995.7	8,263.0	8,343.6	8,530.5	20.5	2.2
Kenai	649.9	614.7	651.6	595.2	616.4	656.4	1.0	6.5
Kodiak	187.4	170.4	170.3	142.6	126.9	121.8	-35.0	-4.0
Mat-Su	587.9	643.7	689.3	634.1	646.3	623.5	6.1	-3.5
PWSCC	184.4	228.2	217.4	219.3	215.1	228.7	24.0	6.3
Fairbanks	3,055.7	3,196.2	3,359.6	3,347.5	3,364.6	3,160.6	3.4	-6.1
College of Rural Alaska								
Bristol Bay	40.0	62.6	78.9	55.6	47.6	67.2	68.2	41.1
Chukchi	28.7	29.0	58.4	55.1	38.5	40.8	42.2	5.8
Interior/Aleutians	78.1	61.0	142.0	67.4	67.9	69.7	-10.8	2.6
Kuskokwim	80.4	92.4	112.8	103.6	83.3	69.5	-13.5	-16.5
Northwest	52.1	52.7	62.0	72.4	27.4	34.7	-33.3	26.7
Rural College	261.9	311.2	383.6	552.9	608.5	580.0	121.4	-4.7
Tanana Valley	883.1	1,034.8	1,109.7	1,039.5	941.9	1,007.1	14.0	6.9
Juneau	978.5	1,041.5	1,002.4	1,088.5	1,047.6	1,037.7	6.0	-0.9
Ketchikan	139.4	145.0	180.2	213.0	202.5	155.8	11.7	-23.1
Sitka	266.6	253.5	235.2	247.9	224.8	228.5	-14.3	1.6
UA Anchorage	8,687.3	9,187.9	9,724.2	9,854.2	9,948.3	10,160.9	17.0	2.1
UA Fairbanks	4,479.9	4,839.9	5,306.9	5,293.9	5,179.8	5,029.6	12.3	-2.9
UA Southeast	1,384.5	1,440.0	1,417.7	1,549.4	1,474.9	1,421.9	2.7	-3.6
UA System	14,551.7	15,467.9	16,448.8	16,697.6	16,602.9	16,612.4	14.2	0.1

Note: Student FTEs exclude audited credit hours. One student FTE is calculated as 15 student credit hours for courses below the 500 level and 12 student credit hours for courses at the 500 level and above. This represents the average number of credits needed to receive an undergraduate degree in four years, or a graduate degree in two years.

Source: Data Supplied by MAUs via UA Information Systems: Banner SI Fall Semester opening extracts 2001 - 2006, Compiled by Statewide Planning and Budget Development.

**Fund TRS directly instead of through an employer rate increase
The result is the same**

The recent action by the Alaska Retirement Management Board (ARMB) to raise the TRS employer rate to the full actuarial rate has significant unintended consequences that can derail many state policy priorities. However, the Alaska Retirement Management Board's goal to assure a solvent retirement system that can meet all future obligations including health care costs for TRS participants and retirees is laudable.

The ARMB board approved a 54.03% TRS employer rate for FY08, up from the 26% rate in FY07. This represents a 108% increase from FY07, and a cost increase of \$185.7 million. The University of Alaska constitutes a small portion of TRS, accounting for \$13.3 million of the \$185.7 million (~10%).

By raising the employer rate to 54%, each school district and UA must build the rate increase into their respective personnel budgets for all operations. For K-12, the foundation formula must be increased to build in these costs. Thus, huge K-12 increases result, with very little change at classroom level. For UA, the cost increase will be added to the staff benefit rate, which will seriously threaten UA's competitiveness for a majority of federal and private research grants and contracts, which represent more than 20% of UA revenue.

On the positive side, the Governor's office has recommended funding these increases with state funds.

Alternative Approach

1. Let's assume the legislature follows the governor's recommendation and appropriates the state funding to cover the TRS liability:

Under the funded scenario, it would be much better to hold the TRS employer rate at the FY07 rate of 26% and use the state funding increase to fund the system directly (i.e. not pass the additional \$185.7million annually through to the employer, but deposit that amount annually into the TRS account). If the \$185.7 million state funds are deposited directly into the TRS system and viewed separately from the employer rate, the funding level into the system is the same. However, K-12 and UA would not have to build the employer rate into their respective personnel budgets. The result will be that the liability would be covered, but the K-12 formula would not have to be adjusted, and UA would maintain its competitive research position.

If the legislature also follows the Governor's recommendation of making the FY08 lump-sum payment into the TRS system and repeats that in subsequent years, when TRS is fully solvent the state could reduce part of the \$185.7 million direct annual payment prior to reducing the employer rate – thus serving as a stabilizing factor in the near term as well as in the future.

2. Let's assume the legislature does not appropriate the state funding to cover the TRS liability:

Under the un-funded scenario, it would be much better to hold the TRS employer rate at the FY07 rate of 26%. At the ARMB approved increase to 54%, without funding, many schools districts and UA would be forced into financial exigency today to fund a bill that will come due in 25 years.

Some Relevant Facts:

The TRS system is a **shared liability** system. The state holds the responsibility for the program and accounts for the liability within its financial statements instead of each employer accounting for its portion. This is different than PERS where each employer accounts for its own participation and retiree liability. This distinction is important, because the individual TRS employer only pays based on current employee participants, not on the proportion of total liability, while the PERS employers pay based on accrued liability.

Because the TRS system is now closed (no new participants) the full liability is known and estimated at \$2.5 billion. The TRS liability includes the projected costs for three groups; retirees, vested employees not yet retired who are not employed in a TRS positions, and employed TRS participants. The rate, established to cover all current and past service liabilities on all three groups, however, is collected based only on active TRS participants.

TRS is a shared liability system. Therefore, the fewer employed participants a particular employer has, the lower the cost to that employer. This is true regardless of the actual cost to the system from retirees and previously vested employees. As a result, every employer has an incentive to reduce the number of its existing TRS employees. However, the liability for the TRS system remains, but is spread on a declining number of participants.

University of Alaska
FY08 Operating Budget Request Guidelines
Amended

The operating budget request guidelines serve as a tool for administration to prioritize requests directed at maximizing progress toward the Board of Regent's strategic goals while at the same time maintaining administrative and program efficiencies.

FY08 will prove to be a pivotal year for Alaska and UA. The state is setting its course for the next thirty years. The University of Alaska is a key element for the state's success through preparing the workforce, providing expertise and leadership in a variety of fields, and driving the competitive research industry in Alaska. UA is committed to meeting state workforce needs by responding immediately for the significant growth expected over the next five years as well as setting the foundation for the future. UA's competitive research capacity is remarkably situated to address state, Arctic, and global solutions particularly in climate change mitigation and adaptation and will gain prominence through International Polar Year activities.

Key strategies for workforce preparation will be expanding access to Alaskans through supporting a variety of need-based financial aid initiatives, increasing student enrollment, and improving student success.

The UA operating budget request will include compensation and other fixed cost increases for maintaining existing programs and services and, most importantly, the request will be driven by priority program increases addressing the following themes:

- Preparing Alaskans for jobs, particularly those related to the construction of the Alaska gas line and related community impact, and
- Conducting research relevant to Alaska's needs and improving UA's competitive research position including preparation for and addressing the findings of the International Polar Year (IPY).

Program requests will be prioritized consistent with how the MAU's program request quantifiably demonstrates the degree to which the program enhances the MAU's ability to achieve its performance goals set on the UA performance-based budgeting measures. These performance based budgeting measures correspond to the Board of Regent's UA Strategic Plan 2009 goals and state needs. Of significant priority will be UA program priorities requested in UA's FY07 budget that were not funded.

Requests for administrative enhancements will be minimal and will be prioritized based on demonstrating improved revenue capacity or improved service levels of significant importance to academic and research programs. Additionally, UA's information technology infrastructure, bandwidth, facilities, and academic equipment will be maintained at a level necessary for program delivery, research and administrative requirements.

The following mechanisms will be used throughout the year to maintain UA's high standard of accountability and transparency:

- Performance Based Budgeting and Performance Measure Tracking
- Annual Operating and Management Reviews
- Systemwide Academic Program Planning and Monitoring
- Accountability and Sustainability Program Monitoring

University of Alaska
FY08 Operating Budget Request
Due August 1, 2006 (Working Draft June 9, 2006)

FY08 Program Requests will support the following themes.

- Preparing Alaskans for jobs, particularly those related to the construction of the Alaska gas line and related community impact, and
- Conducting research relevant to Alaska's needs and improving UA's competitive research position including preparation for and addressing the findings of the International Polar Year (IPY).

The criteria that will be used in reviewing and prioritizing requests are below.

Program Requests

Each request will include a brief one page narrative that addresses the following initial criteria:

- A. Describe the purpose of the program and the market demand the program meets.
 - For instruction programs, include number of students affected and specific employer demand met.
 - For research programs, include areas of state need met and external funding source (i.e. National Science Foundation).
- B. Describe quantitatively how the program enhances the MAU's ability to meet its accepted performance targets and goals? Which performance measure or measures? By how much will the FY09-FY12 targets and measures be increased? If the program does not address PBB outcomes, quantitatively describe how the program demonstrates responsiveness to the Board of Regent's UA Strategic Plan 2009 goals and state needs?
- C. Demonstrate how the program optimizes existing capacity and expertise throughout the system. Is the program developed collaboratively across campuses/MAUs in a manner that emphasizes the unique and appropriate roles, strengths, and mission?
- D. Assuming that funding begins on July 1, 2007, when will the program reach full maturity?
- E. Demonstrate quantifiably the impact this program will have on efficiency and productivity ratios within the department, campus and MAU.
- F. What is the FY08 GF and NGF request for the program and what will the funds be used for (i.e. hire two new faculty members, contractual services).
- G. What is the MAU's priority ranking of the program request?

For each MAU, please fill out the attached summary sheet for all program requests followed by a one page narrative which includes the information requested above.

Note: UA priorities that were in UA's FY07 request that were not funded will be a high priority in UA's FY08 request. Please note in your FY08 request, if it is an unfunded FY07 request.

If the program request moves forward, please be ready to provide the following additional information:

- Detail of budget request by revenue and expenditure category and number of positions.

Administrative Enhancements

Each request will address the following criteria:

- How will the requested enhancement improve revenue capacity or improve service levels of significant importance to academic and research programs?

¹ Related community impact refers to those jobs not directly related to the gas line but necessary during and after construction as a result of the economic change in the community.

MAU Program Request Summary Sheet

MAU Ranking	Program Title	GF	NF	PBB Link (List 1-7)	Page

MAU Ranking: The MAU's ranking of the program request

Program Title: Title of the program

GF: General Fund Amount Requested

NGF: Non-General Fund Amount Requested

PBB Link: Performance measure (s) program is linked to

1=Student Credit Hour Enrollment

2=Student Retention

3=Graduates of High Demand Degree Programs

4=Grant-Funded Research Expenditures

5=University Generated Revenue

6=Strategic Enrollment Management Planning

7=Academic Program Outcomes Assessment

Page: Page Number Program Narrative can be found on