

University of Alaska  
Proposed FY12 Operating Budget Development  
Guidelines and Process

Development Guidelines

The Operating Budget Request Guidelines incorporating a longer term 3 to 5 year budget planning horizon will be used to align the University of Alaska's Budget Request with existing resources to maximize progress toward the Board of Regents' strategic plan goals, while maintaining administrative and program efficiencies.

A strong University System, especially the need to "grow our own," is a key element for the State's success. Through preparing the workforce, providing expertise and leadership in a variety of fields, and serving as the driving force for research in Alaska, the University of Alaska (UA) contributes significantly to the State's economic success and its citizens' quality of life.

UA is committed to building a strong workforce foundation for the future as well as meeting State workforce needs by delivering programs responding to expected employment growth over the next five years. UA's competitive research capacity is remarkably situated to address State, Arctic, and global solutions, particularly in climate change mitigation and adaptation, and energy.

The UA Operating Budget Request will include compensation and other fixed cost increases for maintaining existing programs and services, as well as program growth requests. Program requests will be driven by the program enhancement priorities with continued emphasis on three themes:

- Enhancing Student Success and College Readiness with an emphasis on increasing student enrollment and retention
- Preparing Alaskans for the State's High Demand Jobs
- Enhancing Competitive Research and the benefits of research as an industry in Alaska

There will continue to be greater attention on strategies to align public service and outreach efforts within each of these three themes.

The University of Alaska recognizes that funding availability will continue to be challenging in FY12. Priorities for the University have not changed significantly and the focus will remain on providing services to the State of Alaska. The MAUs will review the prior year requests and leverage the significant work already done as part of the FY11 budget process. If there have been significant changes in conditions, the MAUs will recommend and justify changes.

Through a participatory process, each MAU will be represented in the budget process to accomplish its underlying mission and strengthen the MAU and campus compelling strategic advantages. With their wider representation, planning groups may assist as necessary in the budget process as well.

The FY12 total program request level will range between \$10-13 million with each MAU's program growth amount approximately 3-4% over the current year budget.

Factors to be considered in the final request include; demonstrated efficiency and effectiveness of existing programs; ability to successfully execute the program request; strategic linkage to and impact on meeting performance goals; and responsibility for executing systemwide priorities.

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

- Performance assessment and performance measure tracking
- Annual operating and management reviews
- Systemwide academic program planning and monitoring
- Systemwide internal and external reviews

Timeline:

Jan-Feb	Meetings with various councils and President's cabinet to discuss FY12 Systemwide Priorities
March	Instructions to MAUs providing outline for one-page outcomes summary, Draft of FY12 Operating Budget Guidelines
April 15 <sup>th</sup> -16 <sup>th</sup>	BOR approval of the FY12 budget guidelines
Late April	Chancellors submit MAU expected outcomes document with the Operating Review
Late April	MAU Operating Reviews: FY10 Status Review; FY11 Expectations; 3-5 year Outlook
May-July	Meetings with various councils, President's cabinet and planning groups (when appropriate) to continue discussion of FY12 Systemwide Priorities.
July 30 <sup>th</sup>	MAUs submit prioritized FY12 Budget Request and 3-5 year Planning Horizon considerations to the Statewide Budget Office
August 6th (tentative)	Face-to-Face MAU Budget Request Briefing
August	Meetings with various councils, President's cabinet and planning groups (when appropriate) to discuss FY12 Systemwide Priorities

Process Considerations

Integration of Performance Reporting: As a part of the FY12 operating request submission process, each MAU will be required to provide:

- The quantitative positive impact of the request on each of the system wide performance measures, or for replacement funding requests the quantitative positive impact of the current program on each measure; and
- What MAU strategy specific sub-metric(s) will be tracked to measure intermediate progress toward moving common, system wide metric goals. For example, a budget request for a new high-demand program might propose tracking applications and enrollment in the program as a preliminary indicator of eventual increases in high demand graduates.

Many strategy specific sub-metrics could be appropriate to report in the MAU performance evaluations. The information submitted will be used to note the impact of the Governor's proposed budget on the system wide performance measures in relation to the Board of Regents' request.

Each MAU will control the distribution of its FY12 performance funding pool, to be used in support of performance-related strategies. One percent of general funds is the expected funding pool size, although annual circumstances will dictate the exact amount chosen by the MAU for internal reallocation. These performance funds should be allocated to appropriate strategic investments and reported as part of the

overall performance and accountability process. It is important to note that, although performance awards are MAU-based, accountability reporting for performance funding distributions and strategy success will continue to be required in the future.

In the FY12 budget and planning process, MAU performance evaluation and reporting requirements are based on the State of Alaska's requirements. In addition, the university will continue external reporting of the new Non-Credit Instruction performance measure<sup>1</sup>, approved in 2007. MAU performance evaluation submissions to Statewide Planning and Budget will be used in conjunction with MAU increment request detail to compile final performance evaluations submitted to the state. The system and MAU performance evaluations will be updated to reflect the BOR approved FY12 request, as well as, the Governor's proposed FY12 budget.

Process: Each MAU must submit all requests related to their campuses on a spreadsheet provided by Statewide Budget.

Fixed Costs/Administrative Requests: Fixed Costs/Administrative Requests will be developed using systemwide standards. Information Technology (IT) and business process improvement initiatives will be vetted through the Information Technology Executive Council (ITEC), and Business Council (BC) respectively. No request range will be set on these requests, however, it is important to know that few administrative increases are funded and the need to reallocate to address these improvements is predictable. As part of the fixed cost review process, each MAU should submit an anticipated funding plan for the operating costs for new facilities that have been funded through the capital budget.

Expected Outcomes: Each Chancellor will prepare a 1 to 3 page summary (instructions below) for the MAU of expected outcomes that will recognize MAU priorities and compelling advantages, particularly those that align most directly to systemwide strategic areas, the system performance goals, the BOR strategic plan goals, and will help align the internal MAU budget process with the systemwide process.

### Chancellor's Expected Outcomes Document Instructions

#### Guiding Principles

- This document demonstrates the alignment of the MAU's key goals to the systemwide priorities.

#### Timeline

Please submit this document to Statewide Planning and Budget as part of the Spring Operating Review.

#### Areas to address

- The BOR strategic plan goals including system performance measures
- Specific MAU strategy measures (i.e. Anchorage requested external sponsored program expenditures in addition to external sponsored research, Fairbanks wanted Bacc. retention rates, and specific external research measures)
- MAU 3-5 year outlook
- Identify planning assumptions, environmental scan, key internal and external conditions

<sup>1</sup> See <http://www.alaska.edu/swbir/performance/metrics/Non-CreditMetric.pdf> for more information on the non-credit instruction performance measure.

**University of Alaska  
Board of Regents**

**Budget Development Process Overview  
April 16, 2010**

The overview will focus on the budget development process and timeline, as well as frequently addressed budget issues.

**Timeline:**

The budget process is a year round cycle with three years active at any given time. The three years being addressed now are the prior year (FY10) for accountability and review, current year request (FY11) for distribution and operation and the planning/request year (FY12) for strategic direction and budget development. The UA budget calendar on pages 3-4 will be referenced in the overview. The Spring 2010 Operating and Management review guidelines can be found on pages 10-13.

**Process:**

The Board of Regents, the President, and the Chancellors are the key drivers in the budget development process. Most significantly, the UA budget development process is guided by the goals and values stated in the Board of Regents' Strategic Plan. The primary points when the Board of Regents influence the budget priorities are first with the strategic plan, second with the budget request guidelines, third through the budget request approval, and finally with the budget distribution.

UA's performance evaluation process, in place since FY04, is the mechanism used to communicate, drive and measure resource alignment and progress toward meeting the Board of Regents' strategic goals. It is a key consideration in the budget request and distribution recommendations and also informs UA's long term fiscal plan.

The goals are summarized below and are detailed on pages 5-9. The performance measures associated with each Board goal is shown in italics.

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**Board of Regents' Strategic Plan**

**Goals**

- Student Success(*SCH, NCU, Ret*)
- Educational Quality(*Ret, HD*)
- Research Excellence(*Research*)
- Faculty and Staff Strength
- Responsiveness to State Needs(*HD*)
- Technology and Facility Development
- Diverse Sources of Revenue(*UA Rev*)

**Values (UA LEADS)**

- Unity in promoting communication and collaboration.
- Accountability to our students, faculty, staff, alumni, and the diverse peoples of Alaska.
- Leadership for Alaska's people and institutions.
- Excellence in our programs and services.
- Accessibility to all Alaskans.
- Dedication to serving diverse community needs.

- Stewardship of our resources.
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### **Primary Performance Measures**

- Number of graduates in programs responding to Alaska's high demand jobs (HD).
- Amount of university generated revenue (UA Rev).
- Externally funded research (Research).
- Retention rate for first-time undergraduate students (Ret).
- Number of student credit hours (SCH).
- Number of non-credit instructional units (NCU).

**UA Budget Calendar Board of Regents Action and Significant Events**  
**FY10, FY11 and FY12 Budgets**  
 18-Month Period - January 2010 to June 2011

<b>Board Action</b>	<b>Other Significant Events</b>
January 2010 Annual Retreat	<ul style="list-style-type: none"> <li>• FY11 Board Approved Operating and Capital Budget Document (Redbook) Published, Governor’s Budget for UA Document (Bluebook) Published</li> <li>• 2010 Legislative Session Begins</li> </ul>
February-March 2010 Status Reports <ul style="list-style-type: none"> <li>• Legislative Status-FY11 Budget Request</li> </ul>	<ul style="list-style-type: none"> <li>• Campus FY12 Budget and Planning Processes Start</li> <li>• FY10 Management Report Reviews (UAA, UAF, UAS, SW)</li> <li>• FY12 Operating Budget Request Guidelines reviewed by various systemwide councils</li> <li>• Performance Evaluation Guidelines reviewed by various systemwide councils</li> <li>• FY12-17 Capital Budget Request Guidelines reviewed by various systemwide councils</li> </ul>
April-May 2010 Action <ul style="list-style-type: none"> <li>• FY12 Operating and Capital Budget Request Guidelines Approval</li> </ul> Status Reports <ul style="list-style-type: none"> <li>• Tuition Rate Notice</li> <li>• Performance Evaluation Guidelines</li> </ul>	<ul style="list-style-type: none"> <li>• Spring Operating Reviews – FY10 year-end, FY11 year-start, 3-5 year outlook (UAA, UAF, UAS, SW)</li> <li>• Alaska Legislature submits FY11 Budget to Governor</li> <li>• FY12 MAU Budget Request instructions distributed</li> </ul>
June 2010 Action <ul style="list-style-type: none"> <li>• FY11 Operating and Capital Budget Acceptance</li> <li>• FY11 Operating and Capital Budget Distribution Plan</li> <li>• FY11 Natural Resources Fund Budget Allocation Approval</li> </ul> Status Reports <ul style="list-style-type: none"> <li>• Performance– FY10 Preliminary Results and projected FY11 distribution plan impact</li> </ul>	<ul style="list-style-type: none"> <li>• Governor Signs FY11 Budget Legislation</li> <li>• FY11 Distribution Plan Recommendation developed with projected performance impacts</li> </ul>
July-August 2010 Status Reports <ul style="list-style-type: none"> <li>• President’s Summer Briefing to the Board</li> </ul>	<ul style="list-style-type: none"> <li>• FY10 budget year ends – FY11 begins</li> <li>• SW develops FY12 compensation and fixed cost budget estimates</li> <li>• FY12 Initial Meetings with OMB and Legislative Finance Division</li> <li>• MAUs submit FY12 Operating Budget Requests</li> <li>• MAUs submit FY12 Capital Budget Requests</li> <li>• MAUs submit Deferred Maintenance/Final Total Project list due to SW Budget</li> <li>• FY12 MAU Budget Meeting</li> <li>• Various systemwide councils review and provide input on operating budget request items and capital project requests</li> <li>• Chancellors review and provide input on requests</li> </ul>

<b>Board Action</b>	<b>Other Significant Events</b>
<p>September-October 2010</p> <p>Action</p> <ul style="list-style-type: none"> <li>• Discussion and Approval of Tuition Rates for Academic Year 2013</li> </ul> <p>Status Reports</p> <ul style="list-style-type: none"> <li>• FY12 Operating Budget Request</li> <li>• Performance – Final FY10 Results, projected FY12 Request impact, Long Term Fiscal Plan Scenarios</li> <li>• FY12 Capital Budget Request</li> <li>• FY12-FY17 Capital Plan</li> </ul>	<ul style="list-style-type: none"> <li>• MAU submit state required budget information, including performance evaluations</li> <li>• FY10/FY11 MAU Financial and Performance Review (UAA, UAF, UAS, SW)</li> </ul>
<p>October 2010</p> <p>Action</p> <ul style="list-style-type: none"> <li>• Approve FY12 Operating Budget Request</li> <li>• Approve FY12 Capital Budget Request</li> <li>• Approve FY12-FY17 Capital Plan</li> <li>• Review Performance Evaluation and Long Term Fiscal Plan</li> </ul>	<ul style="list-style-type: none"> <li>• FY11 Authorized Budget Distribution Document (Yellowbook ) Published</li> <li>• FY10 UA Audited Financial Statements Available</li> <li>• UA FY12 Operating and Capital Budget, Performance Evaluation, and Long Term Fiscal Plan Submitted to OMB</li> </ul>
<p>December 2010</p> <p>Status Reports</p> <ul style="list-style-type: none"> <li>• UA FY10 Financial Statements</li> </ul>	<ul style="list-style-type: none"> <li>• Governor Submits FY12 Budget Proposal to Legislature</li> </ul>
<p>January 2011</p> <p>Annual Retreat</p>	<ul style="list-style-type: none"> <li>• FY12 Board Approved Operating and Capital Budget Document (Redbook) Published</li> <li>• 2011 Legislative Session Begins</li> </ul>
<p>February-March 2011</p> <p>Status Reports</p> <ul style="list-style-type: none"> <li>• Legislative Status-FY12 Budget Request</li> </ul>	<ul style="list-style-type: none"> <li>• Campus FY13 Budget and Planning Processes Start</li> <li>• FY11 Management Report Reviews (UAA, UAF, UAS, SW)</li> <li>• FY13 Operating Budget Request Guidelines reviewed by various systemwide councils</li> <li>• Performance Evaluation Guidelines reviewed by various systemwide councils</li> <li>• FY13-18 Capital Budget Request Guidelines reviewed by various systemwide councils</li> </ul>
<p>April-May 2011</p> <p>Action</p> <ul style="list-style-type: none"> <li>• FY13 Operating and Capital Budget Request Guidelines</li> </ul> <p>Status Reports</p> <ul style="list-style-type: none"> <li>• Tuition Rate Notice</li> <li>• Performance Evaluation Guidelines</li> </ul>	<ul style="list-style-type: none"> <li>• Spring Operating Reviews – FY11 year-end, FY12 year-start, 3-5 year outlook (UAA, UAF, UAS, SW)</li> <li>• Alaska Legislature submits FY12 Budget to Governor</li> <li>• FY13 MAU Budget Request instructions distributed</li> </ul>
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**UA BOR STRATEGIC PLAN**  
**Summary listing of**  
**Values and Goals with Associated Objectives**

Values

Unity in promoting communication and collaboration.

Effective operation of a system as culturally diverse and geographically distributed as the University of Alaska requires a strong and constant commitment to communication and collaboration among the numerous academic and administrative units that comprise the system.

Accountability to our students, faculty, staff, alumni, and the diverse peoples of Alaska.

As an institution largely supported by public funds, the University must be accountable to those who contribute to its work, whether through tuition and fees, scholarship and teaching, research funding, administrative support, employment of our graduates, or public advocacy.

Leadership for Alaska's people and institutions.

Through its University, a state produces social, economic, civic, and cultural leadership. The University of Alaska has a strong commitment to the development of leadership through our teaching and training of the present and future workforce, our discovery of new knowledge and practical application of our intellectual property, and our outreach to the diverse peoples and communities we serve.

Excellence in our programs and services.

The University community pledges to perform its work to the very highest standards of excellence. In everything we do - from providing preparatory education, to preparing students for the workforce and the professions, to conducting cutting edge research, to helping small businesses and community groups - we aspire to perform at the very highest level of excellence.

Accessibility to all Alaskans.

As an open admission institution, the University is committed to providing the greatest possible access to higher education and, therefore, to the opportunities afforded those with advanced education. This requires a physical presence in communities smaller and more diverse than national norms, and innovative and culturally sensitive means of distance delivery and the opportunity of access to every Alaskan.

Dedication to serving diverse community needs.

The University's 16 campuses, from the largest in Anchorage to the smallest in Kotzebue, are dedicated to meeting community needs through training citizens for the workforce, serving small businesses and community organizations with relevant research and practical advice, enhancing our community engagement programs, and providing facilities for community athletic and cultural events.

Stewardship of our resources.

The University is a responsible steward of the financial, physical, land, and human resources it is entrusted to invest and develop for the betterment of the state.



## Goals and Objectives

### Goal 1: Student Success

#### *Objectives*

- Enhance efforts in student recruitment and retention.
  - Develop recruitment programs that target traditional and non-traditional students as well as former students.
  - Enroll college bound Alaskans at the national average rate.
  - Expand the Emerging Scholars program to all three MAUs.
  - Expand on-line student resources.
  - Obtain funding for the Alaska Scholars program.
  - Support a needs-based financial aid program and increase coordination between financial aid and admissions offices.
- Continue placing students in good jobs.
  - Increase partnerships with major employers.
  - Provide additional internship programs.
- Build life-long relationships with alumni.
  - Complete construction of an alumni database.
  - Create a network of alumni groups and events at various locations in and outside Alaska.
  - Develop alumni publications, including a periodic magazine.
  - Enlist alumni in student recruitment efforts.

### Goal 2: Educational Quality

#### *Objectives*

- Emphasize the community college mission.
  - Increase the number of programs, course sections, and scheduling options in the areas of vocational/technical training, community interest, and professional workforce development.
  - Increase partnerships with high schools in vocational/technical fields.
- Improve collaboration among campuses.
  - Expand collaborative graduate programs across MAUs and with other institutions.
  - Develop additional degree programs that rely on content from the several campuses.
- Ensure efficient allocation of programs.
  - As new programs are introduced and existing programs reviewed, determine the most appropriate location(s) and methods for program delivery.
- Develop new and relevant programs.
  - Expand the range of degree programs to that of comparable university systems.
  - Provide additional staff support for entrepreneurial program development.
  - Expand opportunities through distance delivery for graduate training (including the PhD level) for place committed Alaskans.
- Strengthen counseling services for our diverse student community.
  - Add to campus-based academic counseling resources.
  - Build new on-line counseling services.

### Goal 3: Research Excellence

#### *Objectives*

- Enhance competitive capacity.
  - Rely to a greater extent on competitively obtained financial support for research.
  - Recruit/inspire the faculty in areas of comparative advantage and provide the research facilities and administrative support required to compete effectively.
- Increase opportunities for undergraduate and graduate student participation in research.
- Capture Alaska-specific opportunities for the State and the University.
  - Establish strong research relationships with the private sector and government agencies that address issues of importance to Alaska.
  - Focus on fields where the University has a locational advantage, e.g., cold climates and coastal engineering, ocean science, arctic biology, climate change, fisheries, and health.
- Account for the value and cost of research.
  - Communicate the value of University research in terms of the University's educational quality and Alaska's economy.
  - Ensure that the costs of research are fully accounted for and weighed in the balance with alternative priorities.
- Expand support for the transfer of University intellectual property to private economic development.
  - Enhance support for faculty with interests in the development of intellectual property.
  - Create opportunities for the private sector to be informed about University development works.

### Goal 4: Faculty and Staff Strength

#### *Objectives*

- Invest in faculty and staff development.
  - Regularly assess development needs.
  - Provide development programs that reflect University priorities and are suited to particular faculty and staff, relying where possible on existing University resources and expertise.
- Reward faculty and staff for innovation, creativity, and excellence.
  - Ensure merit-based and market competitive recognition, promotion, and compensation programs.
  - Provide venues for faculty and staff to demonstrate excellence.
- Ensure alignment between institutional goals and workload, productivity, and selection.
  - Regularly review faculty and staff workloads in appropriate comparative context.
  - Maintain the capacity to distinguish faculty selection criteria and professional expectations based on the respective mission of the MAU and its academic programs.
- Ensure high quality teaching.
  - Maintain a rigorous faculty evaluation system.
  - Establish comprehensive faculty development programs at all three MAUs.

### Goal 5: Responsiveness to State Needs

#### *Objectives*

- Assess and meet Alaska's current and projected workforce needs.
  - Continue to survey employers and work with the cognizant state agencies to assess workforce demand.

- Build strong partnerships with employers to ensure our graduates possess needed skills and abilities.
- Strengthen the University's continuing education and corporate programs.
- Streamline review processes for non-degree programs.
- Focus on rural Alaska needs.
  - Continue to build health research programs that address the needs of Alaska Natives.
  - Expand vocational/technical training programs in rural Alaska to provide greater employment opportunities for local people.
  - Explore new technologies that will create economic development opportunities in rural Alaska.
- Provide support for cultural needs.
  - Celebrate the unique contributions to Alaska that have come from its First People.
  - Continue to conduct research and provide instruction in Alaska Native languages and cultures.
  - Build on the role University campuses play as centers for cultural activity, e.g., arts and lectures, especially in rural Alaska.
  - Increase partnerships with Alaska Native corporations and social service agencies to foster stronger communities.
- Increase public policy analysis.
  - Expand the number of critical public policy issues.
  - Develop the means to more rigorously identify critical public policy issues and expand faculty participation across the University.
  - Protect the role of the University as a venue for the exploration of potentially contentious issues.
- Build community engagement programs.
  - Encourage faculty, student, and staff involvement in service to Alaska's diverse communities.
  - Integrate community service with research and instructional programs.
- Enhance responsiveness to state needs.
  - Expand programs to train graduates in high demand fields.
  - Continue to survey industry, small business, and governments for their staff needs.
  - Continue to reallocate faculty, staff, and other resources to high need areas.

#### Goal 6: Technology and Facility Development

##### *Objectives*

- Address process issues: facility planning and facility utilization.
  - Encourage the development of campus master plans that are aligned with University system priorities, institutional missions, funding opportunities, and needs.
  - Increase effective utilization of facilities, to include times not traditionally in use.
  - Obtain land near University campuses to accommodate expansion.
- Explore privatization and partnering.
  - Focus University resources on its educational mission by privatizing those services that may be performed at a higher level of performance and/or lower cost.
  - Explore creative, opportunistic approaches with the private sector to providing needed research, instruction, or residential facilities.

- Support distance education through additional technology and faculty development.
  - Work with the provider community to provide internet connectivity among all University facilities sufficient to support distance delivery of academic programs, collaboration between researchers, and administrative coordination.
  - Provide all faculty the support necessary to develop and deliver high quality curricula, based on research into the effectiveness of various distance education pedagogies.

#### Goal 7: Diverse Sources of Revenue

##### *Objectives*

- Diversify funding sources to reduce reliance on the state's general fund.
  - Increase tuition rates so they bear an appropriate share of the University's revenue base.
  - Increase financial support from alumni, faculty, and staff.
  - Increase financial participation from partnerships with industry and government agencies.
- Pursue land for long term endowment and growth.
  - Ensure the University has obtained a sufficient land grant.
  - Manage proceeds from the land grant to the maximum benefit of the University.
- Encourage the commercial application of University intellectual property.
  - Increase the number of patents filed by University supported investigators.
  - Expand interaction between University faculty and the state's business community.

DATE: March 19, 2010

TO: Chancellor Ulmer, Rogers, Pugh

FROM: President Hamilton

SUBJECT: MAU Operating Review Guidelines – Spring 2010

To set the framework, the operating review discussions will begin with a recap of the management review information presented at the March 24<sup>th</sup> Business Council Meeting. Then a focus on FY11 distribution and implementation plans to achieve stated targets and goals, and strategic issues to consider for FY12 and beyond. The 2010 Operating Review dates are listed below.

UAA	April 13	9:00 am – 3:00pm
UAF	April 21	11:00 am – 5:00pm
UAS	May 10	8:00 am – 2:00pm
SW	May 12	8:30 am – 2:30pm

Proposed Schedule:

1 hr Management Report Recap:

- The Management Report Review will be March 24<sup>th</sup>. The operating review recap will be spent discussing the highlights of that meeting. Questions provided by Myron Dosch via email (Appendix A).
- In addition as a follow up to the Management Report meeting, please answer the following questions.
  - 1) Comment on maintenance and repair (M&R) and renewal and replacement (R&R) expenditure requirements per Board of Regents. Please report FY09 operating and capital expenditures for M&R and R&R support; FY10 budgeted operating and capital commitment for M&R and R&R; and the FY10 and FY11 annual calculated need for M&R and R&R. Comments should include the major projects funded with those funds in FY09, and expected to be funded in FY10 and FY11. If specific equipment or maintenance costs are funded through the capital budget in FY11, how will that affect the FY11 operating plan?
  - 2) Provide a status of all active capital accounts.
  - 3) Specify and quantify (to the best of your ability) major cost savings and efficiency actions/efforts taken to date in FY10, and any additional actions anticipated through year end. Identify whether these actions generate one-time or ongoing savings and the projected amount.

2 hrs FY11 Conditions/Distributions

- What are your MAU conditions and anticipated operating assumptions?
- FY11 distribution and relative impact to your MAU.
- Provide a brief update on FY10 projected final performance for common system measures, including non-credit instruction, and actively managed MAU strategy measures, focusing on strategies implemented and review of FY11 performance targets given environment and progress on planned strategies.
- What criteria will be used to create and distribute the two percent general fund reallocation and performance funding pool within your MAU?

2 hrs FY12 Budget and 3-5 year Planning Horizon

- Chancellor will present expected outcomes 1-2 page summary submitted as part of the FY12 budget planning process to include quantitative impacts on primary performance measures as well as MAU strategy measures.
- Discussions will focus on:
  - Recognizing your MAU's priorities and compelling advantages particularly those that align most directly to the Systemwide Priorities, system performance goals, and BOR strategic plan goals.
  - MAU specific program needs outside of the systemwide priorities and MAU fixed cost needs.
  - Identify planning assumptions, environmental scan, key internal and external conditions
- MAU Campus Master Plan and 6-year Capital Plan
  - Report status of MAU and Community Colleges campus master plans; indicate expected schedule for review and update of these plans.
- Discuss your MAU's method for monitoring and controlling space allocation. What efforts are made to increase space utilization for rooms in the master schedule and for those controlled by departments? Identify your MAU's optimization target for space utilization.
- Discuss your MAU's 3-5 year planning horizon addressing , as specifically as possible, facilities/IT, students changes, academic programs, research emphasis, faculty/staff impact, and key performance measure targets/goals. Include any planning tools your MAU is using (i.e. UAA's Strategic Resource Allocation).

Presentations should be by the chancellor, provost or vice-chancellor. Please invite appropriate leadership you want in the room to attend. Sufficient time should be included within the presentation for discussion. One discussion item to be considered for future reviews is using these reviews to focus in depth on a single or maybe two specific areas such as personnel costs, the value of early retirement incentives, etc.

The information prepared for this review has become a valuable reference. In addition to the management and operating review information, please be sure to include copies or preferably web links to your MAU strategic plan, campus master plan, and academic, enrollment, and research plan documents. Similar to last year, one week prior to the scheduled visit, please provide 15 copies of the information requested to Michelle Rizk, Statewide Planning & Budget, P.O. Box 755260, Fairbanks, AK, 99775-5260 (907.450.8182 /michelle.rizk@alaska.edu). In addition to the paper copies, please send an electronic copy as well.

cc: Provost Driscoll, Henrichs, Stell  
Vice Chancellor Spindle, Pitney, Griffin  
SW Executive Staff



UNIVERSITY  
*of* ALASKA  

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*Many Traditions One Alaska*

December 11, 2009

To: Vice Chancellors Spindle, Griffin, and Pitney  
From: Myron Dosch, Controller  
Subject: FY10 Spring Management Report Meeting

On behalf of President Hamilton, the questions for the spring management report reviews follow. The first seven questions should be covered at the March Business Council meeting, while all of the questions should be covered in a summarized manner at the April Operational Reviews. Many of the questions should be answered during the preparation of your regular management reports. Using the management reports submitted for the period ended January 31, 2010, please cover the following topics:

1. Carryforward analysis – What is the anticipated carryforward for FY10? What is the projected unrestricted carryforward (i.e. not including recharges) as a percent of unrestricted and restricted revenues? What are the primary factors influencing the projected balance? What is the plan to expend the carryforward? Discussion of how the plan was developed and projects/expenditures were prioritized.
2. FY10 budget building process and status – FY10 budget distribution challenges or flexibility. Was carryforward used to balance the FY10 budget? Any additional flexibility created through new revenue or reduced expenditure requirements? Discussion of each revenue source and projections through year-end. Discussion of expenditures by allocation and program.
3. Management of contingencies - What contingency level is built into the initial budget load? How is this managed throughout the year? As additional funding becomes available during the year, through salary savings, additional tuition, etc., what process do you use to allocate those funds? How much additional funding have you had this year? At what point in the fiscal year did you become aware of the additional funding? How does the amount and timing compare to previous years? How are you allocating these funds this year? How are your extended sites included in the allocation process? Describe your progress in accumulating the 2% of unrestricted revenues flexibility for priority internal reallocation.

4. FY10 initiative and initiative pool, SB137 status - Describe how pool funds and SB137 funds are being monitored, and expectations of ability to spend by the end of the fiscal year. Identify those pool projects that are not progressing as planned and dollar amounts that may be unexpended at year end.
5. Specify debt strategies and plans – What projects are you anticipating needing debt financing? When would debt service payments begin? What would be the source for paying debt service? Discuss why debt is a necessary or desirable funding source.
6. FY11 initial budget analysis – Discuss status of FY11 budget analysis. Do you anticipate a certain amount of carryforward from FY10 necessary to balance the FY11 operating budget?
7. Grants and Contracts Accounts Receivable (A/R) analysis - For purposes of this question, A/R includes those from grants and contracts only. Please report the trend of these A/R balances for the three years ending December 31, 2009. Use quarterly data points, or more frequent if you desire. What caused changes in the balances? How has the grants and contracts A/R balance changed for the last three fiscal years as a percent of total grant and contract revenue (federal, state, local and private)? What efforts have been taken to reduce receivables?
8. Report on maintenance and repair (M&R) and renewal and replacement (R&R) expenditure requirements per BOR policy. Please report FY09 operating and capital expenditures for M&R and R&R support; FY10 budgeted operating and capital commitment for M&R and R&R; and the FY10 and FY11 annual calculated need for M&R and R&R. Comments should include the major projects funded with those funds in FY09, and expected to be funded in FY10 and FY11. If specific equipment or maintenance costs are funded through the capital budget in FY11, how will that affect the FY11 operating plan? (Operational Review Only – April)

Let me know if you have questions or comments prior to the meetings. Thanks for your help and I look forward to learning more about your challenges and opportunities.

cc: Hamilton, Redman, Rogers, Ulmer, Pugh, Hyde, Orley, Harings, White, Trubacz, Harrington, Roberts, Danielson, Baldwin, Rizk