University of Alaska
FY10 Operating Budget Request Summary
(in thousands)

<table>
<thead>
<tr>
<th>Item</th>
<th>State Appropriation</th>
<th>Receipt Authority</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY09 Operating Budget</td>
<td>313,107.1</td>
<td>525,007.6</td>
<td>838,114.7</td>
</tr>
</tbody>
</table>

FY10 Operating Budget Request Items

- **Adjusted Base Requirements**
  - Compensation Increases: 9,098.4
  - Additional Operating Cost Increases: 8,359.4
  - Total: 17,457.8

- **Priority Program Enhancement and Growth**
  - Health Programs: 3,073.2
  - Additional Operating Cost Increases: 8,359.4
  - Total: 11,866.5

- **Total FY10 Increment Request**: 29,324.3

- **Operating Budget Adjustments**: 2,957.5
- **Total FY10 Operating Budget Request**: 342,431.4

- **FY10 Capital Budget Request**: 541,775.0

- **Compliance/Business Efficiency Solutions**: 10,000.0
- **Alaska Education Policy Project**: 700.0
- **New Facilities Planning & Design**: 47,300.0
- **UAF Alaska Region Research Vessel**: 100,000.0
- **FY10 Project and Equipment Requests**: 143,150.0
- **Total FY10 Capital Budget Request**: 541,775.0

**Percent Change FY09 Received to FY10 Request**
- **9.4%**
- **5.1%**
- **6.7%**

**FY10 Project and Equipment Requests**

- **Energy Projects**: 20,950.0
- **Climate Projects**: 21,500.0
- **Alaska Education Policy Project**: 700.0
- **University Equipment Refresh (administrative & academic)**: 90,000.0
- **Compliance/Business Efficiency Solutions**: 10,000.0
- **Subtotal - FY10 Project and Equipment Requests**: 143,150.0

**University of Alaska FY10 Capital Budget Request Summary**

- **State Appropriation**: 305,000.0
- **Receipt Authority**: 414,525.0
- **Total**: 719,525.0

**Subtotal - FY10 Capital Budget Needs**

- **Maintaining Existing Facilities & R&R Annual Requirement**: 50,000.0
- **UAF Life Sciences Innovation and Learning Facility**: 82,195.0
- **UAQ Auke Lake Way Campus Entry Improvements & Road Resign**: 4,130.0
- **UA Sports Arena**: 65,000.0
- **New Facilities Planning & Design**: 47,300.0
- **Reducing Major R&R and Deferred Maintenance Backpack**: 150,000.0
- **UAF Alaska Region Research Vessel**: 100,000.0
- **Federal Receipt Authority**: 15,000.0
- **Subtotal - FY10 Facility Capital Needs**: 398,625.0

**University of Alaska Compared to Western States**

- **U of A**:
  - State Appropriation to Higher Education: 9.8%
  - State Grant Aid per Student: $28
  - Ratio: Instruction Expenditures per Student FTE: $9,373
  - 2-year, 4-year and Graduate Institutions: $6,545
  - 4-year and Graduate Institutions only: $9,813
  - Ratio: Appropriation per Student FTE: $14,090
  - 2-year, 4-year and Graduate Institutions: $7,073
  - 4-year and Graduate Institutions only: $15,613
  - Staff per 100 FTE Students: 13.9
  - Research Generated per Faculty: $1,734,734

- **WICHE**:
  - State Appropriation to Higher Education: 11.6%
  - State Grant Aid per Student: $416
  - Ratio: Instruction Expenditures per Student FTE: $118,734
  - 2-year, 4-year and Graduate Institutions: $54,283
  - 4-year and Graduate Institutions only: $97,913
  - Ratio: Appropriation per Student FTE: $218,523
  - 2-year, 4-year and Graduate Institutions: $70,973
  - 4-year and Graduate Institutions only: $156,133
  - Staff per 100 FTE Students: 12.9
  - Research Generated per Faculty: $1,007,734

**Bottom Line**: Students, parents, employers, alumni and citizens support the UA system.

**Funding Analysis Comparison**

**University of Alaska Compared to Western States**

**Bottom Line**: UA instructional costs and state appropriations, per student, are in line with our Western neighbors.

**Strengthening Alaska’s Economy**

- The University of Alaska leaves an economic footprint in the state of nearly $1 billion annually, including:
  - Direct and indirect payroll
  - Student and visitor spending
  - And millions in goods and services paid to 1,200 Alaska businesses in 70 communities

- Nine out of 10 recent high school graduates rate the quality of education at UA as good or very good, a dramatic improvement since 1999.

- UA research brings over $150 million to the state each year, employing nearly 2,400 people and has a total payroll of $92 million. Future growth in UA research will require a state investment in new facilities.

- Charitable donations to the UA Foundation reached a record $31 million in FY08, with nearly 6,450 people, businesses and foundations supporting the university’s programs, scholarships and students.

- UA now attracts 63 percent of college-bound high school graduates in Alaska, up from 45 percent in the mid-1990s.

**UA Facilities Need Investment**

- UA requires annual capital funding of $50 million for major renewal and renovation (R&R), plus an additional annual investment to begin addressing the R&R backlog known as “deferred maintenance.”

- This investment is in addition to operating funds UA dedicates each year ($31 million in FY09) to maintain 400 buildings – 6.7 million square feet across the state.

- When capital R&R funding falls below $50 million annually, UA’s maintenance backlog grows.

- Every year, UA’s highest priority capital budget request is major R&R. Since FY2000, UA’s annual request has averaged $75 million. State appropriations have averaged $16 million.

- UA’s R&R inventory now exceeds $800 million – a critical level.

**FY08 REPORT CARD**

- **High Demand Job Area Degrees Awarded**: Up 1%
- **First-Time Full-Time Undergraduate Retention**: Up 9.5 points
- **Student Credit Hours**: Up 14%
- **Grant-funded Research Expenditures**: Up 97%
- **University-Generated Revenue**: Up 90%
Bottom Line: In only four of the last 20 years have general fund increases covered the salary and fixed cost obligations and allowed for state-funded program growth.

UA's Impact on Alaska

- Completion of at least one workforce training course at UA leads to an average 18 percent increase in earnings.
- The UA Scholars Program keeps young Alaskans in state. More than 4,250 Scholars have enrolled since 1999, earning more than 1,200 degrees and certificates to date. More than 90 percent of them stay in Alaska to work, raise families and contribute to the economy.
- New Occupational Endorsement and Workforce Credential tracks are tailored toward non-traditional students who have a specific career goal, like a promotion.
- UA freshmen in baccalaureate engineering programs have doubled since 2004, with a 30 percent increase in the last year. State labor economists predict strong employment opportunities in engineering and related fields.
- UA graduates in health programs have increased over 20 percent in the last five years. The latest enrollment figures, at nearly 3,450 students, are up an incredible 86 percent since 2000. Health-care workers are highly sought for employment, with demand even higher in rural Alaska.

Budget Request

And Performance Summary

FY 2010

UA Request Compared to Actual Appropriation

<table>
<thead>
<tr>
<th>FY</th>
<th>UA Requested GF* Increase</th>
<th>State Appropriated GF* Increase</th>
<th>Salary and Fixed Cost Obligations</th>
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<tbody>
<tr>
<td>$000's</td>
<td>$000's</td>
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<tr>
<td>2000</td>
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<td>Total</td>
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* GF includes GF/MHT/TVEP/ASTF/BLic
** Includes extraordinary PERS/TERS retirement increases for FY95 $8.8m GF; FY96 $6.9m GF; FY07 $7.9 m GF

Where We Could Be: If state funding increased at the average for Lower 48 public universities
Where We Should Be: If state participation was adjusted for inflation (CPI)
Where We Are: Nearly $24.6 million is consumed by extraordinary increases in state retirement