

Pat Pitney, Vice President
(907) 450-8191
(907) 450-8181 fax
pat.pitney@alaska.edu



Planning & Budget
PO BOX 755260
910 Yukon Drive Ste. 108
Fairbanks, AK 99775-5260

TO: Chancellor John Pugh
Chancellor Steve Jones
Chancellor Fran Ulmer

FROM: Pat Pitney, Vice President

SUBJECT: MAU Financial and Performance-Based Budgeting (PBB) Review Guidelines

The 2007 MAU Financial and Performance-Based Budgeting Review dates are listed below. The reviews will be scheduled for four hours with two hours reserved for the financial review and two hours for the Performance-Based Budgeting review. Access via video conference will be available for additional Statewide and MAU off site participants as well as the option for other MAU interested individuals to observe.

UAS	Oct. 18	8:30 am – 12:30pm
UAF	Oct. 25	8:30 am – 12:30pm
UAA	Oct. 30	8:30 am – 12:30pm
SW	Nov. 9	12:30 pm –4:30pm

The financial review section (Attachment 1) should highlight alignment with strategic choices as well as specific fiscal issues facing your MAU.

As previously mentioned, two hours will be reserved for the PBB review. Keep in mind your Performance-Based Budgeting analyses (with strategy, goals, and targets) will be due September 28th. These documents will serve as background for these discussions. Significant alignment between the strategic direction outlined in your performance report and your presentations is expected. Approximately 10 minutes should be spent discussing each of the seven performance measures. The remaining time will be spent highlighting strategies that worked and did not work. Additionally, there will be targets and goal setting discussions focusing on what subcategories (i.e. F&A rate impact) the targets and goals are most dependent on to reach the goals.

The information prepared for this review has become a valuable reference. Similar to last year, one week prior to the scheduled visit, please provide eight copies of the information requested to Tabitha Johnson, Statewide Planning and Budget, P.O. Box 755260, Fairbanks, AK, 99775-5260 (907.450.8182 / tabitha.johnson@alaska.edu). In addition to the paper copies, please send an electronic copy as well.

Please let me know if you have any questions.

cc: President Hamilton	Joe Trubacz	Dan Julius	Fred Villa
Ro Bailey	Myron Dosch	Mike Driscoll	Steve Smith
Carol Griffin	Jim Lynch	Robbie Stell	Beth Behner
Bill Spindle	Michelle Rizk	Susan Henrichs	Karen Perdue
Jim Johnsen	Gwen White	Saichi Oba	Wendy Redman

Attachment 1 ---- Finance, Facilities, Administrative Review Instructions:

Financial reporting will be based on the S report definitions and totals (FBB2SBD tables in RPTS public). Unit level reporting is available from SW Budget and Institutional Research at <http://www.alaska.edu/swoir/publications/ulr/main.xml> or, you may use school/college level reporting consistent with the S report.

As you identify significant changes that can be explained by accounting difference - adjust for the accounting differences so that the schedule shows a normalized view of the information (i.e., tuition revenue with discounting verses gross tuition revenue) then provide a brief explanation of the changes and significant findings.

Section 1-- Expenditure and Revenue Trend Reports

- A. Five-year trend and one-year changes in revenue by source, fund, MAU, and Campus. Note significant trend and one-year changes.
- B. Five-year and one-year changes in non-general fund revenue by unit (School/College/Institute/Division). Note significant trends and one-year changes and provide a brief explanation of the programmatic activity generating the trend/change.
- C. Five-year trend and one-year changes in general fund/state appropriation authorized budget and actuals by allocation with explanation of the changes in actuals and the differences between authorized budget and actuals.
- D. Five-year trend and one-year changes in expenditures by NCHEMS and Fund Type for the MAU and campus level noting significant changes. Although outside of the five-year trend, note how the following percentages have changed since FY99.
 - Instruction expenditures relative to total
 - Student services expenditures relative to total
 - Research expenditures relative to total
 - Public Service expenditures relative to total
 - Academic support relative to total
 - Institutional support relative to total
 - Physical plant relative to total
- E. Five-year trend and one-year changes in expenditures by major account code and fund for the MAU and campus level noting significant changes. Please note MAU and campus authorized budget vs. year-end actuals by major account code and explain variances that exceed 3%.

Section 2 - Revenue Projections

- A. Provide projections for University Receipts, State RSAs, Federal Receipts, Indirect Cost Recovery and Tuition for FY08 and FY09 by MAU. Note units where significant change (increase or decrease) is expected. Using information prepared in previous financial reviews, compare FY05, FY06, and FY07 projections by revenue source to actuals to give an idea of the accuracy of previous projections.

Section 3 - Auxiliary and Recharge Schedule

- A. Use the same format as last year to report on auxiliary and recharge operations. Highlight any significant changes, areas of concerns, and trends of lowering fund balances.
- B. Provide a three-year trend of housing capacity by building and occupancy. Note buildings that are off-line and why, and the effect of any configuration changes on capacity and occupancy.
- C. Note any MAU plans to internally fund growth of auxiliary or recharge operations.

Section 4 - Process for Requesting and Distributing Contingency and/or Reallocated Resources

- A. Report five-year trend and one-year changes of carry forward by allocation and fund. Identify units that contribute significantly to the carry forward amount. Discuss how the carry forward is managed. Provide an initial estimate for the FY08 carry forward. What can you do to better predict FY08 carry forward in the March/April estimate?
- B. Discuss your MAU's plan to accumulate the FY08 and FY09, 2% available funding target for priority internal reallocation. Specifically, what programs have been reduced to garner funds for reallocation?
- C. Report the use of FY07 contingency, including carry forward. Report the FY08 planned contingency and any pending issues.
- D. Describe the process used to determine how requests are forwarded and reviewed for consideration of contingency/reallocation of resources. Note how community campus requests are forwarded and considered and how many community campus requests are currently being reviewed.
- E. Report the net amount of contingency/reallocation invested in community campuses each year FY04 to FY08
- F. What areas were impacted by the FY08 systemwide forced reallocation for fixed costs and priority program investments?

Section 5 -- Facilities and IT Issues

A. The FY09-FY14 capital budget request will likely include \$1 billion in construction and major renovation projects. State funding for UA's capital project priorities averaged \$39.7 million annually in the nine year period 2000 to 2008. Since 2000, UA has received \$357.5 million of state funds for capital priorities; with nearly one-third being received in FY07. Therefore, meeting many priority capital needs through non-traditional funding mechanisms is being pursued (non-traditional includes – bond, federal capital grant, foundation gifts, partnerships, etc.). Briefly review your MAU projects that are included in the draft FY09 capital request that will be funded in-full or in-part by non-state funding source. Address your plans to secure the necessary revenue sources.

Question B will alternate from fiscal year to fiscal year with question B this year and question B.2 next year.

B. What steps have you made or intend on making to improve the facilities aspect of the F&A rate?

B.2 Significant detail regarding utilization of current space and future programmatic space needs is necessary to support a capital funding request. Address instances where the MAU has significantly modified facility use to accommodate priority discipline space needs. List priority discipline space constraints that cannot be met through modifying use of existing facilities and anticipated action. Also, please provide the following information for the main campus.

- Number of classrooms:
- Classroom space as a percent of total:
- Percent of classrooms scheduled by hour and day of week for this fall semester:
- Percent of classrooms filled to 75% of capacity by hour and day of week:
- Number of instructional labs:
- Instructional lab space as a percent of total:
- Percent of labs scheduled by hour and day of week for this fall semester:
- Percent of labs filled to 75% of capacity by hour and day of week:

Be prepared to provide, upon request, back-up information at the room/lab level.

C. Provide a listing of construction in progress (projects over \$250K) and detail important issues

D. Lease, Joint Use, Debt and Rental:

1. As part of the capital budget process, your MAU submits a list of current leased properties, with corresponding annual payments and terms. Please review this list and provide the following information:
 - a. What percentage of total MAU utilized space is leased?
 - b. What are the actions planned for those leases that expire in the next 24 months?
 - c. Provide a listing by building and space of MAU owned space leased to a third party. What percentage of total MAU owned space is leased to a third party?
 - d. What are the actions planned for these leases that expire in the next 24 months and what new efforts are planned to lease out additional space?
 - e. Provide a list of non-UA owned and non-UA occupied facilities/space that are situated on your MAU educational property.

E. Provide an annual listing of all debt payments (by building/project/vehicles/equipment) and the term of the debt (FY07 to FY17). Include new debt payments projected through FY12 based on your MAU's master plan and projects in the six-year capital plan.

F. Address new opportunities and review issues that pertain to joint use, collaborative, non-UA buildings on campus, and other partnerships and creative solutions (examples include UAS Joint Readiness Facility, UAF Cold Climate Housing Research, State Virology Lab, etc.)

G. IT infrastructure: describe any significant IT infrastructure issues your MAU addressed in FY07 and planned projects in FY08 and FY09. How do MAU IT investments reflect alignment with MAU strategic plans and PBB goals? Is there a plan in place, including funding, for renewal and replacement of core administrative and academic IT infrastructure? Are the community campuses included in this plan? What is the plan for adoption, including training, for the ACAS and other systemwide automation services being introduced (such as digital document delivery and MyUA).

Section 6 - Human Resources

A. Address staffing changes at your MAU from FY99 to FY07, highlighting any expected changes in FY08. Statewide Human Resources will provide for you headcount data for regular employees (including term positions) at the school and college level by September 18th. The trend data provided will include FY99, FY04, FY06 and FY07.

B. Address programmatic and administrative positions that are difficult to recruit for and what is being done to improve recruitment efforts.

State Budget Narrative Reminder:

As these review presentations are being developed, keep in mind that each campus and MAU must provide operational narratives in conjunction with UA's budget submission to the Governor (referred to as "ABS narrative" (Alaska Budget System)). To the degree that the ABS narratives and the fall reviews are coordinated, the ABS narrative will be easier to develop than in past years. The topics required for the ABS narrative include:

- Contribution of the campus/MAU to UA's mission (Referred to in 'ABS' as **Contribution to Dept Mission**)
- Core services of the campus and MAU (**Core Services**)
- Strategic and/or primary campus and MAU activities (**Activities**)
- Significant challenges facing the campus and MAU (**Key RDU Challenges**)
- Provide the results on UA PBB measures as well as campus and MAU based measures (**Changes in Results Delivered**)
- Describe the accomplishments the campus and MAU is celebrating. To the extent these accomplishments are in the context of UA's PBB measures or accepted campus measures, it will add additional credibility (**Accomplishments**)
- What specific actions and strategies are planned (**Goals/Strategy**)