



U N I V E R S I T Y
o f A L A S K A

Many Traditions One Alaska

UA Performance

Board of Regents
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Fairbanks, Alaska

Prepared by Statewide Planning & Institutional Research
450-8180

Table of Contents

Performance Evaluation

Introduction.....	1
Performance Measure Highlights	2
Draft Program Maintenance Scenario FY11 – FY22	7

This document provides an overview of recent performance and future expectations for key measures. The information presented here has been updated to reflect President Gamble's FY13 budget recommendations to the Board of Regents as of October 13, 2011. Initial UA performance evaluations were submitted to the Governor's Office of Management and Budget. Later refinements will be made to reflect any subsequent changes to Board of Regent's approved FY13 budget request and the Governor's proposed FY13 budget.

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. Performance impacts are a key consideration in the development of the budget request and distribution recommendations, and the long-range fiscal and performance plan. The university currently utilizes five common, system wide performance measures, referred to as "End Results" by the State of Alaska, including: high demand job area program awards, graduation rate, student credit hour enrollment, grant-funded research expenditures, and university generated revenue. The level of non-credit instructional activity has been tracked at the system level for several years and is now reported as an indicator measure of overall instructional activity.

As part of the annual budget request cycle, each MAU submits an in-depth assessment of recent performance, in the context of UA and MAU mission, strategies, and established expectations. In addition, each MAU proposes and/or updates the targets and goals for the upcoming ten-year period. The president and each chancellor agree on appropriate targets and goals for each MAU. Throughout the year MAUs monitor the impact of implemented strategies and operating condition changes on performance and adjust strategies as needed to meet, or understand the difference between results and targets.

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

Recent performance trends as well as future targets and goals for UA's common, system wide performance measures are provided in the graphs starting on page 2, followed by a brief discussion of each measure.

Performance Measure Highlights

A discussion of FY11 performance for each of the six common, system wide End Result measures follows. For more detail and historical activity on each End Result measure and supporting Strategy performance measures, see: <http://www.alaska.edu/swbir/performance>.

High Demand Job Area Completions



The University of Alaska awarded 172 (6 percent) more degrees, certificates and occupational endorsements in high demand job area (HDJA) programs in FY11 than FY10 for a total of 2,895 HDJA awards, exceeding the FY11 target of 2,774 awards. The university must average a roughly 3 percent annual increase to achieve the existing goal of 3,390 HDJA awards by FY17.

MAU Comments:

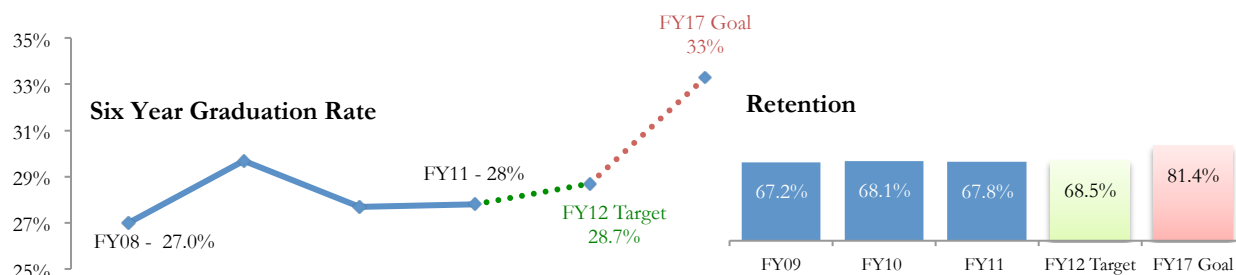
UAA awarded 1,775 degrees, certificates, and occupational endorsements in high-demand job area (HDJA) programs in FY11, a 6.9 percent increase over FY10 and a 14 percent increase from FY07. The gain of 114 high demand awards over FY10 represents the largest annual increase during the past 10 years. High Demand Job awards now comprise 76 percent of all awards produced by UAA.

UAF awarded 727 HDJA degrees, certificates, and occupational endorsements in FY11, a six percent (48 award) decrease from FY10. FY10 awards were unusually numerous, including some awards that were delayed from FY09. So, a decrease in FY11 was expected.

UAS awarded 393 degrees, certificates and occupational endorsements in HDJA in FY11, which was a 37 percent (106 award) increase from FY10 and exceeded the target level set for FY11 of 300 awards. With an additional eleven existing programs being added as high demand job areas, 83 percent of all UAS degrees and certificates awarded are now classified as HDJA. Future growth is expected to be moderate.

Although growth on this measure is expected to continue, recent performance demonstrates a relative plateau, due in part to some programs reaching capacity. Another factor impacting this measure is the additional time required for many students to successfully complete preparatory math or other coursework in addition to the standard course requirements of each academic program. To maintain the expected level of performance, it will be necessary to continue focusing resources over time.

Student Success: First-Time, Full-time Baccalaureate Degree-seeking Freshman



The six-year graduation rate for baccalaureate degree-seeking first-time freshmen at UA in FY11 was 27.8 percent, remaining similar to the FY10 performance level.

MAU Comments:

UAA had a first-time full-time baccalaureate degree-seeking freshmen six-year graduation rate of 25.2 percent in FY11, which was a 2 percent decrease from FY10. In this first year of reporting on this multi-faceted metric, UAA established a benchmark. A campus-wide team has been formed to research and address completion and graduation rates during FY12. UAA needs to better understand performance in this area and what is required to improve policies and systems.

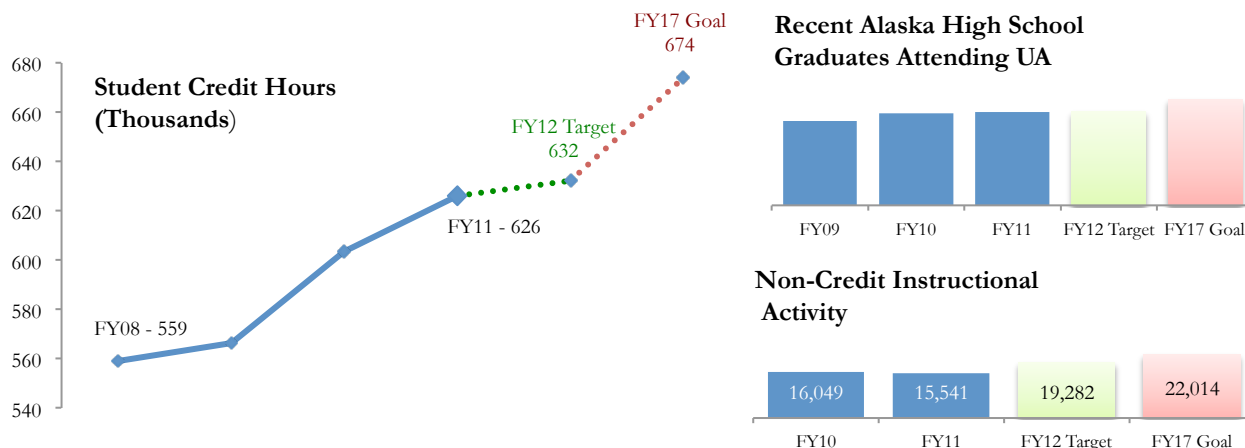
The FY11 six year graduation rate for first-time full-time baccalaureate degree-seeking freshmen at UAF was 31.7 percent, a 4 percent decrease from the FY10 performance level of 33.0 percent. UAF began a concerted effort to increase baccalaureate student graduation rates in FY08, by increasing the baccalaureate admission standard and instituting mandatory course placement for many 100-level courses. The latter process was not completed until FY09. UAF has also instituted supplemental instruction (FY08), DegreeWorks as an advising aid (FY10), and elective first-year seminars (FY11). Measures taken in FY08 will only affect six-year graduation rates in FY14 and after. The APS and AlaskaAdvantage Scholarships begun in FY12 should have a positive effect on graduation rates, but will mainly impact FY16 and beyond. A major challenge in improving performance on this metric is the long lag between actions and effects.

UAS had a first-time full-time baccalaureate degree-seeking freshmen six year graduation rate of 28.9 percent in FY11. Improvements in reviewing and implementing a 6-year course sequence during FY11 are expected to contribute to a 14 percent increase. According to the McDowell Group's 2009 report, "University of Alaska Southeast Student Retention Study", 79 percent of those students who were likely or very likely to transfer cited course scheduling issues. UAS has also implemented mandatory advising for first-year students in addition to students on academic probation. A survey of 24 schools with a mandatory advising policy indicates that these schools enjoy an average 54 percent six-year graduation rate (M. Turgeon, 2007, "University Advising Models Best Practices", Winona State University). These strategies will further progress toward meeting the average rate enjoyed by our IPEDs peers by FY17, and the 55 percent average rate for 4-year institutions by FY22.

Across the nation and in Alaska, the issue of college and career readiness has become a focal point for higher education. The job landscape has changed such that individuals must be able to succeed at some form of post-secondary education in order to succeed and advance

economically. UA will continue to work collaboratively with K-12, employers, and others to address these issues in the short and long-term.

Student Credit Hours



FY11 student credit hours (SCH) delivered by the University of Alaska reached an all time high of 626,100 SCH, well above the target level set for FY11 of 622,250 SCH delivered.

MAU Comments:

The 378,721 student credit hours delivered by the University of Alaska Anchorage in FY11 were a 4 percent increase from FY10 and surpassed the target performance level set for FY11 of 375,840.

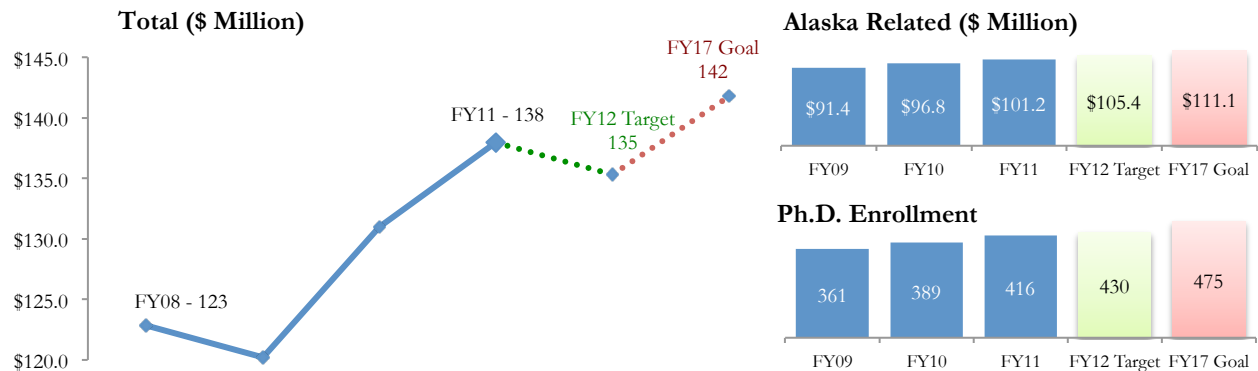
The 189,675 student credit hours delivered at UAF in FY11 were a 3 percent increase from FY10, although below the target performance level set for FY11 of 191,000.

The 57,656 student credit hours (SCH) produced at UAS in FY11 were a near 7 percent (3,542 credit hour) increase from FY10 and exceeded the target level set for FY10 of 55,410 SCH.

The University of Alaska is forecasting continued growth on this metric primarily resulting from the current economic situation driving more individuals to post-secondary education. Without corresponding state support, UA will be challenged to meet any dramatic long-term increases in demand. Projected growth is also in anticipation of positive results stemming from UA's strategic investments in student recruitment, student success, workforce development and the addition of new academic programs. Achieving this growth may be a challenge due to external conditions, such as an anticipated decrease in the number of recent Alaska high school graduates over time.

Non-credit instruction activity serves as an indicator of overall instructional activity. Each MAU reported on NCU baseline performance for the second year in a row, and have indicated that additional data entry process refinements are in progress to improve data quality going forward.

Grant Funded Research Expenditures



University restricted research expenditures totaled \$138.0 million in FY11, which was a 5 percent (\$7.0 million) increase from the FY10 performance level, surpassing the target level set for FY11 of \$125.3 million.

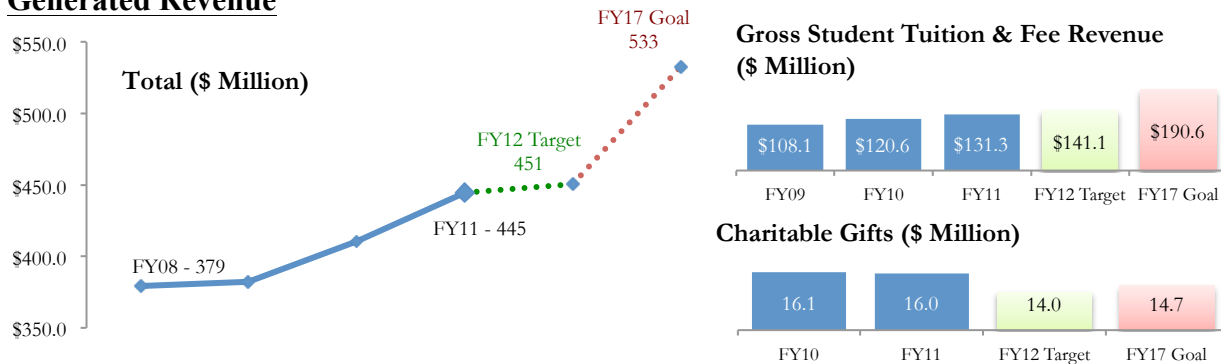
MAU Comments:

The \$13.0 million in restricted research expenditures at UAA in FY11 marked a 13 percent increase (\$1.5 million) from FY10 and well above the target set for FY11 of \$11.4 million.

Grant-funded research expenditures at the University of Alaska Fairbanks totaled \$124.0 million in FY11, which was a 5 percent increase from FY10 and exceeded the target performance level set for FY11 by \$11 million. The federal deficit reduction efforts are very likely to impact the availability of both competitive and non-competitive research funding, and so it is likely that research expenditures will decline over the next year or two.

Grant-funded research expenditures at the University of Alaska Southeast totaled \$1.0 million in FY11, decreasing from FY10 by almost 32 percent (\$0.5 million). Recent turnover among faculty members at UAS has corresponded with a decrease in research activity. With seven new faculty members in the School of Arts & Sciences with research assignments and two staff positions supporting the procurement of research grants, UAS anticipates steady and increasing growth in research activities.

Generated Revenue



In FY11, University of Alaska revenue generated from non-state funds was \$444.6 million, representing an 8 percent (\$34.2 million) increase from the FY10 level of \$410.4 million. This performance exceeded the established target set for FY11 of \$416.3 million.

MAU Comments:

UAA's \$160.9 million in university-generated revenue was eight percent higher than the projected \$148.2 million target set for FY11, in part because of a correction in how the American Recovery and Reinvestment Act (ARRA) or stimulus funds were reported. These funds were initially reported in the capital side, but are now reported on the operations side. These funds will continue to boost revenues for the next two years. This is reflected in adjusted targets for the next 10 years. UAA projects that student tuition increases—both increases in the tuition rate and increased student credit hours—will be a primary engine of growth in this metric once the ARRA funds are exhausted.

The University of Alaska Fairbanks generated \$243.5 million in non-state funds in FY11, which was an 8 percent increase from FY10, and exceeded the performance level target set for FY11 of \$225.0 million. University generated revenue was higher than expected due to several factors: increased research revenue (rather than the anticipated decrease), the one-time risk refund, and increased enrollment, tuition and fees were major factors. UGR and its trends are largely dependent on research and tuition and fees revenue streams, so the factors affecting UGR can be found in discussions of those metrics.

The \$21.9 million of non-state revenue generated at UAS in FY11 was a 6.7 percent increase from FY10, although below the performance target set for FY11. University generated revenue has increased an average three percent per year over the last several years, due primarily to tuition rate increases and a sizable increase in student credit hours for FY11. However, restricted fund revenue is and has been on a downward trend since FY08. Future challenges are slow expected growth in restricted fund and research expenditures and potential decreases in federal Pell Grant funding.

Growth in university generated revenue is expected to be moderate due to modest increases in tuition revenue mitigated by the current financial market crisis, a more competitive federal funding environment, as well as challenges with other major external, temporary funding sources.

Draft Program Maintenance Scenario
Significant Assumptions for Revenue and Performance Goals
FY12 – FY22

Performance Goals:

- (1) Funding levels have a delayed impact on High Demand Job Area (HDJA) awards. HDJA awards will reach 3,390 by FY17, providing an additional 90 trained workers annually beyond the FY11 level of roughly 2,895 graduates. Growth between FY17 and FY22 in this scenario is mainly due to increased graduation rates rather than ongoing enrollment increases.
- (2) Student Credit Hours (SCH) will increase gradually from the FY11 level of 626,100 SCH through FY22, at an average annual growth of just over 1 percent, yielding approximately 9,000 student credit hours annually by FY22.
- (3) Grant Funded Research Expenditures will remain relatively constant over the long term.

Environmental Assumptions:

- (1) Population shifts due to the economic crisis or a gas pipeline are not considered.
- (2) The annual number of Alaska high school graduates peaked at nearly 8,250 in 2010. DEED estimates that this number will increase slightly from 2011 to more than 8,150 in 2012, followed by annual decreases averaging less than one percent through 2016. The number of estimated Alaska high school graduates in 2016 is roughly 7,880, about the same number of as in 2008.
- (3) Increased college preparation and student success efforts are required to offset declines in the number of high school graduates and create operational efficiencies. Due to implementation of the Alaska Performance Scholarship (APS) student enrollment growth is assumed at 1 percent.
- (4) The Federal funding environment will become increasingly more competitive.
- (5) Annual wage and benefit cost growth is assumed to average 3-4 percent and annual student tuition and fee revenue growth is assumed to be 5 percent.

**Table 1. University of Alaska
Draft Program Maintenance Scenario Summary
FY07-FY12, FY17 and FY22**

Revenue by Source (million \$)	FY07	FY12	FY17	FY22	Projected Average Annual % Change		
	Actual	Estimates	Projections	Projections	FY07-FY12	FY12-FY17	FY17-FY22
State Appropriations	285.2	355.1	424.5	489.5	4.5%	3.6%	2.9%
University Receipt Authority	238.5	278.7	354.9	438.4	3.2%	5.0%	4.3%
Federal Receipt Authority	119.1	134.5	153.5	163.6	2.5%	2.7%	1.3%
Other Receipt Authority	59.8	80.0	90.4	100.9	6.0%	2.5%	2.2%
Total Revenue	702.6	848.3	1,023.3	1,192.4	3.8%	3.8%	3.1%
Percent State Appropriations	41%	42%	41%	41%			
Performance Results							
High Demand Job Area Awards	2,505	2,939	3,390	3,872	3.2%	2.9%	2.7%
SCH Attempted (thousands)	558.1	632.2	674.3	723.7	2.5%	1.3%	1.4%
Research Expenditures (million \$)	126.5	135.3	141.8	152.5	1.4%	0.9%	1.5%

Note: Information shown here reflects a FY13 proposed maintenance level budget as of October 13, 2011.