UNIVERSITY of ALASKA

Many Traditions One Alaska

Performance Evaluation

Reference 2

Board of Regents
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Anchorage, Alaska

Prepared by Statewide Planning & Institutional Research
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University of Alaska
Preliminary Performance Evaluation
November 2010

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 final FY12 budget recommendations to the Board of Regents. Initial UA performance evaluations were submitted to the Governor's Office of Management and Budget. Later refinements will be made to reflect the Board of Regent's approved FY12 budget request and the Governor's proposed FY12 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 budget request and distribution recommendations, and the long-range fiscal and performance plan. The university currently utilizes six common, system wide performance measures, referred to as "End Results" by the State of Alaska, including: high demand job area program awards, student retention, student credit hour enrollment, non-credit instruction, grant-funded research expenditures, and university generated revenue.

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 five-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 is 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 table starting on page 2, followed by a brief discussion of each measure and a draft long term program maintenance scenario.

Table 1. University of Alaska Performance Results, Targets and Goals, FY06 - FY16

Note: The FY11 - FY16 targets and goals listed have been updated based on the President's proposed FY12 Budget request to the UA Board of Regents with the assumption of maintenance funding for UA's proposed FY12 operating and capital budget requests.

High Demand Job Graduates	FY06 Actuals	FY07 Actuals	FY08 Actuals	FY09 Actuals	FY10 Actuals	FY10 Target	FY11 Target	FY12 Goals	FY13 Goals	FY14 Goals	FY15 Goals	FY16 Goals
UAA	1358	1558	1549	1574	1661	1,632	1,714	1,800	1,890	1,985	2,084	2,110
UAF	727	741	731	652	775	775	760	820	880	910	940	970
UAS	198	206	259	237	287	272	300	310	320	330	340	350
Health	*677*	*732*	*772*	*710*	*816*	*830*	*809*	*841*	*929*	*953*	*982*	*996*
Baccalaureate Engineering	*85*	*72*	*81*	*94*	*148*	*110*	*159*	*192*	*207*	*220*	*234*	*248*
Engineering/Construction	*212*	*201*	*228*	*204*	*274*	*298*	*311*	*346*	*355*	*370*	*380*	*390*
High Demand Job Graduates	**2,283**	**2,505**	**2,539**	**2,463**	**2,723**	**2,679**	**2,774**	**2,930**	**3,090**	**3,225**	**3,364**	**3,430**
Percent Change from Prior Year	**9.2%**	**9.7%**	**1.4%**	**-3.0%**	**10.6%**		**1.9%**	**5.6%**	**5.5%**	**4.4%**	**4.3%**	**2.0%**

Note: To provide valid comparison trends, historical information is adjusted to reflect the programs currently classified as High Demand.

FTFT Undergraduate Retention	FY06 Actuals	FY07 Actuals	FY08 Actuals	FY09 Actuals	FY10 Actuals	FY10 Target	FY11 Target	FY12 Goals	FY13 Goals	FY14 Goals	FY15 Goals	FY16 Goals
UAA	64.4%	67.6%	66.7%	68.7%	70.2%	68.0%	68.0%	68.0%	68.0%	68.0%	68.0%	68.0%
UAF	63.4%	65.7%	63.9%	66.5%	66.7%	67.0%	69.0%	70.0%	71.0%	72.0%	73.0%	74.0%
UAS	66.0%	57.5%	51.8%	53.7%	57.5%	55.0%	59.0%	62.0%	63.0%	64.0%	65.0%	66.0%
Baccalaureate	*69.7%*	*73.0%*	*71.6%*	*73.4%*	*76.1%*	*75.6%*	*75.6%*	*76.7%*	*77.8%*	*77.8%*	*77.8%*	*77.8%*
Baccalaureate Scholars	*79.2%*	*79.6%*	*83.1%*	*85.2%*	*83.7%*	*87.0%*	*87.2%*	*87.5%*	*87.9%*	*88.0%*	*88.0%*	*88.0%*
Retention	**64.0%**	**66.1%**	**64.6%**	**67.2%**	**68.1%**	**68.0%**	**68.0%**	**68.5%**	**69.0%**	**69.5%**	**70.0%**	**70.0%**
Percent Change from Prior Year	**-1.7%**	**3.3%**	**-2.3%**	**4.0%**	**1.3%**		**-0.1%**	**0.7%**	**0.7%**	**0.7%**	**0.7%**	**0.0%**

SCH Attempted (Thousands)	FY06 Actuals	FY07 Actuals	FY08 Actuals	FY09 Actuals	FY10 Actuals	FY10 Target	FY11 Target	FY12 Goals	FY13 Goals	FY14 Goals	FY15 Goals	FY16 Goals
UAA	336	339	340	344	365	347	376	383	387	391	395	401
UAF	169	171	172	174	184	178	191	193	195	197	199	201
UAS	52	49	47	49	54	49	55	56	58	59	60	62
SCH Attempted	**558**	**559**	**559**	**566**	**603**	**574**	**622**	**632**	**640**	**647**	**654**	**664**
Percent Change from Prior Year	**0.3%**	**0.2%**	**0.0%**	**1.3%**	**6.6%**		**3.1%**	**1.6%**	**1.3%**	**1.1%**	**1.1%**	**1.4%**

Note: Figures include year-long courses.

Table 1. University of Alaska Performance Results, Targets and Goals, FY06 - FY16, Continued

Research Expenditures (Million $)	FY06 Actuals	FY07 Actuals	FY08 Actuals	FY09 Actuals	FY10 Actuals	FY10 Target	FY11 Target	FY12 Goals	FY13 Goals	FY14 Goals	FY15 Goals	FY16 Goals
UAA	13.7	10.3	9.3	8.5	11.5	7.8	11.4	10.2	9.5	8.2	8.2	8.2
UAF	115.3	115.0	111.5	110.2	118.0	109.0	113.0	104.0	105.0	111.0	119.0	121.0
UAS	0.8	1.2	2.1	1.5	1.47	1.5	0.9	0.9	0.9	0.9	1.0	1.0
Research Expenditures	**129.7**	**126.5**	**122.9**	**120.2**	**131.0**	**118.3**	**125.3**	**115.1**	**115.4**	**120.1**	**128.2**	**130.2**
Percent Change from Prior Year	**5.4%**	**-2.5%**	**-2.9%**	**-2.2%**	**9.0%**		**5.9%**	**-8.1%**	**0.3%**	**4.0%**	**4.0%**	**4.0%**

University Generated Revenue (Million $)	FY06 Actuals	FY07 Actuals	FY08 Actuals	FY09 Actuals	FY10 Actuals	FY10 Target	FY11 Target	FY12 Goals	FY13 Goals	FY14 Goals	FY15 Goals	FY16 Goals
UAA	117.7	122.1	127.2	131.9	145.8	139	148.2	154.1	155.3	157.1	159.2	162.2
UAF	204.4	210.5	210.9	212.5	224.9	220	225.0	222.0	229.0	241.0	255.0	263.0
UAS	20.0	19.3	19.7	19.5	20.5	21	22.6	23.9	26.2	27.8	29.9	31.8
SW	21.5	27.6	21.4	18.3	19.2	23	20.5	22.0	23.0	24.2	25.4	27.0
University Generated Revenue	**363.6**	**379.5**	**379.3**	**382.2**	**410.4**	**403**	**416.3**	**422.0**	**433.5**	**450.1**	**469.5**	**484.0**
Percent Change from Prior Year	**7.9%**	**4.4%**	**-0.1%**	**0.8%**	**7.4%**		**3.3%**	**1.4%**	**2.7%**	**3.8%**	**4.3%**	**3.1%**

Non-Credit Instructional Activity	FY09 Actuals	FY10 Actuals	FY10 Target	FY11 Target	FY12 Goals	FY13 Goals	FY14 Goals	FY15 Goals	FY16 Goals
UAA	6,537	10,197	9,000	10,434	10,372	10,851	11,330	11,808	12,500
UAF	2,732	4,246	3,000	5,000	5,500	5,500	5,500	5,500	5,500
UAS	1,604	1,606	1,730	2,045	2,107	2,128	2,149	2,170	2,192
Non-Credit Instructional Activity	**10,873**	**16,050**	**13,730**	**17,479**	**17,979**	**18,479**	**18,979**	**19,478**	**20,192**
Percent Change from Prior Year		**47.6%**		**8.9%**	**2.9%**	**2.8%**	**2.7%**	**2.6%**	**3.7%**

Performance Measure Highlights

A discussion of FY10 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 Program Degree, Certificate and Endorsement Awards

UA experienced a near 11 percent increase (260 awards) in HDJA program awards from FY09 to FY10. The target for FY11 awards is based on investments that have already been made in HDJA programs as well as the number of majors currently enrolled. Maintenance of, and increases beyond this level of HDJA degrees awarded, will require continued and consistent state investment in these program areas. The university must average a roughly 5 percent annual increase to achieve the existing goal of 3,430 HDJA awards by FY16.

MAU Comments:
UAA awarded 1,661 degrees in high-demand job area programs in FY10, which marked an increase of 5.5 percent over FY09, exceeding the FY10 target of 1,632 awards.

UAF awarded 775 degrees in high-demand job area programs in FY10, which was a 19 percent increase from FY09, equal to the performance level target set for FY10 of 775 awards.

UAS awarded 287 degrees in high-demand job area programs in FY10, which was a 21 percent increase from FY09, exceeding the target set for FY10 of 272 awards.

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.

Undergraduate Retention

The University of Alaska undergraduate retention rate reached an all time high at 68.1 percent in FY10, an increase of 1.3 percent from the FY09 performance level and above the FY10 target of 68.0 percent.

MAU Comments:
The UAA undergraduate retention rate was 70.2 percent for FY10, marking a 2.2 percent increase over FY09, exceeding the FY10 goal of 68.0 percent.

The UAF undergraduate retention rate was 66.7 percent for FY10, which was a 0.3 percent increase from FY09, although below the FY10 target of 67 percent.

The FY10 undergraduate retention rate at UAS was 57.5, which marked an increase of 7 percent over FY09, above both the FY10 and FY11 targets.

UA must increase undergraduate retention by an average of half a percent each year to meet the existing FY16 performance goal.

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

FY10 student credit hours (SCH) delivered by the University of Alaska totaled 603,000, well above the target level set for FY10 of 574,000 SCH delivered.

MAU Comments:
The 365,000 student credit hours delivered by UAA in FY10 were a 6 percent increase from FY09, surpassing the target performance level set for FY10 of 351,000

The 184,000 student credit hours delivered at UAF in FY10 were a 6 percent increase from FY09, exceeding the target performance level set for FY10 of 178,000.

Students at UAS attempted over 54,000 credit hours in FY10, which marked a 12 percent increase over FY09, exceeding the FY10 target of 49,000.

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 Instructional Unit Production

UA delivered nearly 16,049 non-credit instructional units (NCUs) in FY10. Each MAU reported on NCU baseline performance for the first time this year, 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 $131.0 million in FY10, which was a 9.0 percent ($10.8 million) increase from the FY09 performance level, surpassing the target level set for FY10 of $118.3 million.

MAU Comments:
Research expenditures at UAA totaled $11.5 million in FY10, which was a 35 percent increase from FY09, well above the target performance level set for FY10 of $7.8 million.

Grant-funded research expenditures at the UAF totaled $118.0 million in FY10, which was a 7 percent increase from FY09, exceeding the target performance level set for FY10 by $9 million.

Grant-funded research expenditures at the UAS totaled $1.5 million in FY10, remaining consistent with FY09 performance levels.

The University of Alaska is struggling with space constraints, and future growth in research is likely not possible without additional space.

University Generated Revenue

FY10 University of Alaska revenue generated from non-state funds was $410 million, representing a 7 percent ($28.2 million) increase from the FY09 level of $382 million. This performance exceeded the established target set for FY10 of $403 million.

MAU Comments:
UAA generated $145.8 million from non-state funds in FY10, which was an increase of 8 percent over FY09, exceeding the target of $139 million set for FY10.

UAF generated $224.9 million in non-state funds in FY10, which was a 6 percent increase from FY09, exceeding the performance level target set for FY10 of $220 million.

UAS generated $20.5 million from non-state funds in FY10, which was a 5.4 percent increase from FY09, falling short of the performance target set for FY10.

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
FY10 – FY21

Performance Goals:

(1) Funding levels have a delayed impact on High Demand Job Area (HDJA) awards. HDJA awards will reach over 3,400 by FY16, providing an additional 700 trained workers annually beyond the FY10 level of roughly 2,700 graduates. Growth between FY16 and FY21 in this scenario is entirely due to increased graduation rates rather than ongoing enrollment increases.

(2) Student Credit Hours (SCH) will increase gradually from the FY10 level of 603,000 SCH through FY21, at an average annual growth of just over 1 percent, yielding approximately 700,000 student credit hours annually by FY21.

(3) Grant Funded Research Expenditures are projected to decrease slightly from the FY10 performance level in the near term under the maintenance scenario and will remain relatively constant over the long term.

Environmental Assumptions:

(1) Future operational or resource impacts resulting from the Alaska Performance Scholarship (APS) are not considered here.

(2) Population shifts due to the economic crisis or a gas pipeline are not considered.

(2) The number of annual Alaskan high school graduates exceeded 8,000 in 2008-2009 and is expected to enter a period of decline for most years to FY14. Beyond FY14, the number of Alaska high school graduates will be relatively stable through FY21. Increased college preparation and student success efforts will be required to offset declines in the number of high school graduates and create operational efficiencies.

(3) The Federal funding environment will become increasingly more competitive.

(5) Annual wage and benefit cost growth is assumed to average 3 percent and annual student tuition and fee revenue growth is assumed to be 7 percent.

Table 2. University of Alaska
Draft Program Maintenance Scenario Summary
FY06 - FY11, FY16 and FY21

Revenue by Source (million $)	FY06 Actuals	FY11 Estimates	FY16 Projections	FY21 Projections	Projected Average Annual % Change FY06-FY10	FY10-FY16	FY16-FY21
State Appropriations	248.3	341.1	395.0	465.0	8.3%	3.0%	3.3%
Receipt Authority	466.0	509.3	615.0	745.0	2.2%	3.8%	3.9%
Total Revenue	**714.3**	**850.4**	**1,010.0**	**1,210.0**	**4.5%**	**3.5%**	**3.7%**
Percent State Appropriations	**35%**	**40%**	**39%**	**38%**			
Performance Results							
High Demand Job Area Awards	2,283	2,774	3,430	3,700	5.0%	4.3%	1.5%
SCH Attempted (thousands)	558.0	622.3	663.6	700.0	2.8%	1.3%	1.1%
Research Expenditures (million $)	129.7	125.3	130.2	130.2	-0.9%	0.8%	0.0%