

Budget and Performance Summary

January 2008

University of Alaska Anchorage (UAA)

University of Alaska Southeast (UAS)

University of Alaska Fairbanks (UAF)



UNIVERSITY of ALASKA
Many Traditions One Alaska

University of Alaska Anchorage (UAA):

Anchorage, Kenai, Mat-Su, Homer, Kodiak and Valdez

UAA outreach centers: Cordova, Copper Center and Eagle River

University of Alaska Southeast (UAS)

Juneau, Sitka and Ketchikan

University of Alaska Fairbanks (UAF)

Fairbanks, Bethel, Dillingham, Nome, Kotzebue, Tanana Valley and Interior-Aleutians

Outreach centers: Fort Yukon, Galena, McGrath, Nenana, Tok and Unalaska

Public Support for UA Grows

- The university now attracts 63 percent of college-bound Alaska high school graduates, up from 45 percent in 1996.
- Charitable donations to the University of Alaska Foundation have reached a record at \$20 million for FY07, with more than 5,900 individuals, businesses and foundations supporting the university's programs and students.
- Nine out of 10 Alaska parents of school-age children say they would encourage their children to attend UA, a significant increase from 1999.
- UA research is a silent giant in Alaska industry, providing nearly 2,400 jobs with a \$92 million payroll. UA research exceeded \$151 million in FY06, more than double the amount in 1998. Nearly all of this is "new money" via competitive research grants and contracts.
- \$125 million in goods and services purchased annually in Alaska stem from UA research.
 - Direct UA in-state procurement - \$49 million
 - Employee paycheck spending - \$76 million
- Nine out of 10 recent high school graduates rate the quality of education at UA as good or very good, a dramatic improvement from 1999.
- The top three reasons UA is attractive to high school graduates — location, cost and programs.

Bottom Line: Time and again, public opinion polling and UA's own statistics show Alaskans support the UA system.

Funding Analysis Comparison UA Compared to Western States

	FY06	
	UA	WICHE
State Appropriation to Higher Education	9.8%	12%
State Funded Grant Aid per Student FTE	\$28	\$386
Ratio : Tuition to Instruction	47.7%	48.7%
Ratio : Instruction Cost per Student FTE	\$9,373	
2-yr, 4-yr, and Grad. Institutions		\$6,099
4-yr and Grad. Institutions only		\$9,526
Ratio : Appropriation per Student FTE	\$14,090	
2-yr, 4-yr, and Grad. Institutions		\$7,017
4-yr and Grad. Institutions only		\$16,150
Staff per 100 FTE Students*	14.4	15.5
Research Generated per Faculty	\$118,734	\$61,817

Note: * UA Peer Institutions with fewer than 30,000 student FTE.

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

Quick Facts

	UAF	UAA	UAS
Headcount Fall 2007			
Urban Campuses	5,339	15,205	2,603
Community Campuses	4,342	4,455	967
Total	9,681	19,660	3,570
% Change 2006-2007	0.0%	0.0%	-6.0%
Comparisons 2002/2007			
Certificates/Lic./Endorsements	93 / 201	74 / 143	15 / 18
Associate Degrees	239 / 207	547 / 676	65 / 83
Baccalaureate Degrees	431 / 464	766 / 847	83 / 108
Master's Degrees	142 / 199	159 / 356	53 / 88
Doctorate Degrees	19 / 33		
First-Time Freshmen	988 / 958	1,470 / 1,812	189 / 150
Foreign Students	323 / 317	484 / 415	63 / 57
Female/Male Ratio 2007	5,718 / 3,963	11,984 / 7,676	2,359 / 1,211
% Female	59%	61%	66%
UA Scholars	416 / 648	636 / 965	64 / 70
Alaska Native Students	1,897 / 1,935	1,727 / 1,775	858 / 524
Average Age UA Student	31 / 30	31 / 30	35 / 33
Instructional Faculty FTE	342 / 390	414 / 498	87 / 97
Staff FTE (unrestricted)	1,024 / 1,093	736 / 791	167 / 186
External Research (millions)	86.5 / 112.9	9.1 / 10.3	0.6 / 1.2

UA Request Compared to Actual Appropriation

FY	UA's Requested GF* Increase	State Appropriated GF* Increase		Salary and Fixed Cost Obligations	
				GF*	NGF
2000	\$16.3m	\$6.0m	3.6%	\$12.9m	\$2.5m
2001	\$16.9m	\$15.7m	9.0%	\$11.7m	\$3.7m
2002	\$16.8m	\$10.7m	5.6%	\$10.7m	\$7.1m
2003	\$16.9m	\$9.7m	4.8%	\$10.3m	\$8.6m
2004	\$13.6m	\$4.6m	2.2%	\$9.9m	\$9.3m
2005**	\$19.3m	\$15.5m	7.2%	\$18.6m	\$13.6m
2006**	\$19.5m	\$17.1m	7.4%	\$18.8m	\$17.6m
2007**	\$40.5m	\$34.3m	13.8%	\$29.9m	\$18.7m
2008	\$27.8m	\$10.0m	3.5%	\$12.9m	\$15.8m
Total	\$187.6m	\$123.6m	6.3%	\$135.7m	\$96.9m

* GF includes GF/MHT/TVEP/ASTF

**Includes extraordinary PERS/TRS retirement increases for FY05 \$8.8m GF; FY06 \$6.9m GF; FY07 \$7.9m GF

Bottom Line: In only three of the last nine years have general fund increases covered the salary and fixed cost obligations and allowed for state-funded program growth.

**University of Alaska
FY09 Operating Budget Request Summary
(\$000's)**

	State Approp.	Receipt Authority	Total
FY08 Operating Budget	292,570.6	506,219.9	798,790.5

FY09 Operating Request Items

Adjusted Base Requirements			
Compensation Increases	9,002.7	5,977.1	14,979.8
Additional Non-Discretionary Fixed Cost Increases	4,279.9	7,745.8	12,025.7
Subtotal - Adjusted Base Requirements	13,282.6	13,722.9	27,005.5

Priority Program Enhancement and Growth

Preparing Alaskans for Jobs	5,775.7	3,014.7	8,790.4
<i>Health</i>	2,612.8	1,204.7	3,817.5
<i>Engineering and Construction Management</i>	2,162.9	810.0	2,972.9
<i>Fisheries</i>	1,000.0	1,000.0	2,000.0
University Research Investment	3,589.7	11,851.9	15,441.6
Student Success	2,739.2	509.9	3,249.1
Cooperative Extension, Public Service and Outreach	1,805.0	1,650.0	3,455.0
Subtotal - Priority Program Enhancement and Growth	13,909.6	17,026.5	30,936.1

Total FY09 Increment Request	27,192.2	30,749.4	57,941.6
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Total FY09 Operating Budget Request	319,762.8	536,969.3	856,732.1
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Percent Change FY08 Received to FY09 Request	9.3%	6.1%	7.3%
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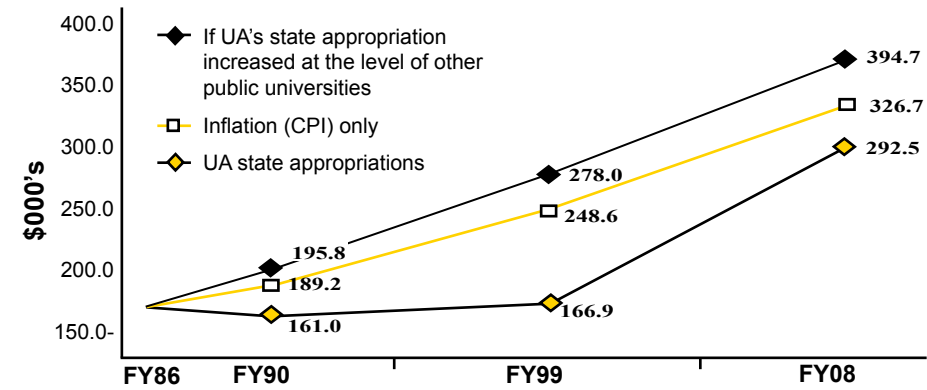
**University of Alaska
FY09 BOR Priority Capital Needs
(\$000's)**

	State Approp.	Receipt Authority	Total
FY09 BOR Priority Capital Needs			
Maintaining Existing Facilities and Equipment R&R Annual Requirement	50,000.0	1,000.0	51,000.0
UAF BioSciences Facility Phase 1 of 2 (BIOS)	66,000.0		66,000.0
UAA Health Sciences Building	46,000.0		46,000.0
Reducing Major R&R and Deferred Maintenance Backlog	70,000.0	3,000.0	73,000.0
UAA Small Business Development Center	550.0		550.0
FY09 BOR Priority Capital Needs	232,550.0	4,000.0	236,550.0

FY09 Additional BOR Capital Requests

Capital Funding Requirements (not prioritized)			
UAA Student Recreation Center	15,000.0	5,000.0	20,000.0
UAA Student Housing - Phase 2	9,720.0	7,900.0	17,620.0
UAF Alaska Region Research Vessel Dock and Marine Center Facilities	20,250.0		20,250.0
UAF Vessel Federal Receipt Authority		45,000.0	45,000.0
UA Broadband Internet Connectivity	20,000.0	10,000.0	30,000.0
UA Receipt Authority Planning, Design and Capital Proj.		20,000.0	20,000.0
Planning for New Facilities (not prioritized)			
UAF Engineering, Energy and Technology Building	2,500.0		2,500.0
UAF University Fire Dept. Station #1	800.0	500.0	1,300.0
UAF Chukchi Campus Building Addition	600.0		600.0
UAA Engineering Building Addition	2,000.0		2,000.0
UAA Mat-Su College Joint Library/Auditorium	2,000.0		2,000.0
UAA Sports Arena	1,000.0		1,000.0

State Appropriation Comparison



- ◆ **Where We Could Be:** If state funding increased at the average for public universities
- **Where We Should Be:** If state participation was adjusted for inflation (CPI)
- ◆ **Where We Are:** Nearly \$30 million is consumed by extraordinary increases in state retirement

Bottom Line: State support for UA has not kept pace with the average of Lower 48 counterparts.

Responding to State Needs

- UA has doubled the number of nursing graduates since 2001, meeting the state's initial need for new nurses. Nine out of the 10 fastest growing occupations in Alaska are in health care.
- Engineering program enrollment has grown by 250 students (38%) over the last three years. UA is on track to meet its FY12 goal of graduating more than 200 baccalaureate engineers per year. The Department of Labor indicates the need for new engineers will exceed this target.
- New Occupational Endorsement and Workforce Credential program tracks are tailored to part-time students taking classes aimed at specific career goals, like a promotion.

Bottom Line: UA has innovative partnerships with business and industry to ensure our programs are relevant and responsive and that Alaskans are trained for Alaska's jobs.

Quality Instruction and Research

- UA students in nursing, engineering, social work, accounting, teacher education and other programs with external exams score above the national average.
- UA graduates gain admission to top graduate programs based on the quality of their undergraduate experience.
- UA research productivity is in the top quartile nationally. The funding brought to Alaska through research endeavors constitutes one of Alaska's top industries.
- The UA Scholars Program keeps young Alaskans in state for college. More than 3,700 Scholars have enrolled since 1999; nearly 1,000 have graduated so far with more than 90 percent staying in state to work, raise families and contribute to Alaska's future development.

Bottom Line: The university is a high quality institution with graduates who can compete effectively for jobs and graduate schools.

**FY07 REPORT CARD
Legislative Measures**

From FY06		From FY99
↑ Up 9%	High Demand Job Area Degrees Awarded	↑ Up 34%
↑ Up 2 points	First-Time Full-Time Undergraduate Retention	↑ Up 11 points
↕ Down <1%	Student Credit Hours	↑ Up 15%
↓ Down 3%	Grant-funded Research Expenditures	↑ Up 100% +
↑ Up 4%	University-Generated Revenue	↑ Up 90%

Bottom Line: UA is committed to accountability through the use of performance measures and produces results in key areas, providing a strong return on state investment.

Reality Check: UA Facilities Need Investment

- UA requires annual capital funding of \$50 million for major renewal and renovation (R&R), plus six consecutive years of \$70 million to reduce the R&R backlog known as "deferred maintenance."
- This funding is in addition to the \$27 million of operating funds UA dedicates each year to maintain its \$1.7 billion in facilities, including 400 buildings that total 6 million square feet.
- When capital R&R funding appropriations fall below the required \$50 million floor, 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 \$70 million. Appropriations have averaged \$12 million.
- UA's R&R inventory now exceeds \$700 million--a critical level.

Bottom Line: With consistent funding of the BOR's request (\$50 million annually plus six years of \$70 million toward backlog), UA's major R&R inventory can be reduced to a responsible \$400 million. A continuation of historical funding levels will result in a \$1.2 billion backlog.