



UNIVERSITY
of ALASKA

Many Traditions One Alaska

FY13 Operating Budget

Board of Regents
November 2, 2011
Fairbanks, Alaska

Prepared by Statewide Planning & Budget
450-8191

Table of Contents

Introduction.....	1
FY13 Operating Budget Request	3
FY13 Operating Budget Adjusted Base Detail.....	4
Revenue Summary: Budget Authority and Actual Revenue by Source FY11-FY13.....	5
FY13 Operating Budget Request Items	6
FY13 High Priority Program Requests by Category	11
FY13 Operating Budget Program Descriptions.....	12
Operating Budget Trend by MAU/Campus.....	23
Changes in State Funding by Source FY04-FY12.....	24
Graph: Actual vs. Authorized Budget FY03-FY12est.....	25
Actual Expenditures FY06-FY11	26
Graph: FY06 & FY11 Expenditures by NCHEMS Category and Fund Type.	28
Graph: Expenditure by Category and Revenue by Fund Type FY11	29
Graph: Revenue by Source FY90, FY04, FY07-FY11, FY12est.	30

**University of Alaska
FY13 Operating Budget
Introduction**

Current Operating Budget Context

In FY12, \$1.6 million was directed to the Board's priority program requests for: student success initiatives (\$392.4); high demand jobs in health (\$511.1); enhancing competitive research (\$250.0); and continued funding for UAA's Integrated Science Building positions, and UAF's summer bridge programs (\$464.2 funded one-time in FY11).

In the last ten years, the University of Alaska has addressed the demand for annual priority program growth. Through external revenue, internal efficiencies, and reallocations, the Board of Regents continued to support funding for priority programs each year. Priority program investments have proven themselves.

FY13 Operating Budget Request and Assumptions

The FY13 Operating Budget, much like FY12, is designed to meet the guidance and remain flat. It includes the necessary resources to cover adjusted base increases (i.e., contractual and fixed cost increases). FY13 focuses state funding more specifically toward educational outputs rather than enrollment inputs, and initiates a much needed emphasis on improved and expedited student completion.

The recommended FY13 program priorities include \$6.3 million out of the \$8 million submitted by all three MAUs intended for their highest priority programs. The FY13 budget request includes base funding requests for the highly regarded UAA Honors College and the UAF Honors Program. Both programs received one-time funding in FY12. FY13 funds very focused program growth in areas of high payoff new initiatives to improve graduation rates. There are specific investments in high-demand jobs, education, and dollars to enhance competitive research in Alaska-specific subjects of real concern to the state.

- **FY12 One-time Funded Priority Programs to Baseline**
The requested funding will provide base funds for two high student achievement programs: the UAA Honors College and the UAF Honors Program.
- **New Initiatives to Improve Graduation Rates**
These requests support UA's new focus on "the 3 critical years" ...last year in high school and year 1 and year 2 of college... with a markedly new emphasis on comprehensive student advising for better financial support, course selection and transfer, retention, and performance.
- **Investment in State High-Demand Jobs**
Funding ever growing demands in Engineering, Health/Bio-Medical, Teacher Education, and Workforce Development continues to be a priority. Investment in these areas will still barely keep up with Alaska's current demand on the university.

- Alaska Research, economic development, intellectual property
These requests support UA's efforts to create economic value from UA intellectual property commercialization. We will focus state supported research where it specifically benefits Alaska especially well, and meets Alaskan demand.

The adjusted based requirements also include standard employee compensation increases and non-personnel-related increases. The cost increases are based on the following expectations:

- Salary increases are based on negotiated contracts with unionized employees. A 3.5% salary increase for non-unionized employees.
- Employer defined contributions for healthcare which are expected to remain the same
- Retirement rates which are expected to remain the same
- Additional non-discretionary fixed cost increases which include:
 - Utilities (based on an approximate 7% increase in FY13 plus full funding in FY12 via the fuel trigger mechanism and supplemental funding if necessary)
 - Facilities Maintenance and Repair (M&R)
 - Contractual, commodity, travel, and compliance costs
 - New facility operating costs for: UAF Community and Technical College parking garage, UAF Alaska Center for Energy and Power (ACEP) High Bay Test Facility, UAF Arctic Health Research Greenhouse, and UAF Sustainable Village.

**University of Alaska
FY13 Operating Budget Request
(in thousands)**

	State Approp.	Receipt Authority	Total
FY12 Operating Budget	353,701.1	537,380.1	891,081.2
Reverse FY12 One-time funded items	(200.0)	(1,496.5)	(1,696.5)
FY12 Operating Budget less Reversals	353,501.1	535,883.6	889,384.7
Adjusted Base Requirements			
Compensation Increases	7,607.8	7,607.8	15,215.6
Apply FY12 Benefit Savings	(2,429.4)	-	(2,429.4)
Utility Cost Increases	1,000.0	1,000.0	2,000.0
Facilities Maintenance & Repair Increment	1,000.0	1,000.0	2,000.0
Non-Personal Services Fixed Cost Increases	175.0	4,185.0	4,360.0
Compliance Costs	100.0	100.0	200.0
New Facility Operating and Maintenance Costs	509.0	180.0	689.0
Program and Receipt Authority Transfers	-	-	-
Subtotal - Adjusted Base Requirement	7,962.4	14,072.8	22,035.2
	2.3%	2.6%	2.5%
High Priority Program Sustainment			
FY12 One-time Funded Priority Programs to Baseline	200.0	15.0	215.0
New Initiatives to Improve Graduation Rates	1,463.2	650.9	2,114.1
Response to State High-Demand Jobs	3,079.1	1,110.0	4,189.1
<i>Engineering</i>	400.0	400.0	800.0
<i>Health/Bio-Medical</i>	1,239.9	543.1	1,783.0
<i>Teacher Education</i>	340.1	22.9	363.0
<i>Workforce Development</i>	1,099.1	144.0	1,243.1
Alaska Research, Economic Development, Intellectual Property	1,545.0	1,611.7	3,156.7
Subtotal-High Priority Program Sustainment	6,287.3	3,387.6	9,674.9
	1.8%	0.6%	1.1%
Budget Adjustments			
Technical Vocational Education Program Funding (TVEP)	406.5	-	406.5
Mental Health Trust Authority Authorized Receipts (MHTAAR)	-	1,481.5	1,481.5
Capital Improvement Project Receipts (CIP)	-	1,000.0	1,000.0
Subtotal-Budget Adjustments	406.5	2,481.5	2,888.0
FY13 Increment	14,656.2	19,941.9	34,598.1
FY13 Operating Budget	368,157.3	555,825.5	923,982.8
% Chg. FY12-FY13 Operating Budget	4.1%	3.4%	3.7%

University of Alaska
FY13 Operating Budget Adjusted Base Detail
(in thousands)

Compensation by Employee Group	State Approp.	Receipt Authority	Total
Univ. of AK Federation of Teachers (UAFT)	485.0	485.0	970.0
Local 6070	303.1	303.1	606.2
United Academics Faculty (UNAC)	1,740.6	1,740.6	3,481.2
UA Adjuncts (UNAD)	148.7	148.7	297.4
FireFighters Association (FFA)	31.4	31.4	62.8
UA Staff	4,899.0	4,899.0	9,798.0
FY13 Compensation Increment	7,607.8	7,607.8	15,215.6
Apply FY12 Benefit Savings	(2,429.4)		(2,429.4)
Subtotal - Compensation	5,178.4	7,607.8	12,786.2
Additional Operating Cost Increases			
Utility Cost Increases	1,000.0	1,000.0	2,000.0
Facilities Maintenance & Repair Increment	1,000.0	1,000.0	2,000.0
Non-Personal Services Fixed Cost Increases	175.0	4,185.0	4,360.0
UAF VoIP (department phones)	-	185.0	185.0
UAF Pipeline Training Center Lease	175.0	-	175.0
Other Fixed Cost Increases	-	4,000.0	4,000.0
Compliance Costs	100.0	100.0	200.0
UAF IT Licenses, Software, & Compliance	100.0	100.0	200.0
New Facility Operating & Maintenance Costs	509.0	180.0	689.0
UAF Community and Technical College Parking Garage	75.0	-	75.0
UAF Alaska Center for Energy and Power High Bay Test Facility	160.0	40.0	200.0
UAF Arctic Health Research Greenhouse	274.0	-	274.0
UAF Sustainable Village	-	140.0	140.0
Subtotal - Additional Operating Cost Increases	2,784.0	6,465.0	9,249.0
Program and Receipt Authority Transfers			
Alaska Air National Guard Scholarship Program	-	-	-
From: Anchorage Campus	(328.5)	-	(328.5)
To: Fairbanks Campus	328.5	-	328.5
Federal Receipt Authority	-	-	-
From: Statewide Services	-	(500.0)	(500.0)
From: Statewide Education and Outreach	-	(1,000.0)	(1,000.0)
From: Cooperative Extension Service	-	(1,000.0)	(1,000.0)
To: Anchorage Campus	-	1,500.0	1,500.0
To: Fairbanks Organized Research	-	1,000.0	1,000.0
UA Intra Agency Receipts	-	-	-
From: Anchorage Campus	-	(2,000.0)	(2,000.0)
To: Statewide Services	-	2,000.0	2,000.0
Subtotal - Transfers	-	-	-
Total Adjusted Base Requirements	7,962.4	14,072.8	22,035.2

University of Alaska Revenue Summary
Budgeted Authority and Actual Revenue by Source FY11-FY13

	Budgeted Values				Actual Values				
	FY11	FY12	FY13	% Change	FY11	FY12	FY13	% Change	Net Change
	Authorized	Authorized	Proposal	FY11- FY12	Actual	Projection	Projection	FY12- FY13	
State Appropriations									
General Fund	329,979.1	341,095.4	357,325.1		329,979.1	341,095.4	357,325.1		16,229.7
General Fund-One-Time ⁽¹⁾	3,619.2	2,180.0			3,619.2	2,180.0			(2,180.0)
General Fund Match	4,777.3	4,777.3	4,777.3		4,777.3	4,777.3	4,777.3		-
Technical Vocational Ed.	4,873.9	5,042.6	5,449.1		4,873.9	5,042.6	5,449.1		406.5
Mental Health Trust	605.8	605.8	605.8		605.8	605.8	605.8		-
State Appr. Subtotal	343,855.3	353,701.1	368,157.3	4.1%	343,855.3	353,701.1	368,157.3	4.1%	14,456.2
Receipt Authority									
Interest Income	4,695.2	4,240.3	4,246.4	0.1%	241.7	613.0	619.1	1.0%	6.1
Auxiliary Receipts	48,355.4	43,634.0	44,335.8	1.6%	35,964.0	38,664.9	39,366.6	1.8%	701.8
Student Tuition/Fees (net)	116,278.5	131,100.2	140,494.9	7.2%	116,110.4	124,376.6	133,771.3	7.6%	9,394.7
Indirect Cost Recovery ⁽³⁾	35,243.3	34,833.0	35,728.0	2.6%	33,736.7	34,395.1	35,290.1	2.6%	895.0
University Receipts	95,747.3	100,284.6	103,732.4	3.4%	78,386.7	80,694.4	84,142.2	4.3%	3,447.8
University Rcpts. Subtotal	300,319.7	314,092.1	328,537.5	4.6%	264,439.5	278,744.0	293,189.4	5.2%	14,445.4
Federal Receipts	139,168.7	137,953.7	140,953.7	2.2%	134,076.7	134,474.0	137,474.0	2.2%	3,000.0
State Inter Agency Rcpts	16,551.1	16,201.1	16,201.1		12,524.2	12,707.5	12,707.5		-
MHTAAR	1,378.3	1,481.5	1,481.5		1,378.3	1,481.5	1,481.5		-
CIP Receipts ⁽³⁾	9,860.7	9,530.7	10,530.7	10.5%	9,191.2	9,527.4	10,527.4	10.5%	1,000.0
UA Intra Agency Receipts	59,251.6	58,121.0	58,121.0		54,889.3	56,262.1	56,262.1		-
Rcpt. Authority Subtotal	526,530.1	537,380.1	555,825.5	3.4%	476,499.2	493,196.5	511,641.9	3.7%	18,445.4
Revenue Total	870,385.4	891,081.2	923,982.8	3.7%	820,354.5	846,897.6	879,799.2	3.9%	32,901.6
<i>Other Appr. ⁽²⁾</i>	<i>2.0</i>	<i>2.0</i>	<i>2.0</i>		<i>0.8</i>	<i>2.0</i>	<i>2.0</i>		
<i>Total w/ Other Appr.</i>	<i>870,387.4</i>	<i>891,083.2</i>	<i>923,984.8</i>	<i>3.7%</i>	<i>820,355.3</i>	<i>846,899.6</i>	<i>879,801.2</i>		

1. One-time Items Include: FY11 \$3,080.0 for Utility Cost Increases, \$314.2 UA Anchorage Fixed Costs, \$225.0 UAF Summer Science and Math Camps; and FY12 \$1,980.0 for August 2011 trigger mechanism funding for utility cost increases, \$100.0 for UAA's Honors College, \$100.0 for UAF's Honors Program.

2. License plate revenue

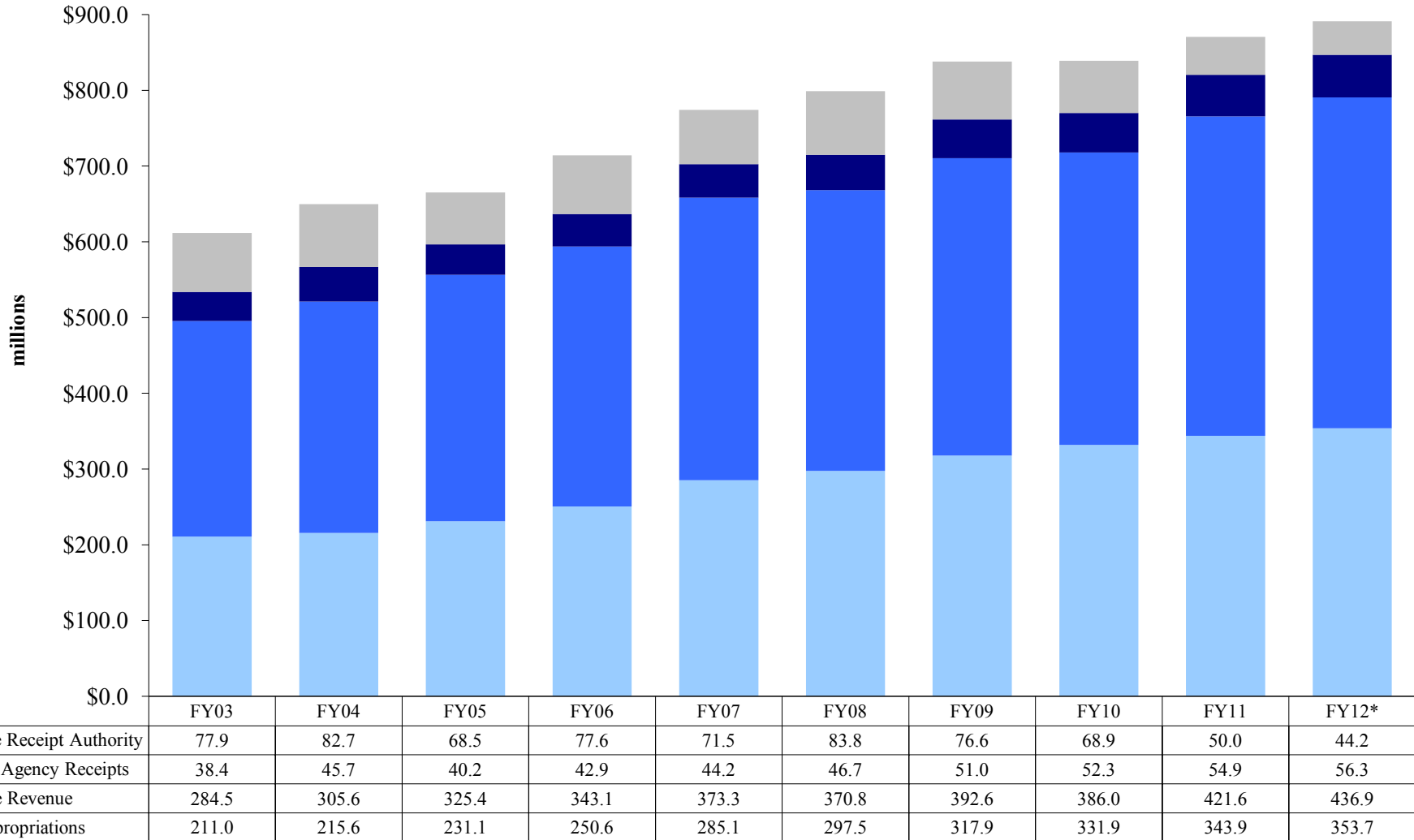
Change in State Funding by Source FY04-FY12 (in thousands)

	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
General Fund ⁽¹⁾	\$209,736.9	\$225,287.9	\$244,743.7	\$277,311.9	\$289,416.1	\$307,600.4	\$322,054.9	\$333,598.3	\$343,275.4
General Fund Match	2,777.3	2,777.3	2,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3
Mental Health Trust	200.8	200.8	200.8	200.8	200.8	295.8	300.8	605.8	605.8
TVEP	2,868.9	2,868.9	2,822.6	2,882.0	3,134.3	4,723.6	4,723.6	4,873.9	5,042.6
Business License Revenue ⁽²⁾						550.0			
Total	\$215,583.9	\$231,134.9	\$250,544.4	\$285,172.0	\$297,528.5	\$317,947.1	\$331,856.6	\$343,855.3	\$353,701.1
Annual % Change	2.2%	7.2%	8.4%	13.8%	4.3%	6.9%	4.4%	3.6%	2.9%
Annual Change	4,585.0	15,551.0	19,409.5	34,627.6	12,356.5	20,418.6	13,909.5	11,998.7	9,845.8
One-time items			2,355.6	2,640.0	4,957.9	5,074.4	4,730.0	3,619.2	2,180.0
Pass-through funds							2,200.0	2,200.0	2,200.0

1. Includes one-time items and pass-through funds.

2. The \$550.0 funded with Business License Revenue in FY09 was moved to General Funds in FY10.

University of Alaska Actual vs. Authorized Budget



* estimated

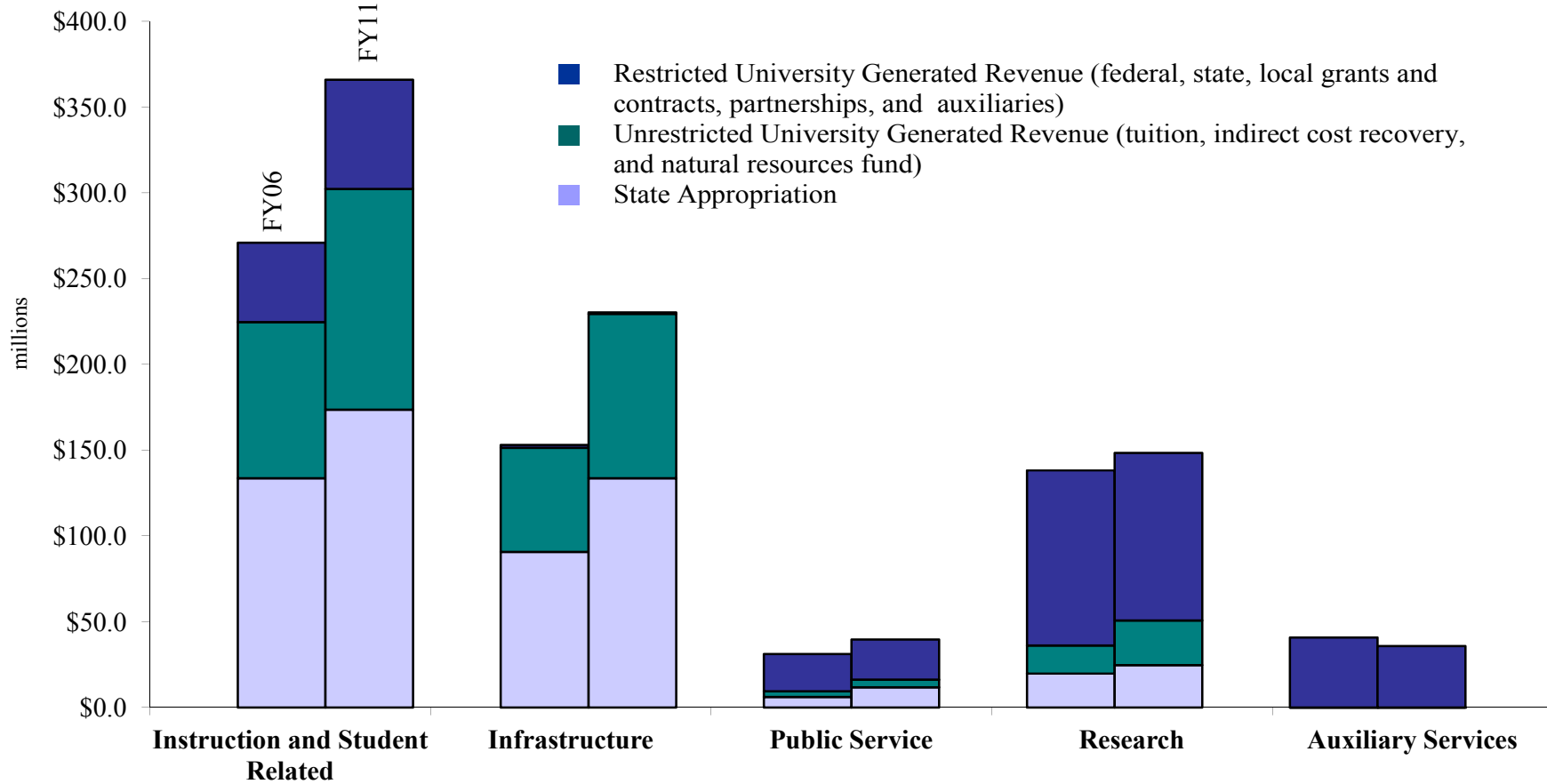
University of Alaska - Expenditures FY06-FY11

	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	Change FY10-FY11	Average Change
University of AK Anchorage								
Commodities	17,554.7	19,550.9	19,370.4	22,209.0	21,990.0	22,116.7	0.6%	3.9%
Contractual Services	37,140.4	39,461.3	38,225.6	42,183.1	46,189.2	47,491.8	2.8%	4.2%
Equipment	1,389.7	1,879.5	2,306.7	4,421.0	4,219.1	4,182.3	-0.9%	20.2%
Land/Buildings	1,562.4	4,564.7	3,008.9	1,629.0	95.7	346.3	261.9%	-22.2%
Miscellaneous	3,892.7	3,730.9	7,782.7	9,611.9	9,360.0	12,842.3	37.2%	22.0%
Salaries & Benefits	133,753.9	144,894.6	150,435.1	161,035.7	168,143.5	178,913.0	6.4%	5.0%
Unrestricted	111,227.9	122,466.7	129,802.1	139,365.1	145,741.6	155,706.4	6.8%	5.8%
Restricted	22,526.0	22,427.9	20,633.0	21,670.6	22,401.9	23,206.6	3.6%	0.5%
Student Aid	7,782.5	7,837.0	8,939.2	9,470.5	11,150.0	15,224.9	36.5%	11.8%
Travel	4,394.9	4,566.1	4,997.2	5,483.3	5,403.9	5,516.5	2.1%	3.9%
Unrestricted	2,752.8	2,942.0	3,442.4	4,089.7	4,025.4	4,312.1	7.1%	7.8%
Restricted	1,642.1	1,624.1	1,554.8	1,393.6	1,378.5	1,204.4	-12.6%	-5.0%
Total	207,471.2	226,485.0	235,065.8	256,043.5	266,551.4	286,633.8	7.5%	5.5%
University of AK Fairbanks								
Commodities	34,978.7	38,184.7	36,709.4	41,051.4	35,050.1	35,241.2	0.5%	0.1%
Contractual Services	71,913.7	74,712.7	70,596.1	77,733.3	78,278.8	84,512.2	8.0%	2.7%
Equipment	8,365.3	8,684.2	10,578.5	8,902.8	7,622.3	6,864.2	-9.9%	-3.2%
Land/Buildings	1,010.6	3,283.6	2,654.0	1,490.0	1,798.9	2,180.5	21.2%	13.7%
Miscellaneous	6,850.8	11,116.3	8,927.3	11,109.0	9,065.2	15,272.0	68.5%	14.3%
Salaries & Benefits	196,519.4	217,321.7	225,624.9	235,004.1	239,430.1	249,605.4	4.2%	4.1%
Unrestricted	130,058.4	147,080.2	154,519.2	165,073.7	168,044.0	178,043.9	6.0%	5.4%
Restricted	66,461.0	70,241.5	71,105.7	69,930.4	71,386.1	71,561.5	0.2%	1.2%
Student Aid	10,268.1	10,627.4	10,704.5	11,591.8	12,807.5	15,133.5	18.2%	6.7%
Travel	11,567.6	12,217.6	12,899.4	13,718.9	13,205.8	13,163.3	-0.3%	2.2%
Unrestricted	4,368.3	4,882.1	5,474.6	6,084.9	5,904.5	5,574.4	-5.6%	4.1%
Restricted	7,199.3	7,335.5	7,424.8	7,634.0	7,301.3	7,588.9	3.9%	0.9%
Total	341,474.2	376,148.2	378,694.1	400,601.3	397,258.7	421,972.3	6.2%	3.6%
University of AK Southeast								
Commodities	3,938.3	3,946.9	3,507.9	3,826.8	4,293.3	3,392.1	-21.0%	-2.5%
Contractual Services	6,885.0	6,850.1	7,437.1	6,786.7	7,166.7	6,519.7	-9.0%	-0.9%
Equipment	299.9	718.9	374.2	276.5	361.0	916.3	153.8%	20.5%
Land/Buildings	704.8	790.7	816.7	1,147.2	784.3	1,690.2	115.5%	15.7%
Miscellaneous	550.6	984.9	303.7	918.5	1,359.8	2,209.9	62.5%	26.1%
Salaries & Benefits	26,188.9	28,014.7	28,813.5	30,993.0	31,614.2	32,341.9	2.3%	3.6%
Unrestricted	22,554.5	24,481.1	25,112.1	27,248.5	28,294.4	29,398.6	3.9%	4.5%
Restricted	3,634.4	3,533.6	3,701.4	3,744.5	3,319.8	2,943.3	-11.3%	-3.5%

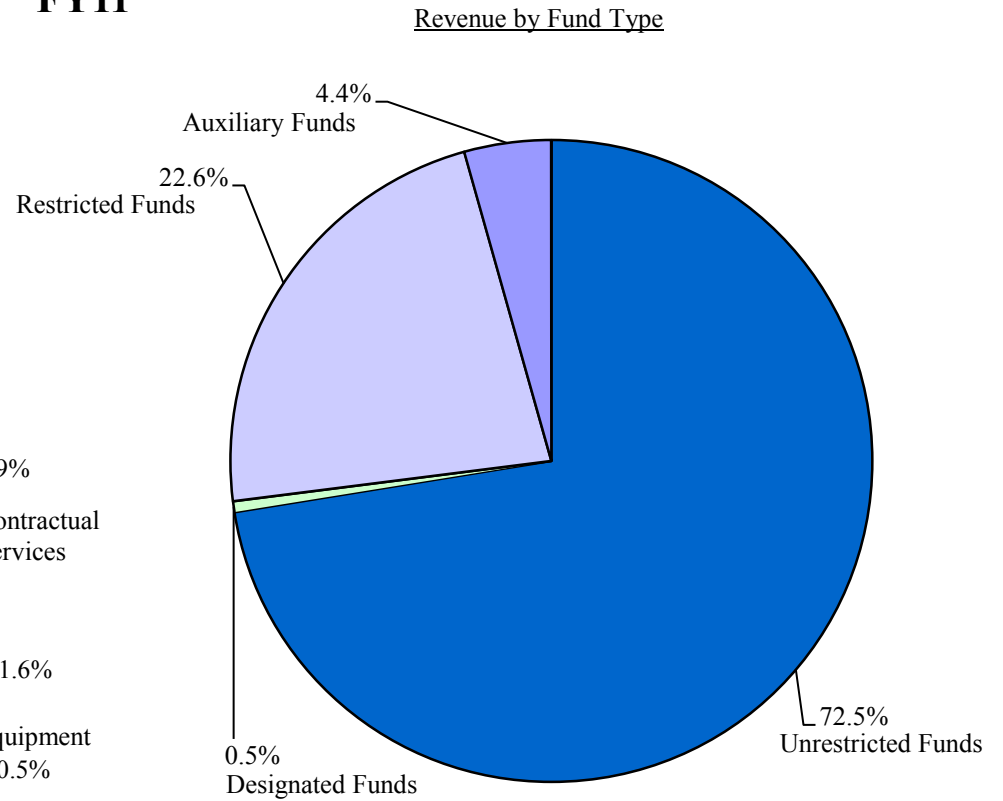
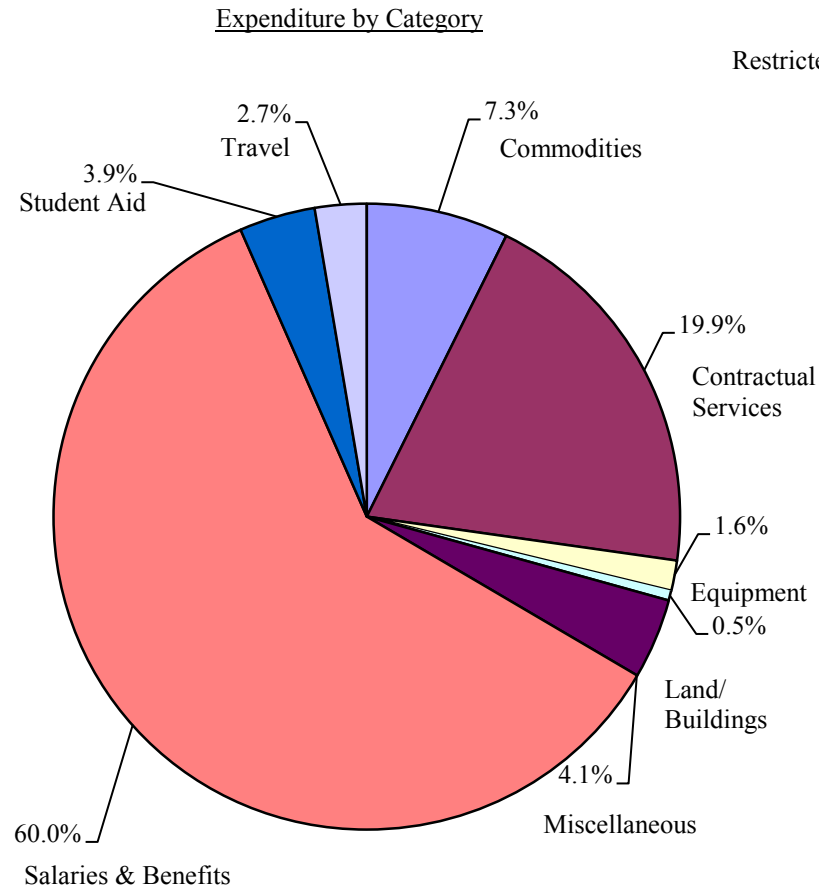
University of Alaska - Expenditures FY06-FY11

	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	Change FY10-FY11	Average Change
University of AK Southeast (continued)								
Student Aid	1,485.6	1,505.3	1,444.7	1,382.0	1,398.5	1,606.7	14.9%	1.3%
Travel	1,277.3	1,108.3	1,085.6	1,060.7	1,093.4	1,103.9	1.0%	-2.4%
Unrestricted	731.5	710.5	725.3	683.1	811.1	929.7	14.6%	4.1%
Restricted	545.8	397.8	360.3	377.6	282.3	174.2	-38.3%	-17.3%
Total	41,330.4	43,919.8	43,783.4	46,391.4	48,071.2	49,780.7	3.6%	3.1%
Statewide Pgms & Services								
Commodities	1,287.9	1,652.5	2,077.8	1,327.9	1,429.9	2,073.3	45.0%	8.3%
Contractual Services	19,858.9	25,227.7	23,282.7	23,772.3	23,543.7	24,184.1	2.7%	3.3%
Equipment	586.0	493.6	1,091.9	592.7	382.2	732.0	91.5%	3.8%
Land/Buildings	(187.4)	45.3	352.7	(117.5)	58.2	42.4	-27.1%	N/A
Miscellaneous	1,746.3	3,911.7	2,259.5	3,349.0	2,815.4	3,433.6	22.0%	11.9%
Salaries & Benefits	20,909.0	22,847.7	26,219.2	27,842.6	27,925.8	29,399.5	5.3%	5.8%
Unrestricted	19,026.8	21,112.6	24,653.1	26,322.6	26,726.8	28,267.8	5.8%	6.8%
Restricted	1,882.2	1,735.1	1,566.1	1,520.0	1,199.0	1,131.7	-5.6%	-8.1%
Student Aid	48.3	37.6	31.7	66.4	69.0	104.7	51.7%	13.8%
Travel	2,042.8	1,875.2	2,209.4	1,631.4	2,054.6	1,998.1	-2.7%	-0.4%
Unrestricted	1,093.5	1,129.9	1,367.2	865.0	1,236.2	1,123.2	-9.1%	0.4%
Restricted	949.3	745.3	842.2	766.4	818.4	874.9	6.9%	-1.4%
Total	46,291.8	56,091.3	57,524.9	58,464.8	58,278.8	61,967.7	6.3%	5.0%
UA Total								
Commodities	57,759.6	63,335.0	61,665.5	68,415.1	62,763.3	62,823.3	0.1%	1.4%
Contractual Services	135,798.0	146,251.8	139,541.5	150,475.4	155,178.4	162,707.8	4.9%	3.1%
Equipment	10,640.9	11,776.2	14,351.3	14,193.0	12,584.6	12,694.8	0.9%	3.0%
Land/Buildings	3,090.4	8,684.3	6,832.3	4,148.7	2,737.1	4,259.4	55.6%	5.5%
Miscellaneous	13,040.4	19,743.8	19,273.2	24,988.4	22,600.4	33,757.8	49.4%	17.2%
Salaries & Benefits	377,371.2	413,078.7	431,092.7	454,875.4	467,113.6	490,259.8	5.0%	4.5%
Unrestricted	282,867.6	315,140.6	334,086.5	358,009.9	368,806.8	391,416.7	6.1%	5.6%
Restricted	94,503.6	97,938.1	97,006.2	96,865.5	98,306.8	98,843.1	0.5%	0.8%
Student Aid	19,584.5	20,007.3	21,120.1	22,510.7	25,425.0	32,069.8	26.1%	8.6%
Travel	19,282.6	19,767.2	21,191.6	21,894.3	21,757.7	21,781.8	0.1%	2.1%
Unrestricted	8,946.1	9,664.5	11,009.5	11,722.7	11,977.2	11,939.4	-0.3%	4.9%
Restricted	10,336.5	10,102.7	10,182.1	10,171.6	9,780.5	9,842.4	0.6%	-0.8%
Total	636,567.6	702,644.3	715,068.2	761,501.0	770,160.1	820,354.5	6.5%	4.3%

University of Alaska FY06 & FY11 Expenditures by NCHEMS Category and Fund Type

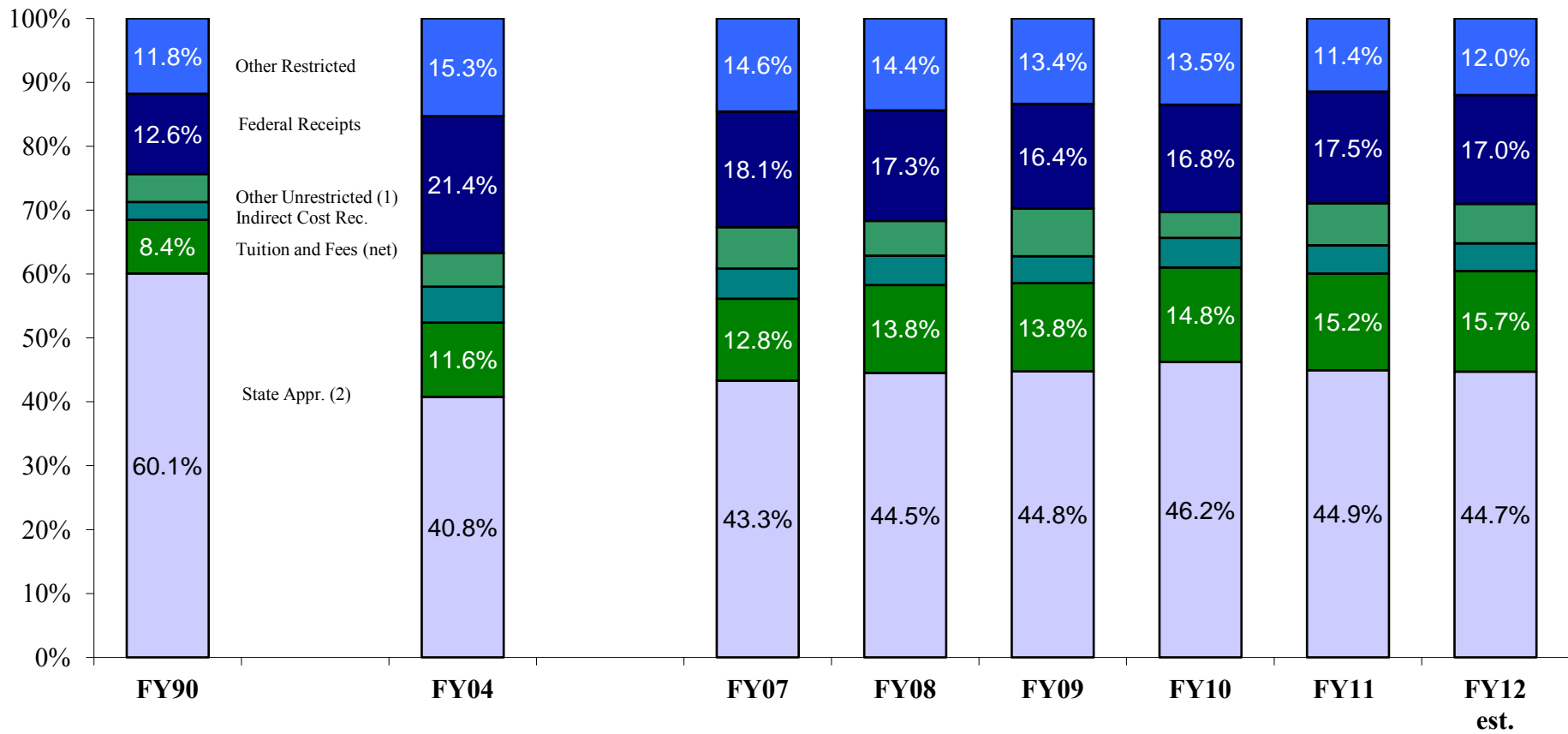


University of Alaska Expenditure by Category and Revenue by Fund Type FY11



Unrestricted Funds	\$594.4
Restricted Funds	185.8
Designated Funds	4.4
Auxiliary Funds	<u>35.8</u>
Sub-Total	820.4
UA Intra-Agency (UAIAR)	<u>(54.9)</u>
Total (in millions)	\$765.5

University of Alaska Revenue by Source FY90, FY04, FY07-FY11, FY12 est.



1. UA Intra Agency Receipts are excluded from this table, but are included in the totals in the rest of the publication.

2. State Appropriation includes one-time funding for utility cost increases: FY07 \$2,640.0; FY08 \$4,957.9; FY09 \$4,840.0; FY10 \$3,630.0; FY11 \$3,080.0 and FY12 \$1,980.0.