

# **State of Alaska FY2011 Governor's Operating Budget**

## **University of Alaska Small Business Development Center RDU/Component Budget Summary**

**RDU/Component: Small Business Development Center**

*(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)*

## **Contribution to Department's Mission**

The Alaska Small Business Development Center (SBDC) serves to assist the needs of Alaska's business community offering continuing education units (CEU) certifications and opportunities for continuous learning for Alaska's business communities and nascent entrepreneurs. The Alaska SBDC provides one on one confidential business counseling to these entrepreneurs. Each of our five regional centers offer computer access as well as a business library which houses current editions on topics important to starting, developing and running a business.

The Alaska SBDC has five partner programs: Buy Alaska, the Procurement Technical Assistance Center (PTAC), the Technology Research and Development Center (TREND), the Alaska Performance Excellence Center (APEX), and Rural Outreach for Entrepreneurs (ROPE). These programs are designed to assist the Alaska SBDC in their mission to meet Alaska's businesses at any level of development and assist them in finding pathways to sustainable growth.

In 2008 the Alaska SBDC and its partner programs served over 1600 Alaskans, created and/or retained 11,995 jobs, started 78 new businesses, had clients awarded a total of \$257,057,932 in government contracts, as well as the awards of \$1,628,784 in federal research and development funds, and \$8,979,685 in capital infusion (2009 impact numbers will not be available until November 09).

The outreach of the Alaska SBDC programs extends UA's role as a public square improving the university's outreach by providing a tangible link between the UA system and Alaska's business community providing affordable business education and technical assistance.

## **Core Services**

- Coordinate all available resources from both the public and private sectors to strengthen the small business community;
- Encourage in-state purchases of goods and services through a multi-media public awareness campaign (BUY ALASKA) and by assisting Alaskan businesses, government entities and consumers in finding competitive, local sources for goods and services previously purchased outside Alaska. The BUY-ALASKA program provides direct assistance through the BUYER-SELLER network which matches Alaska's buyers with sellers statewide, and provides free in-state sourcing for buyers and sales referrals to suppliers.
- Provide one-on-one counseling, informational seminars, resource referral, and affiliate programs.

## **Key Component Challenges**

The greatest challenge to the Alaska SBDC is the base federal funding level it receives from the U.S. Small Business Administration (SBA). It is simply not sufficient funding to adequately serve the five regional centers located throughout the State of Alaska. The Alaska SBDC has developed funding relationships with both government and private entities throughout Alaska and provides services across Alaska but not at a level that would offer all proactive communities a regular SBDC presence.

While the Alaska SBDC has increased the overall number of private and public funding opportunities, these increases and community's capability to afford SBDC services have not kept pace with the demand to provide technical assistance for businesses across Alaska.

## **Significant Changes in Results to be Delivered in FY2011**

The Alaska SBDC has enhanced its offerings by including two nationally recognized training: NX Level, a comprehensive 12-week business plan workshop and Profit Mastery, a 16 hour workshop that increases awareness and effectiveness of a business' financial information. This, combined with increased efforts from all business advisors to routinely call on existing businesses, will result in a significant impact on Alaska's economy, while continuing our efforts and assistance to guide entry-level clients in pursuit of entrepreneurial goals.

## Major Component Accomplishments in 2009

**BuyAlaska:** BuyAlaska encourages in-state purchases of goods and services through a multi-media public awareness campaign and by assisting Alaskan businesses, government entities, as well as individual consumers in locating competitive, Alaska sources for goods and services previously purchased “outside.”

Since the revamp of our website in 2007, BuyAlaska membership has doubled to over 2,600 in 120 Alaskan communities. The success and energy for the program has continued in 2009, as the site averages 14,000 monthly visits, with over 50,000 pages viewed.

Continuous interaction with our membership is achieved through weekly newsletters, providing information on ongoing events, as well as various income, sales, and contracting opportunities. This communication consistently results in successful buyer/seller relationships and business-to-business connections. Buy Alaska is also proud to say that it has become one of the primary search engines used by large corporations, such as BP and Alyeska, in finding Alaska vendors for their business contracts.

Buy Alaska’s membership expands through its consistent presentations with statewide chambers, and other organizations, as well as entrenching this tool as the primary business portal in the state. With the successes we’ve seen to date and the statewide support we receive from organizations, both large and small, our goals for 2010 include doubling our business membership to 5000 and initiating a data collection system that will allow us to gauge the economic impact of the Buy Alaska connection. We move forward with the understanding that if every Alaskan shifted just 10% of their “outside” purchases back to Alaska, the Alaska economy would be bolstered by 1.1 billion dollars and 4,400 jobs. It’s the vision of the Buy Alaska program to build the momentum that will make this statistic a reality.

**Procurement Technical Assistance Center (PTAC):** The Alaska PTAC was established to guide Alaska businesses in selling and developing services for federal, state, and local governments. PTAC staff is experienced in government contracting and offer a wide range of services including classes and seminars, individual consulting, access to bid opportunities, contract specifications, procurement histories, a free BidMatch program, and other information necessary to successfully compete for government contracts.

In 2008, 108 contract awards were received by clients that were STATE and LOCAL governments, as well as 118 DoD contracts, and 127 FEDERAL agencies (other than DoD). The economic impact of these government contract awards received by clients totaled \$600,307,177. From January 2009 to June 2009, PTAC clients have reported a total award amount of \$102,836,419.38. (Data from the third quarter will be in November.)

**Technology Research and Development Center of Alaska (TREND).** TREND provides an opportunity to expand the services delivered by PTAC to clients that seek opportunities to develop product and services for government agencies—primarily through the SBIR/STTR program. TREND provides one-on-one consulting, identification of solicitations, review of company R&D capabilities, proposal development, technical reviews, workshops and management of the Phase 0 program.

The Phase 0 Program is a partnership between TREND and the University of Alaska Fairbank’s EPSCoR, and provides grant funds up to \$10,000 for Phase I, II, or III SBIR/STTR projects. In 2008, TREND awarded \$65,000 dollars through the Phase 0 program to companies participating in the SBIR program and \$1,970,000 in SBIR funding was awarded. From January 2009 to date, six companies have submitted proposals to the SBIR/STR program. One has received SBIR funding totaling \$350,000 with the other 5 still under review.

Together, PTAC and TREND served over 550 individual businesses. Over 4,500 attended the 81 events hosted by the two programs and outreach covered 27 communities. From January 2009 to date, 63 events have been presented to the Alaska business community with 1,271 attendees.

**Rural Outreach Program for Entrepreneur (ROPE):** ROPE, now in its third year with funding from the Alaska Department of Labor & Workforce Development, is assisting clients in Southeast and Western Alaska through targeted workshops and one on one, confidential, counseling. ROPE purposely targets smaller communities and their regional hubs working to offer these smaller, underserved, communities consistent and trusted technical assistance. The efforts in both of these regions are guided by Regional Work Groups, which assist in identifying and prioritizing community needs as well as the allocation of ROPES resources.

**Alaska Performance Excellence Center (APEX):** APEX is a program dedicated to recognizing Alaska organizations demonstrating world-class performance. It is a forum in which organizations from all corners of the public sector can learn from the successes of others. The APEX framework is based upon the Baldrige National Quality Program (BNQP) and designed to provide specific measurable criteria in the areas of Leadership, Strategic Planning, Customer and Market Focus, Analysis and Integration, Human Resource Focus, Process Management and Results. The criteria provide an integrated management framework, embracing the leading edge of validated management practices.

Participants of the APEX application program, receive objective, comprehensive feedback from trained examiners that can be used to identify areas for organizational improvement. APEX is tailored to the unique requirements of organizations in Alaska and participation is open to all sectors: small business, manufacturing, service, education, health care and not-for-profits. Three different award levels are offered to help participants improve their performance. Each level is progressively more challenging, resulting in more comprehensive feedback. The APEX fee structure allows for participation by both small and large organizations.

In 2009, APEX awarded its first awards for excellence to the Southcentral Foundation and Chugach School District.

### **Statutory and Regulatory Authority**

No statutes and regulations.

Contact Information
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**Small Business Development Center  
Component Financial Summary**

*All dollars shown in thousands*

	<b>FY2009 Actuals</b>	<b>FY2010 Management Plan</b>	<b>FY2011 Governor</b>
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	324.1	774.3	774.3
72000 Travel	19.1	26.6	26.6
73000 Services	173.3	66.8	70.8
74000 Commodities	33.5	19.5	19.5
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>550.0</b>	<b>887.2</b>	<b>891.2</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	0.0	807.2	807.2
1048 University Restricted Receipts	0.0	80.0	84.0
1175 Business License and Corporation Filing Fees and Taxes	550.0	0.0	0.0
<b>Funding Totals</b>	<b>550.0</b>	<b>887.2</b>	<b>891.2</b>

**Summary of Component Budget Changes  
From FY2010 Management Plan to FY2011 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2010 Management Plan</b>	<b>807.2</b>	<b>0.0</b>	<b>80.0</b>	<b>887.2</b>
<b>Proposed budget increases:</b>				
-U of A Adjusted Base Non Personal Services Fixed Cost Increases	0.0	0.0	4.0	4.0
<b>FY2011 Governor</b>	<b>807.2</b>	<b>0.0</b>	<b>84.0</b>	<b>891.2</b>

**Component Detail All Funds**  
**University of Alaska**

**Component:** Small Business Development Center (2911)  
**RDU:** Small Business Development Center (564)

	<b>FY2009 Actuals</b>	<b>FY2010 Conference Committee</b>	<b>FY2010 Authorized</b>	<b>FY2010 Management Plan</b>	<b>FY2011 Governor</b>	<b>FY2010 Management Plan vs FY2011 Governor</b>	
71000 Personal Services	324.1	784.2	784.2	774.3	774.3	0.0	0.0%
72000 Travel	19.1	26.6	26.6	26.6	26.6	0.0	0.0%
73000 Services	173.3	56.9	56.9	66.8	70.8	4.0	6.0%
74000 Commodities	33.5	19.5	19.5	19.5	19.5	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>550.0</b>	<b>887.2</b>	<b>887.2</b>	<b>887.2</b>	<b>891.2</b>	<b>4.0</b>	<b>0.5%</b>
<b>Fund Sources:</b>							
1004 Gen Fund	0.0	807.2	807.2	807.2	807.2	0.0	0.0%
1048 Univ Rcpt	0.0	80.0	80.0	80.0	84.0	4.0	5.0%
1175 BLic&Corp	550.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>General Funds</b>	<b>0.0</b>	<b>807.2</b>	<b>807.2</b>	<b>807.2</b>	<b>807.2</b>	<b>0.0</b>	<b>0.0%</b>
<b>Federal Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Other Funds</b>	<b>550.0</b>	<b>80.0</b>	<b>80.0</b>	<b>80.0</b>	<b>84.0</b>	<b>4.0</b>	<b>5.0%</b>
<b>Positions:</b>							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

**Change Record Detail - Multiple Scenarios With Descriptions**  
**University of Alaska**

**Component:** Small Business Development Center (2911)  
**RDU:** Small Business Development Center (564)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2010 Conference Committee To FY2010 Authorized *****												
<b>FY2010 Conference Committee</b>	ConfCom	887.2	784.2	26.6	56.9	19.5	0.0	0.0	0.0	0	0	0
1004 Gen Fund		807.2										
1048 Univ Rcpt		80.0										
<b>Subtotal</b>		<b>887.2</b>	<b>784.2</b>	<b>26.6</b>	<b>56.9</b>	<b>19.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

***** Changes From FY2010 Authorized To FY2010 Management Plan *****												
<b>ADN 45-0-0022 Align Budget with Anticipated Expenditures</b>	LIT	0.0	-9.9	0.0	9.9	0.0	0.0	0.0	0.0	0	0	0
Transfers within the Small Business Development Center that University management and the Board of Regents have deemed necessary to correctly reflect revenue and expenditure levels for FY2010.												
<b>Subtotal</b>		<b>887.2</b>	<b>774.3</b>	<b>26.6</b>	<b>66.8</b>	<b>19.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

***** Changes From FY2010 Management Plan To FY2011 Governor *****												
<b>U of A Adjusted Base Non Personal Services Fixed Cost Increases</b>	Inc	4.0	0.0	0.0	4.0	0.0	0.0	0.0	0.0	0	0	0
1048 Univ Rcpt		4.0										

The UA FY11 budget request includes 10,027.6 for non-personal services fixed cost increases for the following categories:

	GF	NGF	Total
Facilities Maintenance and Repair Requirement	1,516.4	1,516.4	3,032.7
SW Network Infrastructure/Connectivity	652.0		652.0
UAF Athletics Travel	260.0	135.0	395.0
Leased Space:			
UAA Diplomacy, Engineering and University			
Lake Buildings	600.0		600.0
UAF CEX/CRCO Leased Space	279.4		279.4
Other Fixed Costs		5,068.5	5,068.5
<b>Total Non-Personal Services Fixed Costs</b>	<b>3,307.8</b>	<b>6,719.8</b>	<b>10,027.6</b>

This change record contains the component distribution of the UA Non-Personal Services Fixed Cost Increases outlined above.

Non-Personnel Services Fixed Cost Increases

- Facilities Maintenance and Repair Requirement (1,516.4 GF, 1,516.3 NGF)

UA's annual maintenance and repair is calculated at a minimum 1.5 percent of current building value. Each MAU is asked to annually increase its operating budget dedicated to



**Change Record Detail - Multiple Scenarios With Descriptions**  
**University of Alaska**

**Component:** Small Business Development Center (2911)

**RDU:** Small Business Development Center (564)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
<p>facilities maintenance, often referred to as M&amp;R, in order to keep pace with its ever increasing building maintenance needs. This request covers the requirement.</p> <ul style="list-style-type: none"> <li>IT Contractual/Network (652.0 GF)  This request provides continued high-speed network connectivity of the GCI Broadband Capacity Gift circuit between the University of Alaska and the national research/educational network Internet2. This connectivity provides researchers greater network resources to collaborate with colleges both inside and outside of Alaska and serves as an incentive to bring new research into the state.  This request also provides expansion of the available bandwidth to Community Campuses and Rural locations, enabling contemporary technologies and increased service delivery of both existing and future network based applications, VoIP, and other converged applications. Specifically, this will improve the availability and speed of implementation for telecommunications services.</li> <li>Athletics Travel (260.0 GF) (135.0 NGF)  This request provides funding increases for intercollegiate athletic team travel at UAF to offset airline cost increases. NCAA and conference obligations require UA to send its intercollegiate athletic teams to a fixed number of competitions as well as subsidize partial travel expenses incurred by teams traveling to Alaska. In addition, in order to schedule nonconference home contests, UA must offer game guarantees to offset increasing airline costs of visiting teams.</li> <li>UAA Anchorage Lease Expense (600.0 GF)  Funds are requested to offset the cost of leased space in the Diplomacy Building, University Lake Building and Engineering warehouse space. With the departures of the State Department of Corrections and UA Land Management from the Diplomacy and ULB buildings, UAA is occupying the space and must absorb the lease costs. Additional space will come available upon the departure of the Vocational Rehabilitation offices near the University Lake Building. This space will also be occupied by UAA.</li> <li>UAF Cooperative Extension/College of Rural and Community Development (CRCDC) Lease Expense (279.4 GF)  The existing leased space in the Carlton Trust Building in Anchorage does not meet program needs and a more suitable location is necessary for students, faculty, staff, and visitors.</li> <li>Other Fixed Cost Increases (5,068.5 NGF)  The requested funds will be used toward non-discretionary cost increases estimated at 1.5%, in contractual services and commodities.</li> </ul>												
<b>Totals</b>		<b>891.2</b>	<b>774.3</b>	<b>26.6</b>	<b>70.8</b>	<b>19.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Personal Services Expenditure Detail**  
**University of Alaska**

**Scenario:** FY2011 Governor (7749)  
**Component:** Small Business Development Center (2911)  
**RDU:** Small Business Development Center (564)

Note: If a position is split, an asterisk (\*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (\*\*) will appear in this column.  
[No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.