

University of Alaska Ten Year Expenditure Projection

The University of Alaska inspires learning, and advances and disseminates knowledge through teaching, research, and public service, emphasizing the North and its diverse peoples.

The University of Alaska consists of four major administrative units (MAUs): UA Statewide, UA Anchorage, UA Fairbanks, and UA Southeast. The three academic MAUs each have an urban campus (UA Anchorage – Anchorage, UA Fairbanks – Fairbanks, and UA Southeast – Juneau) and community campuses. Many students attending the University of Alaska take courses concurrently at multiple campuses within a term, either in person or via distance or technology delivered courses. More than half of all graduates use courses from more than one campus toward degree requirements.

Located in Anchorage and on community campuses in Southcentral Alaska, the *University of Alaska Anchorage* (UAA) is committed to serving the higher education needs of the state, its communities, and its diverse peoples. It is an open access university with academic programs leading to occupational endorsements; undergraduate and graduate certificates; and associate, baccalaureate, and graduate degrees in a rich, diverse, and inclusive environment.

University of Alaska Fairbanks (UAF) is Alaska's flagship university campus. Students can choose from a wide variety of programs, ranging from occupational endorsements through doctoral degrees. UAF offers a place for study and service that respects diversity and celebrates collaboration. UAF rural campuses span the state and reflect the rich traditions and cultures of Alaska's Native communities. UAF has more than a dozen research centers and institutes that focus on the Arctic. Research and academic institutions around the world look to UAF as a leader in arctic studies and related education. UAF also has statewide public service and outreach mission responsibilities such as the Cooperative Extension Service, the Marine Advisory Program, AlaskaOne TV/KUAC-FM, and the UA Museum of the North.

The *University of Alaska Southeast* (UAS) serves students from campuses in Juneau, Sitka and Ketchikan and outreach locations throughout Southeast Alaska. UAS offers a variety of degree programs available through traditional enrollment and distance delivery. They include certificate, associate, and bachelor degrees as well as master's degrees in the areas of administration and education.

Baseline Budget Growth Scenario

Conditions/Notes

- UA's baseline budget growth scenario includes wage and benefit increase costs. For other agencies, these costs are excluded from the agency-level baseline budget growth scenario and are budgeted centrally.
- The Higher Education Price Index (HEPI) is an inflation index designed specifically to track the primary cost drivers in higher education. It is an essential planning tool for educational managers, enabling schools to project the future budget and funding increases required to maintain real purchasing power and investment. HEPI has averaged 4 percent for the past 5 years.
- This plan assumes future baseline GF program support growth at UA of 4 percent annually. This growth rate assumption will be challenging to achieve in part due to anticipated contract and policy mandated personnel services increases.
- Over this ten-year period UA will become proportionally more dependent on general funds, growing from 39.4 percent of base operating budget in FY10 to 41.0 percent in FY15 and 43.2 percent in FY20. However, UA administration aspires to moderate or even reduce this proportion over time.
- This plan assumes net tuition rate increases of 5 percent per year, which is just enough to keep up with the portion of fixed cost increases reliant on this source.
- Some of the FY11 Operations-Other State Funds budget increments are dependent on unfunded GF increments and will not be realizable at this level without the GF funding.
- At UA, the primary contributors to Operations-Other State Funds are student tuition and fees and general university receipts such as individual, local and corporate giving.
- In response to state needs, UA has focused a majority of its resources on growing programs in high demand job areas. Most of these programs have higher costs associated with them due to: a need for competitive wages to recruit faculty; smaller class sizes because of strict accreditation limits and lab constraints; and needs for costly academic equipment.
- College preparation program focus is necessary to continue increasing the number of qualified students and successful graduates.

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

Revenue Assumptions

- The FY10 Baseline Operations incorporate FY10 adjustments for the following one-time items: Virology operating costs, (150.0 GF); Alaska Center for Energy and Power, (500.0) GF, (1,318.4) NGF; Energy Outreach through Cooperative Extension Service, (450.0) GF, (1,350.0) NGF; and MHTAAR, (1,617.0) NGF.
- The FY11 baseline numbers represent the Governor’s budget of \$10.3 million to support compensation increases and other adjusted base requirements required to maintain existing performance levels. The FY10 one-time funded programs for the Alaska Center for Energy and Power, (500.0) GF, (1,318.4) NGF; Energy Outreach through Cooperative Extension Service, (450.0) GF, (1,350.0) NGF are included in the Governor’s budget for base funding and have been included in UA’s baseline numbers.
- The Board of Regents’ FY11 operating budget also includes \$1.4 million in other adjusted base requirements. Also dedicated to this purpose will be an additional \$13.7 million in federal revenue, student tuition and fees, and other non-state revenue sources.
- The long-term capital costs presented here are based on the approved 10-Year Capital Improvement Plan. An investment of \$37.5 million each year for the next 5 years supported by the Governor’s FY11 capital budget and \$50.0 million each year thereafter will enable UA to begin reducing the deferred maintenance and renewal backlog; \$5 million annually for capital equipment is included for FY12 forward. The capital project cost estimates are based on 2009 construction costs.

Gasline Related Budget Growth

Although the university does not show any “Gasline Related” scenario items, many UA programs will directly support the gasline and are included under Initiatives because the current state need warrants program expansion, regardless of the gasline.

New Initiatives

Conditions/Notes

- This scenario does not include any estimates of future resource impacts resulting from the Governor’s Performance Scholarship (GPS). The university is evaluating what the financial and enrollment impacts, if any, may result from the proposed GPS program.

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- Over this ten-year period, in the New Initiative Scenario, UA will become proportionally more dependent on general funds, growing from 39.4 percent of base operating budget in FY10 to 43.1 percent in FY15 and 47.7 percent in FY20. However, UA administration aspires to moderate or even reduce this proportion over time.
- College preparation program focus is necessary to continue increasing the number of qualified students and successful graduates. Additional focus will be required under the New Initiatives scenario than under baseline.

Revenue Assumptions

- The Board of Regents' FY11 operating budget includes program increment requests totaling \$5.2 million in general funds and dedication of an additional \$2.8 million in non-state revenue sources supporting key High Demand Job Area (HDJA) programs including Teacher Education, Health/Biomedical, Workforce Programs, and Engineering. The Board of Regents' FY11 operating budget also includes program increments of \$1.3 million in general funds and \$1.9 million in non-state revenue sources to support Climate and Energy programs. These programs are not included in the Governor's FY11 operating budget, but will be reevaluated as part of UA's FY12 operating budget request.
- The Board of Regents' FY11 program increment requests that would most directly impact retention and therefore tuition revenue are: Science, Technology, Engineering and Math (STEM) preparatory support for students, including \$1.4 million in general fund and an additional \$0.6 million dedicated from tuition and other university revenue sources; and Student Success Initiatives, including \$2.1 million in general fund and dedication of an additional \$0.4 million in university generated revenue. These programs are not included in the Governor's FY11 operating budget, but will be reevaluated as part of UA's FY12 operating budget request.
- The Governor's FY11 capital budget includes funding for the UAF Life Sciences Classroom & Lab Facility, \$1.4 million for Community Campus Feasibility Study and \$15.0 million for University Receipt Authority. Planning and Design for Construction of UA Engineering Facilities, and Further Reduction of Deferred Maintenance and Renewal Backlog were other Board of Regents' priorities for FY11 and have been delayed to FY12 based on the Governor's FY11 capital budget.
- Additional anticipated capital projects in FY12 include: UA Engineering Facilities and UAF Energy Facility; UA Community Campus Construction resulting from the FY11 Feasibility Study; and planning for UAA's Health Sciences Building Phase II and Related Parking. In FY13, anticipated capital projects include: construction of UAA's Health Sciences Building Phase II and Related Parking; UA Community Campus Construction resulting from the FY11 Feasibility Study; and planning and design for construction. Out year capital increments are placeholders to support the UA Strategic Plan and include student life, academic priorities, research, infrastructure, and high demand academic program priorities and continued identified needs

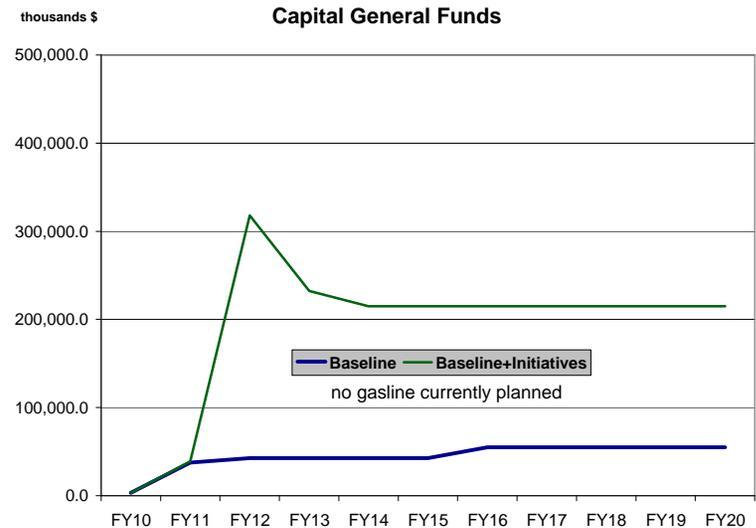
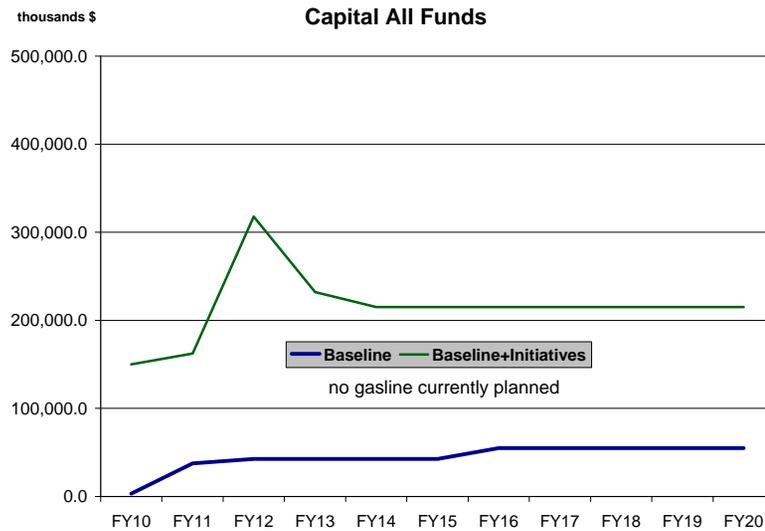
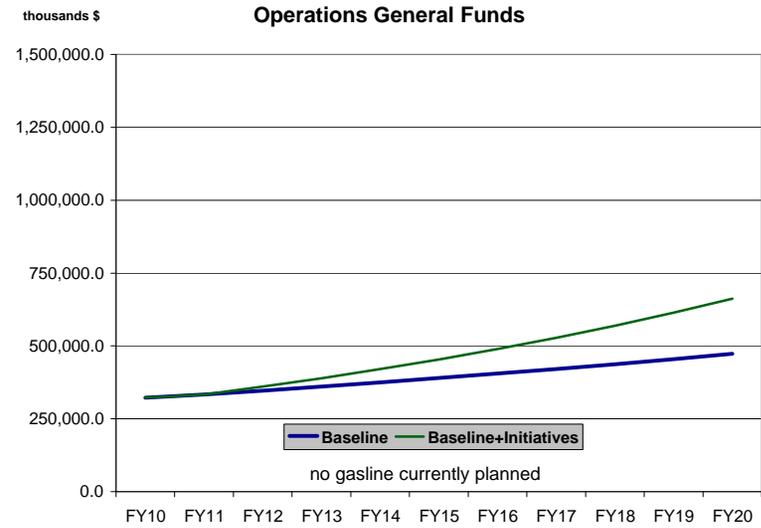
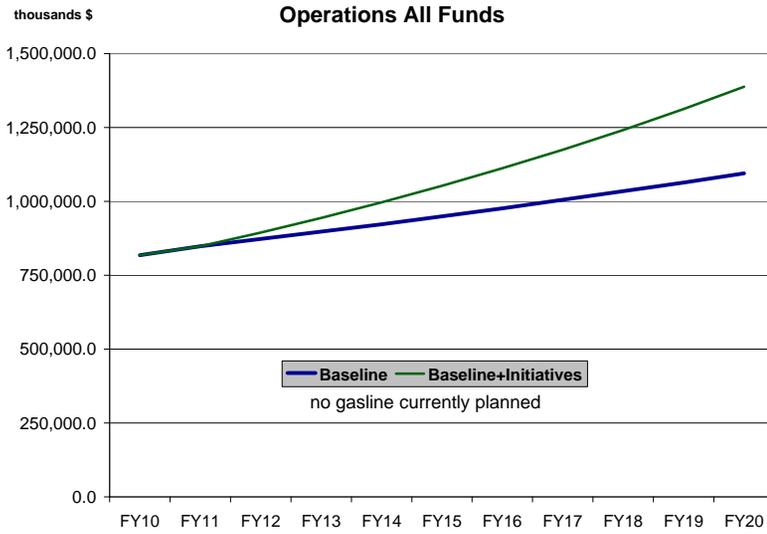
Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

arising from the FY11 Community Campus Feasibility Study. This plan assumes continued efficiencies are realized in space utilization of existing facilities.

- In addition to the annual renewal and renovation requirement for facilities, UA needs an additional ongoing funding solution to further reduce the growing number of projects on the deferred maintenance and renewal backlog list.
- For every \$100 million in new facilities investment there can be an expected increase of \$1-3 million in operating costs.

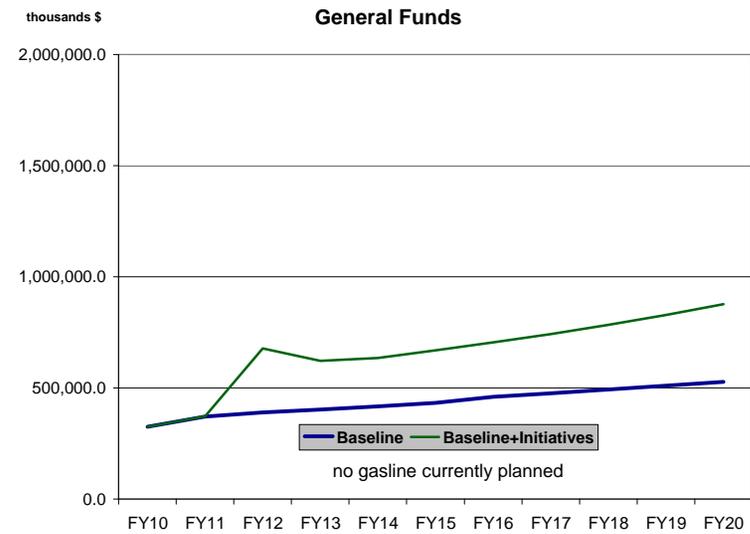
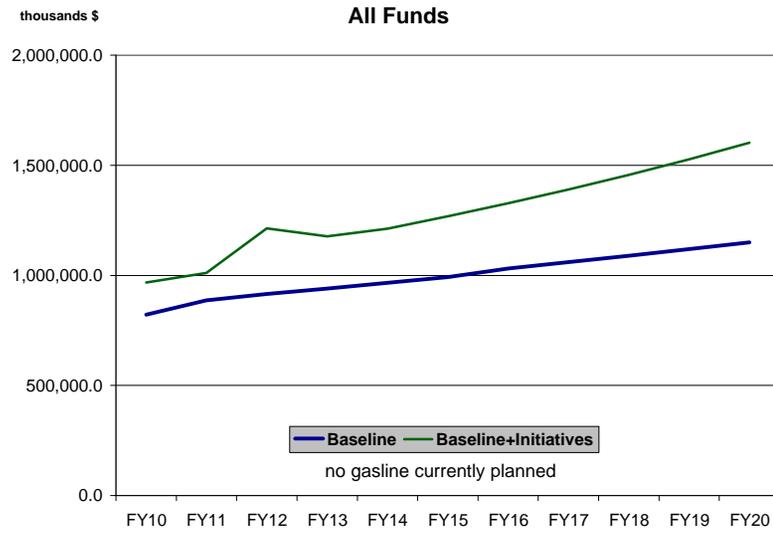
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University of Alaska



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University of Alaska



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University of Alaska

Baseline Budget Growth 1/

(thousands \$)

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Total Appropriations	821,021.5	885,940.6	914,972.9	939,783.4	965,399.2	991,848.5	1,031,660.4	1,059,865.3	1,088,994.4	1,119,080.2	1,150,156.5
General Fund	320,825.7	366,345.4	384,499.2	398,179.2	412,406.4	427,202.6	455,090.7	471,094.3	487,738.1	505,047.6	523,049.5
General Fund Match	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3
Federal Funds	130,658.5	132,798.7	134,126.7	135,468.0	136,822.6	138,190.9	139,572.8	140,968.5	142,378.2	143,802.0	145,240.0
Other State Funds	364,760.0	382,019.2	391,569.7	401,358.9	411,392.9	421,677.7	432,219.7	443,025.2	454,100.8	465,453.3	477,089.6
Operations	817,821.5	848,440.6	872,472.9	897,283.4	922,899.2	949,348.5	976,660.4	1,004,865.3	1,033,994.4	1,064,080.2	1,095,156.5
General Fund	317,625.7	328,845.4	341,999.2	355,679.2	369,906.4	384,702.6	400,090.7	416,094.3	432,738.1	450,047.6	468,049.5
General Fund Match	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3
Federal Funds	130,658.5	132,798.7	134,126.7	135,468.0	136,822.6	138,190.9	139,572.8	140,968.5	142,378.2	143,802.0	145,240.0
Other State Funds	364,760.0	382,019.2	391,569.7	401,358.9	411,392.9	421,677.7	432,219.7	443,025.2	454,100.8	465,453.3	477,089.6
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	817,821.5	848,440.6	872,472.9	897,283.4	922,899.2	949,348.5	976,660.4	1,004,865.3	1,033,994.4	1,064,080.2	1,095,156.5
General Fund	317,625.7	328,845.4	341,999.2	355,679.2	369,906.4	384,702.6	400,090.7	416,094.3	432,738.1	450,047.6	468,049.5
General Fund Match	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3
Federal Funds	130,658.5	132,798.7	134,126.7	135,468.0	136,822.6	138,190.9	139,572.8	140,968.5	142,378.2	143,802.0	145,240.0
Other State Funds	364,760.0	382,019.2	391,569.7	401,358.9	411,392.9	421,677.7	432,219.7	443,025.2	454,100.8	465,453.3	477,089.6
Capital	3,200.0	37,500.0	42,500.0	42,500.0	42,500.0	42,500.0	55,000.0	55,000.0	55,000.0	55,000.0	55,000.0
General Fund	3,200.0	37,500.0	42,500.0	42,500.0	42,500.0	42,500.0	55,000.0	55,000.0	55,000.0	55,000.0	55,000.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

1. UA baseline figures include wage and benefit increases.
See detailed assumptions

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

University of Alaska

Initiatives (Except Gasline)

(thousands \$)

	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
Total Appropriations	147,000.0	125,000.0	297,751.0	236,758.1	246,654.8	276,289.2	295,327.6	329,755.5	367,305.8	408,229.5	452,797.0
General Fund	0.0	1,400.0	288,782.7	218,246.7	217,995.9	236,847.2	244,434.1	266,707.9	291,365.5	318,620.2	348,703.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	147,000.0	0.0	1,328.0	2,695.8	4,104.4	5,554.7	7,047.7	8,584.4	10,165.8	11,792.9	13,466.8
Other State Funds	0.0	123,600.0	7,640.4	15,815.6	24,554.5	33,887.3	43,845.8	54,463.2	65,774.6	77,816.4	90,627.2
Operations	0.0	0.0	22,451.0	47,108.1	74,154.8	103,789.2	135,327.6	169,755.5	207,305.8	248,229.5	292,797.0
General Fund	0.0	0.0	13,482.7	28,596.7	45,495.9	64,347.2	84,434.1	106,707.9	131,365.5	158,620.2	188,703.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	1,328.0	2,695.8	4,104.4	5,554.7	7,047.7	8,584.4	10,165.8	11,792.9	13,466.8
Other State Funds	0.0	0.0	7,640.4	15,815.6	24,554.5	33,887.3	43,845.8	54,463.2	65,774.6	77,816.4	90,627.2
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	0.0	0.0	22,451.0	47,108.1	74,154.8	103,789.2	135,327.6	169,755.5	207,305.8	248,229.5	292,797.0
General Fund	0.0	0.0	13,482.7	28,596.7	45,495.9	64,347.2	84,434.1	106,707.9	131,365.5	158,620.2	188,703.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	1,328.0	2,695.8	4,104.4	5,554.7	7,047.7	8,584.4	10,165.8	11,792.9	13,466.8
Other State Funds	0.0	0.0	7,640.4	15,815.6	24,554.5	33,887.3	43,845.8	54,463.2	65,774.6	77,816.4	90,627.2
Capital	147,000.0	125,000.0	275,300.0	189,650.0	172,500.0	172,500.0	160,000.0	160,000.0	160,000.0	160,000.0	160,000.0
General Fund	0.0	1,400.0	275,300.0	189,650.0	172,500.0	172,500.0	160,000.0	160,000.0	160,000.0	160,000.0	160,000.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	147,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	123,600.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

See detailed assumptions

Note: The projections in the FY 2011 10-year plan are intended to be a planning tool and do not represent a commitment by the Administration to propose spending at a particular level in FY2010, FY2011 or any future year.

University of Alaska

Baseline plus Initiatives

(thousands \$)

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Total Appropriations	968,021.5	1,010,940.6	1,212,723.9	1,176,541.5	1,212,054.0	1,268,137.7	1,326,988.0	1,389,620.8	1,456,300.2	1,527,309.7	1,602,953.5
General Fund	320,825.7	367,745.4	673,281.9	616,425.9	630,402.3	664,049.8	699,524.8	737,802.2	779,103.6	823,667.8	871,752.6
General Fund Match	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3
Federal Funds	277,658.5	132,798.7	135,454.7	138,163.8	140,927.0	143,745.6	146,620.5	149,552.9	152,544.0	155,594.8	158,706.7
Other State Funds	364,760.0	505,619.2	399,210.1	417,174.5	435,947.4	455,565.0	476,065.4	497,488.4	519,875.3	543,269.7	567,716.9
Operations	817,821.5	848,440.6	894,923.9	944,391.5	997,054.0	1,053,137.7	1,111,988.0	1,174,620.8	1,241,300.2	1,312,309.7	1,387,953.5
General Fund	317,625.7	328,845.4	355,481.9	384,275.9	415,402.3	449,049.8	484,524.8	522,802.2	564,103.6	608,667.8	656,752.6
General Fund Match	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3
Federal Funds	130,658.5	132,798.7	135,454.7	138,163.8	140,927.0	143,745.6	146,620.5	149,552.9	152,544.0	155,594.8	158,706.7
Other State Funds	364,760.0	382,019.2	399,210.1	417,174.5	435,947.4	455,565.0	476,065.4	497,488.4	519,875.3	543,269.7	567,716.9
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	817,821.5	848,440.6	894,923.9	944,391.5	997,054.0	1,053,137.7	1,111,988.0	1,174,620.8	1,241,300.2	1,312,309.7	1,387,953.5
General Fund	317,625.7	328,845.4	355,481.9	384,275.9	415,402.3	449,049.8	484,524.8	522,802.2	564,103.6	608,667.8	656,752.6
General Fund Match	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3
Federal Funds	130,658.5	132,798.7	135,454.7	138,163.8	140,927.0	143,745.6	146,620.5	149,552.9	152,544.0	155,594.8	158,706.7
Other State Funds	364,760.0	382,019.2	399,210.1	417,174.5	435,947.4	455,565.0	476,065.4	497,488.4	519,875.3	543,269.7	567,716.9
Capital	150,200.0	162,500.0	317,800.0	232,150.0	215,000.0	215,000.0	215,000.0	215,000.0	215,000.0	215,000.0	215,000.0
General Fund	3,200.0	38,900.0	317,800.0	232,150.0	215,000.0	215,000.0	215,000.0	215,000.0	215,000.0	215,000.0	215,000.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	147,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	123,600.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0