

**State of Alaska
FY2018 Governor's Operating Budget**

**University of Alaska
Small Business Development Center
Component Budget Summary**

Component: Small Business Development Center

Contribution to Department's Mission

Small Business Development Center (SBDC) programs have provided a direct link between UAA and businesses, entrepreneurs, and leaders throughout Alaska since 1986. This direct link and the successful results of the SBDC are tangible evidence of UAA's impact within the Public Square. The Alaska SBDC contributes directly to UAA's 2017 strategic plan in its collaborative efforts with both public and private sector partners to form productive partnerships with public entities and private industries and to enhance Alaska's communities and economic growth.

The SBDC network serves the needs of Alaska's business community and nascent entrepreneurs by providing free and confidential business advising, workshops, computer labs, and business resource libraries. In addition, the SBDC network is comprised of three partner programs: Buy Alaska, the Procurement Technical Assistance Center (PTAC), and the Technology Research and Development Center (TREND). These programs assist the Alaska SBDC network in its mission to meet Alaska's businesses at any level of development and assist them in finding pathways to sustainable growth.

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.

Major Component Accomplishments in 2016

Thanks in large part to its ongoing participation in the Malcolm Baldrige performance excellence program, in FY2016 the SBDC saw all-time highs (marked with an *) in five out of six of its key performance measurements. Most notably the organization provided 5,739 hours of technical assistance to 832 businesses that induced 378 new jobs and accessed \$17.8 million in loans and equity investments. The SBDC also helped 131 Alaskans launch a new business.

	FY2013	FY2014	FY2015	FY2016
Counseling Hours	2,975	3,278	5,555	5,739*
New Businesses	83	62	103	131*
New Jobs	256	238	302	378*
Capital Infusion	\$12,500,000	\$10,800,000	\$12,600,000	\$17,800,000*
Success Stories	17	29	49*	36
Long Term Clients	147	200	262	317*

PROCUREMENT TECHNICAL ASSISTANCE CENTER (PTAC)

The Alaska PTAC guides Alaska businesses in selling products and services to federal, state, and local governments. With the main office in Anchorage and a satellite office in Fairbanks, the program provides services

statewide that include classes and seminars, an annual procurement conference, individual advising, access to bid opportunities, database registration assistance, a free Bid Match program, and other processes necessary to successfully navigate the procurement process. Highlights of this program include:

	FY2014	FY2015	FY2016
Client base	628*	345	375
Advising sessions	635**	363	703
Number of Prime and Subcontract awards ¹	263	281	416
Dollar Amount of Prime and Subcontracts	\$74,499,332	\$170,691,717	\$303,581,608

* The definition of an “active client” was revised in FY2015 to any client that has received PTAC services in the last 12 months. The new definition is the cause for a downward shift in this metric.

** The definition of a counseling session was also revised in FY2015 to now include accumulation of prep time + advising time. The new definition is the cause for an upward shift in this metric for FY2016.

¹ These are contracts awarded to PTAC clients by local, state and federal agencies

Key Component Challenges

Due in large part to ongoing support from the State of Alaska, the SBDC and PTAC had very solid performance in FY2016. The organizations continue their focus on high impact clients and finding key sectors in Alaska where growth is likely to occur.

While the organizations are mandated to provide statewide access to all Alaskans, this becomes increasingly challenging as budgets shrink. As a result, the SBDC has been forced to focus solely on “high impact” clients to achieve the performance metrics required by their federal funders.

At the same time, the future success of Alaska will rely in part on its university system actively boosting innovation, and retaining and expanding businesses across all industry sectors. As a university-based program, SBDC alignment with the UA system includes: faculty engagement with industry; increased student access to internships and applied learning opportunities within industry; faculty, staff and students gaining a competitive advantage due to high level trainings, seminars, and certification courses as well as support with addressing the “due-diligence” component of innovative ideas. In face a declining budget, University-based resources can support a path toward self-employment for faculty, staff and students.

While the SBDC has been able to obtain significant administrative efficiencies in budgets due in part to its affiliation under the Business Enterprise Institute, the reality is that further reductions will be harmful to the SBDC, to the UA's system's ability to offer faculty and students broader engagement with industry, and to the State of Alaska's efforts to improve revenues via business expansion and development.

Significant Changes in Results to be Delivered in FY2018

Since the SBDC and PTAC match their general fund budget dollar-for-dollar with federal grants through the U.S. Small Business Administration and the Defense Logistics Agency respectively, a potential 4.5 percent reduction in general fund to the SBDC in FY2018 will result in an equivalent loss of federal funding to the organizations, for an equivalent budget loss of 9 percent. This reduction in budget would result in the elimination of two FTEs. Since SBDC and PTAC business advisors have clear annual performance goals, it can be predicted that the loss of two FTEs would result in \$1.5 million less in loans and equity investments, \$40 million less in prime contracts to firms, 750 fewer hours of one-on-one technical assistance to business owners, and 17 fewer start-ups.

¹ These are contracts awarded to PTAC clients by local, state and federal agencies.

Statutory and Regulatory Authority

No statutes and regulations.

Contact Information
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Component Detail All Funds
University of Alaska

Component: Small Business Development Center (2911)
RDU: University of Alaska Anchorage (235)

Non-Formula Component

	FY2016 Actuals	FY2017 Conference Committee	FY2017 Authorized	FY2017 Management Plan	FY2018 Governor	FY2017 Management Plan vs FY2018 Governor	
71000 Personal Services	1,744.8	2,653.6	2,653.6	1,730.0	1,730.0	0.0	0.0%
72000 Travel	84.8	66.7	66.7	53.0	53.0	0.0	0.0%
73000 Services	426.9	318.8	318.8	1,065.7	1,065.7	0.0	0.0%
74000 Commodities	32.8	139.0	139.0	161.5	161.5	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%
Totals	2,289.3	3,178.1	3,178.1	3,010.2	3,010.2	0.0	0.0%
Fund Sources:							
1002Fed Rcpts (Fed)	1,019.2	1,200.0	1,200.0	1,200.0	1,200.0	0.0	0.0%
1004Gen Fund (UGF)	965.4	1,031.5	1,031.5	985.2	985.2	0.0	0.0%
1007I/A Rcpts (Other)	0.0	250.0	250.0	250.0	250.0	0.0	0.0%
1048Univ Rcpt (DGF)	304.7	671.6	671.6	550.0	550.0	0.0	0.0%
1174UA I/A (Other)	0.0	25.0	25.0	25.0	25.0	0.0	0.0%
Unrestricted General (UGF)	965.4	1,031.5	1,031.5	985.2	985.2	0.0	0.0%
Designated General (DGF)	304.7	671.6	671.6	550.0	550.0	0.0	0.0%
Other Funds	0.0	275.0	275.0	275.0	275.0	0.0	0.0%
Federal Funds	1,019.2	1,200.0	1,200.0	1,200.0	1,200.0	0.0	0.0%
Positions:							
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: University of Alaska Anchorage (235)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2017 Conference Committee To FY2017 Authorized *****												
FY2017 Conference Committee												
ConfCom		3,178.1	2,653.6	66.7	318.8	139.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		1,200.0										
1004 Gen Fund		1,031.5										
1007 I/A Rcpts		250.0										
1048 Univ Rcpt		671.6										
1174 UA I/A		25.0										
Subtotal		3,178.1	2,653.6	66.7	318.8	139.0	0.0	0.0	0.0	0	0	0
***** Changes From FY2017 Authorized To FY2017 Management Plan *****												
Transfer General Funds to Align Budgets With Anticipated Revenue												
Trout		-46.3	0.0	0.0	-46.3	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-46.3										

Transfers between allocations deemed necessary for FY2017.

1004 General Fund

- (7,718.5) Anchorage Campus
- (200.6) Bristol Bay Campus
- 1,750.0 Budget Reductions/Additions - Systemwide
- (163.9) Chukchi Campus
- (727.1) College of Rural and Community Development
- 18,435.4 Fairbanks Campus
- (2,683.8) Fairbanks Organized Research
- (1,810.6) Juneau Campus
- (613.8) Kenai Peninsula College
- (273.2) Ketchikan Campus
- (282.2) Kodiak College
- (395.8) Kuskokwim Campus
- (219.1) Matanuska-Susitna College
- (201.6) Northwest Campus
- (1,050.5) Office of Information Technology
- (511.8) Prince William Sound College
- (401.2) Sitka Campus
- (46.3) Small Business Development Center
- (2,061.2) Statewide Services
- (194.7) Systemwide Education and Outreach
- (407.2) UAF Community and Technical College

Change Record Detail - Multiple Scenarios with Descriptions
University of Alaska

Component: Small Business Development Center (2911)
RDU: University of Alaska Anchorage (235)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
(222.3) Interior Alaska Campus												
Transfer University Receipts to Align Budgets With Anticipated Revenue												
1048 Univ Rcpt	Trout	-121.6	0.0	0.0	-121.6	0.0	0.0	0.0	0.0	0	0	0
Transfers between allocations deemed necessary for FY2017.												
1048 University Receipts												
2,302.4	Anchorage Campus											
56.0	Bristol Bay Campus											
(9,664.8)	Budget Reductions/Additions - Systemwide											
33.0	Chukchi Campus											
100.5	College of Rural and Community Development											
(4,970.1)	Fairbanks Campus											
6,323.0	Fairbanks Organized Research											
568.0	Juneau Campus											
222.5	Kenai Peninsula College											
78.0	Ketchikan Campus											
164.5	Kodiak College											
86.5	Kuskokwim Campus											
935.6	Matanuska-Susitna College											
50.0	Northwest Campus											
149.5	Office of Information Technology											
95.0	Prince William Sound College											
109.5	Sitka Campus											
(121.6)	Small Business Development Center											
3,153.5	Statewide Services											
108.5	Systemwide Education and Outreach											
160.5	UAF Community and Technical College											
60.0	Interior Alaska Campus											
Align Authority with Anticipated Expenditures												
	LIT	0.0	-923.6	-13.7	914.8	22.5	0.0	0.0	0.0	0	0	0
Transfers within the allocation that University management and the Board of Regents have deemed necessary to accurately reflect revenue and expenditure levels for FY2017.												
Subtotal		3,010.2	1,730.0	53.0	1,065.7	161.5	0.0	0.0	0.0	0	0	0

Change Record Detail - Multiple Scenarios with Descriptions
University of Alaska

Component: Small Business Development Center (2911)
RDU: University of Alaska Anchorage (235)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2017 Management Plan To FY2018 Governor *****												
	Totals	3,010.2	1,730.0	53.0	1,065.7	161.5	0.0	0.0	0.0	0	0	0

Personal Services Expenditure Detail
University of Alaska

Scenario: FY2018 Governor (13956)
Component: Small Business Development Center (2911)
RDU: University of Alaska Anchorage (235)

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.

Line Item Detail (1676)

University of Alaska

Travel

Component: Small Business Development Center (2911)

Line Number	Line Name	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
2000	Travel	84.8	53.0	53.0

Line Item Detail (1676)
University of Alaska
Services

Component: Small Business Development Center (2911)

Line Number	Line Name	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3000	Services	426.9	1,065.7	1,065.7

Line Item Detail (1676)
University of Alaska
Commodities

Component: Small Business Development Center (2911)

Line Number	Line Name	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
4000	Commodities	32.8	161.5	161.5