

State of Alaska FY2018 Governor's Operating Budget

University of Alaska

University of Alaska

Mission

University of Alaska System (UA)

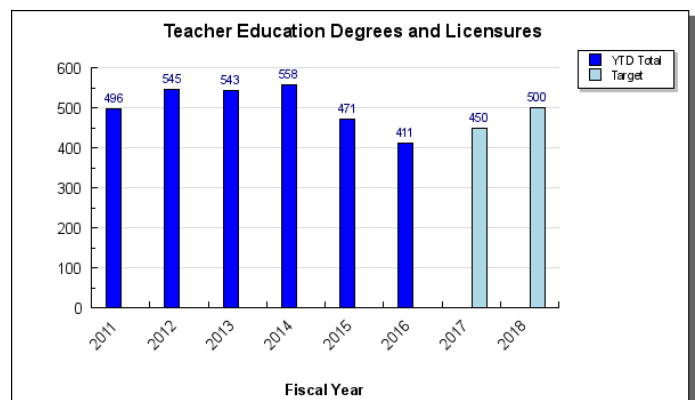
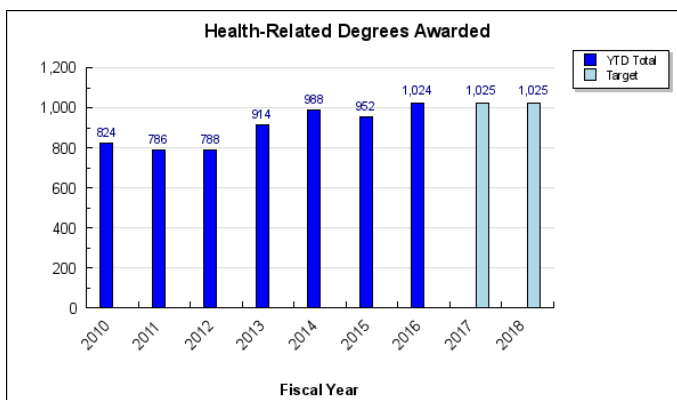
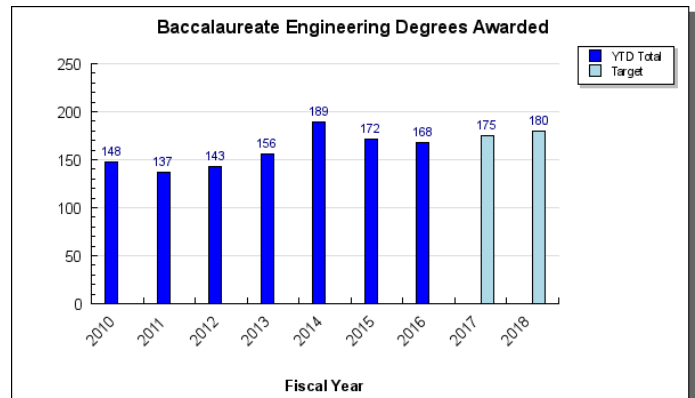
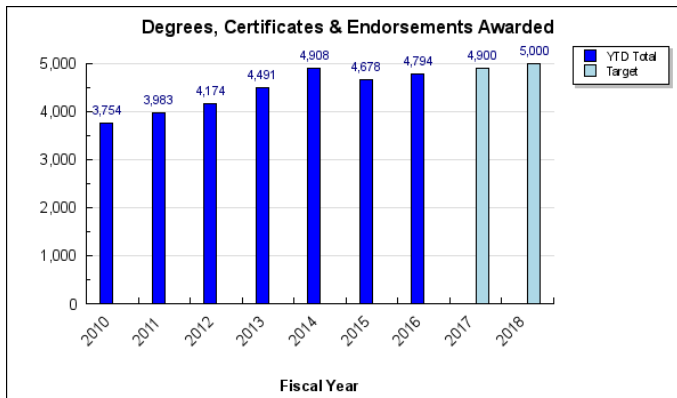
The University of Alaska inspires learning, and advances and disseminates knowledge through teaching, research, and public service, emphasizing the North and its diverse peoples. AS 14.40.010, AS 14.40.060

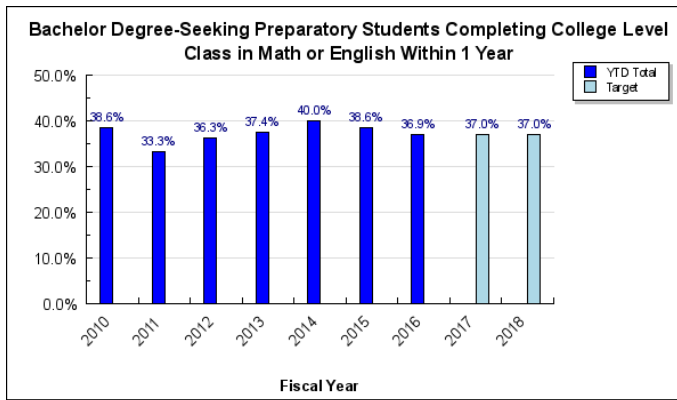
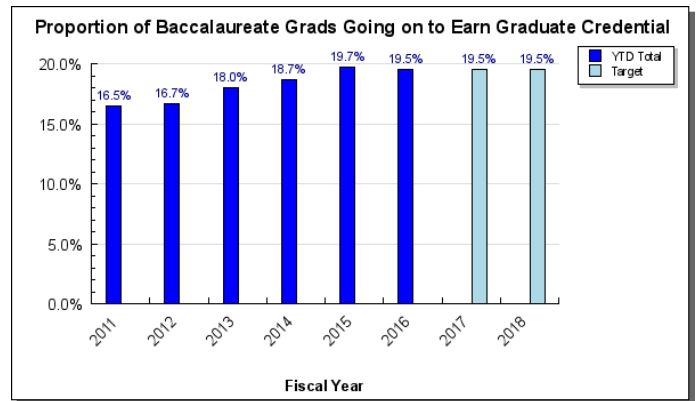
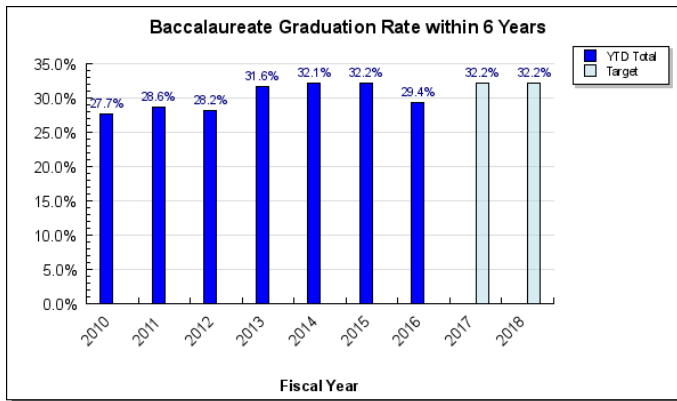
Core Services (in priority order)		UGF	DGF	Other	Fed	Total	PFT	PPT	NP	% GF
1	Student Instruction	259,408.8	251,846.3	62,781.4	61,801.8	635,838.3	3228	156	0	77.2%
2	Research: Advancing Knowledge, Basic and Applied	35,308.6	58,873.3	14,903.4	80,126.5	189,211.8	749	34	0	14.2%
3	Service: Sharing Knowledge to Address Community Needs	30,166.1	26,464.9	9,190.6	8,924.4	74,746.0	311	17	0	8.6%
FY2017 Management Plan		324,883.5	337,184.5	86,875.4	150,852.7	899,796.1	4288	207	0	

Measures by Core Service

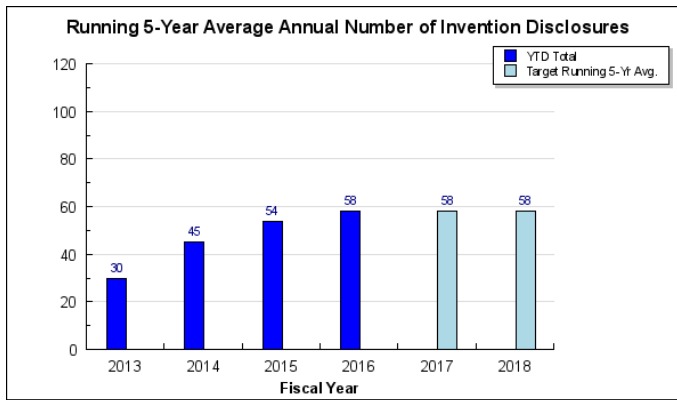
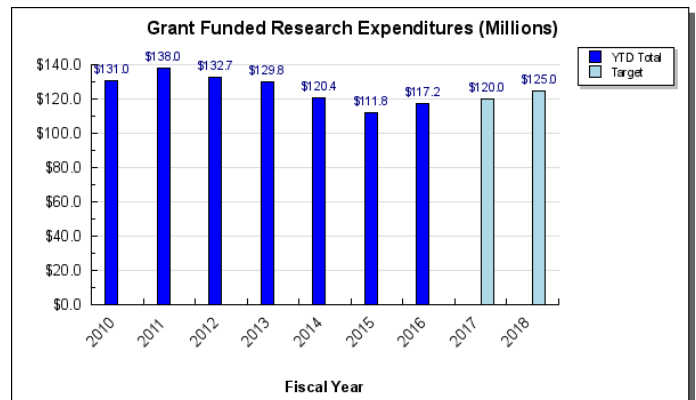
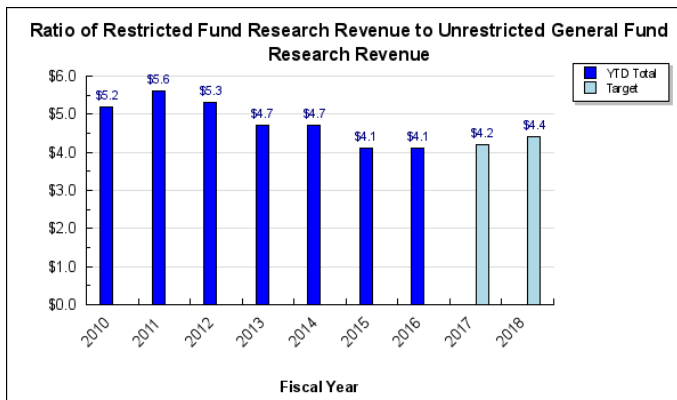
(Additional performance information is available on the web at <https://omb.alaska.gov/results.>)

1. Student Instruction

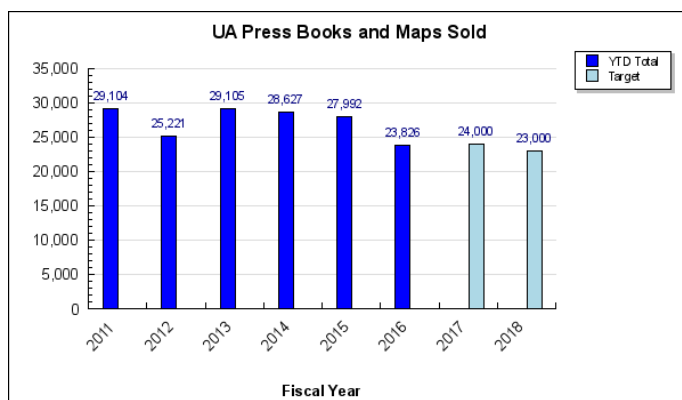
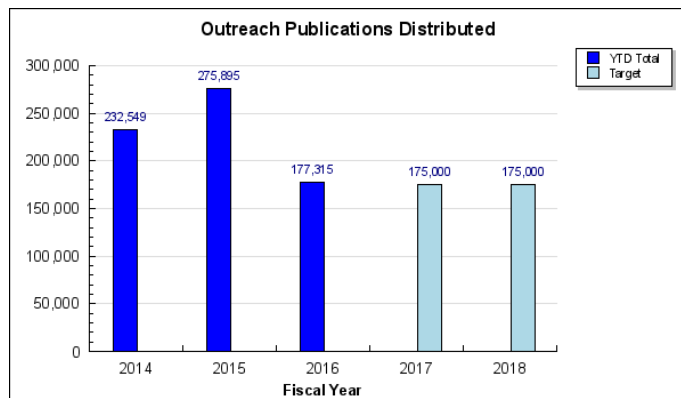
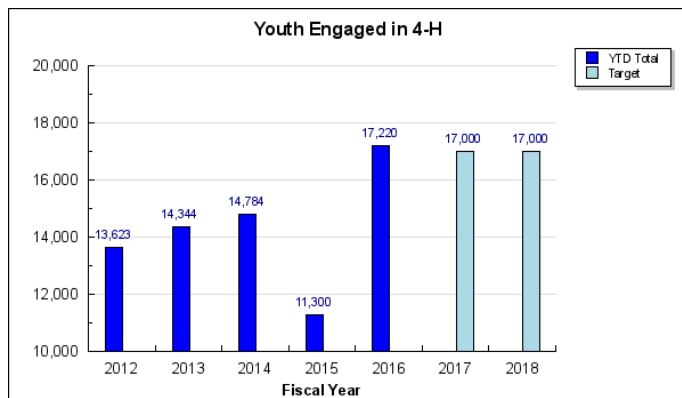




2. Research: Advancing Knowledge, Basic and Applied



3. Service: Sharing Knowledge to Address Community Needs



Major Department Accomplishments in 2016

Degrees, Certificates and Endorsements Awarded

UA delivered 4,794 degrees, certificates and endorsements in FY2016, a 15 percent increase in annual awards compared with FY2012.

High Demand Job Area Degrees Awarded

UA's commitment to meeting the state's need for qualified, trained professionals is producing solid results. In FY2016, UA awarded 3,154 degrees in high demand job areas including: 168 baccalaureate Engineering degrees, and 1,024 degrees, certificates and occupational endorsements in health-related programs.

Expansion of e-Learning Course Delivery

UA continues to expand its e-Learning course delivery with an average of 3.7 e-Learning credits taken by students in FY2016, an increase of 48 percent since FY2012. In addition, 90 programs can be completed fully online by e-Learning. Systemwide, students utilize various online course options, with approximately one-third enrolled at multiple campuses.

Increase in Alaska-related Research Expenditures and Economic Value from UA Intellectual Property

UA continues to advance intellectual properties, a process that begins with invention disclosures. These may lead to commercialization of technologies valuable to inventors, the university, and state citizens. A running 5-year average is used to normalize for large year-to-year variance observed in the annual number of disclosures since the effort began. The five-year running average number of invention disclosures reported by UAF Office of Intellectual Property and Commercialization and UAA Office of Technology Commercialization increased four-fold from FY2012. As of FY2016, the 5-year running average for invention disclosures across UA was 58 per year. This is a decrease of four disclosures from the FY2015 5-year running average.

Strategic Pathways

Decisions from Strategic Pathways (SP) phase one already made or options currently under consideration by the Board of Regents are:

- Consolidation of research administration functions from all three universities at UAF;
- Consolidation of procurement functions from all three universities at UAF;
- Consolidation of information technology (IT) functions from departments and colleges at each of the universities, with governance of all IT consolidated at Statewide;
- Collaboration between the two schools of engineering, to include common course numbers, and descriptions, and shared course delivery;
- Collaboration between the UAA and UAF management and business programs, to include common course numbers and descriptions, and shared course delivery, and consolidation of the UAS management programs into the School of Arts and Sciences, resulting in elimination of the School of Management and its dean at UAS;
- Consolidation of three schools of education at each university to a single school serving all of UA and the state;
- A proposed waiver of National Collegiate Athletics Association (NCAA) rules in order to reduce the cost of UA intercollegiate athletics programs, so as to maintain a reduced number of sports teams during this time of fiscal pressure.

Effective and Efficient Use of Resources

UA has put to work 95% of the funding received from FY2009-FY2016 for deferred maintenance, renewal, and repurposing projects and taken the opportunity to reduce operating costs as part of each capital renewal project. In FY2017, UA reallocated a total of \$13 million in state appropriated operating budget funds for priority deferred maintenance, renewal, and repurposing projects (\$10 million) and the UAF engineering building debt service and partial operating costs (\$3 million).

Information obtained from campus space use analysis is being used to: increase research and contemporary learning space, change space assignments, inform future renewal projects, reduce the number of facilities, repurpose existing facilities, efficiently co-locate campus functions, and improve space scheduling to maximize use of facilities.

Key Department Challenges

UA continues to take steps to manage reduced budgets over the last three fiscal years. Examples include: fewer regular and temporary employees, numerous vacant positions will remain unfilled, reduced or consolidated work assignments, and reallocation of general funds to support strategic investment areas. UA is reviewing all of its major academic programs and administrative services for how to create a more sustainable university with more diverse revenue sources. These efforts allowed UA to manage \$52.7 million (-14%) in state general fund baseline reduction since FY2015 and additional unavoidable annual fixed cost increases.

To continue with even greater reductions in and beyond FY2018 will challenge UA to recast the entire UA portfolio of education and workforce development programs without compromising the high standard of education and workforce training that is currently afforded UA students. There is an ongoing discussion with the Board of Regents, chancellors, faculty, and staff to explore longer-term strategic cuts and investments, and explore revenue opportunities that will help UA preserve and strengthen its core during this downturn in the state's finances.

UA served 43,534 students in FY2016, 4 percent fewer than in FY2015 and 14 percent fewer than in FY2012. The number of students enrolled at UA peaked in FY2012 and has been generally declining since. UAA, UAF and UAS attribute recent, historical declines in the number of entering, degree-seeking students to a decreasing number of Alaska high school graduates over the last few years, coupled with fewer non-degree seeking students. A challenge in addressing declines observed over the last few years are the simultaneous, significant declines in state and federal revenue. Headcount declines also negatively impact UA student tuition and fees revenue, even with a tuition rate increase approved by the Board of Regents to take effect in Academic Year 2016.

In addition to loss of state funding, UA is also facing the following economic challenges: risk of reduced federal funding for research; continued high energy costs; state population loss; and rise of on-line, high quality alternatives to UA.

Significant Changes in Results to be Delivered in FY2018

UA's accomplishments have been made possible because of investments made by the state and federal government

to support operations, programs, and research; by private companies, foundations, and individuals, including growing numbers of alumni whose philanthropy enables a margin of excellence; and by our students and their families who demonstrate their beliefs in what we do through their tuition dollars. UA will continue to seek input from the public, K-12, corporate and business leaders, as well as from the university community, to develop a budget that focuses on the state's highest priorities for UA in the coming years.

Strategic Pathways (SP) is UA's framework for improving service to the state and is premised on the fact that each university has unique strengths in meeting the state's needs. SP is a three phase process, considering consolidation as well as increased collaboration and other options for more cost effective performance. UA is reviewing all of its major academic programs and administrative services for how to create a more sustainable university with more diverse revenue sources. UA seeks quality, access, and cost effectiveness while growing in service to the state at this critical time in its history. Additional information related to SP can be found at: <http://www.alaska.edu/pathways/>.

SP phase one examined the following areas, with implementation in process:

- Administrative: Information Technology, Procurement, Research Administration, and Intercollegiate Athletics;
- Academic: Teacher Education, Management/Business, Engineering.

The SP review process is now in its second phase, examining eight (8) administrative and academic areas for increased cost effectiveness and performance. Reports from the following areas will be made to UA administration in December of 2016:

- Administrative: Human Resources, University Relations, Student Affairs, and Institutional Research;
- Academic: e-Learning, Fisheries, Community Campuses, and Health.

SP phase three begins in January, 2017. The following areas are proposed for review, with reports due to UA administration in March:

- Administrative: Finance, Risk Management, Land Management, and Facilities;
- Academic: Social Sciences, Arts and Humanities, Physical Sciences, and Mine Training.

Enrollment is not only a fiscal issue - because of the obvious tie to tuition, but it is also a critical mission issue for the university: if UA can't attract, retain and graduate students, it can't fulfill its mission of preparing an educated and trained workforce to meet the needs in Alaska. In order to explore opportunities to increase enrollment, the UA Enrollment Summit team held meetings in early September. Strategy highlights discussed at the meetings include:

- A new CRM (customer relationship management) system implemented over this past year at all three universities. The CRM will allow for greater relationship building with students over the recruitment cycle, enhancing UA's ability to communicate and track students from inquiry through enrollment;
- The University Hub (UAA) – improves the effectiveness and efficiency of the first-year students' experience by providing guidance prior to entering the university and helping them navigate through the first-year and beyond;
- Come Home to Alaska (CHAK) program that encourages Alaskans to come back home by waiving the non-resident surcharge;
- Finish College Alaska (FCA) – a statewide effort targeting the large segment of Alaskans who have completed some college, but not completed a degree;
- Alaska Leadership Initiative (AL-I) – a leadership program targeting full-time first and second year students;
- Continue the effort to incorporate e-Learning into more academic programs;
- Micro-targeting (UAF) – expanding the use of predictive analytics to better refine the student markets to target, and how (and what) to communicate with those students.

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Summary of Department Budget Changes by RDU

From FY2017 Management Plan to FY2018 Governor

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2017 Management Plan	324,883.5	337,184.5	86,875.4	150,852.7	899,796.1
One-time items:					
-Budget Reductions/Additions	0.0	-0.6	0.0	0.0	-0.6
-Univ of Alaska Anchorage	0.0	0.0	-2,022.6	0.0	-2,022.6
Adjustments which continue current level of service:					
-Budget Reductions/Additions	0.0	579.2	0.0	0.0	579.2
-Statewide Programs & Services	-820.0	-1,208.8	-500.0	-915.9	-3,444.7
-Univ of Alaska Anchorage	0.0	0.0	1,392.6	0.0	1,392.6
-Univ of Alaska Fairbanks	820.0	1,208.8	500.0	915.9	3,444.7
Proposed budget increases:					
-Budget Reductions/Additions	0.0	4,421.4	0.0	0.0	4,421.4
-Univ of Alaska Anchorage	150.0	0.0	395.0	0.0	545.0
Proposed budget decreases:					
-Budget Reductions/Additions	0.0	-10,000.0	0.0	-7,000.0	-17,000.0
FY2018 Governor	325,033.5	332,184.5	86,640.4	143,852.7	887,711.1

Department Totals
University of Alaska

Description	FY2016 Actuals	FY2017 Conference Committee	FY2017 Authorized	FY2017 Management Plan	FY2018 Governor	FY2017 Management Plan vs FY2018 Governor	
Department Totals	834,269.9	899,796.5	899,796.1	899,796.1	887,711.1	-12,085.0	-1.3%
Objects of Expenditure:							
71000 Personal Services	491,984.5	518,122.7	518,122.7	494,650.4	486,150.4	-8,500.0	-1.7%
72000 Travel	16,225.0	19,070.9	19,070.9	16,427.9	16,057.9	-370.0	
73000 Services	182,674.7	222,997.7	222,997.3	259,095.2	255,880.2	-3,215.0	-1.2%
74000 Commodities	53,454.6	67,307.3	67,307.3	60,924.7	60,924.7	0.0	0.0%
75000 Capital Outlay	32,376.4	20,129.7	20,129.7	14,173.2	14,173.2	0.0	0.0%
77000 Grants, Benefits	28,459.8	34,807.2	34,807.2	29,718.3	29,718.3	0.0	0.0%
78000 Miscellaneous	29,094.9	17,361.0	17,361.0	24,806.4	24,806.4	0.0	0.0%
Funding Source:							
1002 Fed Rcpts (Fed)	126,055.1	150,852.7	150,852.7	150,852.7	143,852.7	-7,000.0	-4.6%
1003 G/F Match (UGF)	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	0.0	0.0%
1004 Gen Fund (UGF)	345,353.9	319,450.4	319,450.4	319,450.4	319,450.4	0.0	0.0%
1007 I/A Rcpts (Other)	12,296.1	16,201.1	16,201.1	16,201.1	16,201.1	0.0	0.0%
1037 GF/MH (UGF)	655.6	655.8	655.8	655.8	805.8	150.0	22.9%
1048 Univ Rcpt (DGF)	279,337.0	331,203.8	331,203.8	331,203.8	326,203.8	-5,000.0	-1.5%
1061 CIP Rcpts (Other)	4,623.9	10,530.7	10,530.7	10,530.7	10,530.7	0.0	0.0%
1092 MHTAAR (Other)	1,647.7	2,022.6	2,022.6	2,022.6	1,787.6	-235.0	-11.6%
1151 VoTech Ed (DGF)	5,630.0	5,980.1	5,980.1	5,980.1	5,980.1	0.0	0.0%
1174 UA I/A (Other)	53,892.9	58,121.0	58,121.0	58,121.0	58,121.0	0.0	0.0%
1234 LicPlates (DGF)	0.4	1.0	0.6	0.6	0.6	0.0	0.0%
Totals:							
Unrestricted Gen (UGF)	350,786.8	324,883.5	324,883.5	324,883.5	325,033.5	150.0	0.0%
Designated Gen (DGF)	284,967.4	337,184.9	337,184.5	337,184.5	332,184.5	-5,000.0	-1.5%
Other Funds	72,460.6	86,875.4	86,875.4	86,875.4	86,640.4	-235.0	-0.3%
Federal Funds	126,055.1	150,852.7	150,852.7	150,852.7	143,852.7	-7,000.0	-4.6%
Positions:							
Permanent Full Time	4,518	4,513	4,513	4,288	4,078	-210	-4.9%
Permanent Part Time	221	221	221	207	192	-15	-7.2%
Non Permanent	0	0	0	0	0	0	0.0%

Component Summary Unrestricted General Funds Only
University of Alaska

Results Delivery Unit/ Component	FY2016 Actuals	FY2017 Conference Committee	FY2017 Authorized	FY2017 Management Plan	FY2018 Governor	FY2017 Management Plan vs FY2018 Governor	
Budget Reductions/Additions							
Systemwide Reduction/Additions	0.0	0.0	0.0	1,750.0	1,750.0	0.0	0.0%
RDU Totals:	0.0	0.0	0.0	1,750.0	1,750.0	0.0	0.0%
Statewide Programs and Services							
Statewide Services	10,101.3	12,683.8	12,683.8	10,542.6	10,542.6	0.0	0.0%
Office of Information Technology	12,020.9	9,620.9	9,620.9	7,823.9	7,823.9	0.0	0.0%
Systemwide Education & Outreach	1,075.7	1,153.7	1,153.7	848.3	28.3	-820.0	-96.7%
RDU Totals:	23,197.9	23,458.4	23,458.4	19,214.8	18,394.8	-820.0	-4.3%
University of Alaska Anchorage							
Anchorage Campus	108,421.0	107,884.0	107,884.0	100,165.5	100,315.5	150.0	0.1%
Small Business Dev Center	965.4	1,031.5	1,031.5	985.2	985.2	0.0	0.0%
Kenai Peninsula College	7,256.0	7,249.5	7,249.5	6,635.7	6,635.7	0.0	0.0%
Kodiak College	2,722.4	2,717.4	2,717.4	2,435.2	2,435.2	0.0	0.0%
Matanuska-Susitna College	5,210.9	5,087.9	5,087.9	4,868.8	4,868.8	0.0	0.0%
Prince Wm Sound College	3,299.5	3,298.3	3,298.3	2,786.5	2,786.5	0.0	0.0%
RDU Totals:	127,875.2	127,268.6	127,268.6	117,876.9	118,026.9	150.0	0.1%
University of Alaska Fairbanks							
Bristol Bay Campus	1,470.8	1,412.0	1,412.0	1,211.4	1,211.4	0.0	0.0%
Chukchi Campus	1,010.4	970.8	970.8	806.9	806.9	0.0	0.0%
College of Rural and Comm Dev	6,193.5	5,406.7	5,406.7	4,679.6	4,679.6	0.0	0.0%
Fairbanks Campus	122,940.2	103,705.8	103,705.8	123,078.4	123,898.4	820.0	0.7%
Interior Alaska Campus	1,753.0	1,655.9	1,655.9	1,433.6	1,433.6	0.0	0.0%
Kuskokwim Campus	3,130.0	3,000.8	3,000.8	2,605.0	2,605.0	0.0	0.0%
Northwest Campus	1,606.2	1,521.4	1,521.4	1,319.8	1,319.8	0.0	0.0%
Fairbanks Organized Research	28,615.7	23,616.8	23,616.8	20,933.0	20,933.0	0.0	0.0%
UAF Community and Tech College	5,813.7	5,713.7	5,713.7	5,306.5	5,306.5	0.0	0.0%
RDU Totals:	172,533.5	147,003.9	147,003.9	161,374.2	162,194.2	820.0	0.5%
University of Alaska Southeast							
Juneau Campus	21,299.0	21,297.2	21,297.2	19,486.6	19,486.6	0.0	0.0%
Ketchikan Campus	2,590.0	2,564.2	2,564.2	2,291.0	2,291.0	0.0	0.0%
Sitka Campus	3,291.2	3,291.2	3,291.2	2,890.0	2,890.0	0.0	0.0%
RDU Totals:	27,180.2	27,152.6	27,152.6	24,667.6	24,667.6	0.0	0.0%
Unrestricted Gen (UGF):	350,786.8	324,883.5	324,883.5	324,883.5	325,033.5	150.0	0.0%
Designated Gen (DGF):	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds:	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%
Total Funds:	350,786.8	324,883.5	324,883.5	324,883.5	325,033.5	150.0	0.0%

Component Summary All Funds
University of Alaska

Results Delivery Unit/ Component	FY2016 Actuals	FY2017 Conference Committee	FY2017 Authorized	FY2017 Management Plan	FY2018 Governor	FY2017 Management Plan vs FY2018 Governor	
Budget Reductions/Additions							
Systemwide Reduction/Additions	0.4	10,015.9	10,015.5	1,750.6	-10,249.4	-12,000.0	-685.5%
RDU Totals:	0.4	10,015.9	10,015.5	1,750.6	-10,249.4	-12,000.0	-685.5%
Statewide Programs and Services							
Statewide Services	30,275.0	34,488.2	34,488.2	35,493.6	35,493.6	0.0	0.0%
Office of Information Technology	17,696.0	19,116.2	19,116.2	17,468.7	17,468.7	0.0	0.0%
Systemwide Education & Outreach	5,069.7	10,951.2	10,951.2	6,018.7	2,574.0	-3,444.7	-57.2%
RDU Totals:	53,040.7	64,555.6	64,555.6	58,981.0	55,536.3	-3,444.7	-5.8%
University of Alaska Anchorage							
Anchorage Campus	263,391.8	273,712.8	273,712.8	268,603.2	268,518.2	-85.0	0.0%
Small Business Dev Center	2,289.3	3,178.1	3,178.1	3,010.2	3,010.2	0.0	0.0%
Kenai Peninsula College	13,914.4	16,897.9	16,897.9	16,652.8	16,652.8	0.0	0.0%
Kodiak College	4,962.5	6,133.7	6,133.7	5,921.1	5,921.1	0.0	0.0%
Matanuska-Susitna College	10,500.2	11,408.9	11,408.9	12,290.7	12,290.7	0.0	0.0%
Prince Wm Sound College	5,442.1	7,601.8	7,601.8	7,164.0	7,164.0	0.0	0.0%
RDU Totals:	300,500.3	318,933.2	318,933.2	313,642.0	313,557.0	-85.0	0.0%
University of Alaska Fairbanks							
Bristol Bay Campus	4,115.9	4,085.2	4,085.2	3,986.3	3,986.3	0.0	0.0%
Chukchi Campus	1,813.4	2,433.1	2,433.1	2,302.2	2,302.2	0.0	0.0%
College of Rural and Comm Dev	9,625.3	10,552.0	10,552.0	9,925.4	9,925.4	0.0	0.0%
Fairbanks Campus	259,419.4	257,201.3	257,201.3	268,228.9	271,673.6	3,444.7	1.3%
Interior Alaska Campus	4,313.5	5,689.7	5,689.7	5,388.8	5,388.8	0.0	0.0%
Kuskokwim Campus	5,313.2	6,566.3	6,566.3	6,370.7	6,370.7	0.0	0.0%
Northwest Campus	2,599.3	4,460.6	4,460.6	4,309.0	4,309.0	0.0	0.0%
Fairbanks Organized Research	128,980.6	143,451.7	143,451.7	155,090.9	155,090.9	0.0	0.0%
UAF Community and Tech College	13,194.2	14,329.3	14,329.3	14,003.2	14,003.2	0.0	0.0%
RDU Totals:	429,374.8	448,769.2	448,769.2	469,605.4	473,050.1	3,444.7	0.7%
University of Alaska Southeast							
Juneau Campus	39,960.4	43,763.5	43,763.5	42,424.7	42,424.7	0.0	0.0%
Ketchikan Campus	4,563.3	5,531.1	5,531.1	5,436.2	5,436.2	0.0	0.0%
Sitka Campus	6,830.0	8,228.0	8,228.0	7,956.2	7,956.2	0.0	0.0%
RDU Totals:	51,353.7	57,522.6	57,522.6	55,817.1	55,817.1	0.0	0.0%
Unrestricted Gen (UGF):	350,786.8	324,883.5	324,883.5	324,883.5	325,033.5	150.0	0.0%
Designated Gen (DGF):	284,967.4	337,184.9	337,184.5	337,184.5	332,184.5	-5,000.0	-1.5%
Other Funds:	72,460.6	86,875.4	86,875.4	86,875.4	86,640.4	-235.0	-0.3%
Federal Funds:	126,055.1	150,852.7	150,852.7	150,852.7	143,852.7	-7,000.0	-4.6%
Total Funds:	834,269.9	899,796.5	899,796.1	899,796.1	887,711.1	-12,085.0	-1.3%
Permanent Full Time:	4,518	4,513	4,513	4,288	4,078	-210	-4.9%
Permanent Part Time:	221	221	221	207	192	-15	-7.2%
Non Permanent:	0	0	0	0	0	0	0.0%
Total Positions:	4,739	4,734	4,734	4,495	4,270	-225	-5.0%