

**State of Alaska
FY2019 Governor's Operating Budget**

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

Component: Small Business Development Center

Contribution to Department's Mission

The Alaska Small Business Development Center and the Alaska Procurement Technical Assistance Center each report through the suite of programs housed within the UAA Business Enterprise Institute (BEI). The BEI serves as a bridge between expertise and talents linking the University (faculty, staff, and students across all disciplines) to address community and business development needs across Alaska and the globe.

The Alaska Small Business Development Center (SBDC) program has provided a direct link between UAA and businesses, entrepreneurs, and leaders throughout Alaska since 1986. This link, and the successful results of the SBDC, are tangible evidence of UAA's impacts locally, regionally and statewide. The Alaska SBDC contributes directly to UAA's 2018 strategic plan in its collaborative efforts 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 programs including: Buy Alaska, Alaska Lemonade Day, and the Technology Research and Development Center (TREND). The Alaska SBDC has offices in Anchorage, Fairbanks, Juneau, Ketchikan, Homer, Soldotna and Wasilla. Through its statewide outreach the Alaska SBDC supports businesses at all levels of development in finding pathways to sustainable growth and through these efforts enhances a more sustainable economy across Alaska.

The Alaska Procurement Technical Assistance Center (PTAC) was established in 1986 as part of the Procurement Technical Assistance Program (PTAP) created by the U.S. Department of Defense. A member of the national Association of Procurement Technical Assistance Centers (APTAC), the Alaska PTAC provides businesses with the training and tools needed to compete and perform successfully on federal, state, and local government contracts. Since its founding, the Alaska PTAC has contributed to the growth of its client firms and Alaska's economy by providing personalized counseling and procurement assistance of the highest quality and relevance. Utilizing up-to-date market research, its award-winning Bid Match program, on-going technical support, its national network of procurement specialists, and by supplying targeted government program assistance, Alaska PTAC has helped businesses across the state navigate the often complex and difficult process of qualifying for and winning government contracts. The Alaska PTAC has offices in Anchorage and Fairbanks, and delivers services throughout the state.

Core Services

- Provide one-on-one counseling, informational seminars, resource referral, and affiliate program introductions;
- Coordinate public and private resources to strengthen the overall business community;
- Conduct market research tailored to client needs;
- 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.
- Provide entrepreneurial training to K-12 youth via the Alaska Lemonade Day program.
- Provide procurement training, counseling, and solicitation support throughout the state, and help inform Alaskan businesses of government contracting opportunities through our award-winning Bid Match program.
- Key Outcomes
- Long-term business development assistance: high-value, one-on-one and long-term relational assistance is key to generating positive economic impacts.
- SBDC and PTAC counselors work with thousands of Alaskans annually. Through these ongoing efforts, greater efficiencies are found and stronger impacts result from consistent high-quality assistance delivery.
- SBDC and PTAC professionals are results oriented having both personal and organizational metrics to delivery on monthly, quarterly and annually. All professionals are goaled on the impacts their individual clients provide to our collective economy.

Major Component Accomplishments in 2017

In FY2017 the SBDC metrics saw all-time highs (marked with an *) in three out of six of its key performance measurements. Most notably the organization provided 6,246.02 hours of technical assistance to 928 businesses that created 459 new jobs, and accessed \$18 million in loans and equity investments across its seven regional centers in Anchorage, Fairbanks, Juneau, Soldotna, Homer, Mat-Su, and Ketchikan. The SBDC also helped 153 Alaskans launch a new business. It was also a record setting year for the Alaska Lemonade Day program in FY2017 with over 2,200 K-12 students participating in communities from Anchorage to Barrow, the largest number of student participants in the programs seven-year history. Wells Fargo was a primary sponsor and is featuring Alaska Lemonade Day in a national media campaign which will be released in November 2017.

	FY2013	FY2014	FY2015	FY2016	FY2017
Counseling Hours	2,976	3,377	5,532	6,273	6,246
New Businesses	83	69	104	143	153*
New Jobs	256	239	307	415	459*
Capital Infusion	\$12,500,000	\$10,600,000	\$14,000,000	\$19,200,000	\$18,066,682
Success Stories	17	29	49	36	37
Long Term Clients	147	200	262	317	371*

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	FY2017
Client base	628*	345	375	425
Advising sessions	635**	363	703	1,057
Number of Prime and Subcontract awards ¹	263	281	416	475
Dollar Amount of Prime and Subcontracts	\$74,499,332	\$170,691,717	\$303,581,608	\$703,000,000

* 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

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

Supporting small businesses in Alaska has never been more important. With job losses and unemployment at an all-time high and the state's economy in a recession, many people are turning to small business ownership and entrepreneurship to support themselves and their families. This is particularly true in rural areas hardest hit by the economic slowdown. Unfortunately, one of the more difficult aspects of providing small business technical assistance, workshops is that while there is greater the demand for our services, it is harder to maintain funding.

This problem is exacerbated by the nature of SBDC's funding. The SBDC receives a combination of federal grant funding and state match funding to support all organizational efforts. Because the federal funding from the SBA requires a one to one cash match, every dollar of matching funding that is cut could represent a two-dollar reduction in the SBDC budget due to the lost federal funding.

The funding leveraged by the SBDC is deployed to provide business assistance and support services across Alaska that has a measurable benefit to the communities that SBDC serves. For every dollar invested in the SBDC, we are able to help businesses that we work with raise nine dollars in new capital infusion for a total of \$18.4 million in FY2017. Our business advisors have helped clients start 153 new business and create 459 new jobs.

Continued reductions in funding will prevent the SBDC from deploying services into the more rural areas of the state that do not have the population to support a full-time business advisor, yet have a desperate need for assistance in growing local businesses. We are experiencing an increasing demand from rural Alaska for targeted business advising and support. Unfortunately, providing services to those areas can be difficult both logistically and financially.

The SBDC has been able to maintain core-business assistance services in the face of recent cuts, but has had to eliminate all administrative staffing positions in its seven regional offices. The SBDC has also eliminated its training coordinator. This has resulted in a slower response time for new clients and less hours available for business advisors to work with clients. The reduced funding has also resulted in the SBDC reducing the number of workshops and online webinars that teach Alaskans everything from how to start a business to financial management and human resources. We have gone from servicing around 1,400 clients a year through our trainings to 900.

The immediate impacts of further reductions in funding will result in less support for businesses, less capital infusion, fewer jobs created and fewer training sessions for Alaskan entrepreneurs. There will also be a reduction in SBDCs ability to service the needs of rural Alaska businesses that are not located near a business center.

Significant Changes in Results to be Delivered in FY2019

Changes in results delivered are contingent on budget impacts. If the SBDC and PTAC continue to receive budget reductions in FY2019, at least one business counselor will be eliminated. We are already struggling in FY2018 to maintain our core business counselors, and are encouraging staff to consider ways to reduce fiscal impacts to the organization including taking leave without pay. With fewer counselors, the ability to achieve the same level of economic impacts will be eroded, including: fewer private sector businesses established, fewer jobs created, less ability to increase revenues through sales and income taxes, and less access to capital.

If the SBDC's funding is decreased, we will reduce the number of workshops and trainings offered, reduce our outreach to rural Alaska, and reduce the databases and tools we use to support our clients. We will also work with local organizations to try and shift some of our full-time business advisor position to part time shared positions within another organization. This will result in a significantly reduced ability to provide business advising services, but will allow us to maintain a physical presence. Further reductions will force us to start eliminating positions and potentially cause us to close some of our smaller centers.

Given the ongoing reductions in funding and considering the metric demands placed on the organization via the federal Small Business Administration grant requirements, significant reductions in funding could put the entire SBDC program at risk if we are unable to provide the one to one cash match necessary to maintain compliance.

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

	FY2017 Actuals	FY2018 Conference Committee	FY2018 Authorized	FY2018 Management Plan	FY2019 Governor	FY2018 Management Plan vs FY2019 Governor	
71000 Personal Services	1,936.4	1,730.0	1,730.0	2,430.0	2,430.0	0.0	0.0%
72000 Travel	84.1	53.0	53.0	53.0	53.0	0.0	0.0%
73000 Services	986.8	1,065.7	1,065.7	1,033.0	1,033.0	0.0	0.0%
74000 Commodities	27.6	161.5	161.5	168.6	168.6	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	3,034.9	3,010.2	3,010.2	3,684.6	3,684.6	0.0	0.0%
Fund Sources:							
1002Fed Rcpts (Fed)	948.3	1,200.0	1,200.0	1,200.0	1,200.0	0.0	0.0%
1004Gen Fund (UGF)	941.2	985.2	985.2	959.6	959.6	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)	401.0	550.0	550.0	550.0	550.0	0.0	0.0%
1174UA I/A (Other)	744.4	25.0	25.0	725.0	725.0	0.0	0.0%
Unrestricted General (UGF)	941.2	985.2	985.2	959.6	959.6	0.0	0.0%
Designated General (DGF)	401.0	550.0	550.0	550.0	550.0	0.0	0.0%
Other Funds	744.4	275.0	275.0	975.0	975.0	0.0	0.0%
Federal Funds	948.3	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 FY2018 Conference Committee To FY2018 Authorized *****												
FY2018 Conference Committee												
ConfCom		3,010.2	1,730.0	53.0	1,065.7	161.5	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		1,200.0										
1004 Gen Fund		985.2										
1007 I/A Rcpts		250.0										
1048 Univ Rcpt		550.0										
1174 UA I/A		25.0										
Subtotal		3,010.2	1,730.0	53.0	1,065.7	161.5	0.0	0.0	0.0	0	0	0
***** Changes From FY2018 Authorized To FY2018 Management Plan *****												
Transfer UA Intra-agency Receipts to Align Budgets With Anticipated Revenue												
Trin		700.0	0.0	0.0	700.0	0.0	0.0	0.0	0.0	0	0	0
1174 UA I/A		700.0										
Transfers between allocations deemed necessary for FY2018.												
1174 UA Intra-agency Receipts												
200.0 Statewide Services												
(200.0) Anchorage Campus												
50.0 Bristol Bay Campus												
(50.0) UAF Community and Technical College												
(610.0) Anchorage Campus												
(90.0) Prince William Sound College												
700.0 Small Business Development Center												
Allocate FY2018 General Fund Reduction												
Trout		-25.6	0.0	0.0	-25.6	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-25.6										
Final legislation reduced UA's FY2018 operating budget unrestricted general funds (UGF) by \$8 million. This change record records the allocation of the reduction.												
8,000.0 Budget Reductions/Additions - Systemwide												
(203.6) Office of Information Technology												
(270.4) Statewide Services												
(2,503.0) Anchorage Campus												
(172.7) Kenai Peninsula 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		
										PFT	PPT	NP
(63.4) Kodiak College												
(126.7) Matanuska-Susitna College												
(72.5) Prince William Sound College												
(25.6) Small Business Development Center												
(31.5) Bristol Bay Campus												
(21.0) Chukchi Campus												
(121.8) College of Rural and Community Development												
(2,942.2) Fairbanks Campus												
(544.8) Fairbanks Organized Research												
(67.8) Kuskokwim Campus												
(34.3) Northwest Campus												
(138.1) UAF Community and Technical College												
(37.3) Interior Alaska Campus												
(488.5) Juneau Campus												
(59.6) Ketchikan Campus												
(75.2) Sitka Campus												
Align Authority with Anticipated Expenditures												
LIT		0.0	700.0	0.0	-707.1	7.1	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 FY2018.												
Subtotal		3,684.6	2,430.0	53.0	1,033.0	168.6	0.0	0.0	0.0	0	0	0
***** Changes From FY2018 Management Plan To FY2019 Governor *****												
Totals		3,684.6	2,430.0	53.0	1,033.0	168.6	0.0	0.0	0.0	0	0	0

Personal Services Expenditure Detail
University of Alaska

Scenario: FY2019 Governor (14641)
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.