

University of Alaska Board of Regents

FY2021 Budgets 1st Review

September 12-13, 2019
Anchorage, Alaska

Overview

- Our Objectives
- Governor-UA Compact
- FY21 Operating Budget
- FY21 Capital Budget

Our Objectives

1. Students in all parts of the state will be able to access the full array of academic programs offered by System institutions:
 - o Some will be online rather than face-to-face
 - o The exceptions will be those programs that require considerable hands-on experience with specialized equipment
2. These students will be provided the student support services (concierge services) they need to successfully take advantage of this array of academic services.
3. Programs that require hands-on instruction will be provided in communities throughout the state where:
 - o Local employers can demonstrate a demand for program completers
 - o There is sufficient student demand to make the program economically viable. In cases where student demand is not sufficient to ensure economic viability, the program may still be offered if local community or employers provide the necessary “bridge” funding
4. The university will be a much more user-friendly institution. While further discussion with stakeholders will be required, these are the minimum characteristics:
 - o A single admission form/process for admission to System institutions
 - o A single point of contact to arrange for Student Financial Aid
 - o No requirement for separate admission to each institution in which a student chooses to enroll
 - o Seamless transfer of courses
 - o “Guided Pathways” - once a student selects a program of study, they will be presented with a clear sequence of required courses
 - o A common General Education core

Our Objectives (2)

5. Common course numbering and standard course blocks.
6. Courses in the General Education core will be reengineered as hybrid courses and designed to:
 - Be delivered across the System
 - In ways proven (e.g., by NCAT) to deliver superior learning outcomes at substantially reduced costs
7. Any stakeholder of the University – students, employers, citizens – will have a single point of contact:
 - Front line staff in administration and student services will be generalists.
 - Specialists will serve as trainers of, and consultants to, the generalists.
8. The university will educate individuals who can meet the workforce needs of the state:
 - For job entry positions
 - Public sector – e.g., teachers
 - Private sector – e.g., health care professional, skilled trades, etc.
 - Retraining of incumbent workers
9. The University will continue to do world-class research and develop additional capacity in niche areas important to the future of Alaska.
10. We will serve as an engine of social mobility for historically underserved population. Gaps in participation and completion for these populations will be closed.
11. We will seek excellence in all functions of the University, both academic and administrative.

Governor-UA Compact

Governor-UA Compact Summary

- Operating Budget
 - FY20 \$302 million UGF (-\$25M from FY19)
 - FY21 \$277 million UGF (-\$25M from FY20)
 - FY22 \$257 million UGF (-\$20M from FY21)
- Capital Budget
 - FY20 \$5 million facility deferred maintenance
 - FY21 TBD facility deferred maintenance
 - FY21 TBD facility deferred maintenance
- Both parties continue efforts to remedy UA's land grant deficit

UA's Commitment to Compact

The University will report to the Office of the Governor and the Alaska Legislature no later than December 4th of each of the three years of this agreement regarding progress the University has made toward its strategic goals and on the following priorities:

- a. Operating cost reductions.
- b. Administrative overhead reductions.
- c. Strengthening the role of community campuses.
- d. Growth in monetization of University assets.
- e. Enrollment and degree/certificate completion rates.
- f. Campus safety and regulatory compliance.
- g. Research income increases.
- h. Other non-state income increases, e.g., tuition and philanthropic gifts.
- i. Development of UA lands.
- j. Technology investments to lower costs and increase access.
- k. Structural consolidation and consideration of single accreditation.

Governor's Commitment to Compact

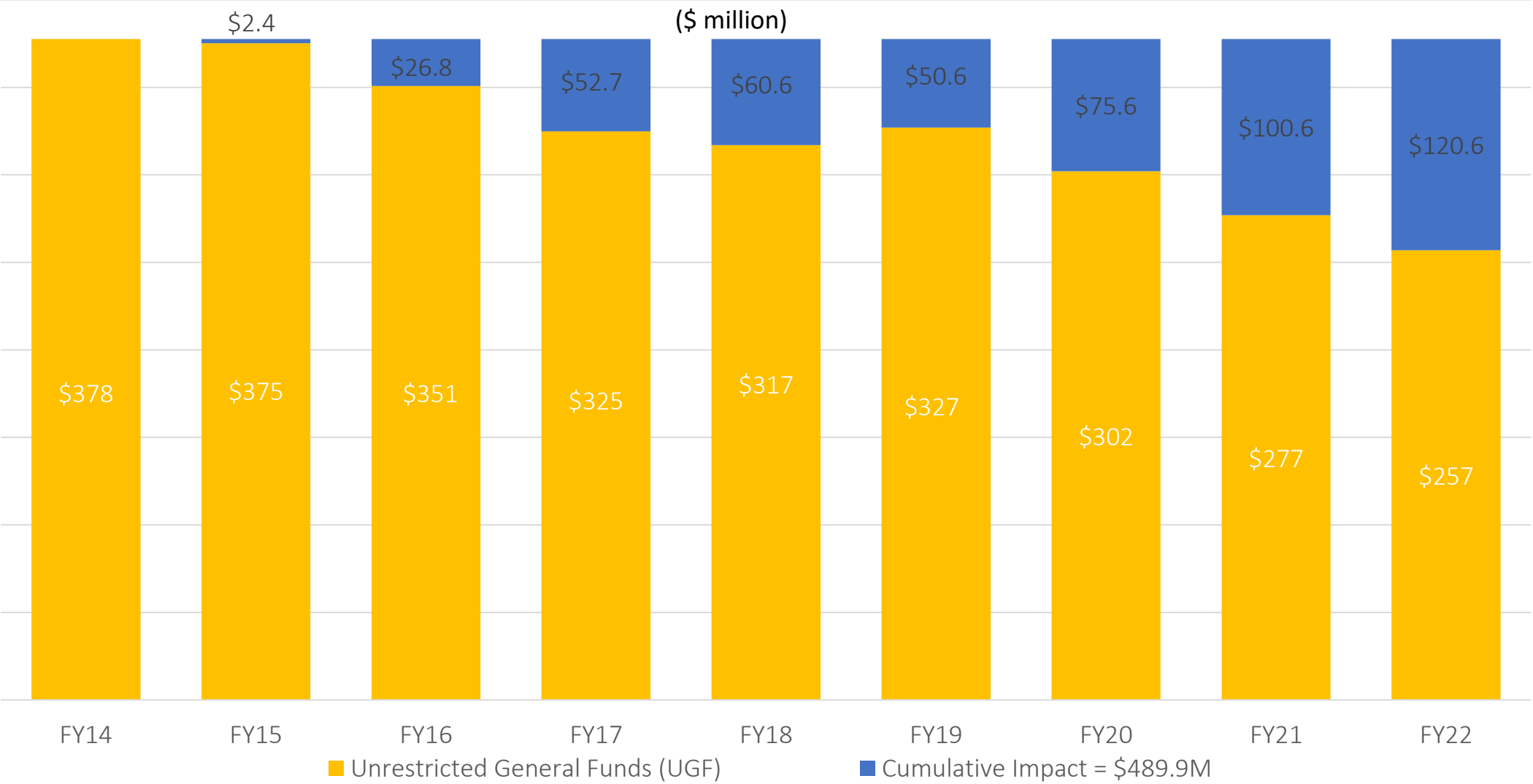
The Governor will:

- a. Support budgeted amounts agreed upon.
- b. Support expanded dual-enrollment of college-ready high school students.
- c. Support FAFSA completion of high school students.
- d. Continue support for the Alaska Performance Scholarship and Alaska Education Grant programs.
- e. Explore more appropriate structure for WWAMI appropriation.
- f. Be open to discussions surrounding inter-appropriation transfers (FY20) and pursue single-appropriation structure consistent with the Board of Regents' constitutional authority (FY21).
- g. Continue \$1.2 million each year of the agreement for facility debt reimbursement.
- h. Support land grant transfers.
- i. Support increased collaboration between state agencies and the University.
- j. Consider other budget items that support University transformation.

FY21 Operating Budget

Budget

University of Alaska
State Funding History and Projection (per Compact)



Budget Plan for FY2020 - FY2022

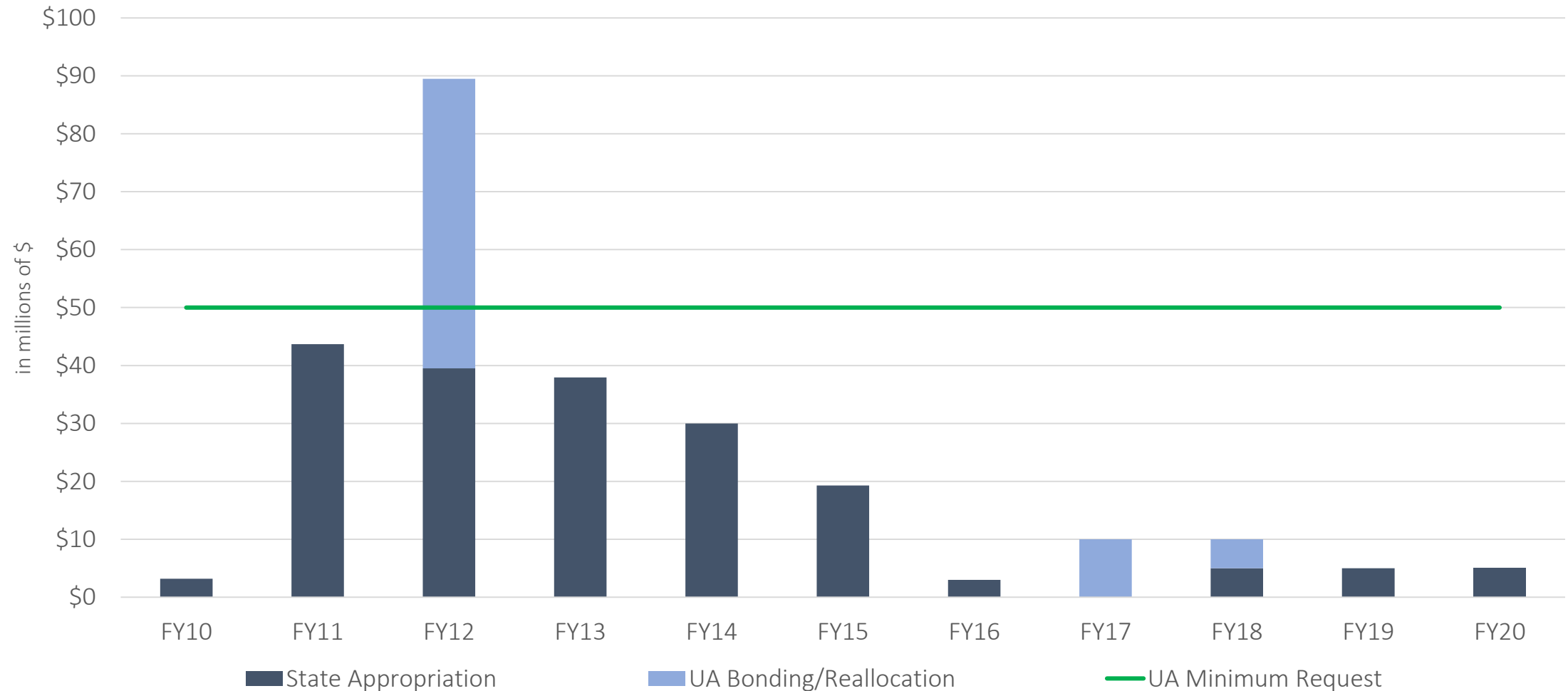
	FY20	FY21 1 st Review	FY22 Estimate	Total	Comments
Expense Factors					
• State UGF Reduction	25.0	25.0	20.0	70.0	Base Reallocation
• Investment	9.1	8.2	8.2	25.5	
• Strategic Initiatives	5.0	5.0	5.0	15.0	Base Reallocation
• Compensation (Equity and Market)	3.4	3.2	3.2	9.8	Reallocation within MAU
• Compensation (General Market)		3.8		3.8	Reallocation within MAU
• Title IX / Safety	<u>0.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.7</u>	Reallocation within MAU
Total	34.1	37.0	28.2	99.3	
Expense Reduction *					
• Administration	16.2	19.5	13.2	48.9	
• Integration and reduction	8.2	12.5	7.2	27.9	Includes general market compensation increase
• Facility Maintenance	8.0	7.0	6.0	21.0	Monetize assets & reduce facilities footprint
• Academic Programs & Student Services	14.4	14.1	12.1	40.6	
• Research	2.0	2.1	1.8	5.9	
• Public Service	<u>1.5</u>	<u>1.3</u>	<u>1.1</u>	<u>3.9</u>	
Total	34.1	37.0	28.2	99.3	

* Includes non-ugf funding sources

FY21 Capital Budget

Capital Budget DM/R&R Funding History

Unrestricted General Funds (in millions of \$)



FY21 Capital Budget

Unrestricted General Funds (in millions of \$)

	Regents	Gov
Facilities Deferred Maintenance/ Renewal & Repurposing	\$50.0	TBD
UA Digital Fabrication Laboratories	\$2.5	TBD
USArray (placeholder)	\$2.5	TBD

A \$50.0 million state funding request for facilities deferred maintenance (DM)/renewal & repurposing (R&R). Annual State capital appropriations for UA's DM/R&R activities averaged \$34 million from FY11-FY15, but has dropped to an average of \$3 million annually from FY16-FY20.

A \$2.5 million investment in fabrication laboratories to promote collaboration, innovation, and invention in Alaska.

A possible \$2.5 million request to improve Alaska's ability to assess and prepare for earthquakes and tsunamis. Excludes funds that may be leveraged from non-state sources.