

## Dispelling the Myths

**T**he university does not compare itself with obviously larger institutions to justify costs. UA campuses use nationally established peer comparisons as guidelines. Peer campuses include Missouri State at Rolla, Utah's Weber State, and University of Wyoming.

**R**ural campuses are far more efficient than many people might think, and are moving toward even greater efficiencies.

**U**A has steadily decreased its dependence on state funds - from 60 percent of its overall budget to about 40 percent. However, fixed cost challenges (retirement and health care) may require more state funding in the future.

**T**he university's business practices have saved millions of dollars in operating costs and maximized the use of our work force.

**H**ealth and pharmacy benefits are aggressively negotiated to keep rates low. Expanded disease management incentives result in healthier employees and reduced medical costs.

**S**erving a vast area presents unique challenges to the administration. UA consistently comes out as either average or below average on administrative costs and staffing levels compared with our peers.



UNIVERSITY  
*of* ALASKA

*Many Traditions One Alaska*

University Relations  
P.O. Box 755200  
Fairbanks, AK 99775-5200

[www.alaska.edu/state/](http://www.alaska.edu/state/)

### Did you know:

UA enrollment is healthy - student credit hour production has increased 18 percent since 1999, with a headcount increase of more than 7 percent.

Sixty three percent of Alaska's college-bound high school graduates now choose to attend one of UA's 16 campuses across the state. That's up from 40 percent in the mid-1990s.

Over 80 percent of jobs in Alaska and the nation require at least one year of post-secondary education or workforce training.

UA research is one of Alaska's largest industries. In 2007, UA received over \$132 million for research from public and private sources outside the state.

# Facts Not Fiction



University of Alaska

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## FICTION

Top administrator salaries are too high

**FACT** UA pays executives based on market comparisons. However, due to decades-long budget constraints, they are paid, on average, 10-20 percent below their colleagues at comparable institutions.

The President's annual salary of \$300,000 is about 30 percent below the national average for a system president. According to a recent survey in the Chronicle of Higher Education, the average salary for similar positions is \$389,000 per year.

## FICTION

UA wants to be the "Harvard of the North"

**FACT** Though UA strives to be a quality institution, its costs and administrative levels are based on comparisons with schools of similar size and mission.

Unlike the "big name" private schools of the Lower 48, UA campuses are open admission institutions with few restrictions on enrollment. UA also embraces the community college, vocational and technical mission that more restrictive universities overlook.

## FICTION

UA's tuition is too high

**FACT** Other universities across the nation have raised their tuition at higher rates. UA is still less expensive than other four-year public schools, including Arizona, California, Montana, North Dakota, Oregon, South Dakota and Washington State.

Tuition revenue at UA covers less than a quarter of the actual costs. But return on investment is high – working college graduates in Alaska make almost 50 percent more each year than working high school or GED graduates.

## FICTION

The university is fat and inefficient

**FACT** That claim is ancient history. UA was cut \$20 million in the late eighties, was flat funded through the nineties, and has absorbed numerous cost increases.

The truth is, UA funding has not kept up with inflation. In fact, in the last 20 years, UA has received program money, beyond fixed costs, just four times. This is particularly challenging in light of high cost drivers, such as retirement, utilities, fuel and healthcare.

## FICTION

The university offers too many degree programs. It shouldn't try to be all things to all people

**FACT** According to the Western Interstate Commission on Higher Education (WICHE), the University of Alaska offers 30 percent fewer degree programs than the average offered by other universities in the West.

New programs in recent years have been aimed directly at addressing high priority state workforce needs such as engineering, nursing and allied health careers.

## FICTION

There are too many rural campuses

**FACT** UA's rural campuses consume less than most people think – only 13 percent of total funds received by the state. Serving our rural neighbors is an integral part of the University of Alaska's mission.

## FICTION

If the university would sell some of its land it would have all the money it needs

**FACT** Even after the state transfers 250,000 acres of land to the university per 2005 legislation, it will take many years before these remote, undeveloped lands produce regular income. In 20 years, it's estimated that proceeds from UA land will support 5 percent of the university's budget. Land income is important, but not the total budget fix.

## FICTION

Professors don't spend enough time in the classroom

**FACT** University faculty workloads are consistent with institutions throughout the United States. Faculty members are required to perform multiple functions outside the classroom – including student advising, research and public service – as a condition of their employment.

## FICTION

The university is top heavy with administrators

**FACT** National data on administrative staffing levels and costs consistently show UA at or below average for peer institutions.

