Proposed FY14

Operating & Capital Budgets and 10-Year Capital Improvement Plan

Board of Regents November 7, 2012

- Spending authorization = $963 M
  - 4.2%increase (2.9% must pays, .8% high demand programs, .5% budget adjustments)
- State funds (GF) = $42.3 M (4.4%) increase

Student Achievement and Attainment

- Student-Focused and Service-Based
- Enhanced Services for Students
  - STEM capacity increase
  - e-Learning becoming integral across UA
  - On-line technology advances for student services
- Mandatory Comprehensive Advising
  - FY13 investment results detected?
  - FY14 request with more emphasis on community campuses
- Retention, Completion, Graduation
- Community Engagement

- Supports UA's Commitment to Working with the K-12 System
  - According to a new report from the American Association of State Colleges and Universities, "Education is like a pyramid: Each level rests on what came before. Any weakness in a child's educational development jeopardizes all that follows, and gains mad at an early age continue to benefit the child in future years."
  - Cultural standards must eventually balance with merit standards for graduation
  - MOOCs –potential for dramatic intervention
  - Testing norms: cut scores, admissions, scholarships
- Work on "The 3 Critical Years"
  - Strengthen the most effective bridging opportunities from high school to the University
    - Dual Credit expansion
    - Tech Prep Program
    - SummerAcademies
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Productive Partnerships with Alaska's Entities and Private Industries

- Leverage the State's Commitment with Public and Private Partnerships
- Meet Industry Needs for High Demand Jobs
  - Health/Biomedical
  - WorkforceDevelopment- higher entry standards in general
  - Fisheries, Seafood and Maritime Initiative (FSMI)
  - Consolidated Alaska Mining Initiative (CAMI)
    - UA Committee formed
  - Fostering Knowledge of Alaska Issues, Culture and History through UA Press

- Create Economic Value from UA Intellectual Property
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It is the intent of the legislature that the University of Alaska submits a FY14 budget in which requests for unrestricted general fund increments do not exceed the amount of additional University Receipts requested for that year. It is the intent of the legislature that future budget requests of the University of Alaska for unrestricted general funds move toward a long-term 125 percent of actual University Receipts for the most recently closed fiscal year.

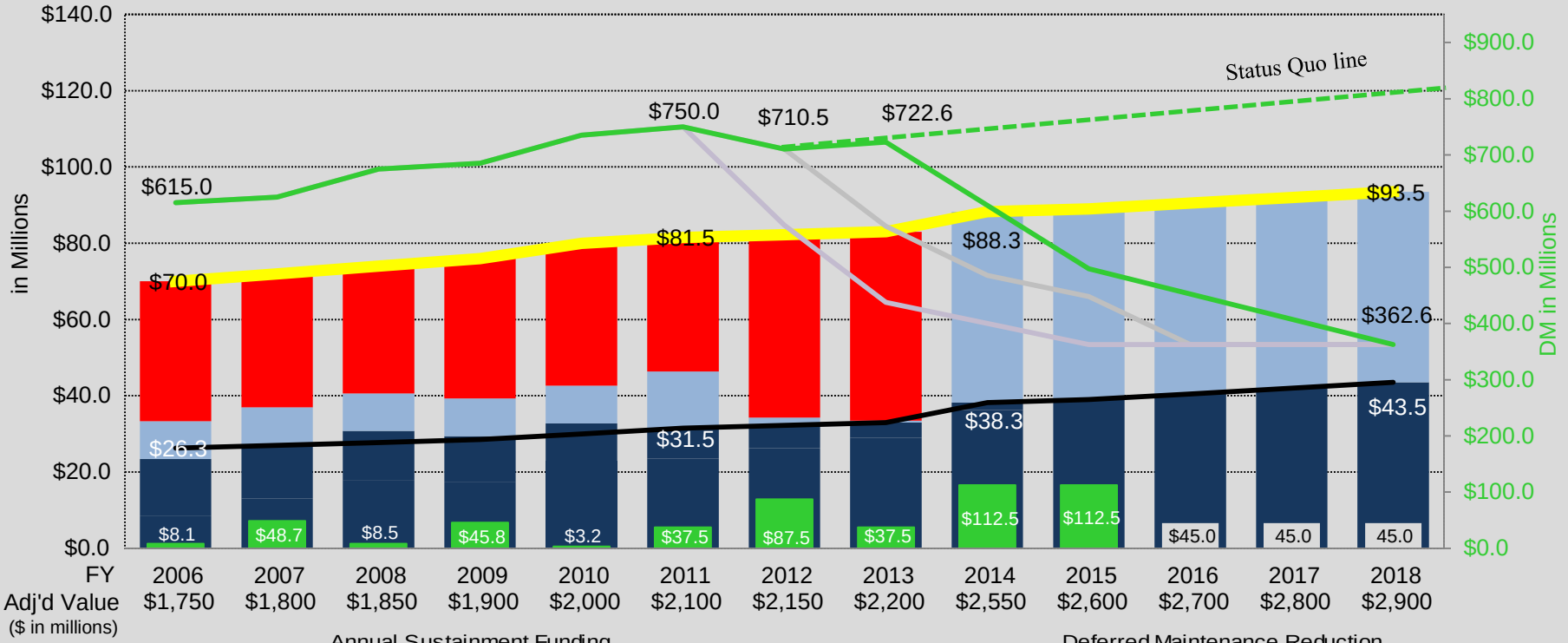
FY14 Capital Budget

- Deferred Maintenance and Renewal and Repurposing
  - $37.5M– Part of the Governor's Commitment to Alaska's Facilities Renewal
  - $75.0M– Additional Funding Required to Reduce the DM backlog
    - UAF Cogen Power Plant
    - UAS Hendrickson Remodel and Renovation
  - $50.0M– Annual Renewal and Repurposing: Annual Sustainment Initiative to be requested through legislation
- New Starts/Continuation
  - $108.9M– UA Engineering Buildings Completion (2nd half of Construction Funding (1st half received in FY13)
  - $1.3M NGF– UAF Cold Climate Housing Research Center (CCHRC) Sustainable Village Phase 2
- Planning and Design
  - Not included in FY14 due to budget considerations
- Research for Alaska – UAF
  - $3.1M GF and $6.2M NGF – Chinook Salmon Production and Decline
  - $5.5M GF and $3.0M NGF – Partnership to Develop Statewide Energy Solutions
  - $1.5M GF and $2.0M NGF – Improving Arctic Oil Spill Response through a Dedicated Oil Spill Science and Technology Center
  - $1.9M GF– UAF Enhance Base Maps for Alaska Resources
- Other Capital Requests
  - $0.5M SW Replace Wide Area Network Components
- Total Request
  - $233.9M GF
  - $50.0M (New Legislation request for the University Building Fund)
  - $22.5M NGF

10-Year Capital Improvement Plan

- Short-Term (FY15-FY16)
  - FY15, last year for Governor's Deferred Maintenance funding
  - Continue Deferred Maintenance reduction funding
  - Planning and New Starts requests for Academic, Research, Student Life, and Infrastructure needs
    - UAA Health Sciences Phase II/Parking Structure
    - Kodiak Community Campus Vo-Tech Facility
    - UAF Energy Tech Facility
    - UAF P3 Campus Housing Project
    - UAF Cogen Power Plant
    - UAS Student Housing Phase II
  - Research for Alaska projects
  - Community Campus Bandwidth upgrades

FY14 Sustainment Funding Plan for UA Facilities (Chart #1)
Meeting FY18 Target + Actuals



Annual Sustainment Funding

- M&R Annual Expenditures (Operating Budget)
- M&R Annual Maintenance (Target is 1.5% of Adjusted Value)
- R&R Annual Capital Expenditures (Target is $50.0M a year)
- M&R/R&R Annual Investment Target
- Annual Investment Target Shortfall (adds to DM backlog)

Deferred Maintenance Reduction

- Deferred Maintenance Reduction Expenditures ($37.5M for 5yrs + $200.0M)
- Additional DM funds necessary to reach sustainment level by FY18
- Deferred Maintenance Backlog with adequate M&R/R& funding (Reduce to approximately $360M by FY18)
- Deferred Maintenance Backlog as presented in FY12/I
- Deferred Maintenance Backlog without adequate R&R funding (Increases to over $800M by FY18)

Annual R&R Funding and the University Building Fund (UBF)

The main purpose of the UBF is to create realistic programmatic sustainment funding levels for University facilities.

Other purposes include:

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- Phased coverage of facilities; begin with coverage of buildings 15 years old and newer, including facilities re-aged by completion of deferred maintenance (DM) or R&R.
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