FY11 Budget Request Materials

August 2009

FY11 UAF Priority Operating Budget Request
August 2009

	State Appropriation	Receipt Authority	Total
Technical Adjustments - FY10 One-Time			
Alaska Center for Energy and Power Director and Office	500.0	1,318.0	1,818.0
Energy Outreach in Cooperation with CES	450.0	1,350.0	1,800.0
Virology Operating	263.0	-	263.0
Technical Adjustments SubTotal	**1,213.0**	**2,668.0**	**3,881.0**
Fixed Cost Increases			
Non-Personnel Services Fixed Costs Increases	1,320.0	735.0	2,055.0
UAF Development Operations	200.0	TBD	200.0
Utility Cost Increases	2,500.0	*TBD*	2,500.0
Compliance Mandates	250.0	TBD	250.0
New Facility Operating and Maintenance Costs	311.1	-	311.1
Fixed Cost Increases SubTotal	**4,581.1**	**735.0**	**5,316.1**
FY10 - Funding the Other Half			
Health Academic Programs	**175.4**	**98.0**	**273.4**
TIER 1 Priority Program Requests			
College Transitions	320.7	145.0	465.7
Student Achievement	620.0	24.5	644.5
Engineering	820.0	551.9	1,371.9
Climate	575.0	1,800.0	2,375.0
Biomedical Capacity	366.1	1,666.8	2,032.9
Advanced Indigenous Studies	217.7	75.0	292.7
Workforce Programs	403.6	104.3	507.9
Teacher Education	227.1	81.6	139.4
Marine Advisory program	614.0	-	614.0
TIER 1 SubTotal	**4,164.2**	**4,449.1**	**8,444.0**
TIER 2 Priority Program Requests	**2,011.1**	**2,880.1**	**4,891.2**
Addressing Gap in Teacher Training	**350.0**	**-**	**350.0**
TOTAL of All Listings	**12,494.8**	**10,830.2**	**23,155.7**
Capital Research Requests	**40,350.0**	**-**	**40,350.0**
Energy	19,850.0	-	19,850.0
Climate	20,500.0	-	20,500.0

FY11 UAF Capital Budget Request Summary
August 2009

	State Funding	Receipt Authority	Total
R&R FY10 Supplemental			
Skarland Piping Failure - Immediate Renovation	**3,000.0**	**1,000.0**	**4,000.0**
Renewal & Replacement			
Main Campus - 21 Projects	**105,125.0**	**1,500.0**	**106,625.0**
Critical Electrical Distribution (High Voltage)	*10,000.0*	*-*	*10,000.0*
Atkinson Heating Plant Critical Utilities Revitalization	*20,500.0*	*-*	*20,500.0*
Fairbanks Campus Main Waste Line Repairs	*3,250.0*	*-*	*3,250.0*
Atkinson Heating Plant Boiler and Turbine Replacement	*5,000.0*	*-*	*5,000.0*
Elvey Electrical Renewal	*2,250.0*	*-*	*2,250.0*
Arctic Health Research Building Phase 3 of 4	*16,000.0*	*-*	*16,000.0*
Energy Conservation	*22,250.0*	*-*	*22,250.0*
Univeristy Park Building Demolition	*400.0*	*-*	*400.0*
Classromm Renovation	*1,000.0*	*-*	*1,000.0*
Additional Priorities	*24,475.0*	*-*	*24,475.0*
Community Campuses - 4 Projects	**11,750.0**	**-**	**11,750.0**
TVCC Space Revitalization - Phase 4	*5,000.0*	*-*	*5,000.0*
Kuskokwim Campus Deferred and Voc-Tech Renewal - 2 of 4	*3,000.0*	*-*	*3,000.0*
Community Campus Energy Conservation	*1,750.0*	*-*	*1,750.0*
Barnette Parking Garage DM	*2,000.0*	*-*	*2,000.0*
Total Renewal & Replacement	**116,875.0**	**1,500.0**	**118,375.0**
New Construction			
Main Campus - 9 Projects	**170,325.0**	**62,325.0**	**232,650.0**
Life Sciences Innovation and Learning	*87,975.0*	*20,625.0*	*108,600.0*
Energy Technology Building	*15,300.0*	*15,300.0*	*30,600.0*
Engineering Building	*61,000.0*	*-*	*61,000.0*
University Fire Station and Training Center (P/D)	*500.0*	*500.0*	*1,000.0*
Student Services Residential Facilities (P/D)	*3,000.0*	*-*	*3,000.0*
Alaska Region Research Vessel Marine Center Facilities	*-*	*25,300.0*	*25,300.0*
Mathematical Sciences Expansion and Utilization	*1,550.0*	*-*	*1,550.0*
Computational Sciences Facility Phase I (P/D)	*600.0*	*600.0*	*1,200.0*
Agricultural Sciences Greenhouse Facilities (P/D)	*400.0*	*-*	*400.0*
Community Campuses - 3 Projects	**1,975.0**	**-**	**1,975.0**
Chukchi Campus Consortium Learning Center (P/D)	*675.0*	*-*	*675.0*
Northwest Campus Consortium Learning Center (P/D)	*650.0*	*-*	*650.0*
Interior Aleutians Campus Aleutians/Pribilof Center (P/D)	*650.0*	*-*	*650.0*
Total New Construction	**172,300.0**	**62,325.0**	**234,625.0**
Land, Property, and Facilities Acquisition	**4,000.0**	**-**	**4,000.0**
Academic Equipment	**5,000.0**	**-**	**5,000.0**
Instructional Smart Classroom Equip. Upgrades and Additions	*987.5*	*-*	*987.5*
Elsevier Equipment - Library	*450.0*	*-*	*450.0*
Research Equipment Matching Funds	*2,000.0*	*-*	*2,000.0*
Additional Priorities	*1,562.5*	*-*	*1,562.5*
Administrative IT Equipment	**2,301.2**	**-**	**2,301.2**
Upgrade UAF Network/Communications Infrastructure	*1,500.0*	*-*	*1,500.0*
Enhance Security Storage and Firewalls	*321.2*	*-*	*321.2*
UATV Video Outreach Server/Archive	*480.0*	*-*	*480.0*
Research Projects	**40,350.0**	**-**	**40,350.0**
Energy	*19,850.0*	*-*	*19,850.0*
Climate	*20,500.0*	*-*	*20,500.0*

University of Alaska Fairbanks
FY 11 BUDGET AND 3-5 YEAR PLANNING HORIZON
August 2009

Introduction

Within UAF, the Fairbanks Campus (FC), Tanana Valley Campus (TVC), and the rural campuses (RC) have distinct roles, but coordinate with one another and with campuses system-wide to effectively meet community and State needs. UAF's strategic priorities encourage alignment among its research, educational, and public service activities. Strategic priorities were set forth in the SW FY11 guidelines:

- Climate Change
- Energy
- Engineering
- Health and Biomedical
- Social Sciences
- Humanities, Arts
- Student Success
- Workforce Development

Table 1 (next page) summarizes key areas of emphasis for UAF.

UAF's priorities align well with its strengths and accomplishments. UAF has a close relationship with the communities it serves throughout the state. This is accomplished through community campuses and centers, distance education, the Cooperative Extension Service, and the Marine Advisory Program. This is evidenced by the students it recruits to the Fairbanks and Tanana Valley campuses. UAF has more than fifteen degree or certificate programs with specialized accreditation or certification, and its graduates are recognized as being well-prepared for the workforce and strong contributors to the economic development and leadership of our communities and the State. UAF is an established research university (Carnegie Classification is High Research Activity), with 18 Ph.D. programs that have increased enrollments by 50%, to over 300 students, in the past 10 years.

UAF has nationally and internationally recognized research programs in fields ranging from Atmospheric Sciences to Zoology, but is focusing most new resources in areas of State and national needs, with particular emphasis in areas where Federal research funding has been increasing, including climate, health, and energy. UAF is thus poised to take advantage of funding opportunities connected with the American Recovery and Reinvestment Act (ARRA). To date, UAF has been awarded 13 ARRA projects totaling $154.5 million. The most note-worthy is the Alaska Region Research Vessel which accounts for $148M. There are also several climate related projects.

In addition to student success, engineering, biomedical, climate, and teacher education priorities, UAF, due to mission emphasis, has two budget priorities that don't fall within a SW FY11 planning group. The Indigenous Studies Ph.D. program requested in FY10 and recently approved by the Board of Regents is the first. The program is attracting international interest

and substantial philanthropic support for student fellowships, but requires a modest base of State support. Another singular UAF need is to provide State support for the Marine Advisory Program, the outreach program mandated under UAF's Sea Grant status. Funds are needed to allow coastal communities, temporarily served by grant-funded agents, to continue receiving benefits from outreach related to economic development, seafood processing, marine safety, and other important topics.

Table 1. Alignment of UAF Strategic Priorities and Budget Priorities

UAF Theme / Primary Mission	UAF Strategic Priorities
Climate Change	Strengthen UAF's national and international leadership position in Climate Research, including high-quality instructional programs for undergraduate, Master's, and Ph.D. students and outreach to communities adapting to climate change (FC, RC).
Life Sciences	Continue to enhance UAF's Life Sciences Research, which is focused on alleviating Alaska's Health Disparities and identifying solutions that apply nationally. Align and strengthen related Life Sciences instructional programs for undergraduate, Master's, and Ph.D. students (FC).
Energy/ Engineering	Provide applied energy research for Alaska, focused on reducing rural energy costs, identifying and developing alternative energy options, and providing approaches to exploit the gas and oil fields of the future. Increase community outreach on conservation and on alternative and conventional power generation to make energy more affordable. Increase enrollment in UAF's strong undergraduate engineering, and natural sciences degree programs, with particular emphasis on engineering (FC).
Preparing the Alaskan Workforce	Provide the appropriate breadth of quality degree and certificate programs to qualify graduates for high demand occupations. Continue the emphasis on engineering, health, education, process technology, trades, and transportation programs (FC, TVC, RC).
Rural and Alaska Native Emphasis	Strengthen and promote UAF's position as a leader in providing services and programs to advance Alaska Native education and leadership (FC, TVC, RC).
K-12 Outreach, Community, and State Outreach	Enhance K-12 outreach to align curricula with particular emphasis in climate, life science and energy related fields, foster successful student transitions from high school to college, and increase student and family awareness of Alaska's career opportunities and the importance of higher education (FC, TVC, RC). Increase enrollment in education programs that prepare teachers for rural and special education positions (FC).
High Quality Education, including Social Sciences, Humanities, and the Arts.	Enhance programs focusing on students' first-year experience; community based learning, internships, and the honors and leadership programs. Maintain a strong core curriculum and appropriate breadth of undergraduate programs to meet the needs and interests of Alaskan students (FC, TVC, RC).
Efficient use of existing resources	Institute budget and management processes promoting focused enrollment growth, optimal class size, conservation and full utilization of existing space, administrative and program efficiencies, utilities conservation, and increased external revenue streams.

Key issues to meet strategic priorities

Space: Available useful space is UAF's overriding constraint.

- Review and ongoing monitoring of space utilization and reassignment of underutilized space.
- Secure state funding for Life Sciences and Energy Facilities and implement business plan for UAF portion of funding.
- Internal reallocation of funds for essential space renovations.
- Alternative funding (Federal, philanthropic, revenue bonds) of essential facilities renovation and construction.
- Evaluate cost of maintenance and renovation of its oldest facilities vs. the cost of demolition and complete replacement with more useful modern facilities. Old University Park School is an example.

Revenue: Relative to other UA MAU's, UAF is the most dependent on university generate revenue.

- Identify and respond to research funding opportunities in the Stimulus package.
- Build research programs initiated under INBRE, EPSCoR, CANHR, SNRP, AUTC, and other infrastructure-building grants.
- Return 60% of tuition revenue to schools and colleges, so that there will be a direct relationship between SCH taught and unit revenue.
- Increase enrollment: K-12 outreach, articulation agreements, freshman recruiting.
- Increase philanthropic giving.

Student retention and graduation: Improving student experience and strengthening student learning is everyone's job at UAF, the student center research university.

- Focus on aligning undergraduate research opportunities especially in engineering, life science and climate related programs.
- Improve advising.
- Freshman experience (including supplemental instruction and freshman seminars).
- Maximize opportunities to excel, including the Honors Program.
- Strengthen programs in the Arts, Humanities, and Social Sciences that provide attractive majors, minors, and enrichment opportunities for students.
- CRCD and TVC emphasis on aligning workforce with regional needs.
- Housing and student life facility improvements.

Efficient use of resources

- Act on review of upper administration by Terry MacTaggart.
- Review and potentially consolidate or reorganize research business offices.
- Committee for the Integration of Research and Teaching in the Sciences review of institute/college interrelationships.
- Resolve structural financial deficits in units such as KUAC.
- Emphasize accurate management reporting at every level.
- Implement utility conservation efforts.

Conditions

American Recovery and Reinvestment Act (Positive)

The focus of the recent American Recovery and Reinvestment Act (ARRA) on science, research, and education significantly improves funding prospects for UAF's research activities. Of most significant impact is the Alaska Region Research Vessel, being constructed and equipped with ARRA funding. This ship, which will be in use in 2013, provides excellent capability benefiting researchers at UAF and nation-wide. In addition, NSF is renovating and adding new facilities at Toolik Lake. These new facilities will enhance the ability of UAF faculty to compete for research funding nationally. In addition to this long-term advantage, UAF faculty will compete well in many of the areas funded through ARRA. Areas expecting to benefit from federal agencies competitive grant opportunities are natural hazards, energy, climate, and biomedical research.

UAF Leadership and Community/State Relations (Positive)

Chancellor Rogers' knowledge of the state has led him to increase UAF's emphasis on outreach and engaging the communities that UAF serves statewide. It will take some time for Chancellor Rogers' efforts, and those of faculty, staff, and students, to translate into strong public support and funding, but it's a necessary step forward.

National Political Climate (mostly Positive)

Scientific research is among the highest priorities of the Obama administration, and UAF's research priorities in climate, energy, and health align well with national priorities. However, it's not clear whether military spending will be maintained at current levels, and in particular, how changes in military spending could affect Alaska's military bases. Continuation of ANSI funding for rural campuses is looking stronger and serves as a key driver for rural campus facilities renovation and program support.

Roles of Alaska's Three Universities and the Academic Master Plan (Uncertain)

UAF is Alaska's preeminent research university and its only doctoral degree-granting institution. In the current absence of State investment in UAF research facilities (either in renovation or new construction), UAF is making substantial internal reallocations to finance an energy research building, and may soon make an additional investment in a life sciences building. These investments are made with the assurance that the Board of Regents and statewide system continue focusing on UAF as the State's research university.

National Recession (Negative and Positive)

<u>The positive first:</u> Students are expected to favor in-state universities during the fiscal uncertainty. Additionally, during recessions adult students tend to return to higher education for additional training and career changes. Severe cutbacks in higher education funding in other western states are leading to their universities turning away qualified students, some of whom can be recruited to UAF. The ARRA funding provides additional Pell Grants for low-income students and the possibility of program funding in emerging disciplines, which further improves the enrollment possibilities for UAF. Faculty and staff recruitment for replacement positions may improve for UAF, due to the recession limiting hiring or even causing layoffs at other state and private universities.

Negative impacts include: Students at the lower end of the economic spectrum may be unable to attend college at all, or may need to attend part-time rather than full-time. Fewer non-degree-seeking students will enroll, especially those who are taking courses out of interest rather than to upgrade job skills. Faculty and staff are less likely to retire on schedule as the retirement savings may be lacking. If this effect persists for years, it will impact UAF's ability to shift into new areas of emphasis. Also, as long-term employees earn higher wages, it could result in an increase in cost/employee.

State Fiscal Environment (Negative)

It will be some time before the state recovers from the lower oil prices, and even longer to recover from the market losses to the Permanent fund. As long as oil prices remain low, the State will most likely be unwilling to invest in new programs, in sufficient repair and renovation of existing facilities, or in construction of new facilities. Research space is inadequate to fully accommodate the research opportunities arising through ARRA and earlier infrastructure-building grants such as EPSCoR, INBRE, and SNRP. However, ARRA itself may provide some limited relief over the next one to two years, in the form of renovations and additions to the Arctic Health Research Building. Residence hall space and teaching space are being significantly impacted as aging facilities must be removed from service. A continuing, serious concern is UAF's 45 year old co-generation facility (power and heat for nearly all UAF buildings) and its limited capacity to utilize the cheapest fuel (coal). Should the power plant fail in winter, an extended campus closure could result. The State continues to make only small investments, compared with other states, in needs-based financial aid. The national recession makes such financial aid opportunities even more necessary.

Demographic Trends (negative)

Alaska's overall population is growing only slowly, 1.0% per year for 2000-2008. Net population changes vary for different regions. Anchorage (1.1% annually), the Matanuska-Susitna Borough (4.0%), the Kenai (Peninsula (0.8%), and Fairbanks (1.0%) are growing, while populations in the Southeast, Southwest, and Northern regions are constant or decreasing. The communities that house UAF's rural campuses and centers and others that traditionally supply UAF undergraduate students are mostly on a decreasing population trend. In addition, there will be a relative decrease in traditional college-aged students; statewide there will be about a 15% decrease in the annual number of high school graduates from 2008 to 2014.

Challenges

One time Funding - Energy and CES

The state program funding for Energy and Cooperative Extension are only one-time; these will be requested again in FY11. One-time funds will be utilized to advance the programs as if they were base.

Utilities

The lack of supplemental funding in FY09 to meet the utilities cost increase has consumed all UAF available reserves, thus making FY10 trigger and supplemental funding essential.

Old Buildings

UAF has the oldest facilities within the UA system and the oldest among all state facilities. Because of this, UAF is significantly more dependent than UAA and UAS on consistent capital R&R funding to continue its everyday operations. Without a consistent amount of capital R&R, major system failures will disrupt operations. UAF's most recent experience, Skarland Hall with 135 beds and 45 years old, has been shut down due to piping failure. The housing auxiliary has a small emergency R&R fund balance that will accommodate the project planning to upgrade the facility, but falls far from the total project cost requirement. Moore and Bartlett Halls, constructed just a few years later, will likely have similar issues in the next couple years. Although, funding for these projects is urgent and a supplemental request may be considered, the campus-wide electrical upgrades, the heating plant renewal, and sewer systems that will affect all Fairbanks Campus operations remain highest priority.

Technology and IT infrastructure

Consistent with the age of UAF's building are the IT wiring and infrastructure upgrades necessary for UAF's instructional, research and administrative operations. Upgrading to meet the requirements of moving to voice over IP is an essential component and is part of UAF's capital budget request. Meeting expanding distance delivery instruction, technology enhanced instruction, and competitive research requirements are key goals to up-grades.

Alaska-Wide Programs and Facilities

In addition to the Community Campuses in Nome, Bethel, Dillingham, Kotzebue and all the sites within the Interior/Aleutians Campus, UAF has the unique state public service missions of the Cooperative Extension Service and the Marine Advisory program with agents and programs in 15 Alaska communities, plus research operations located in Palmer, Seward, Kodiak, Juneau, Kasitsna Bay, and Toolik Lake to name a few.

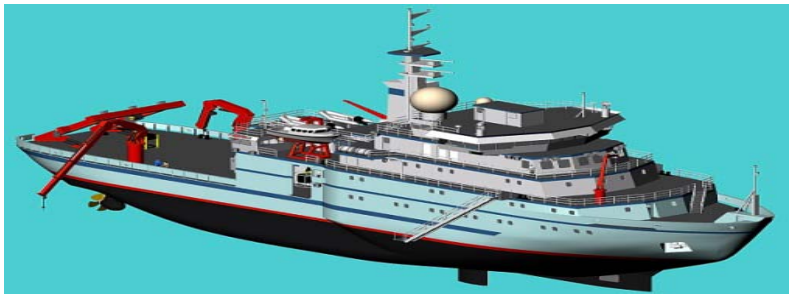
Grant Dependence

UAF sponsored programs total more than $150M, of that total nearly $100M is competitive federal research which is becoming even more competitive, with modern facilities and infrastructure as a key component. UAF is also dependent on federal formula programs in SNRAS, CES, AFES and Sea Grant programs that are not keeping pace and in some cases are being diminished.

UAF
FY11 Budget Requests

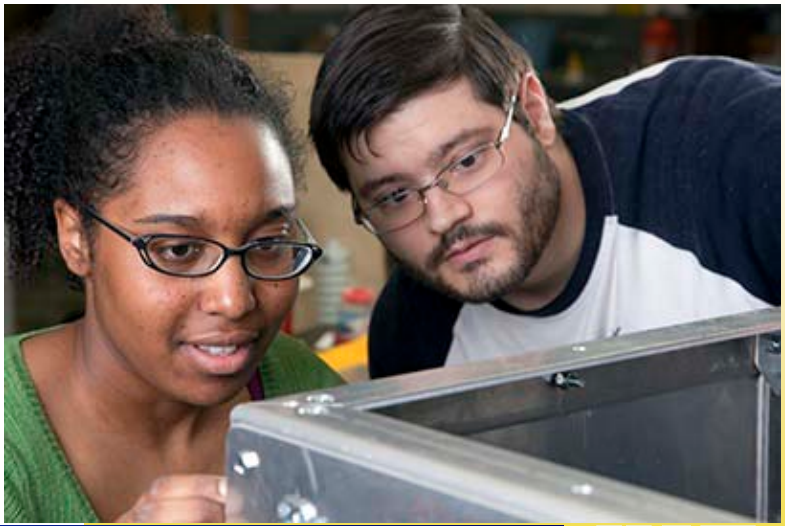
August 4, 2009

Highlights / Recent Success



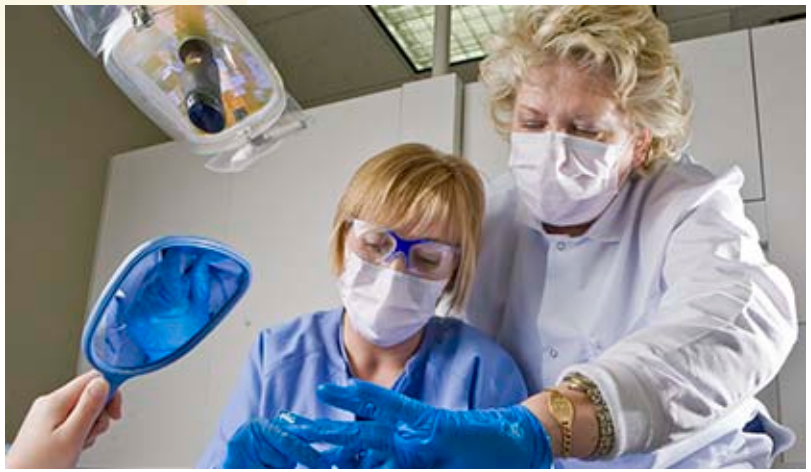
- **UA Scholars**
- **Enrollment**
- **College Transition – Student Centered Research**
- **Stimulus Funding – ARRV, Other**
- **Research Excellence/IPY**
- **Community Engagement**
- **Economic Development**

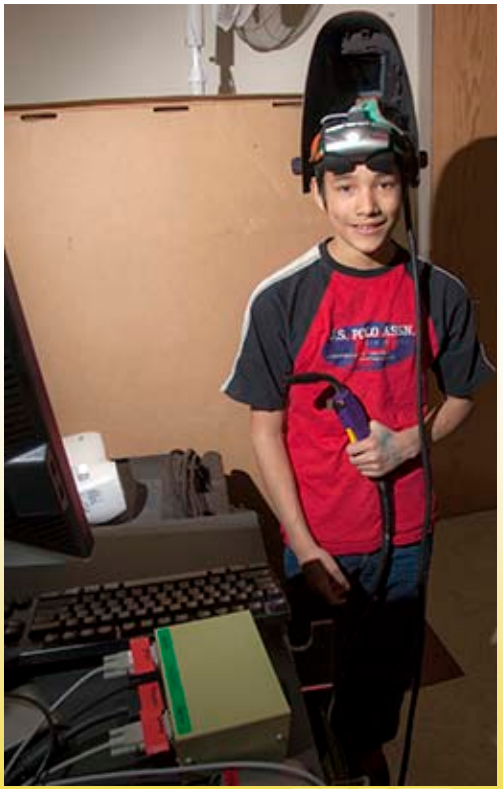
Momentum!



College of Rural and Community Development Highlights

- **Federally Funded Renovations –**
  Tok, Kuskokwim, and Northwest Dorm Partnership
- **Title III Transitioning Student Advising**
- **TVC Envelope**
- **Construction and WFD Programs**





Opportunities

- Research, Competitive Position & ARRA
  - ✓Energy
  - ✓Climate
  - ✓Bio-Medical
- Engineering
- Indigenous Studies
- STEM Programs
- Marine Advisory Program

Challenges

- One-Time Funding – Energy/CES
- Utilities
- Old Buildings
- Technology / IT Infrastructure
- Alaska-Wide Programs and Facilities
- Grant Dependence

College of Rural and Community Development Conditions

- Outward migration - 2010 US Census – Redistricting
- Workforce Development – Pipeline Training
- Federal funding formulas
  - Denali Commission
  - Title III
  - HUD
  - Other ANSI funding
  - Broadband access
- Cost of Energy/Climate change mitigation

Main Campus Capital

Renewal and Replacement Projects

- Critical Electrical Distribution
- Atkinson Heating Plant Revitalization
- Main Campus Waste Line
- Atkinson Heating Plant Boiler and Turbine
- Elvey Electrical Renewal
- Arctic Health Research Building Phase 3 of 4
- Energy Conservation
- Old U-Park Demolition
- Classroom Renovations

Skarland Hall Piping Failure (FY10 Supplemental)

Main Campus Capital

New Construction Projects

- Life Sciences
- Energy Technology
- Engineering
- Alaska Regional Research Vessel Marine Center Facilities (request Supporting City of Seward)
- Planning and Design for:
  - University Fire Station and Training Center
  - Student Services Residential Facilities
  - Mathematical Sciences Classroom Expansion & Utilization Study
  - Computational Sciences Facility Phase I
  - Agricultural Greenhouse Demonstration Facilities

Community Campus Capital

Renewal and Replacement Projects

- TVCC Space Revitalization - Phase 4
- Kuskokwim Campus Renewal - 2 of 4
- Community Campus Energy Conservation
- Barnette Parking Garage DM

New Construction Projects

Planning and Design for:

- Chukchi Campus Consortium Learning Center
- Northwest Campus Consortium Learning Center
- Interior Aleutians Campus Aleutians/Pribilof Center

Capital Projects and Equip.

- Land, Property, and Facilities Acquisition
- Academic Equipment
  - Instructional Smart Classroom Equip. Upgrades and Additions
  - Elsevier Equipment - Library
  - Research Equipment Matching Funds
  - Workforce Development Program Equipment
- Administrative IT Equipment
  - Upgrade UAF Network/Communications Infrastructure
  - Enhance Security Storage and Firewalls
  - UATV Video Outreach Server/Archive
- Energy Research Projects
- Climate Research Projects