



FY2013 ROPA Presentation

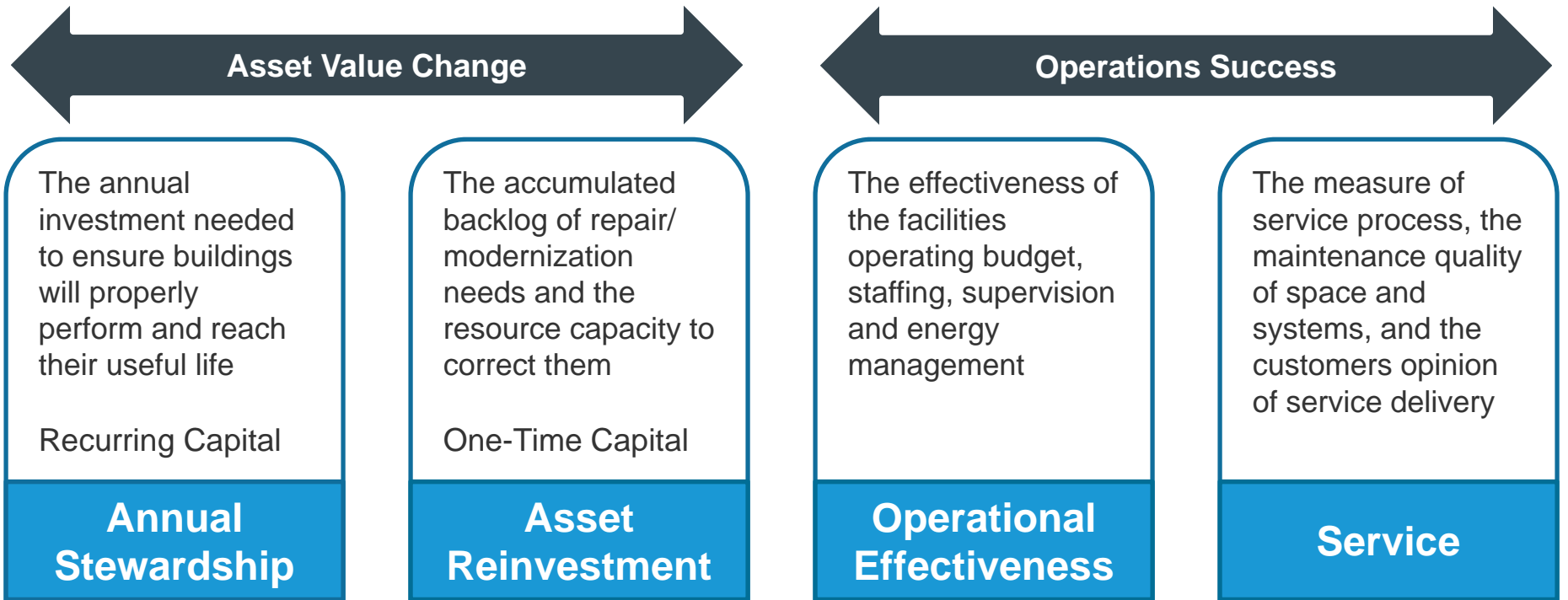
University of Alaska System



A vocabulary for measurement



The Return on Physical Assets – ROPASM



System Comparisons			
Connecticut	Maine	Mississippi	Missouri
New Hampshire	Oregon	Pennsylvania	



Summary of main points

University of Alaska System



Campus & regional characteristics are demanding

- A combination of factors make both operational and capital management of facilities at UA System more difficult:
 - Complex building systems – impact maintenance coverage, skill mix, and cost
 - High building intensity – more buildings to tend to and different types, also impacts maintenance coverage, skill mix, and costs
 - High cost – regional costs means dollars don't go as far as they do for peers

Majority of space in high-need category



UNIVERSITY
of ALASKA
Many Traditions One



Total capital spending

Heavier recent investment in new construction

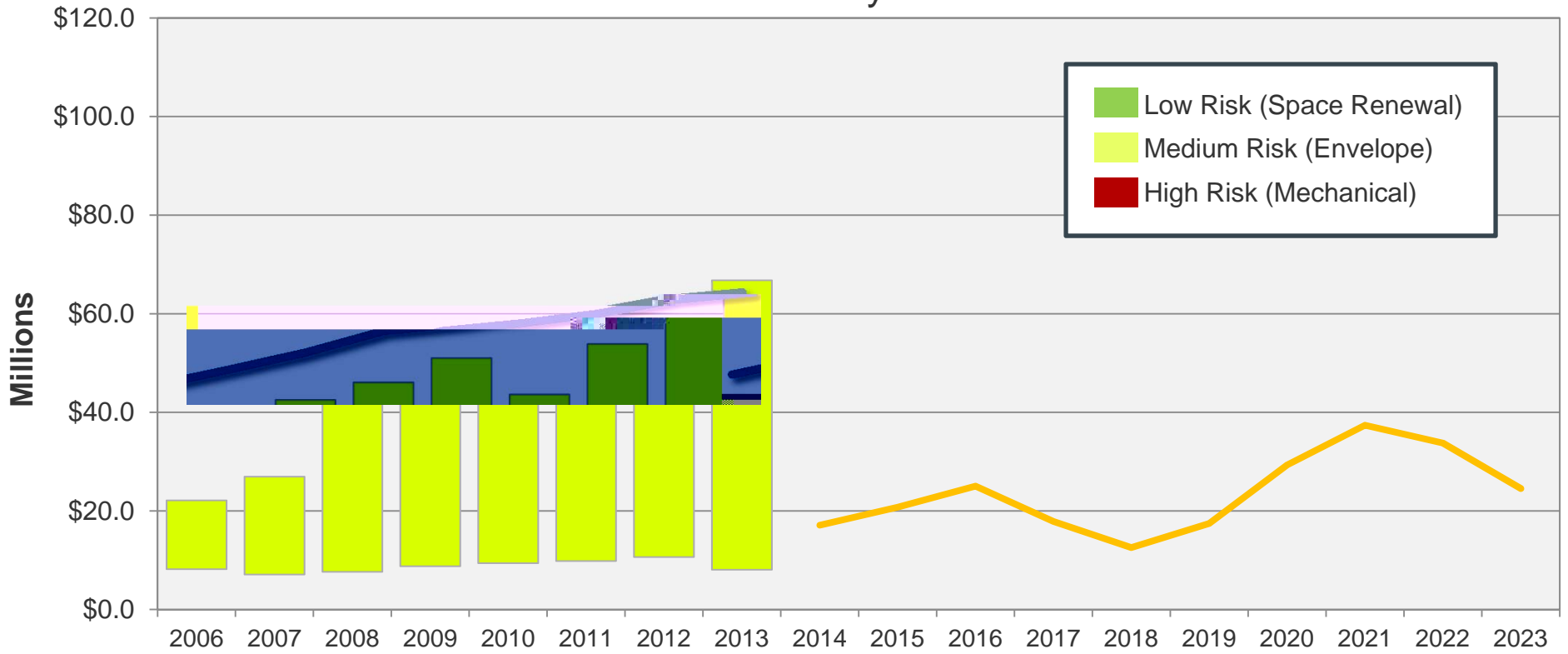


ROPA+ prediction model

10 year total renewal need: \$235.7M; annual deferral



UA System ROPA+ Prediction Model 10 years



*B-Line does not reflect existing deferred



Key Takeaway #2



The UA System already has an estimated \$1.13B in deferred maintenance, infrastructure, and modernization backlog:

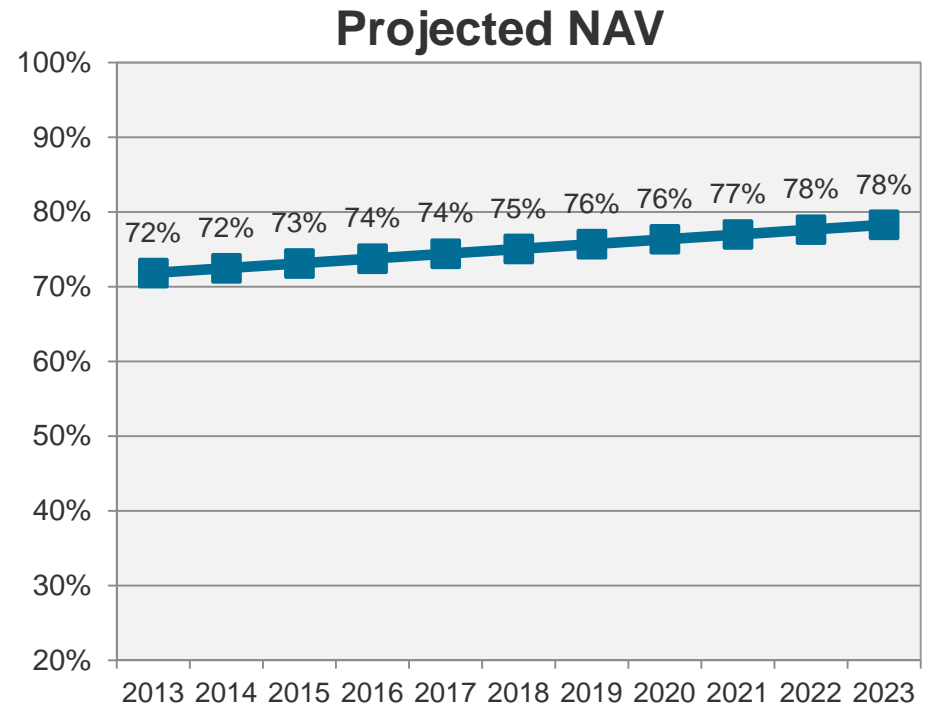
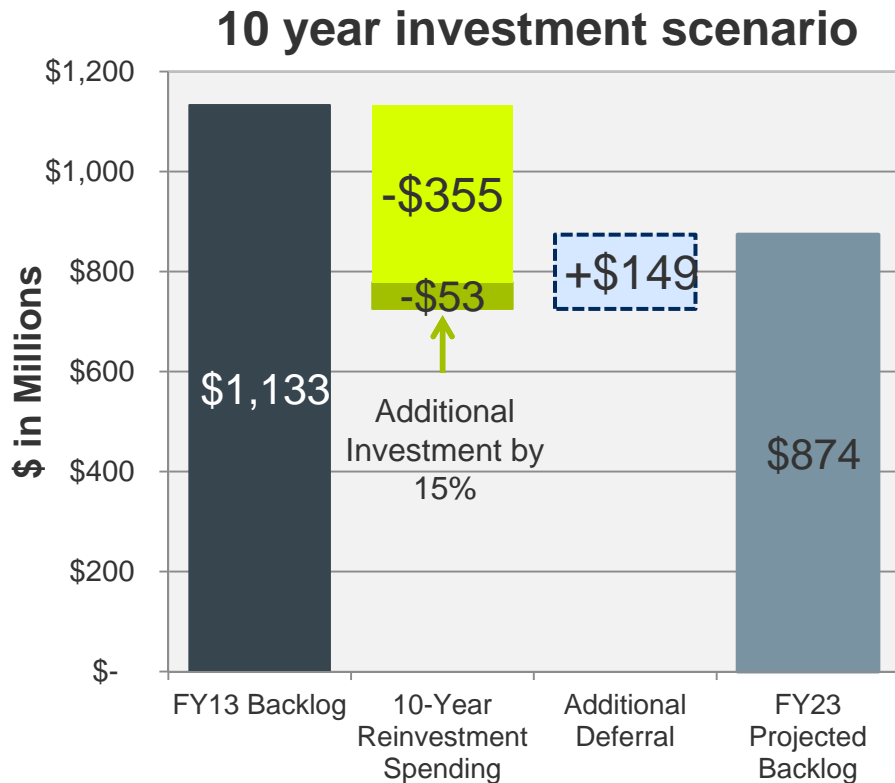
- \$425M of deferred maintenance identified through ROPA+ analysis
- Estimated \$708M backlog in campus infrastructure and modernization

Over the past 8 years, the UA System has invested an average of \$35.5M into the existing facilities. If the historic investment trend continues over the next 10 years the total expected investment would be \$355M, roughly \$778M less than the existing backlog of deferred maintenance and modernization need.

Key Takeaway #3



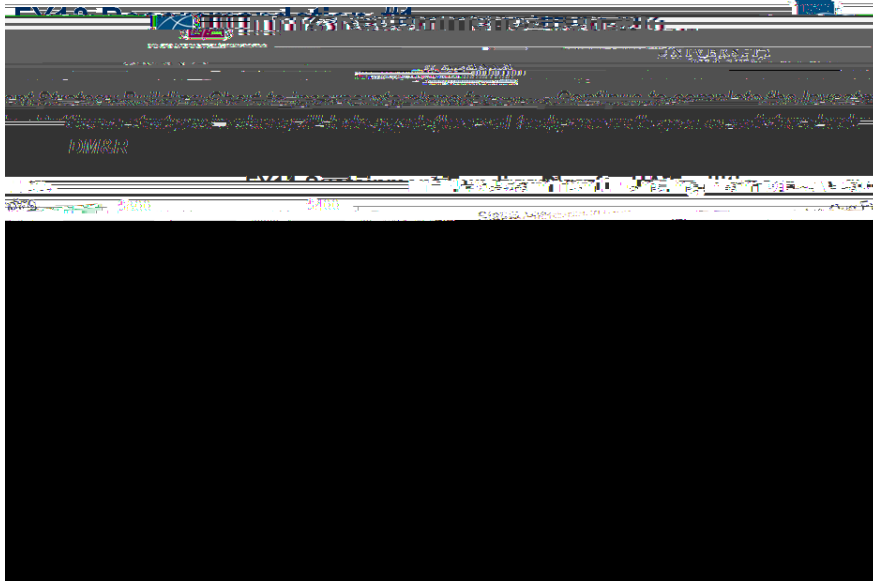
If reinvestment investments increased by 15% over the next ten years, UA system would be able to invest approximately \$408M into deferred maintenance, infrastructure, and modernization needs. Increase in overall investment results to a rising NAV by 6%.



Key Takeaway #5



Continue to communicate strategic plans, such as the Investment Quadrant Chart, University Building Fund, and Sustainability Funding Plan to each campus to aid in projecting upcoming needs and capital planning.



Key Takeaway #6



Identify key metrics for monitoring performance toward future goals. The upcoming detailed analysis of the customer satisfaction survey could identify some areas for improvement.

