



## CHANCELLOR'S OFFICE

University of Alaska Fairbanks

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TO: UAF Vice Chancellors  
FROM: Daniel M. White, Chancellor  
SUBJ: FY20 Budget Planning

The FY20 budget cycle is likely to be challenging given the information we have to date. While we do not know at this point what amendments Governor Dunleavy will propose to Governor Walker's budget, the Board of Regents (BoR) budget request to Governor Walker was largely adopted by the new administration. The BoR requested the following operating increments for FY20 above the FY19 budget:

- Strategic Initiatives (\$10M)
- Title IX: continued leadership, coordination (\$1.8M)
- Compensation: implementation of study over three years (\$12M)
- Fixed Costs: IT, library subscriptions, and risk (\$3M)

Governor Dunleavy has until February 15 to propose amendments; we fully expect him to do so. In his recent memo to chancellors, President Johnsen suggested that even at flat funding from the state, he would expect internal university reallocations to meet the increment requests in the BoR's proposed FY20 budget (listed above). Furthermore, he identified the following areas from which he expects each chancellor to find savings:

- adjusting part-time faculty positions to our peer levels;
- increasing curriculum coherence and creating clearer pathways to student success;
- consolidating sections and / or adding them to the workload of our full-time faculty;
- working with faculty to redesign certain courses along the lines of the successful work led by the National Center for Academic Transformation (NCAT);
- creating larger GER courses;
- adjusting workloads to optimize university priorities (e.g., assigning faculty to high priority activities such as instruction, applied research, or student support activities);
- reviewing how we deliver various courses and degrees at our community campuses; and
- increasing class size minimums;

Based on the president's guidance memo, if the FY20 budget were flat compared to the FY19 budget, UAF would need to find roughly \$14M in savings to reallocate to the BoR's priorities (for UAF). At the same time, however, if the governor's budget for FY20 is less than FY19, we would not necessarily be required to reallocate the full amount of the BoR's priorities. At this

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*Naturally Inspiring.*

point, the extent of the cut and the need to reallocate below flat funding is not known. I have, however, been asked to submit to the president by February 1, 2019, a *planned approach* to meet a possible \$14M reallocation goal.

Informing our planning efforts this spring will be our Northwest Commission on Colleges and Universities (NWCCU) accreditation themes to organize the general discussions, our current strategic planning efforts to guide budget decisions, and the statewide goals and metrics for 2025. To that end, we will first consider what changes can be made at UAF that are consistent with these plans and at the same time reduce costs and help best position us for the future.

Philosophically, long-term repositioning should be made at the highest level possible to reduce the negative impacts of horizontal reductions deeper in the organization. It is my expectation, however, that only a portion of our anticipated budget challenge will be met with repositioning from the leadership level. Budget decisions will also need to be made at the unit level and in many respects, the units are best equipped to make many budget decisions.

The planned approach for budgeting that I will submit to the president will contain the following elements:

1. Budget and planning task forces (January-March): Five faculty/staff groups will look at areas (listed below) and make recommendations for action. The groups will have limited ability to make unit specific recommendations but will be able to provide higher level guidance.
2. Leadership level repositioning (January-February): It is my expectation that VCs will collaborate to propose repositioning that will account for a substantial portion of the expected reallocation.
3. Planning and budget committee (January-April): Led by the Provost, this committee will review initiatives for FY21 and will be asked to evaluate specific proposals for FY20.
4. Unit leadership budget proposals (February): Once repositioning options have been identified, remaining budget reductions will be distributed to units to look internally for savings. Horizontal reductions will not be distributed evenly and will be minimized to the extent possible.
5. Revenue generation: Opportunity exists to manage some reductions we might receive from the legislature through revenue growth. The university has the opportunity to grow revenue in many ways that are significantly within our control. We will continue our effort to increase revenue by growing research, enrollment, development, and commercialization.

As we think about UAF's next few years, I look forward to the details emerging from our strategic planning process. Our strategic planning goals of creating a modern student experience, becoming a tier 1 research university, solidifying our global leadership in Alaska Native and Indigenous studies, growing our culture of respect, diversity, inclusion and caring, transforming our commercialization enterprise and revitalizing key academic programs will guide our positioning in this budget session and those to come. While there are challenges ahead, I am very optimistic about the long look and the great university that UAF is and will continue to be.

Thank you.

Proposed task forces:

Task Force on Class Sizes – *what are the optimum class sizes at different levels and fields at UAF and how do we achieve those results while improving the student experience? How do we achieve an average class size that is closer to our peers, possibly through larger GERs to account for smaller upper division and graduate classes?*

Task Force on Adjunct Teaching – *what is the best use of adjunct teaching across UAF and how do we balance adjunct vs. full time faculty to optimize resource use and the student experience?*

Task Force for Policies and Procedures – *what UAF or system level procedures are unnecessarily burdensome and could be modified to create efficiencies?*

Task Force for eCampus integration – *in what ways can eCampus be further developed or utilized to improve the student experience, increase options for students and reduce costs?*

Task Force on non-credit credentials – *how do we credential non-credit programs and account for non-credit “enrollment”.*