FY20 budget overview

Three-year reduction plan via Governor’s Budget Compact totals $70 million:

- FY20: $25 million
- FY21: $25 million
- FY22: $20 million

UAF’s FY20 UGF reduction is $12.5 million

Adding fixed costs and strategic reallocations = $17 million
Strategic investments

• Research initiatives: $1.4M
  • Incentives for increasing research productivity, post-docs, compliance
• UA initiatives (one-time, final year): $2.1M
  • Enrollment/degree attainment $1.2M
  • Research including OneHealth $0.9M
• UA strategic initiatives (base FY20): $2.6M
  • Educators Rising (legislative directive): $0.8M
  • Faculty recruitment/retention in high demand areas including OneHealth: $0.7M
  • Enrollment/degree attainment, marketing and student success: $0.3M
  • Compliance (TIX investigators, training, and support): $0.3M
  • Dual enrollment and online program support: $0.5M
• UAF Strategic Enrollment Planning (SEP): $1.0M
  • Academic advising, regional recruitment and outreach, military student support, diversity programming, website improvements, online program development, eSports, Honors College
UA FY20 guidance

- Follow UA mission, UA values and Board of Regents goals
- Increase the share of budget spent on academics and student services
- Maximize access to programs and services for students across Alaska (face-to-face and online)
- Reduce administrative costs
- Provide for a seamless student experience: single application, common courses, common curriculum/GERs, bills, transcripts, etc.
- Consider return on investment (ROI)
## UA FY20 guidance

<table>
<thead>
<tr>
<th>FY20 Reduction Targets by Category &amp; MAU</th>
<th>SW</th>
<th>UAA</th>
<th>UAF</th>
<th>UAS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Administration</td>
<td>2.1</td>
<td>4.9</td>
<td>7.9</td>
<td>1.3</td>
<td>16.2</td>
</tr>
<tr>
<td>- Consolidation &amp; Reduction*</td>
<td>2.1</td>
<td>2.4</td>
<td>2.9</td>
<td>0.8</td>
<td>8.2</td>
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<td>- Facilities Maintenance</td>
<td>2.5</td>
<td>5.0</td>
<td>0.5</td>
<td>8.0</td>
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<tr>
<td>• Academic Programs &amp; Student Services</td>
<td>-</td>
<td>6.8</td>
<td>6.3</td>
<td>1.3</td>
<td>14.4</td>
</tr>
<tr>
<td>• Research</td>
<td>-</td>
<td>0.3</td>
<td>1.7</td>
<td>-</td>
<td>2.0</td>
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<tr>
<td>• Public Service</td>
<td>-</td>
<td>0.4</td>
<td>1.1</td>
<td>-</td>
<td>1.5</td>
</tr>
<tr>
<td>• RSA Process</td>
<td>2.3</td>
<td></td>
<td></td>
<td></td>
<td>(2.3)</td>
</tr>
<tr>
<td></td>
<td>4.4</td>
<td>12.4</td>
<td>17.0</td>
<td>0.3</td>
<td>34.1</td>
</tr>
</tbody>
</table>

* A portion of the reductions will be found from systemwide functional area consolidation.

Note: table has been revised to correct for rounding errors.
UAF state general fund FY15-FY22
($51M reduction or -29%)
Employee trends

- Between spring 2015-2019 UAF is down 151 faculty, including adjuncts
- Decrease of 242 regular and temporary staff, including senior administrators
- Decrease of 232 student employees
- Striving to preserve academic areas

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<tbody>
<tr>
<td>REGULAR</td>
<td>2,102</td>
<td>2,015</td>
<td>1,876</td>
<td>1,826</td>
<td>1,812</td>
<td>-290</td>
<td>-13.8%</td>
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<tr>
<td>TEMPORARY</td>
<td>1,987</td>
<td>1,847</td>
<td>1,733</td>
<td>1,655</td>
<td>1,652</td>
<td>-335</td>
<td>-16.9%</td>
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<tr>
<td>Grand total</td>
<td>4,089</td>
<td>3,862</td>
<td>3,609</td>
<td>3,481</td>
<td>3,464</td>
<td>-625</td>
<td>-15.3%</td>
</tr>
</tbody>
</table>
FY20 UAF budget actions — base reductions

Actions completed:

- Reduced (unit) general fund budgets UAF-wide $9.5M
- Transitioned KUAC to primarily private/corporate funding $0.5M
- Facilities maintenance reduction $2.5M

Actions in progress:

- Consolidated large animals at LARS, relocated reindeer $TBD
- Organized research reductions $0.7M
- Academic and administrative reviews $TBD
- HR redesign/transition to UA HR $0.5M*
- Transition of Procurement and Contract Services to UA/shared service $0.3M*

*Reflects UA initial savings, part of which is UAF-specific.
FY20 UAF budget actions — one-time bridge

- Where savings will take time to materialize, one-time reserves can be used
- Academic reviews and structural discussions will take time (FY21+)
- Use of one-time reserves will increase targets in FY21-FY22
- Facility or property sales: $1-2M possible in FY20
- Use of strategic or debt service reserves: $10M
FY20-21 strategies: facilities

Reduce facilities footprint; monetize capital assets

- Administrative Services Building: $1M+
- Westwood Way (Foundation): <$0.5M
- Seward facilities and vacant land: >$8M
- Farmers Loop/College Road (multiple lots): $77K/year
- Yukon Flats Center (Fort Yukon): <$1M
- Sustainable Village: <$1M
- Undeveloped or high-value property: TBD
- Underutilized facilities in several remote areas: TBD
Reducing annual maintenance costs

• Demolishing aging facilities: $60,400 annual maintenance
  • Copper Lane 517-519
  • Colville 709-710
  • Nordic House
  • Ester Dome Observatory

• Sold: $19,300 annual maintenance savings
  • ATCO modulars (9,200 sf)

• Sale/lease: $231,000 annual maintenance savings
  • Administrative Services Center (sale)
  • Fort Yukon Education Center (sale/lease)
  • Sustainable Village student housing (lease)
### FY21-22 UA Reduction Guidance

<table>
<thead>
<tr>
<th>Expense Factors</th>
<th>FY20 Proposed</th>
<th>FY21 Estimate</th>
<th>Total</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>State UGF Reduction</td>
<td>25.0</td>
<td>25.0</td>
<td>20.0</td>
<td>70.0</td>
</tr>
<tr>
<td>Investment</td>
<td>9.1</td>
<td>12.1</td>
<td>8.2</td>
<td>29.4</td>
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<tr>
<td>Strategic Initiatives *</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>15.0</td>
</tr>
<tr>
<td>Compensation (Equity and Market)</td>
<td>3.4</td>
<td>3.2</td>
<td>3.2</td>
<td>9.8</td>
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<tr>
<td>Compensation (General Market)</td>
<td>3.9</td>
<td></td>
<td>3.9</td>
<td></td>
</tr>
<tr>
<td>Title IX / Safety</td>
<td>0.7</td>
<td>0.0</td>
<td>0.0</td>
<td>0.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34.1</strong></td>
<td><strong>37.1</strong></td>
<td><strong>28.2</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Starting in FY21, Strategic Initiatives of $5 million will be funded through MAU based reallocation to support the Board of Regents’ Goals and Measures.*

- Capital budget: $50M Deferred Maintenance (DM) request + $2.5M US12 Array
**FY21 planning guidance**

UAF’s share (estimated): $18.3M in FY21
+ up to $10M base cuts avoided in FY20 through use of one-time actions

<table>
<thead>
<tr>
<th>Expense Factors</th>
<th>FY21 UA Proposed</th>
<th>FY21 UAF Proposed Share</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>State UGF Reduction</td>
<td>25.0</td>
<td>12.3</td>
<td>Base Budget Cut</td>
</tr>
<tr>
<td><strong>Investment</strong></td>
<td>12.1</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td>Strategic Initiatives</td>
<td>5.0</td>
<td>2.5</td>
<td>Reallocation within MAU</td>
</tr>
<tr>
<td>Compensation (equity &amp; market)</td>
<td>3.2</td>
<td>1.6</td>
<td>Reallocation within MAU</td>
</tr>
<tr>
<td>Compensation (general market)</td>
<td>3.9</td>
<td>1.9</td>
<td>Reallocation within MAU</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>37.1</td>
<td>18.3</td>
<td></td>
</tr>
</tbody>
</table>

*Starting in FY21, Strategic Initiatives of $5 million will be funded through MAU based reallocation to support the Board of Regents’ Goals and Measures.*
FY21 unknowns

Tuition

• 5% increase proposed for lower/upper division
• Tuition Forum — Dec. 3, 2019
• BOR decision — January 2020

Legislative and gubernatorial actions

Debt service support

Savings resulting from program and administrative reviews

Internal distributions of reductions and investments
Revenue generation

• Monetizing capital assets
• Research (direct and indirect cost recovery)
• Tuition
• Philanthropic giving
• Corporate and private sponsorship — athletics, other
• Facility improvements through industry partnerships and donors
FY21 strategies: shared services

- What makes sense to share?
- How is it best organized?
- What about academic support?
- What is needed for success?

**Expertise Center:** Service centers grouped by function or area of expertise.

- E.g. Office of Proposal Development, Shared Services Travel

**Transaction Center:** Service centers grouped as business offices with variety of functions.

- E.g. One-stop shop for travel, procurement, HR
FY20 strategies: vertical and horizontal

Ideas under consideration (vertical):

- Consider alternative models for selected public service/outreach functions $0.5-1M
- Continue the sale and monetization of UAF property and facilities $5-10M+
- Evaluate mines for possible consolidation — under review TBD
- Evaluate greenhouses for possible consolidation — utilities savings $0.2M
- Evaluate farms for possible consolidations/suspensions/alternatives $0.2M
- Evaluate farms for selective parcel lease/sale >$1M
- Consider sale or lease of Kodiak Marine Center — fair market value >$5M
- Transition Chukchi Campus to Learning Center — under review $0.3M

15% unit target for initial planning purposes (horizontal)
FY21 strategies: academic reviews

• Departments/programs identified: Oct. 11
• Committee members named: Oct. 15
• Departments submit the 2-4 page report and dean submits one-page input: Nov. 4
• Review dates: Nov. 4 – March 6
• Recommendations to chancellor: March 6
• Open for feedback from Faculty Senate and broader audience: March 9 – 20
• Chancellor’s proposals for program changes to president and vice president: March 23
• To Academic Council: 1st week of April 2020, date TBD
• To ASA Committee: 2nd week of April 2020, date TBD
• To full BOR: date TBD
FY21 strategies: administrative reviews

• Parallel to academic review process

• Evaluating functions including effectiveness/efficiency and alignment with mission

• Governance Coordinating Committee developing review process

• Committee consists of ASUAF representatives, Staff Council representatives, Faculty Senate representatives and chancellor-nominated administrators

• Timeline, scope and outcomes in development
Planning and Budget Committee (PBC)

• Appointed representatives from across UAF, includes governance delegates
• Chairs will initiate meetings to evaluate the current plans, recommendations and unexplored ideas to meet the FY21 budget target
• Provost Prakash will also begin soliciting FY22 strategic initiative proposals for review by the PBC in spring 2020
• Will encompass research and Strategic Enrollment Planning (SEP) initiatives for improved coordination
Strategic initiatives: research

• Initial solicitation from Vice Chancellor for Research Hinzman
• Selecting initiatives for federal priorities, state funding requests and internal investment
• Coordination with PBC
FY21 budget timeline

November 2019: BOR approved UA budget (reduction budget)
Early Dec. 2019: Governor expected to accept budget (per compact)
January 2020: Chancellors submit FY21 budget plan to president and BOR reviews budget allocation plan
             BOR tuition review and decision for FY21 (fall 2020)
May 2019: Final state budgets adopted
June 2019: President and chancellors’ decisions
July 2019: FY21 begins
Thank you