

July 29, 2015

To: UAF employees
From: Chancellor Brian Rogers

Re: FY16 budget

Because of the extended legislative session, it has taken longer than anticipated for the university's budget situation to become clear. Now that we have our final budget numbers from the state and the University of Alaska statewide offices, I want to share that information, as well as its effects, with you.

UAF's portion of the reduction in state funding amounted to \$13.1 million, which includes one-time funding for employee compensation increases. That is on top of a nearly \$7 million budget gap created by increased fixed costs and utilities. The result is a \$20 million shortfall for FY16.

We knew funding would be tight in FY16. Over the course of the past year, we have explored options to address the shortfall. Faculty and administrator committees reviewed 45 academic programs. Some of those programs were selected for eventual discontinuation. Other committees reviewed selected non-academic programs for potential savings. While both of these efforts were valuable, and may result in reduced costs in future years, they did not identify substantial savings for FY16.

This spring, UAF leaders have been working closely with deans, directors, and the budget and special review committees to allow for those closest to the programs and services to help make strategic budgeting decisions. In an effort to preserve academic program quality and continue research efforts, service and administrative units are shouldering more cuts than research and academic units.

The amount and effects of these cuts vary from unit to unit, but most units will be cutting the equivalent of about 11 to 13 percent of their state funding. That will result in reduced services, slower response times in some areas and reduced central and program support. And, because UAF is a service organization, it also means fewer people. In many cases, we have been able to simply eliminate unfilled positions, but there have also been layoffs and reduced contracts.

The UAF Office of Management and Budget has prepared a comprehensive overview of the spending reductions across campus. That document, as well as a wealth of information on the budgeting process, is available online at <http://bit.ly/uafbudget>. Most of you have likely already heard from your unit leaders regarding reductions in your area, however don't hesitate to ask your supervisor or department head if you have additional concerns about how the budget cuts will affect you and your unit.

Finally, I want to thank those who served on committees and the entire campus for its patience as we have worked to develop a spending plan in what ended up being a very uncertain environment. While we are a smaller university today than we were even a year ago, I am certain that our talented staff and faculty will continue their work to deliver high-caliber research, education and service to our students and the people of Alaska.