



FY14 Guidance & FY15-16 Budget Conditions May 2013

Presented by:

Pat Pitney, VC Administrative Services

FY14-FY16 Budget Conditions

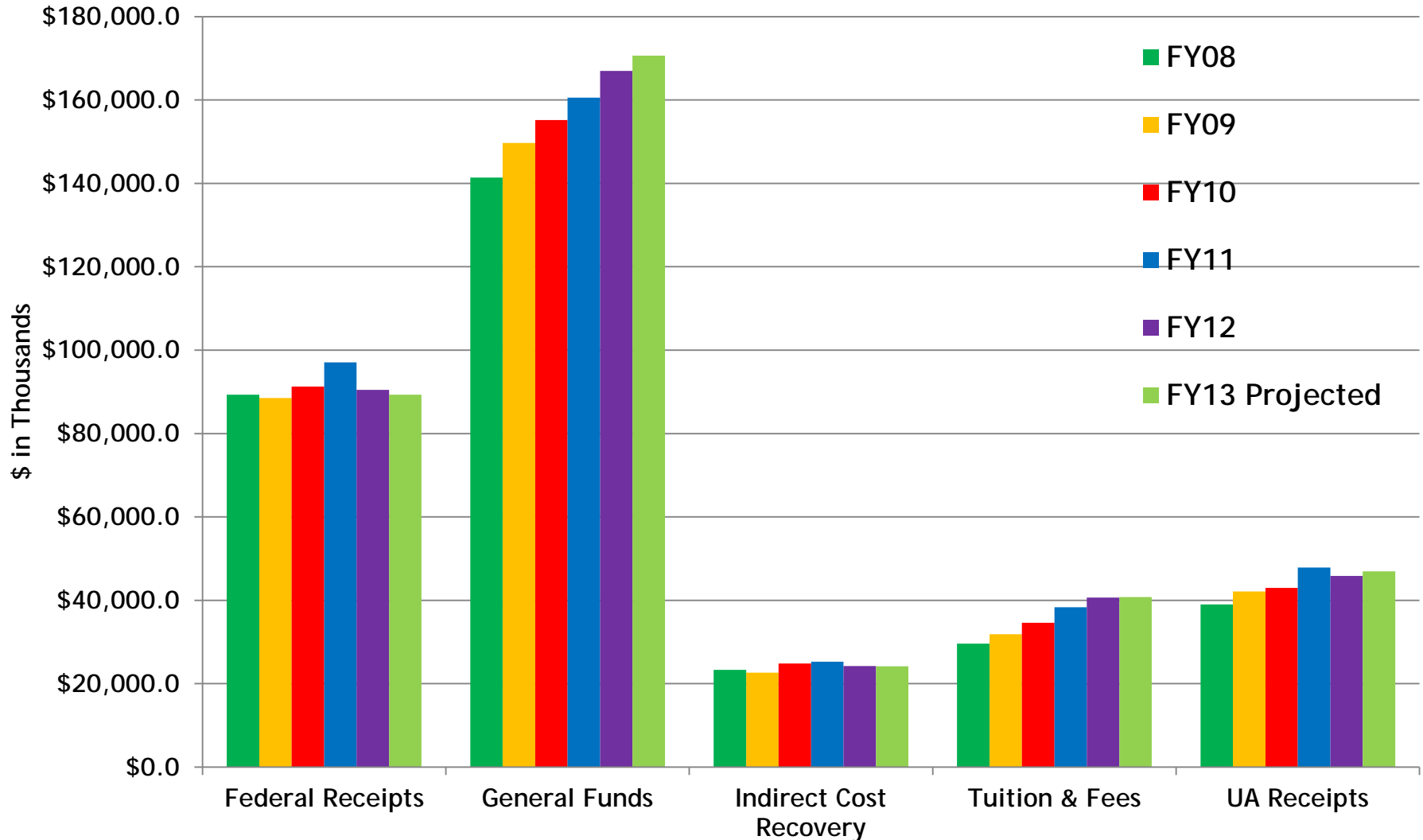
- Federal environment
 - Sequestration
- State environment
 - Oil Dependence
 - Demographics
- Board of Regents & Strategic Direction Initiatives (SDI)
- State funding process
- UAF relative to peer institutions
- UAF's budget allocation and reallocation/strategic investment processes - P&BC, cabinet, Chancellor
- UAF's school/college/institute/division impact

FY14 Projections

- 2% tuition rate increase
- Flat enrollment
- Federal funding nearly flat or slight decline
- ICR proportional to Federal changes
- \$2.5M utilities fixed cost increase
 - Fuel prices, ash hauling, debt service, etc.
- Salary & benefit cost increases (3%)

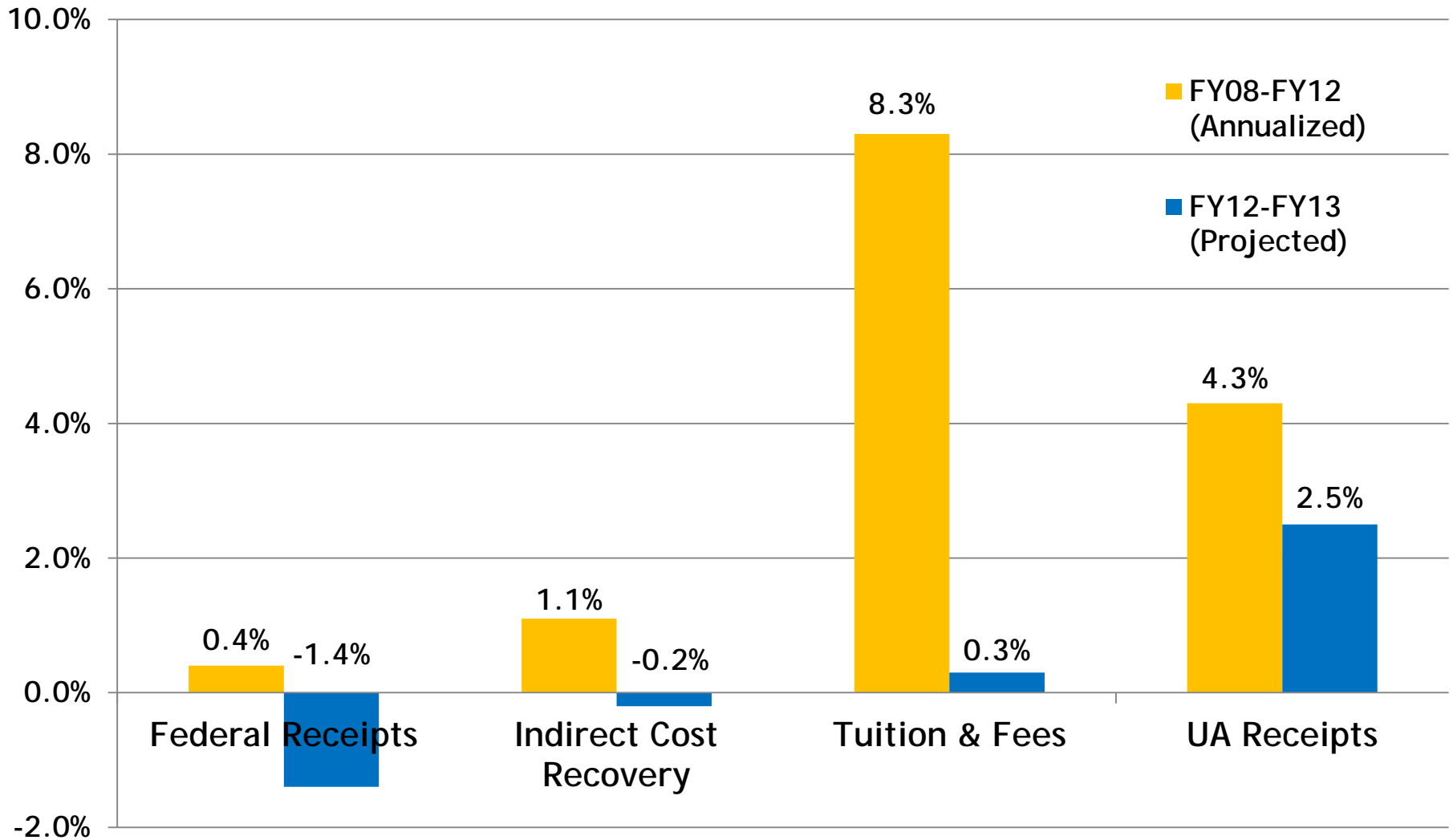
Annual Revenue Growth Rate

FY08-FY12 Annual Change & FY13 Projected Growth



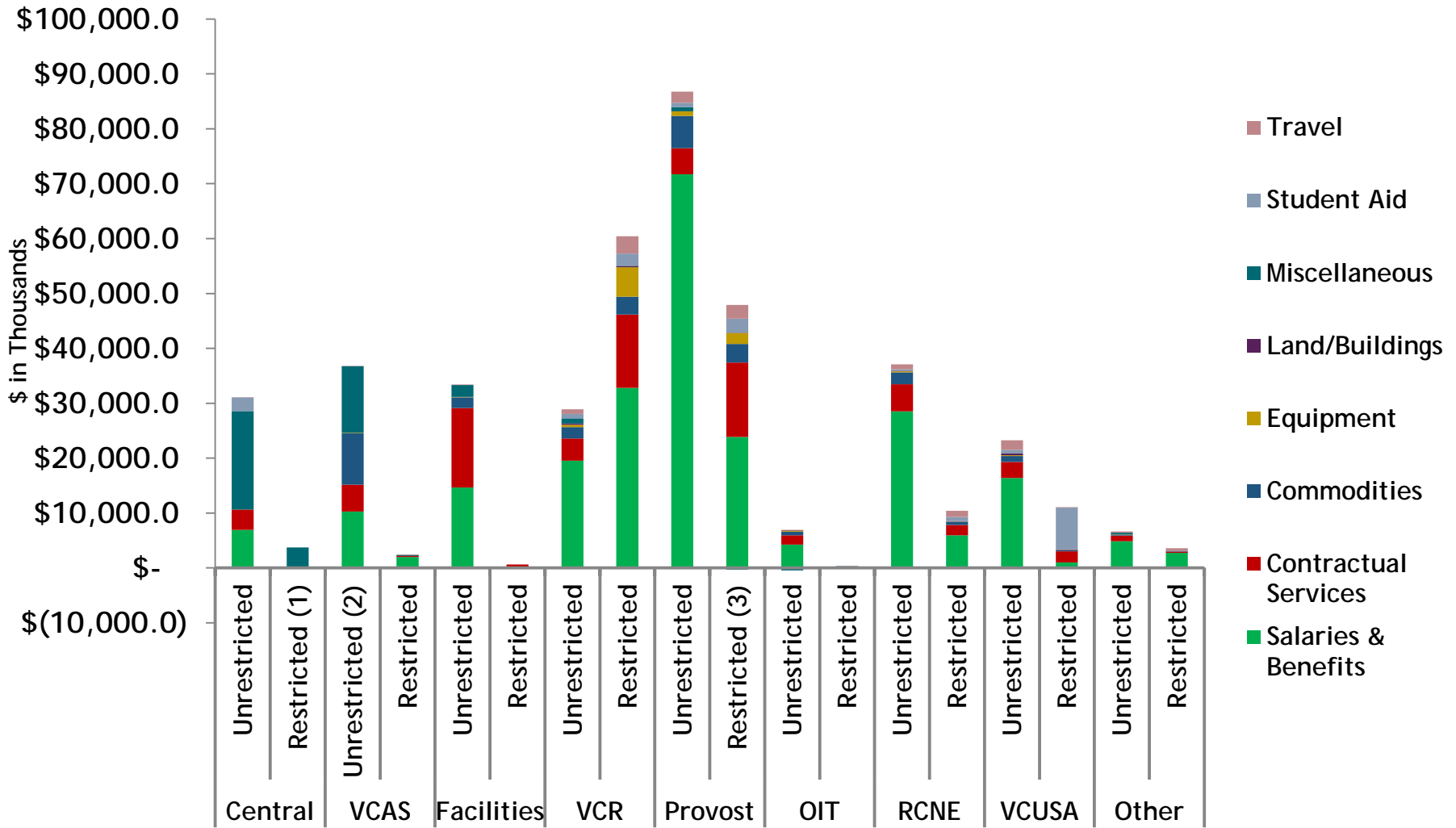
UAF Earned Revenue

FY08-FY12 Annualized Compared to Projected FY12-FY13 Change



Expenditures by Unit (FY12 Actuals)

Restricted vs. Unrestricted



(1) Central Restricted includes a \$3,741.3 outlay to support student aid.

(2) VCAS Unrestricted includes a \$12,587.1 outlay as a utility payment(s) reflected in miscellaneous.

FY14 Projected Budget Gap

Increasing Expense			Increasing Revenue	
\$7.4	Compensation		Compensation (GF)	\$3.7
\$2.4	Murie Operating		Murie Operating (GF)	\$2.3
\$0.6	Programs		Programs (GF)	\$0.6
\$2.5	Utilities		Tuition	\$0.8
\$3.2	Debt Service		Federal/ICR	\$0.5
\$1.5	Other Obligations		Other Revenue	\$1.2
\$17.6	Expense		Revenue	\$9.1
Budget Gap		\$8.5	Million	

UAF FY14 Program Requests

(pending Governor's signature)

Total NEW Program Funds: \$625K (GF)

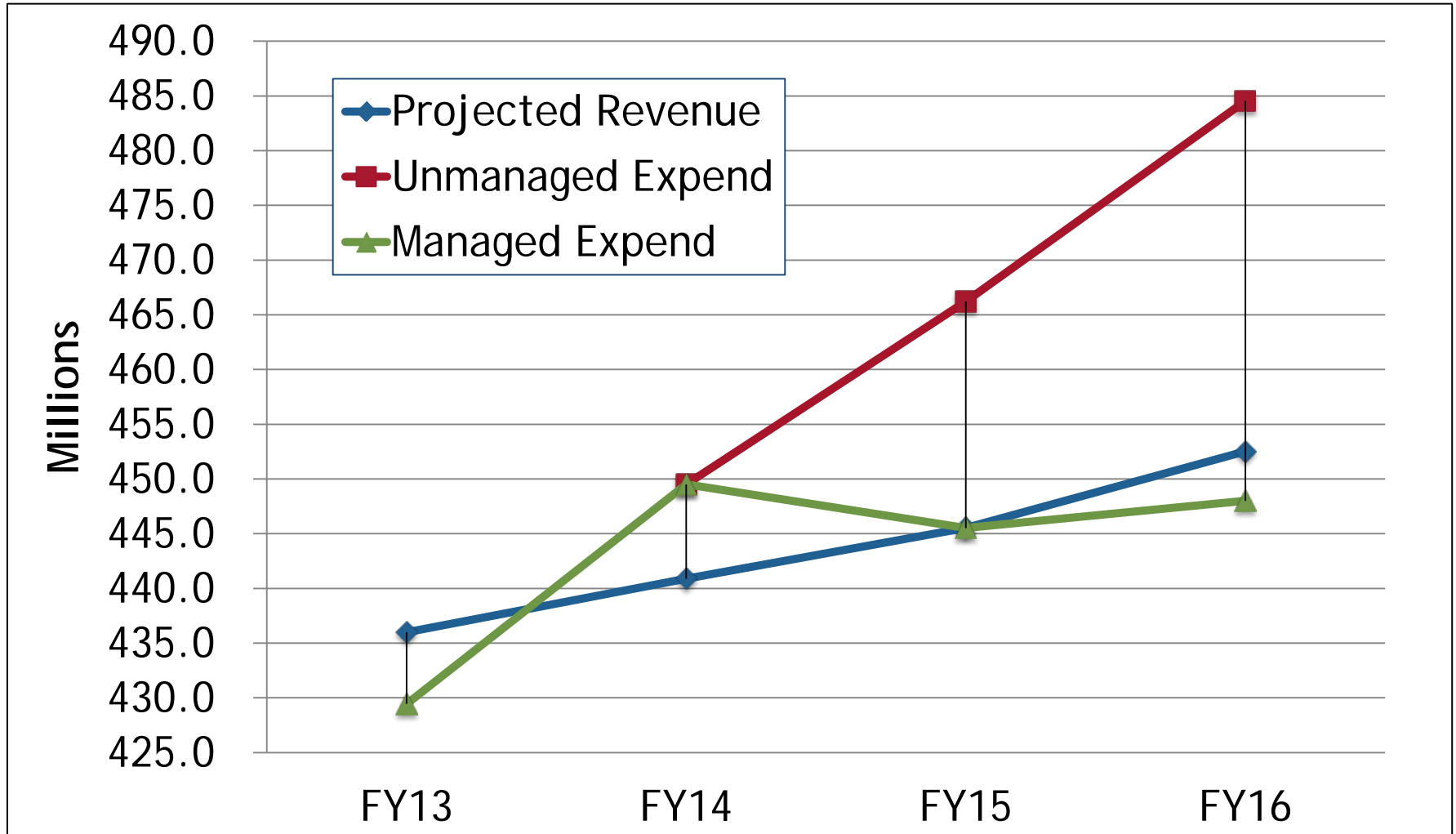
- Comprehensive advising for community campuses - \$120K
- Enhancing E-Learning - \$250K
- Nursing faculty at Bristol Bay - \$55K
- UA Press - \$200K

UAF FY14 Capital Requests

(pending Governor's signature)

- Deferred Maintenance, R&R
- Murie (Life Sciences) Operating - \$2.3M
- Engineering building - \$15M (partial)
- Energy technology testing & development solutions (ACEP) - \$2.5M
- Researching Alaska's Chinook salmon population decline (SFOS)- \$750K (AKDF&G)

Managing the Gap



Active Management Solutions

- Delay employee hires for 90 days to maximize vacancy savings (\$3.0M)
- Reduce off-campus lease obligations (\$0.3M)
- Reduce expenses via energy management (\$0.5M)
- Identify specific reductions to programs & services (\$1.5-1.9M)
- Utilize staff benefit rate reductions (\$3.0M)
- Manage year-end & central reserves (\$1.2-1.7M)

Vacancy Management

- UAF's FY13 total authorized positions 2,639
 - 295 vacant & 219 reserved (March 2013)
- Each VC/Provost must scrutinize re-hires to effectively impact FY15 base salary costs
- 90 day wait on rehiring regular or term staff & executive positions
 - Faculty & restricted funded positions exempt
- 1st 60 days salary savings - central pool
- If rehire is internal, 1st 45 days - central pool

What Faculty, Staff & Leadership Can Do...

- Streamline existing processes & look for service partners
 - Travel, OIT, PPAs, etc.
- Find ways to generate additional revenue from non-general fund resources
- Strategically reinvest internal resources to high priority programs that align with UAF's Strategic Plan, core themes & the UA SDI
- Review academic plans, services & programs regularly
- Review & manage administrative & academic staff support
- Pursue new models for resource management including public-private partnerships (P3) to address housing, dining, & other student facility & service functions

Discussion



- Share your ideas via the OMB website www.uaf.edu/finserv/omb/budget-planning
- Contact the AVC Financial Services, Raaj Kurapati with unit specific questions