

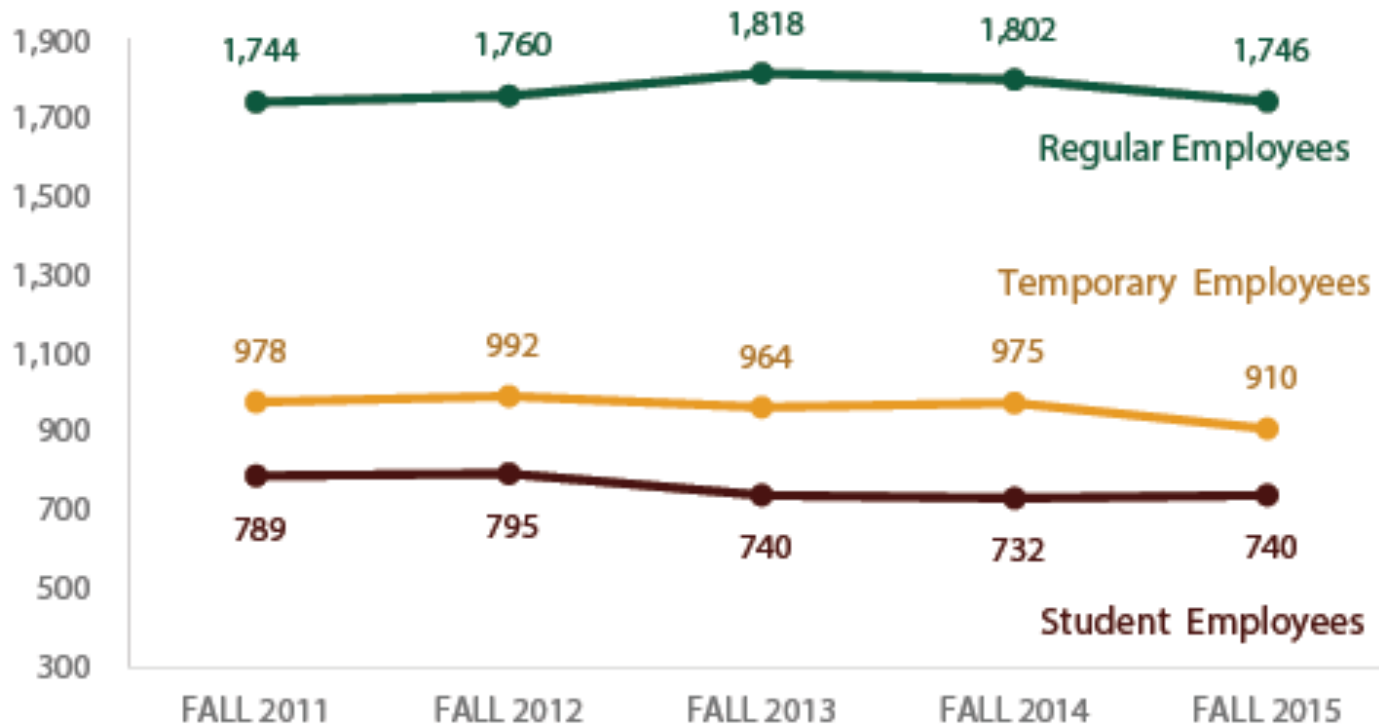
# Budget Update



# FY15 & FY16 Overview

- Anchorage budget reduced by \$19.5M over 2 years
- Prioritization actions in process – academic degree eliminations, administrative efficiencies
  - Suspended admission or deleted various programs: AAS in CIOS, BA in Dual Languages, 24 certificate, 17 minors, 4 Masters
- FY15 & FY16 budget reductions taken by units impact students, employees and the state
- Executive furloughs, hiring freeze
- Prudent management of travel and other purchasing
- Reduced off campus leases (Diplomacy to BOB)
- Units reorganizing and rethinking alignments
  - ITS eliminated the Network and Systems Operations Center
  - Business Services merged under Financial Services
  - Office of Health Programs moved to College of Health

## How Has UAA Staffing Changed Since Fall 2011?



From Fall 2014-2015:

Eliminated 56 regular faculty and staff positions

Eliminated 65 temp positions (adjuncts and staff)

# Budget Planning for FY17



# Under Discussion at the State Level

- Governor proposed budget cuts agency spending \$100M annually for 3 years
  - \$15M cut to UA general fund
  - Senate recommends \$25M cut
  - House recommends \$50M cut
- New revenue generating ideas
  - New taxes
  - Use permanent fund earnings
  - Modify oil and gas tax and credits
- Legislature needs  $\frac{3}{4}$  vote to access reserve funds to balance the budget

When will we know more?  
90 day session ends April 17, 2016

## **Operating Budget Timeline**

### In the Legislature

- Conference Committee (April)
- Possible Constitutional Budget Reserve Vote
- Possible Legislative Special Session(s) (May-June)
  - Governor's Approval (May-June)

### Back to UA

- President's Distribution (May-June)
  - BOR Approval (June)
  - UAA Distribution (June)

# Unknowns

- **Final state cut to UA budget**
- **Future tuition rate increases**
- **Statewide Transformation impacts**
- **Strategic Pathways impacts**

# FY17 Budget Gap Scenarios

FY17 UAA Budget	Senate Reduction	House Reduction
Expenses		
Salary/benefit increase	4,577.1	4,577.1
Staff benefit rate adjust	4,779.9	4,779.9
Strategic investments	500.0	500.0
Total Expense	9,857.0	9,857.0
Revenue Adjustments		
State GF Reduction	(13,110.6)	(22,189.1)
State Compensation (50%)	3,693.9	3,693.9
Tuition rate increase	4,093.7	4,093.7
Total Revenue	(5,323.0)	(14,401.5)
<b>Budget Gap</b>	<b>(15,180.0)</b>	<b>(24,258.5)</b>

# Potential Reductions

<b>University of Alaska Anchorage</b>	
Academic College and Community Campus	\$7,700,000
Other Academic Infrastructure	\$1,800,000
Administrative Services & Facilities	\$3,900,000
Student Affairs	\$1,300,000
Chancellor's Office & University Advancement	\$500,000
Tuition Increase	(\$4,000,000)
<b>Total Cost Reductions or Revenue</b>	<b>\$15,200,000</b>
<b>Total Positions Eliminated or Reduced</b>	<b>213</b>

# UAA Budget Reduction Contingency Planning

## **Academic College and Community Campus**

**(target reduction \$7.7 million; positions impacted 151)**

- Continue teach outs/staff reassignments arising from programs eliminated through prioritization
- Eliminate or reduce administrative assignments for faculty
- Leave vacant faculty positions unfilled
- Reassign tenure/tenure track faculty time to teaching
- Eliminate or reduce assignments of term and adjunct faculty
- Eliminate or reduce academic staff assignments
- Reduce summer assignments for leadership, faculty and staff
- Increase program partnerships with UAF and UAS
- Reduce spending on computers/technologies/instructional design
- Implement differential tuition in Engineering and Business
- Target recruitment (program, summer, non-credit, professional)
- Charge fees for services using unique facilities

# UAA Budget Reduction Contingency Planning

## **Academic Infrastructure (Provost/Library)**

**(target reduction \$1.8 million; positions impacted 2)**

- Freeze librarian position with engineering focus
- Reduce Consortium Library collection
- Reduce Office of Academic Affairs administered faculty travel and professional development funds
- Replace Academic Innovations and e-Learning general fund with fee revenue

## **Student Affairs**

**(target reduction \$1.3 million; positions impacted 23)**

- Eliminate 19 and reduce four positions by reorganization and eliminating services
- Eliminate student retention tools
- Transfer AA degree advising responsibilities to college advising center
- Close one-stop lobby operation, eliminate e-mail servicing and information advisors
- Other reductions: advising leadership, residence life, services to underrepresented populations, recruitment of diverse student body, rural student recruitment, and data analysis

# UAA Budget Reduction Contingency Planning

## **University Advancement & Chancellor's Office**

**(target reduction \$500,000; positions impacted 15)**

- Transfer two development positions to the UA Foundation
- Reduce position hours in advancement

## **Administrative Services**

**(target reduction \$3.9 million; positions impacted 22)**

- Reduce positions in facilities, human resources, and information technology services
- Reduce maintenance of buildings, fleet, custodial, and grounds
- Reduce building availability on nights and weekends
- Fund shuttle through transportation fee
- Intercollegiate Athletics through Strategic Pathways expedited review
- Eliminate weekend hours for IT Call Center
- Reduce staff professional development opportunities and employee recognition awards
- Implement credit card convenience fee of 2.75%

# UAA Budget Reduction Contingency Planning

**Tuition increases in addition to the 5 percent already approved for FY2017, estimate \$4 million**

## **UAA-wide Broad Level Plan for additional \$9.1 million reduction**

- Centralize department IT positions
- Administrative/fiscal shared services
- Coordinate and assign advising centrally
- Campus administrative restructure
- Course redesign and restructure

## UAA Potential Strategic Investments

- As the lead university in Health, support Nursing, PharmD, and WWAMI programs
- Maintain high-demand academic programs – geology, Center for Research and Alaska Native Education (CRANE), engineering, public policy
- Compliance positions needed to meet demands for Title IX, diversity, health regulations
- Increase Institute for Social and Economic Research (ISER) capacity to support state needs
- Invest in course redesign by expanding use of technology
- Support increased demand of students with disabilities
- Increase University Advancement support for community outreach, fund development and alumni relations
- Invest in LEAN

# In Conclusion

- UAA remains a vibrant and resilient university
- We remain steadfast in our commitment to students and though we will adapt as necessary, we will not make rash decisions
- Scenario planning is an important step in this process, helping us prepare thoughtfully and thoroughly
- It is critically important that we are creative and consider new ways of delivering courses and services, we hope you will continue to contribute your ideas
- These plans are not final until we have the final budget number
- We will continue advocating for UAA until the last possible moment