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
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 ¾ 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)
Unknons

- Final state cut to UA budget
- Future tuition rate increases
- Statewide Transformation impacts
- Strategic Pathways impacts
## FY17 Budget Gap Scenarios

<table>
<thead>
<tr>
<th>FY17 UAA Budget</th>
<th>Senate Reduction</th>
<th>House Reduction</th>
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<tbody>
<tr>
<td>Expenses</td>
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<tr>
<td>Salary/benefit increase</td>
<td>4,577.1</td>
<td>4,577.1</td>
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<tr>
<td>Staff benefit rate adjust</td>
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<tr>
<td>Strategic investments</td>
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<tr>
<td><strong>Total Expense</strong></td>
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<tr>
<td>Revenue Adjustments</td>
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<tr>
<td>State GF Reduction</td>
<td>(13,110.6)</td>
<td>(22,189.1)</td>
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<tr>
<td>State Compensation (50%)</td>
<td>3,693.9</td>
<td>3,693.9</td>
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<tr>
<td>Tuition rate increase</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>(5,323.0)</td>
<td>(14,401.5)</td>
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<tr>
<td><strong>Budget Gap</strong></td>
<td>(15,180.0)</td>
<td>(24,258.5)</td>
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<tr>
<td>University of Alaska Anchorage</td>
<td></td>
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<tr>
<td>----------------------------------------</td>
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<tr>
<td>Academic College and Community Campus</td>
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<tr>
<td>Other Academic Infrastructure</td>
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<td>Administrative Services &amp; Facilities</td>
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<td>Student Affairs</td>
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<tr>
<td>Chancellor's Office &amp; University Advancement</td>
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<tr>
<td>Tuition Increase</td>
<td>($4,000,000)</td>
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<tr>
<td><strong>Total Cost Reductions or Revenue</strong></td>
<td>$15,200,000</td>
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<tr>
<td><strong>Total Positions Eliminated or Reduced</strong></td>
<td>213</td>
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</tbody>
</table>
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
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%
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
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