



# ***University of Alaska***

## ***Legislative Update***

Senate Finance Committee  
&  
University Operating Budget Subcommittee

February 5, 2020

# Agenda

- Institutional Overview
- 2020 Legislative Priorities
- Budget Update
- Key Data
- Debt Profile
- Conclusion

# Introduction

State funding cuts from FY 2014 to FY 2019—and the threat of a 41% cut in FY 2020—have challenged the university's ability to serve its constitutional mission for the people of Alaska.

Led by the Board of Regents, the University is facing the challenge, committed to its mission, to lower operating expenses, and to investing in programs and initiatives that serve our students and contribute to Alaska's future by:

- Developing and diversifying our economy
- Preparing Alaskans for jobs in Alaska
- Conducting research to solve real problems and create new opportunities
- Increasing educational success through enrollment and completion

# Institutional Overview

# Three-Part Mission

- **Education**

*Delivering academic instruction,  
career and technical training*



- **Research**

*Advancing innovation and discovery  
through academic and scientific  
research*



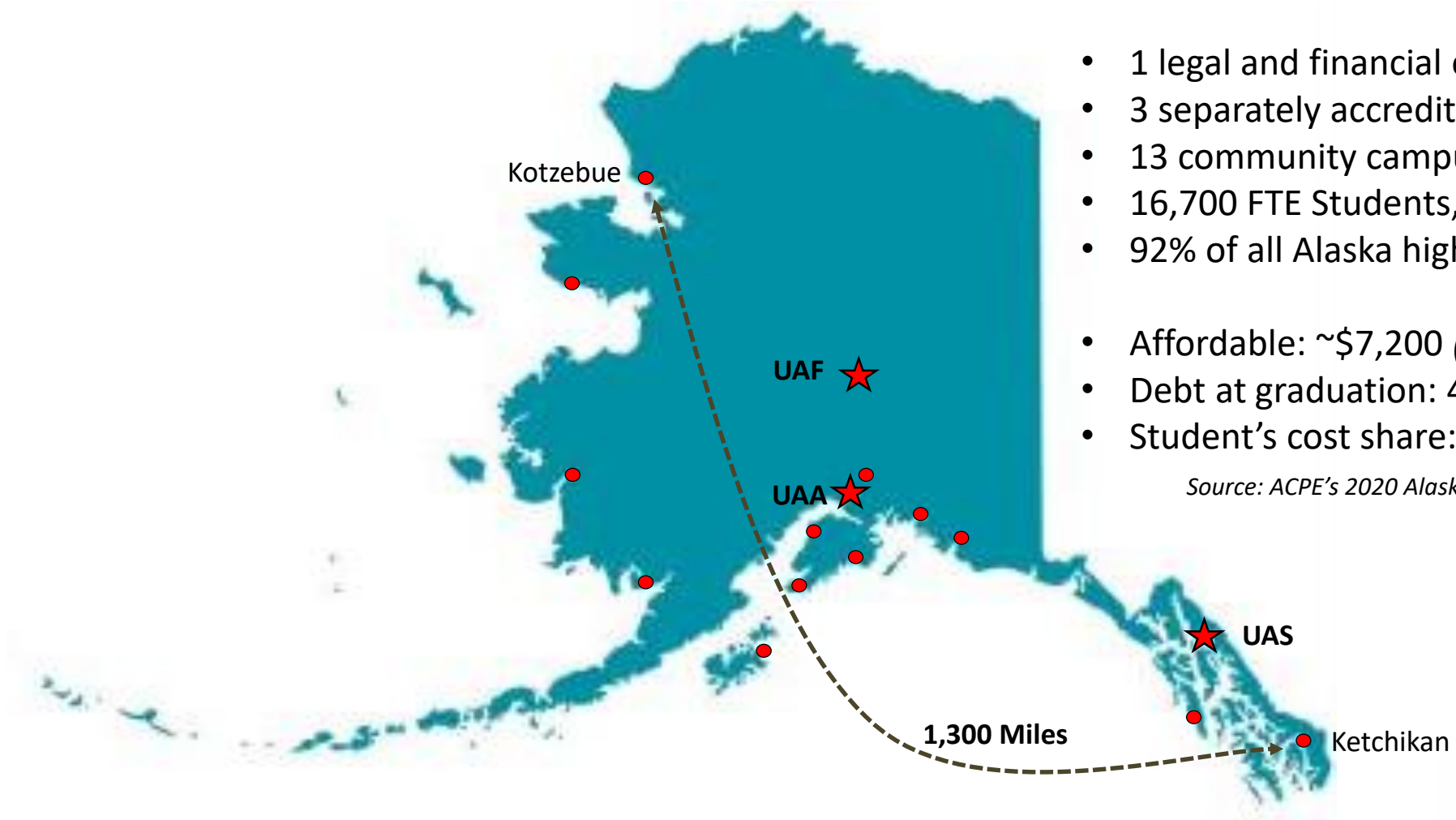
- **Service**

*Sharing knowledge to address  
Alaska's community needs*



# Serving All Alaskans

*Three Universities - One System*



- 1 legal and financial entity
- 3 separately accredited universities
- 13 community campuses
- 16,700 FTE Students, ~24,900 total
- 92% of all Alaska higher education
- Affordable: ~\$7,200 (*3rd most in US*)
- Debt at graduation: 46% (*2nd lowest*)
- Student's cost share: 28% (*5th lowest*)

*Source: ACPE's 2020 Alaska Education Almanac*

# Strategic Goals

- Contribute to Alaska's Economic Development
  - Increase STEM graduates & invention disclosures
- Provide Alaska with a Skilled Workforce
  - Increase UA's share of teacher hires & double health professionals
- Grow our World Class Research
  - Stay #1 in Arctic Research & increase research expenditures
- Increase Degree Attainment
  - Increase enrollment & completions
- Operate More Cost Effectively
  - Decrease cost per completion & increase completion rate

# Structure

- One legal, constitutional, and financial entity; three separately accredited universities with a governing Board and system office
  - *Current structure is the result of consolidation of 11 separately accredited community colleges in 1987*
  - *That 2-year effort met strong resistance, spawned legislation, litigation, arbitration and a voter initiative...and it increased integration and reduced cost*
- System office supports Regents, provides cost effective system wide services, and focuses universities on Alaska's statewide priorities
- Non-duplicated system functions include IT, audit, labor relations, financial/tax reporting, government relations, debt, treasury, payroll, risk management, general counsel, procurement, and health/benefits administration
- University Foundation, Land Management Office, and Education Trust of Alaska are largely self-funded



# Accreditation

- UA universities receive their institutional accreditation from the Northwest Commission on Colleges and Universities (NWCCU)
- Board took a number of steps in consideration of legislative intent to move to a single institutional accreditation
- Board directed UA president to develop plan for evaluating options
- Convened group of state leaders for advice
- Held workshops across the system and provided opportunities for input from faculty, staff, students and the public
- Conducted extensive public opinion survey ~ 3,900 participants
  - *Even split between those favoring “uniqueness” and those favoring “integration”*
- Established working group to engage NWCCU and U.S. Dept. of Education on issues and timelines
- On Oct 7, after full consideration, Board ceased consideration of a single accreditation until UAF secures its NWCCU accreditation renewal in 2021
- All three universities (including community campuses) are fully accredited

# Statewide Footprint

Number of facilities	417
Total gross square footage	8.1 million
Average age of facilities	34 years
Value (adjusted for inflation)	\$4.2 billion
Annual maintenance budget (\$25M on-going operating funds + \$5M one-time capital funds)	\$30 million
Annual maintenance long-term target (on-going operating funds)	\$60 million
Deferred maintenance/renewal & repurposing backlog	\$1.2 billion
DM/R&R backlog pay-down request (one-time capital funds)	\$50 million
DM/R&R backlog per sq ft	\$152/sf

Source: Facilities Inventory fall 2018

- *University is largest landlord in State Government*
- *Are there assets that can be closed, sold or eliminated? YES!*

# Significant Activity

- FY20 Legislature includes budget intent language for Board to consider single accreditation
- Aug 13 Board of Regents signs 3-year Compact Agreement with Governor
- Aug 20 Board terminates Exigency Declaration
- Sep 26 NWCCU expresses concern over governance and accreditation
- Oct 7 Board ceases consideration of single accreditation and statewide expedited academic program reviews
- Oct 18 Universities begin campus level expedited academic program reviews
- Oct 30 Board responds to NWCCU concerns
- Nov 1 NWCCU confirms UA on “right path” on governance and accreditation
- Nov 22 Board responds to FY20 legislative intent regarding single accreditation
- Dec 3 Board transmits report to Governor and Legislature per Compact Agreement
- Dec 9 Board initiates policy audit clarifying roles & responsibilities
- Jan 17 Board approves 2020 work plan, 5% tuition increase for 2020, including \$1.5M of increased financial aid
- Feb 20 Board review of strategic goals and status of policy review

# 2020 Legislative Priorities

# 2020 Legislative Priorities

- **Operating Budget**
  - Year 2 compact funding - \$277M
  - Single appropriation structure
- **Capital Budget**
  - \$50M Deferred Maintenance (backlog exceeds \$1.2B)
  - \$2.5M Alaska Earthquake Center (USArray)
- **Debt Service Relief**
  - Significant fixed operating cost - \$28M annually (\$22.5 UGF)
  - Principal outstanding - \$297M

# 2020 Legislative Priorities

- **Technical Vocational Education Program (TVEP)**
  - Program expires this year (June 2020)
  - Funded through payroll deductions ~\$12.4M in FY20
  - Funds high-demand career and technical training
  - UA receives 45% of program dollars ~\$5.6M in FY20
- **Dual Enrollment**
  - Expansion of High School/College enrollment
- **Alaska Higher Education Investment Fund**
  - Alaska Performance Scholarship (APS) Program: ~\$12M
  - Alaska Education Grant (AEG): ~\$6M
  - WWAMI Medical School Program: ~\$3M

# Budget Update

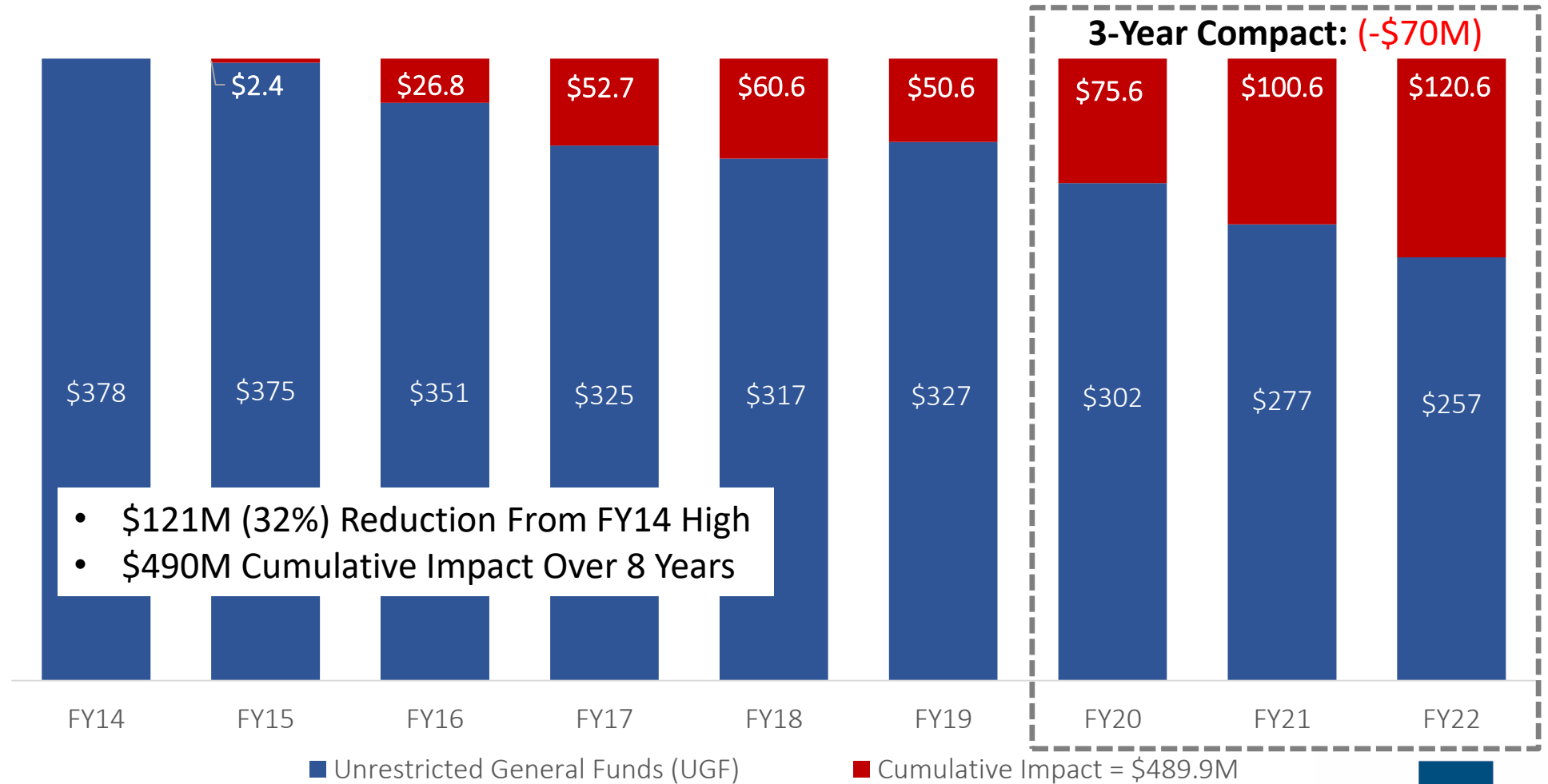
# 3-Year Budget Compact

- Agreement between Board and Governor Dunleavy – August 13
- \$70M (22%) reduction over 3-Yrs versus single-year cut of \$134M (41%)
  - FY20 \$302M (Down \$25M or 7.6% from FY19)
  - FY21 \$277M (Down \$25M or 8.3% from FY20)
  - FY22 \$257M (Down \$20M or 7.2% from FY21)
- Best negotiated option for the University of Alaska
- Reduces cumulative 2020-2022 cut from \$405M to \$145M
- Requires a tremendous internal effort to meet reduced funding levels
- Secured Governor's support for single appropriation and other important priorities: *AEG and APS scholarship, WWAMI medical school funding, dual-enrollment and land grant initiative*
- UA agreed to cost savings and revenue enhancement initiatives



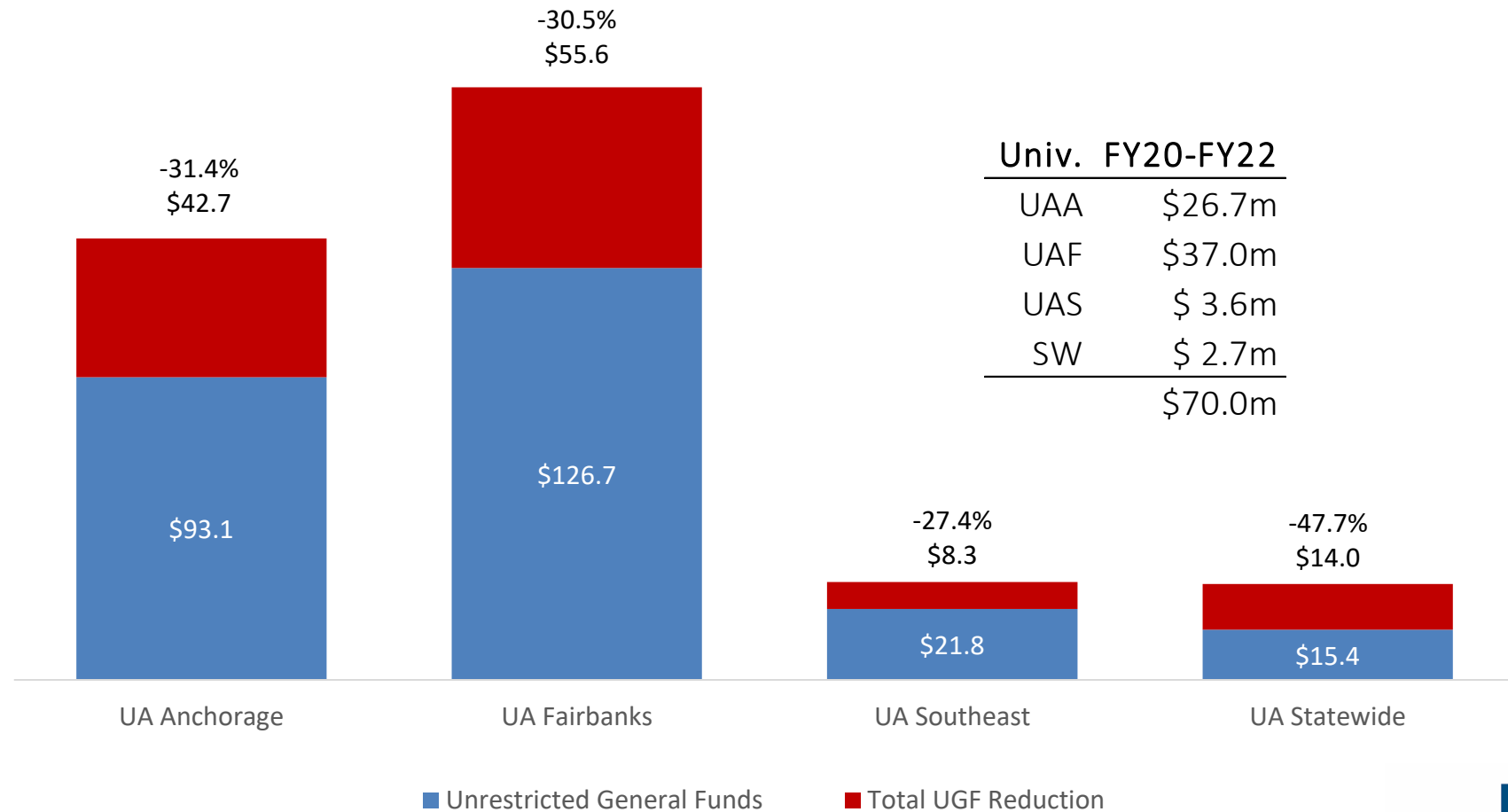
# Funding History and Projection

(UGF Millions)



# Funding History & Projection by MAU

(FY14-FY22 UGF Millions\*)



MAU: Major Administrative Unit

\* FY22 \$20M UGF reduction distributed based on FY21 % of total UGF.

# 3-Yr Compact Budget Plan

	FY20 Current	FY21 Proposed	FY22 Estimate	Total	Comments
<b>Expense Factors</b>					
• <b>State UGF Reduction</b>	<b>25.0</b>	<b>25.0</b>	<b>20.0</b>	<b>70.0</b>	<b>Base Budget Cut</b>
• <b>Investment</b>	<b>9.1</b>	<b>12.1</b>	TBD	TBD	
• Strategic Initiatives (based on BOR Goals & Measures)*	5.0	5.0	TBD	TBD	Reallocation within MAU
• Compensation • (Equity and Market)	3.4	3.2	TBD	TBD	Reallocation within MAU
• Compensation • (General Market)		3.9	TBD	TBD	Reallocation within MAU
• Title IX / Safety	0.7				Reallocation within MAU
<b>Total</b>	<b>34.1</b>	<b>37.1</b>	TBD	TBD	

\* In February and June the UA Board of Regents (BOR) will reevaluate UA's Goals & Measures and specific investments necessary to achieve the goals.



# Budget Impacts

- Student support and administrative services have borne large share of \$76M reduction over last 6 years
  - HR and procurement restructuring and integration
  - Head count reductions due to attrition and terminations
  - KUAC Radio/TV Base Funding Reduction
  - Fairbanks Administrative Services Building Sale
  - Chugach Eagle River Building Lease Non-Renewal
  - Kenai Peninsula College Residential Housing Paused
- \$45M additional reduction over FY21-22 will necessitate significant impacts to academic programs
- Universities aggressively working to achieve FY20 cuts while conducting academic and administrative program reviews



# Academic Program Reviews

- Board directed UA president to have universities conduct academic program reviews
- University reviews are underway
- In March 2020, chancellors will provide recommendations to the president regarding reduction, consolidation or discontinuation of any programs
- Board must approve any program changes and is expected to consider recommendations in June 2020
- Teach out obligations and faculty notice periods may mean financial savings are not achieved until FY22

# FY20 Budget Allocation

	FY20 Current	UAA	UAF	UAS	SW/EE
<b>Expense Factors</b>					
• State UGF Reduction	25.0	9.2	12.5	0.0	3.3
• Investments	9.1	3.2	4.5	0.3	1.1
• Strategic Initiatives (based of BOR Goals & Measures) *	5.0	1.8	2.5	0.0	0.7
• Compensation (Equity & Market)	3.4	1.3	1.7	0.2	0.2
• Title IX/Safety	0.7	0.1	0.3	0.1	0.2
• Shared Cost Allocation	0.0	0.0	0.0	2.3	-2.3
Total	34.1	12.4	17.0	2.6	2.1

\* In February and June the UA Board of Regents (BOR) will reevaluate UA's Goals & Measures and specific investments necessary to achieve the goals.



# FY21 Budget Proposed

	FY21 Proposed	UAA	UAF	UAS	SW/EE
<b>Expense Factors</b>					
• State UGF Reduction	25.0	9.1	12.3	1.9	1.7
• Investments	12.1	4.5	6.0	0.8	0.8
• Strategic Initiatives (based of BOR Goals & Measures) *	5.0	1.8	2.5	0.4	0.3
• Compensation (Specific Market)	3.2	1.3	1.6	0.1	0.2
• Compensation (General Market)	3.9	1.4	1.9	0.3	0.3
Total	37.1	13.6	18.3	2.7	2.5

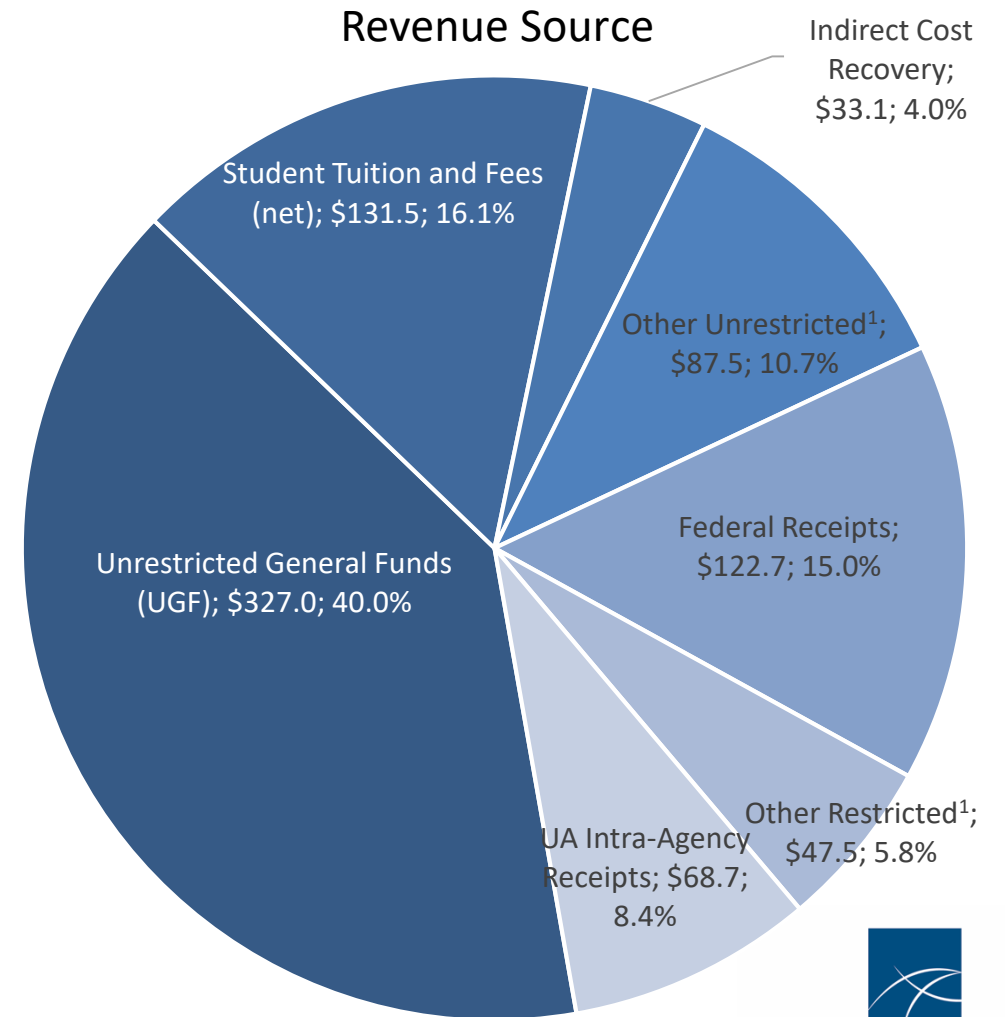
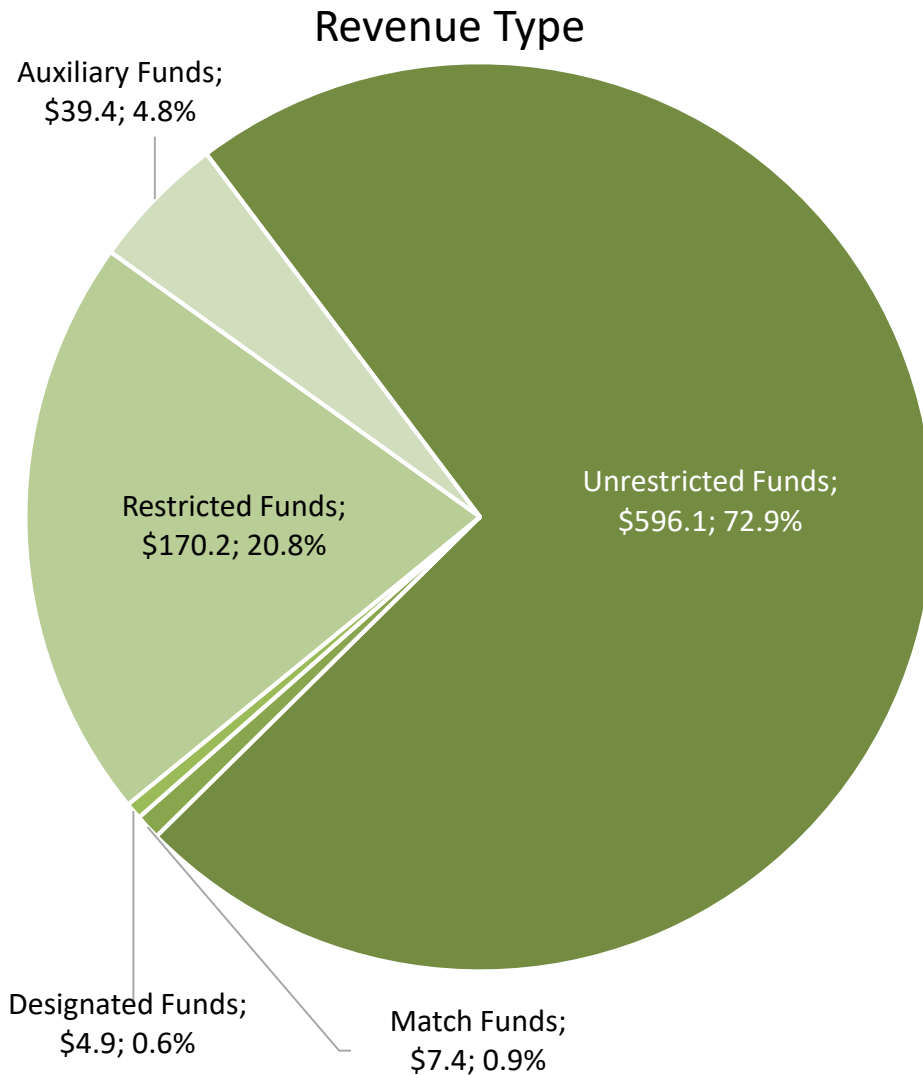
\* In February and June the UA Board of Regents (BOR) will reevaluate UA's Goals & Measures and specific investments necessary to achieve the goals.

# Key Data



# Operating Revenue by Type & Source

*FY19 Actuals (\$818M)*

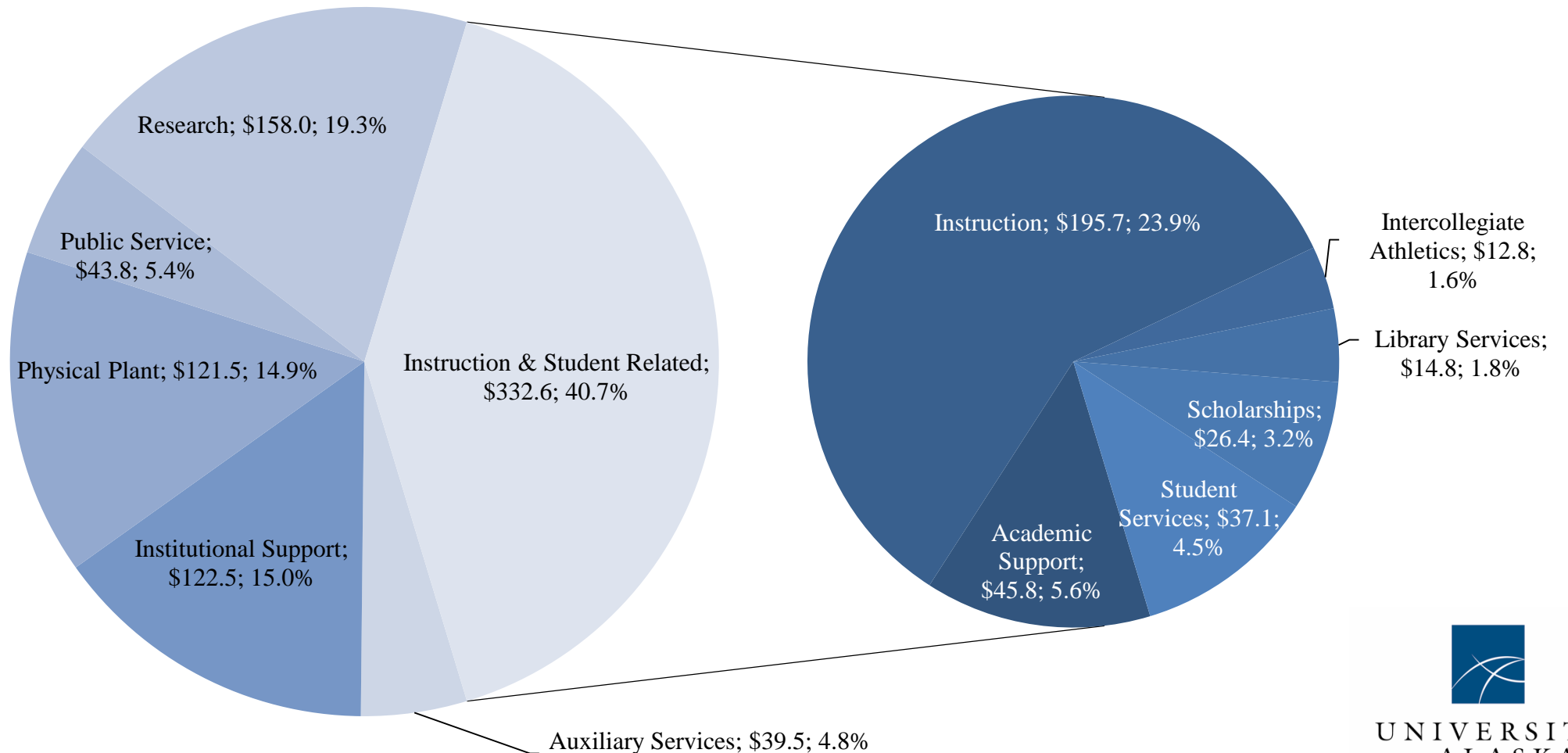


1. Other Restricted and Other Unrestricted Funds includes the following fund sources: State Inter-Agency Receipts, Interest Income, Auxiliary Receipts, University Receipts, Capital Improvement Project (CIP) Receipts, Mental Health Trust Authority Authorized Receipts (MHTAAR), Technical Vocational Education Program (TVEP), and License Plate.

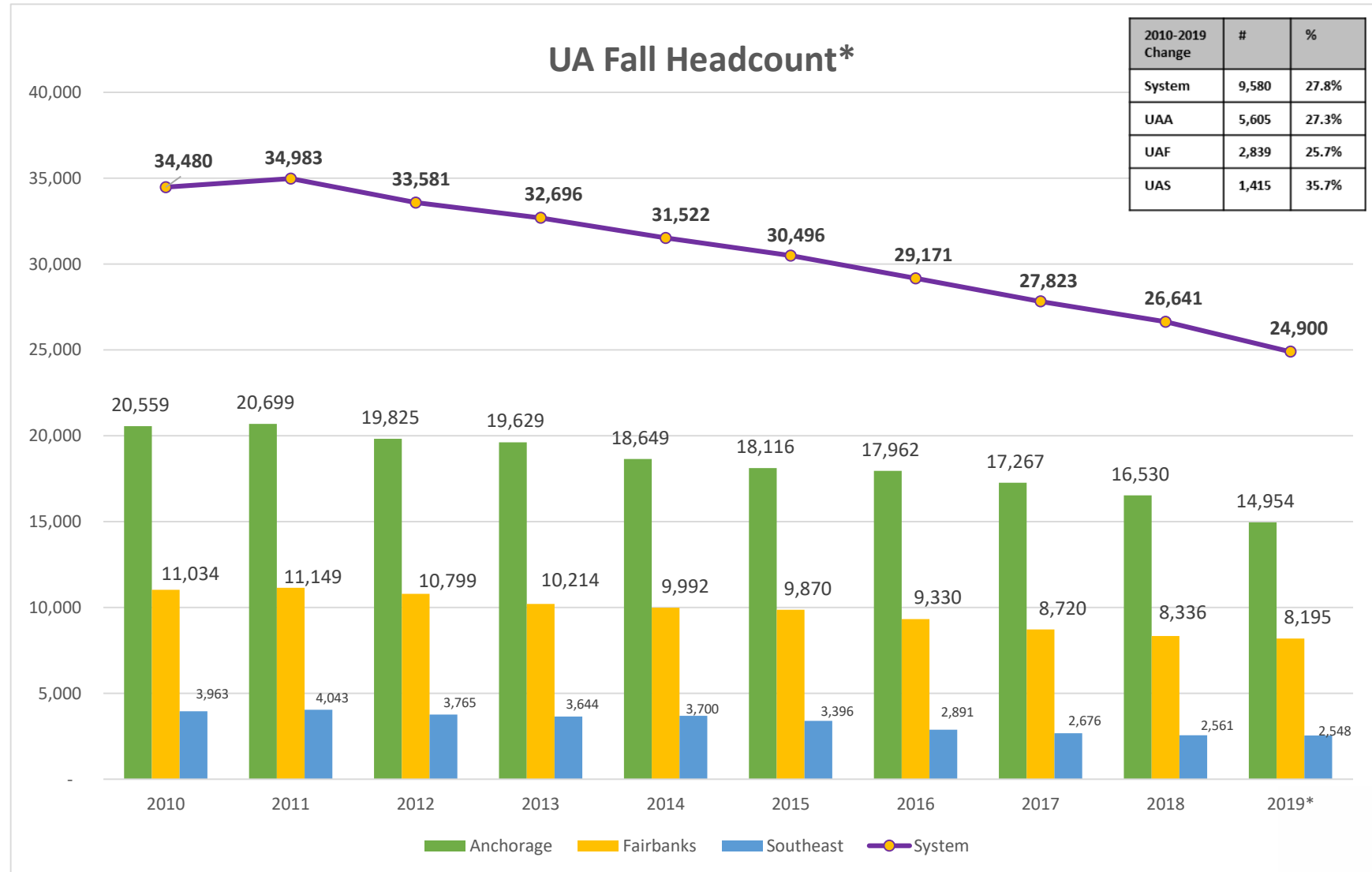


# Operating Expenditures by Category

*FY19 Actuals (\$818M)*



# Key Data: Enrollment



\* As of Jan 10, 2020



# Key Data: Tuition

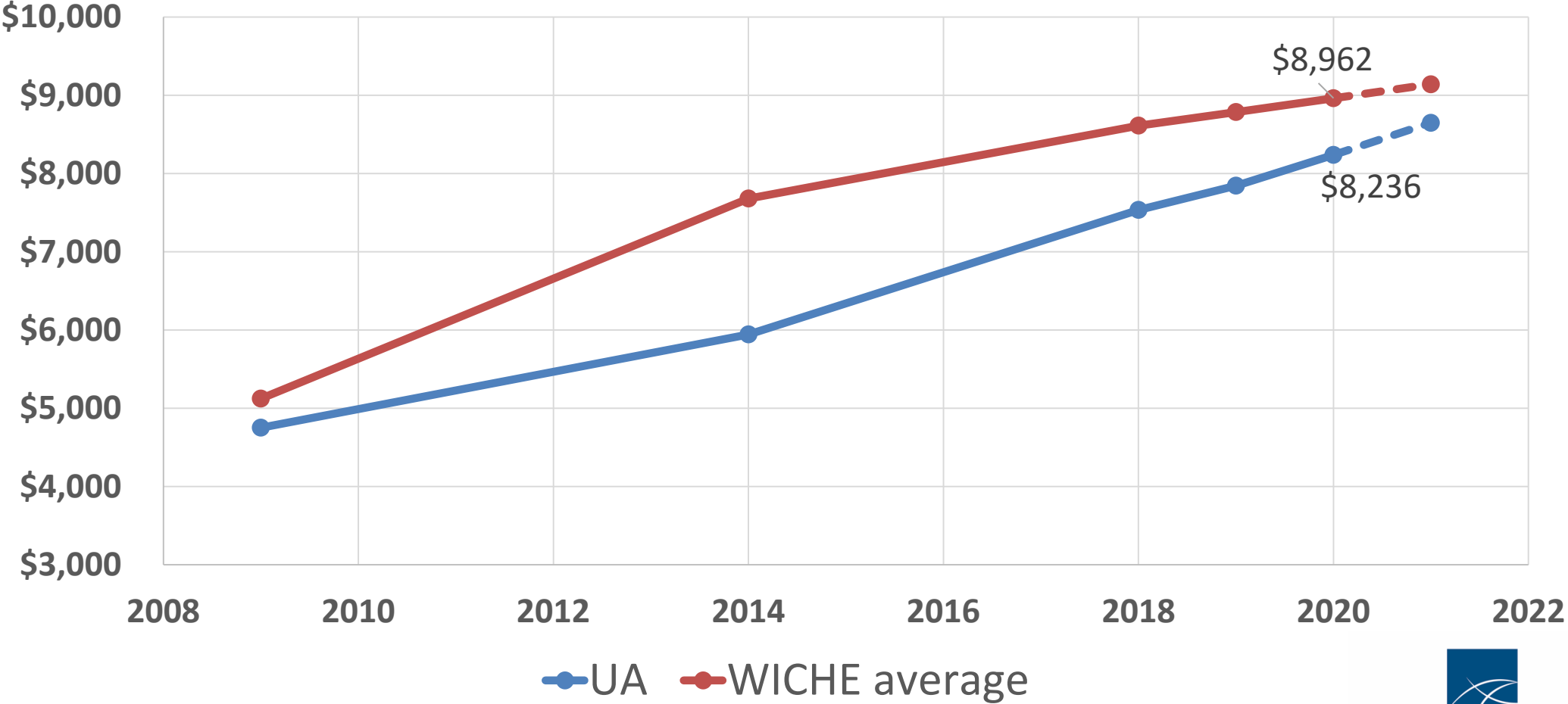
## Annualized Full-Time Student Tuition Rates

	AY17	AY18	AY19	AY20	AY21	% Change AY17-21
Resident						
Undergraduate	6,360	6,690	7,020	7,380	7,740	21.7%
Graduate	10,656	11,184	11,736	12,312	12,312	15.5%
Non-Resident						
Undergraduate	21,030	22,080	23,190	24,360	24,720	17.5%
Graduate	21,768	23,496	24,672	25,896	25,896	19.0%

AY21 Rate Reflects 5% increase approved by BOR Jan 17, 2020

# Key Data: Tuition and Fees

## Undergraduate Tuition and Fees



WICHE: Western Interstate Commission for Higher Education includes 16 western states

# Key Data: Workforce

- UA has 1,727 fewer employees than five years ago
- Since FY15 total workforce has been reduced 21%
- MAPTS and K-12 Outreach moved from statewide to campus
- Regular employees (leadership, faculty and staff) are down 18% and temporary employees (adjunct, student and temp staff) down 24%
- Reductions have been achieved through a combination of attrition, retirement, ending term contracts, and eliminating or leaving positions vacant

# Key Data: Turnover

University of Alaska Average Annual Turnover Rate FY 2015-2020 (YTD) by Employee Type

Administration	15.0%
Staff	15.6%
Faculty	11%
All Employee Types	14.1%

- Overall Average Turnover Rate at UA from FY15 to FY20 was 14.1%
- According to the Bureau of Labor Statistics (2019) annual turnover rate across all industries in the US ranges between 15% and 19%
- FY20 to date, we have exceeded FY19 in turnover of administrators and are nearing the FY19 totals for staff and faculty

# Key Data: Voluntary Turnover

University of Alaska Average Annual Voluntary Turnover Rate FY 2015-2019 by Reason

Retirement	3.3%
Pursuing Other Employment	<b>2.3%</b>
Other (Medical Necessity, etc.)	5.5%
Total	11.1%

University of Alaska Average Annual Voluntary Turnover Rate FY 2015-2019 by Employee Type

Administration	13.5%
Staff	12.7%
Faculty	<b>7.8%</b>

- Voluntary turnover includes retirements, departures for other opportunities, and other categories such as medical necessity
- The overall average voluntary turnover rate for all employees in the University of Alaska System from FY15 to FY19 was 11.1%
- Comparable Peer Institutions: 7% Weber State Univ and 9% West Florida Univ



# Debt Profile

# Debt Profile and Context

- Annual Debt Service = \$28 million (UGF component is \$22.5 million)
- Principal Outstanding = \$297 million
- Debt service is 5% of UA's unrestricted revenues, and has increased as revenue (UGF & Tuition) decline
- Fixed costs reduce management's capacity to make strategic reductions as revenues decline
- Examples of debt-financed projects: UAF Power Plant, UAF Engineering Building, Deferred Maintenance

# Debt Profile and Context

- Credit rating downgrades in Fall 2019, due to large UGF cuts and negative enrollment trends
- Moody's rating: Baa1 with Negative Outlook
- Standard & Poor's rating: A+ with Stable Outlook
- Lower credit ratings make new debt more expensive and refinancing less viable
- Continued financial headwinds: UGF & Tuition
- All of the above limit UA's debt capacity

# Debt by Major Administrative Unit

Debt Financed Project Description	FY20 Debt Service	Principal Outstanding as of 6/30/20	Remaining Debt Service: FY21 to Final Maturity	Maturity Date(s)
<b>University of Alaska Fairbanks (UAF)</b>				
Combined Heat & Power Plant - Bond Bank Loan	\$ 5,589,588	\$ 82,890,000	\$ 139,701,694	10/1/2044
Combined Heat & Power Plant - UA Revenue Bond	4,900,000	61,920,000	97,943,000	10/1/2039
Engineering Building	2,121,800	30,950,000	52,993,075	10/1/2044
Dining Hall - Wood Center Addition	1,384,375	23,315,518	45,467,532	10/1/2044
Murie Building (the Life Sciences Building)	1,515,200	15,130,000	19,698,550	10/1/2032
Deferred Maintenance - Various Facilities	1,966,450	11,750,000	13,761,025	10/1/2026
Deferred Maintenance - Various Facilities	946,000	6,405,000	7,571,100	10/1/2027
West Ridge Research Ctr & Other Science Facilities	1,459,550	9,220,000	10,820,338	10/1/2030
Biological Research & Development (BiRD) Facility	287,788	3,570,000	4,639,044	10/1/2035
Coal Water Project - Old UAF Power Plant	775,350	2,875,000	3,106,106	10/1/2023
Central Campus Chiller Facility - Old UAF Power Plant	213,500	2,215,000	2,687,550	10/1/2028
Lena Point Building (Juneau)	251,875	1,955,000	2,302,700	10/1/2027
Arctic Research Center (IARC)	524,925	1,465,000	1,576,625	10/1/2023
Aurora Drive Receiving Warehouse	126,250	575,000	640,125	10/1/2024
Elvey Building Cooling System	66,780	63,000	64,260	10/1/2020
Lena Point Building (Juneau)	44,520	42,000	42,840	10/1/2020
Equipment Installment Contracts	55,561	8,127	8,173	7/15/2019 & 2020
<b>Total UAF</b>	<b>\$ 22,229,511</b>	<b>\$ 254,348,645</b>	<b>\$ 403,023,736</b>	



# Debt by Major Administrative Unit

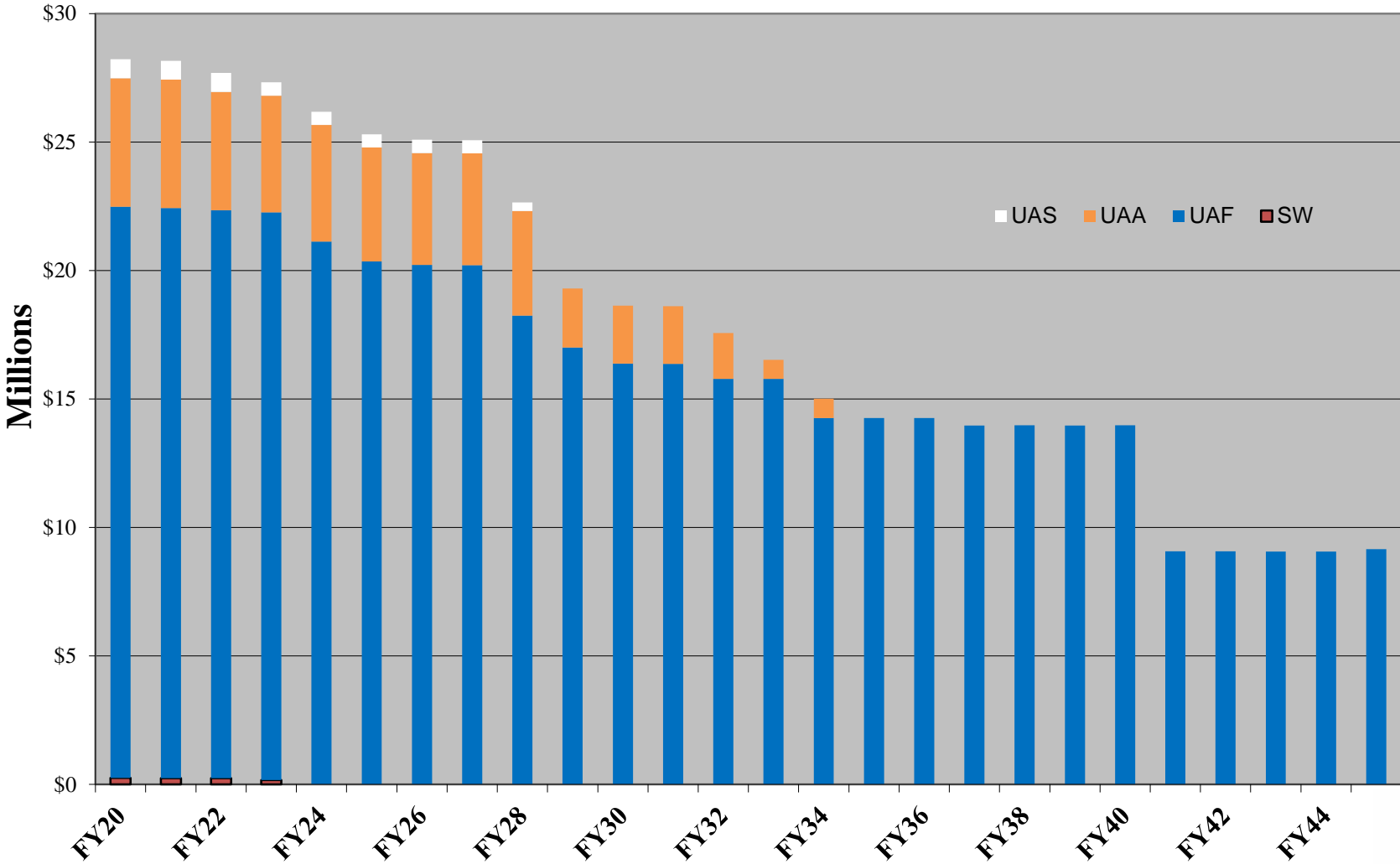
Debt Financed Project Description		FY20 Debt Service	Principal Outstanding as of 6/30/20	Remaining Debt	
				Service: FY21 to Final Maturity	Maturity Date(s)
University of Alaska Anchorage (UAA)					
	Student Housing & Townhouses	\$ 1,500,000	\$ 14,376,651	\$ 17,539,978	2/1/2032
	Integrated Sciences Building Parking Garage & Loop Rd	772,825	8,185,000	10,690,225	10/1/2033
	Community & Technical Center (aka University Center)*	877,425	6,060,000	7,029,975	10/1/2027
	Deferred Maintenance - Various Facilities	858,650	5,790,000	6,845,025	10/1/2027
	Deferred Maintenance - Various Facilities	342,650	1,815,000	2,111,975	10/1/2021 & 2026
	Student Housing	190,600	790,000	867,650	10/1/2024
	Land Acquisition & Improvements	51,474	395,000	463,465	10/1/2028
	Software Maintenance Installment Contract	328,426	312,846	328,426	8/30/2020
	Kenai Peninsula Kachemak Bay Campus Addition	74,400	75,000	76,500	10/1/2020
	Total UAA	\$ 4,996,450	\$ 37,799,497	\$ 45,953,219	
University of Alaska Southeast (UAS)					
	Readiness Center*	\$ 341,600	\$ 2,345,000	\$ 2,720,600	10/1/2027
	John R. Pugh Hall (Food Service Facility)	175,400	1,045,000	1,223,900	10/1/2026
	Residence Hall	128,725	240,000	252,250	10/1/2022
	Auke Lake Entry & Improvement	94,100	185,000	192,500	10/1/2021
	Total UAS	\$ 739,825	\$ 3,815,000	\$ 4,389,250	
Statewide					
	University Lake Building (Anchorage)	\$ 167,025	\$ 385,000	\$ 408,500	10/1/2022
	Deferred Maintenance - Butrovich Building	86,100	240,000	254,800	10/1/2022
	Total Statewide	\$ 253,125	\$ 625,000	\$ 663,300	
	Total University of Alaska	\$ 28,218,911	\$ 296,588,143	\$ 454,029,505	

\* The annual debt service on these facilities is reimbursed via a separate appropriation.



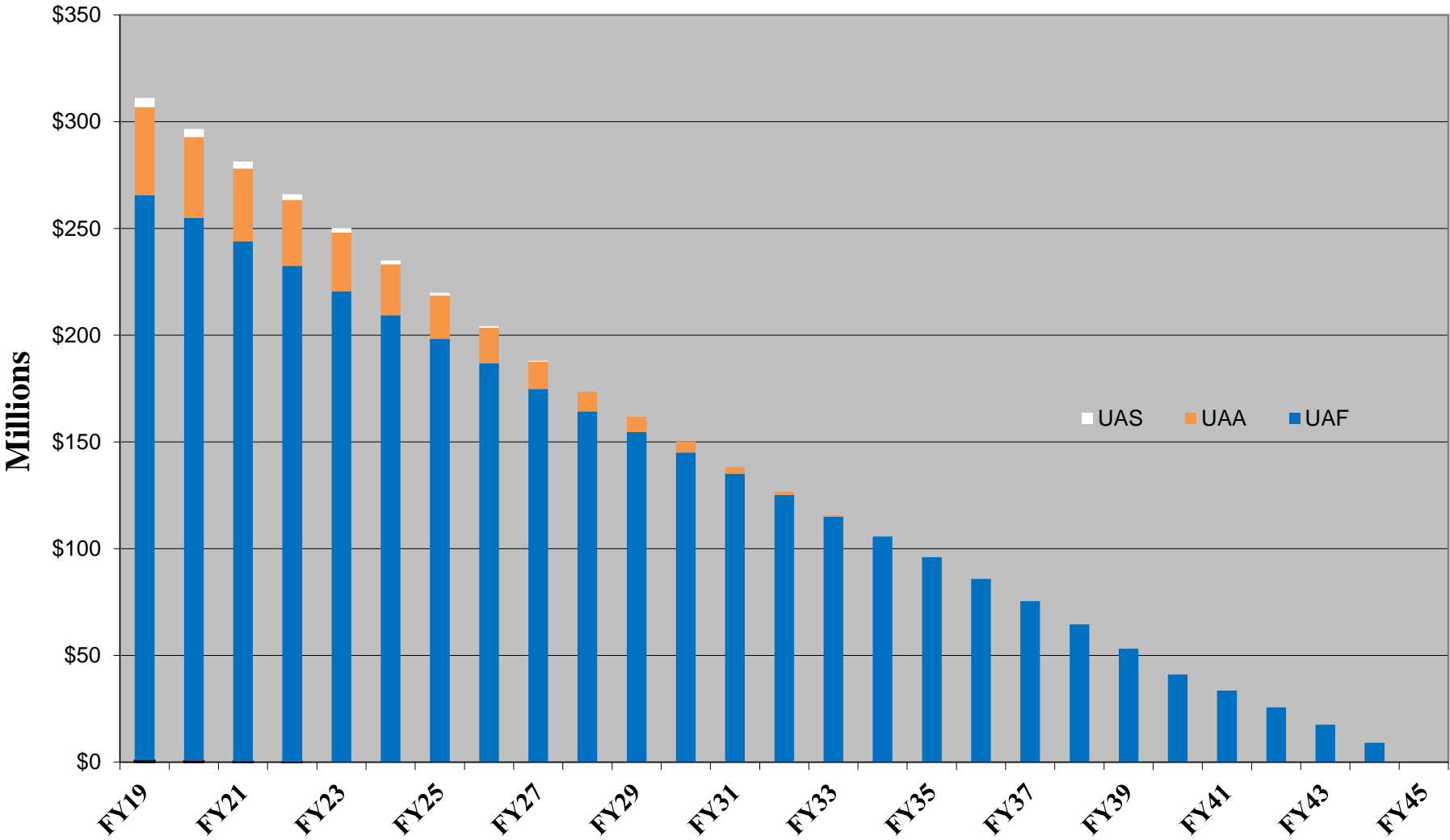
# Total Annual Debt Service

June 30, 2019



# Total UA Debt Outstanding

June 30, 2019



# Debt: Key Takeaways

- UA's debt service is a significant fixed cost: \$28m, or 5% of unrestricted revenues
- Fixed costs reduce management's capacity to make strategic reductions as revenues decline
- UA's has limited capacity for new debt
- Debt relief, in the form of principal payoff or debt service reimbursement, is a prudent financial move
- Debt relief would strengthen UA's financial position, and increase its capacity to respond to current and future revenue pressures





# Conclusion

# Conclusion

The University of Alaska appreciates your support as we move forward, committed to serving our mission, to lower operating expenses, and to invest in the programs and initiatives that provide opportunities for our students and contribute to Alaska's future by:

- Developing and diversifying our economy
- Preparing Alaskans for jobs in Alaska
- Conducting research to solve real problems and create new opportunities
- Increasing educational success through enrollment and completion

# Thank You

Dr. James R. Johnsen  
President  
University of Alaska

# Appendix

# Current Year (FY20) Impacts

# FY20 Budget Impacts: UAA

**Target: \$12.4 Million** (\$9.1 UGF Cut + \$3.2 Strategic Investment)

## Administration: \$3.8 million

- Central UGF Savings (\$3.4M) - Includes FY19 staff benefits savings (decreased by faculty promotions); SB rate increase costs, 1% salary increase 800k base budget loaded, FY20 base awards);and the previous cut distribution already covered from central funding.
- SW Video Conferencing Expense to Tuition Funding (\$252k) - Move videoconferencing expense paid from UGF to 20% tuition funding. Will decrease central contingency funding
- HR Redesign Savings (\$112k) – Savings to UAA from HR redesign.

## Academic Program & Student Services: \$5.9 million

- Academic Reductions (\$4.4 million) - Term & faculty, reductions, operations
- Confucius Institute non-renewal (\$110k) - Director
- Student Affairs Reductions (\$442k) - Eliminate 5 positions & operations
- Athletics Operations (\$160k) - Learfield contract changes, will decrease existing base deficit for Athletics Sullivan Arena Non-renew (\$200k) - Move into Wells Fargo in FY20 for two years, then need to expand seating with renovation, will decrease existing base deficit for Athletics
- Community Campuses Services (\$670k) - One-third of \$1.2M = \$390k; UA SW Risk Insurance \$280k (\$1.45M in SW planning outline)

## Reduced Facilities Maintenance: \$2.4 million

- Decrease UAA Facilities Deferred Maintenance general fund (\$1.3M)
- CERC lease non-renew (\$511k)
- University Center Lease Revenue (\$400k)
- Facilities – custodial (\$150k)

## One-time fund balance \$0.3 million

- May increase or decrease due to timing differences in listed reductions

# FY20 Budget Impacts: UAF

**Target: \$17.0 Million** (\$12.5 UGF Cut + \$4.5 Strategic Investment)

## Approach

- Combination of vertical and horizontal reductions
- Compensation adjustments managed within units
- Monetization of assets to generate one-time funding

## Actions Taken

- Reduced (unit) general fund budgets UAF-wide (All) \$9.5M
- Reduced base funding to KUAC, committed capital to help transition to primarily private/corporate funding (Public Service) \$0.5M
- Reduced facilities maintenance (Administration) >\$3.0M
- SW HR redesign (Administration) \$TBD
- Procurement to UA shared service (Administration) \$TBD
- Reductions to Organized Research units (Research) \$0.7M
- Consolidated large animals at LARS, relocated reindeer (Research) <\$0.1M

## Actions in Progress

- Academic program & department expedited reviews
- Administrative reviews
- Reducing campus footprint
- Reducing deferred maintenance backlog
- Exploring Public Private Partnerships (P3) & monetization of appropriate campus assets
- Using strategic reserves or one-time funding for bridge
- Solicited shared services proposals for efficient delivery of services
- Continue focusing on revenue generation

# FY20 Budget Impacts: UAF

**Target: \$17.0 Million** (\$12.5 UGF Cut + \$4.5 Strategic Investment)

## Additional Detail:

- Tightly managing curricular offerings, minimizing low enrollment courses, increasing course caps, hiring fewer adjunct faculty
- Increasing revenue in high-quality online courses/emerging demand areas
- Selling facilities, reducing maintenance, moved employees to Lathrop Hall
- Exploring & expanding shared services for support functions
- Facilities Services reorganization & reduction in staff via outsourcing
- Eliminated \$100K contract for FNSB public bus transportation without change in routes/access to campus
- Eliminated or held staff & faculty positions unfilled in many areas
- Reducing contractual, travel, commodity expenses in many areas
- Disposed of ATCO units, relocating Toolik Lake Research Station offices
- Where allowable, transitioned staff to sponsored/restricted funds
- Reduced library subscriptions & suspended research computing refresh
- Utilizing strategic investment funds to fill key faculty/research roles
- Continuing to reduce Residence Life footprint/operating expenses by closing or repurposing Stevens, Lathrop, Sustainable Village & Nerland Halls
- Reallocated resources to Office of Equity & Compliance for staffing key TIX investigator positions & training support
- Funding marketing efforts through strategic reallocation, reducing staff
- Using one-time funds as bridge as other organizational decisions are made where compliance & safety functions should not be further reduced





# FY20 Budget Impacts: UAS

**Target: \$2.6 Million** (\$0.0 UGF Cut + \$0.3 Strategic Investment + \$2.3 Shared Services)

## Academic Program & Student Services: \$1.2 million

- Workload adjustments, reduced adjuncts, and GF reduced with tuition (\$877k)
- Faculty and Staff Reductions (\$371k)

## Administration: \$864k

- Shift tuition funding for waivers (\$317k)
  - UAS student waivers are currently funded using a combination of UFB and tuition. This strategy would fund fully from UFB and shift the tuition component to replace reduced GF
- Deallocate benefit savings (\$356k)
- Deallocate centrally pooled GF (\$191k)

## Reduced Facilities Maintenance: \$480k

- Reduce utilities and term administrative position (\$58k)
- Replace GF with Facilities fee (\$133k)
- Replace GF with UFB Facilities R&R (\$289k)

# FY20 Budget Impacts: SW

**Target: \$2.1 Million** (\$3.3 UGF Cut + \$1.1 Strategic Investment - \$2.3 Shared Services Recoupment)

## \$1.8 million

- Reduction in staffing (primarily vacant positions) from integration and redesign of administrative functions, including but not limited to, financial services, information technology, human resources, procurement and institutional research.

## \$0.3 million

- Reduction in discretionary travel, non-essential contractual services, and software contracts. In addition, more efficient processes, such as electronic payments, new travel system and new video conferencing platform