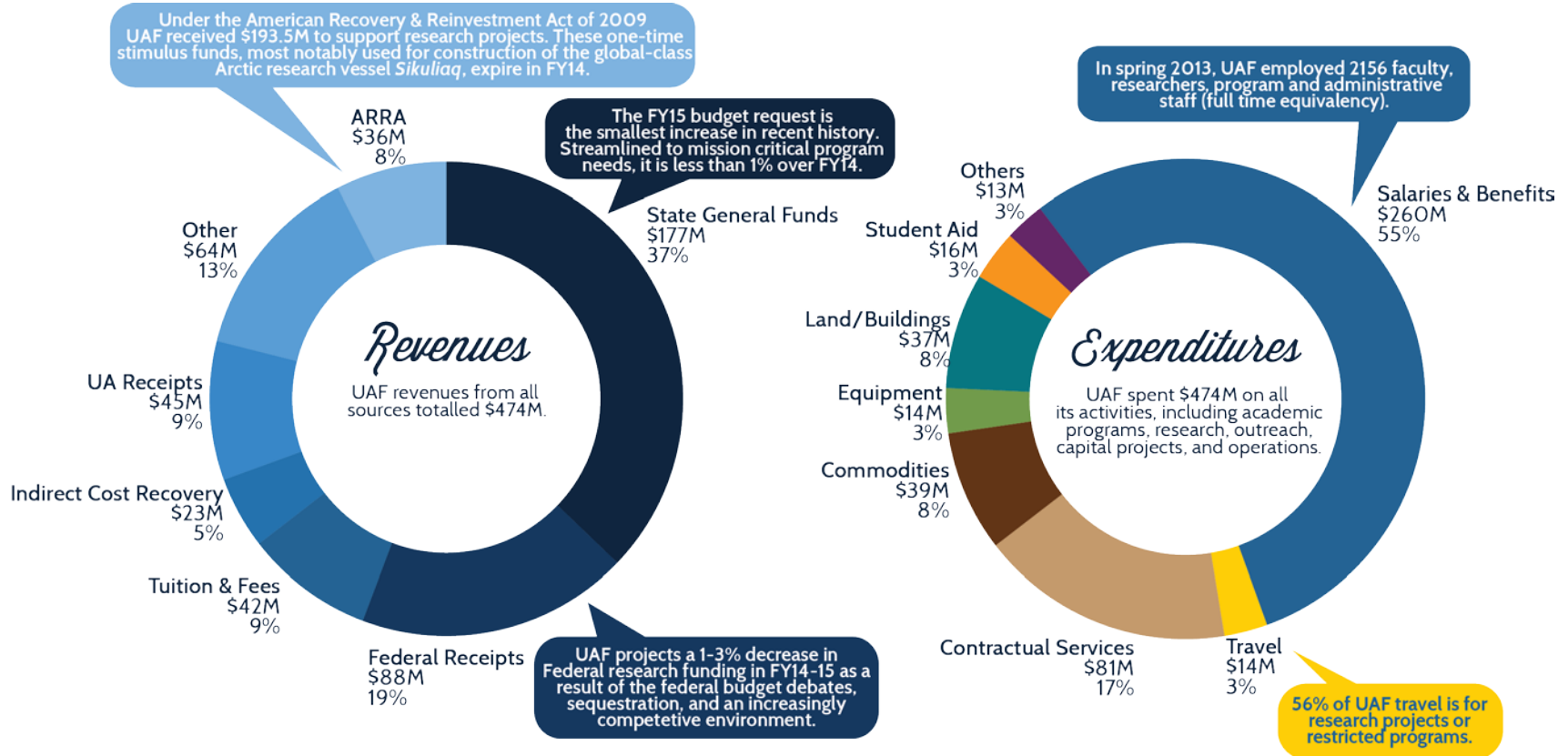




UAF Budget Planning

Chancellor Brian Rogers
University of Alaska Fairbanks
Presentation to House Finance University Budget
Subcommittee
February 18, 2014

Components of UAF's Budget



Revenue Picture

- State General Funds
 - Low growth (1.8% increase) as state budget contracts
- Federal Funds
 - Overall availability of funding contracting as Congress addresses national budget deficit
 - Competitive funds mostly
 - UAF largely successful in continuing to compete in tough environment, but federal revenues essentially flat
- Tuition/Fees
 - Alaska has had low tuition growth (2nd lowest public university tuition nationally) (.5% increase)
 - Fees haven't been raised in many years
- Private Fundraising
 - Up some, but would need to increase substantially to become significant part of revenue picture

Spending Picture

- Expenditure growth is largely driven by inflation in fixed costs
 - Salaries/benefits negotiated for employee groups
 - Health plan spending reduced this year
 - Leases
 - Moving some units back into campus owned facilities
 - Utilities
 - Debt repayments

UAF Staffing Trends

Employment Type	FTE Count Fall 2013	% of Total	10-Year % Increase (Fall 2003 - Fall 2013)
Regular	2,192	53%	1.53%
Temporary	1,941	47%	17.71%
Total UAF	4,133	100%	8.53%

Staffing Trends Continued

Occupation Type	Fall 2003	Fall 2008	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2013 % of Total	% Change Fall 03-13	% Change Fall 08-13
Executive	75	61	59	53	49	50	50	2%	-33.33%	-18.03%
Faculty	595	666	677	678	683	697	688	31%	15.63%	3.30%
Professional	644	597	635	647	638	651	662	30%	2.80%	10.89%
Technical	249	489	466	466	435	418	406	19%	63.05%	-16.97%
Clerical	381	226	217	212	208	196	198	9%	-48.03%	-12.39%
Craft/Trades	129	132	144	138	133	130	133	6%	3.10%	0.76%
Maintenance	86	88	83	75	61	62	55	3%	-36.05%	-37.50%
Total UAF	2,159	2,259	2,281	2,269	2,207	2,204	2,192	100%	1.53%	-2.97%

Staffing Comparisons

	Fall 2003	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013
% Executive of Regular Employees											
UAF	3%	3%	3%	3%	2%	3%	3%	2%	2%	2%	2%
Peer Institutions	4%		4%		5%		4%		5%		
% Exempt of Regular Employees											
UAF	29%	24%	23%	23%	23%	24%	25%	25%	26%	27%	28%
Peer Institutions*	27%		28%		28%		30%		28%		
Regular Staff-to-Faculty Ratio											
UAF	2.6	2.5	2.6	2.5	2.4	2.4	2.4	2.3	2.2	2.2	2.2
Peer Institutions	2.0		2.1		2.1		2.1		2.0		

FY 14 Budget Gap

- UAF cost increases anticipated to outpace revenue increases by \$8.5M this year
- Addressing via:
 - Reducing off-campus lease obligations
 - Energy management
 - Delaying filling vacancies
 - Reduced some programs/services
 - Career Counseling
 - Consolidated Sponsored Programs & Grants/Contracts
 - Staff benefit rate reductions
 - Redesigned health benefit plan
 - Eliminated external wellness program

Likely FY 15 Budget Gap

- Governor's budget proposal reduces university system \$14.9M
- UAF's proportional share would be \$7M
- Adding in additional fixed cost inflation and need to make some strategic investments, UAF assuming a \$12-\$14M shortfall

Budget Planning Process

- Website to collect staff, faculty, student ideas
- Budget Options Group formed to review/brainstorm both budget cut and revenue enhancement ideas - February
- Planning & Budget Committee - broad representation of campus groups - review ideas and make recommendations - April
- Cabinet - final decisions - May
- Implementation planning - June

Program Reviews

- UA Board of Regents requires regular program reviews
- UAF has recent review of academic programs
- Current reviews of the following underway:
 - Research programs
 - Administrative services
 - University and student advancement services
 - Outreach programs

Budget Observations

- Bulk of expenditures is staffing
 - Can reduce staffing some by finding efficiencies
 - Also likely will need to reduce workload
- Program reductions
 - Obligation to “teach out” courses
 - Reductions in research often means loss of revenue
- Some reductions or revenue enhancement approaches require upfront funding
 - Energy retrofits
 - Developing on-line format for courses
- Some ideas require lead-time
 - To get approval of Board or Legislature
 - To “teach out” courses
- Maintain competitive position
 - Attract external funding



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