FY14 Guidance & FY15-16 Budget Conditions
May 2013

Presented by:
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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**

<table>
<thead>
<tr>
<th></th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13 Projected</th>
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<tbody>
<tr>
<td>Federal Receipts</td>
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<tr>
<td>General Funds</td>
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<td>Indirect Cost</td>
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<td>Recovery</td>
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<td>Tuition &amp; Fees</td>
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<tr>
<td>UA Receipts</td>
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<table>
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<tr>
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<th>$180,000.0</th>
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</table>
UAF Earned Revenue
FY08-FY12 Annualized Compared to Projected FY12-FY13 Change

Federal Receipts: 0.4% (Actual) vs. -1.4% (Projected)
Indirect Cost Recovery: 1.1% (Actual) vs. -0.2% (Projected)
Tuition & Fees: 8.3% (Annualized)
UA Receipts: 4.3% (Actual) vs. 2.5% (Projected)
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

<table>
<thead>
<tr>
<th>Increasing Expense</th>
<th>Increasing Revenue</th>
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<tbody>
<tr>
<td>Compensation</td>
<td>Compensation (GF)</td>
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<td>$7.4</td>
<td>$3.7</td>
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<td>Murie Operating</td>
<td>Murie Operating (GF)</td>
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<tr>
<td>$2.4</td>
<td>$2.3</td>
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<tr>
<td>Programs</td>
<td>Programs (GF)</td>
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<td>Utilities</td>
<td>Tuition</td>
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<td>Debt Service</td>
<td>Federal/ICR</td>
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<td>$3.2</td>
<td>$0.5</td>
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<td>Other Obligations</td>
<td>Other Revenue</td>
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<td>$1.5</td>
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<tr>
<td><strong>Expense</strong></td>
<td><strong>Revenue</strong></td>
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<td><strong>$17.6</strong></td>
<td><strong>$9.1</strong></td>
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**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

- Projected Revenue
- Unmanaged Expend
- Managed Expend

Millions

FY13  FY14  FY15  FY16
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