FY14 Guidance & FY15-16 Budget Conditions
May 2013

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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%)
UAF Earned Revenue

FY08-FY12 Annualized Compared to Projected FY12-FY13 Change

- Federal Receipts: 0.4% (Annualized) vs. -1.4% (Projected)
- Indirect Cost Recovery: 1.1% vs. -0.2%
- Tuition & Fees: 8.3% vs. 0.3%
- UA Receipts: 4.3% vs. 2.5%
Expenditures by Unit (FY12 Actuals)
Restricted vs. Unrestricted

- Central
- VCAS
- Facilities
- VCR
- Provost
- OIT
- RCNE
- VCUSA
- Other

(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>
</tr>
</thead>
<tbody>
<tr>
<td>$7.4 Compensation</td>
<td>Compensation (GF) $3.7</td>
</tr>
<tr>
<td>$2.4 Murie Operating</td>
<td>Murie Operating (GF) $2.3</td>
</tr>
<tr>
<td>$0.6 Programs</td>
<td>Programs (GF) $0.6</td>
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<tr>
<td>$2.5 Utilities</td>
<td>Tuition $0.8</td>
</tr>
<tr>
<td>$3.2 Debt Service</td>
<td>Federal/ICR $0.5</td>
</tr>
<tr>
<td>$1.5 Other Obligations</td>
<td>Other Revenue $1.2</td>
</tr>
<tr>
<td>$17.6 Expense</td>
<td>Revenue $9.1</td>
</tr>
</tbody>
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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