



CHANCELLOR'S OFFICE
University of Alaska Fairbanks

Daniel M. White, Chancellor
P.O. Box 757500
Fairbanks, Alaska 99775-7500
907-474-7112
uaf.chancellor@alaska.edu
www.uaf.edu/chancellor/

DATE: April 30, 2019
TO: UAF Provost & Vice Chancellors
FROM: Daniel M. White, Chancellor 
SUBJ: FY2020 Budget Planning

As we near the end of FY19, many uncertainties still exist surrounding the FY20 budget. I have had several inquiries from employees as to when additional information on FY20 budgets would be available. As you know, the House and the Senate have yet to agree on our budget. After they approve, the budget will be passed on to the Governor, who has signaled his intent to reduce state spending. Despite this uncertainty, and per my April 15, 2019 memo, we are still following the guidance from the President and planning for the "case 2" scenario. This includes a university-wide \$10M cut from the state and a \$30M reallocation to Board of Regents (BoR) priorities. I have asked the President to consider foregoing some of the reallocation expectations. He is giving that request favorable consideration while preserving some support for priorities such as market and equity salary adjustments, Title IX, and strategic initiatives.

Per my memo on January 30, 2019, the first budget planning steps were completed last week when the task forces to address eCampus, class size, adjunct teaching, non-credit credentialing, policies and procedures, and research submitted their reports. All of the reports are now posted (<https://www.uaf.edu/provost/planning-task-forces.php>).

Our goal has been to realign as much from a high level to reduce the amount of horizontal reductions. I have discussed a number of these efforts in my weekly budget communications. My hope is that we will still be able to find an appreciable number of reductions by vertical repositioning, including reducing our footprint and operating costs.

At this point, the range of the difference between the legislature and the governor make it very difficult to plan. The changes we would make at a reduction of 5 percent are very different than for a reduction of 25 percent or more. Furthermore, per the President's direction, the portion of our reduction that is for reallocation would be different at these varying levels, with lower levels of reallocation being required at higher levels of state budget cuts. Given that units need to plan budgets and it will take more time to evaluate vertical reductions, I am passing along the following guidance.

Naturally Inspiring.

Please work with your units to focus on a FY20 reduction of 10 percent of the total state appropriated general fund (GF) in your authority. We are currently not looking at reductions from other unrestricted revenue sources such as tuition or indirect cost recovery, although this approach could change.

At this time, units should plan to follow our central guidelines for unreserved fund balance (UFB). Wherever possible, however, it would be prudent to use FY19 UFB strategically to help offset or reduce costs in FY20.

Please plan to implement a targeted early retirement program (ERP) for appropriate faculty in your area. Our human resources office will work on this option with you. At this point, we are not considering a staff option for ERP. Your deans and directors should plan to provide recommendations of where this might be effective in their units. As we look at a faculty ERP, I would like feedback as this may not be beneficial for some units given the level of difficulty to teach or rehire for some positions.

With respect to hiring or refilling existing positions, I am not implementing a "hiring freeze" at this time, but ask that you encourage all leaders to use their discretion in hiring. Current recruitments should be evaluated but may otherwise proceed.

The last area of focus is class size. Our class size task force recently completed their work and provided recommendations. Some recommendations can be implemented for Fall 2019. Areas of immediate implementation are increasing GER class size capacity and offering fewer sections. This will help reduce costs, particularly for those that require hiring of adjuncts, and will eliminate low-enrolled course sections.

I appreciate the work being done by your faculty, staff, deans, and directors to ensure UAF continues its focus providing world class research and education to our students in light of the current budget constraints. Please provide any feedback or concerns you may have with this approach by Friday, May 3rd.