


May 7, 2020

TO: Provost Prakash and Vice Chancellors Champagne, Hinzman, Queen and Peter
FROM: Daniel M. White, Chancellor 
RE: FY21-FY22 Budget Planning Scenarios – Update for BOR Audit Committee on
May 13, 2020

Thank you all for your contributions to the attached spreadsheet. The spreadsheet was prepared at the request of UA President Johnsen in preparation for a special Audit Committee meeting with the Board of Regents. The sheet represents the submissions that I received from each of you from your units' planning. This is a high level FY21-FY22 budget action summary for planning purposes.

This detail was requested to improve the level of information on actions being discussed to meet the budget reductions in FY21, in addition to considering prior year budget shortfalls where UAF has not yet been fully able to meet the reduction in a base context. This is generally due to the timing of the budget release to the university last fall as well as the timing associated with expedited academic program and administrative reviews.

The unit level planning represented in the attached spreadsheet represents an adjustment to some of our planning to reflect revised budgeting guidance received from UA President Johnsen in a memo dated April 25, 2020. This guidance requires UAF to be at the new base reduction levels by the end of FY22. This new level is calculated at a \$22.2 million reduction in state unrestricted general funds, and must factor in planning to support \$5.1 million in possible compensation increases, for a total of \$27.3 million by the end of FY22. For UAF, this is compounded by the roughly \$6.7 million that cannot be met in FY20 due to the timing referred to above. The new UA guidance also changes the thresholds for how we manage unreserved fund balance (UFB) and the debt reserve by the end of FY22, which impacts some of our previous plans and requires a deeper look at base reductions in the coming years.

COVID-19 is, of course, a significant and unpredicted impact, which is also now included as part of the current planning to the best of our ability. We expect some reimbursement for revenue loss and student support in this area. VCAS Julie Queen will continue to work with UA leadership to ensure all available opportunities for funding are explored.

This package is not yet reflective of decisions made in all the units and I recognize that many things could change at the UA level, at the UAF level and within your areas and units. The goal is to provide transparency for the BOR on the many reductions being actively considered. It also shows that UAF has plans to meet the state-required UGF cuts and is additionally planning for more base reductions to meet President Johnsen's guidance by the end of FY22. All plans are dynamic at various levels and will continue to be refined or changed as conditions change.

I continue to welcome feedback on larger scale changes or structures, and will continue to seek input from the UAF community at large to ensure decisions executed are sustainable as we re-
envison UAF offerings and services. Thank you for contributing to this plan and we will continue to adjust moving forward as new information is available.

DMW:jdp

/Attachment

UAF
Base Reductions - FY21

UAF Summary	FY21 UGF State Reduction	12,300,000	
	FY21 compensation increase (market)	1,600,000	TBD
	FY21 compensation increase (1%)	1,900,000	TBD
		<u>15,800,000</u>	100% of base reduction target in FY21
		<u>3,455,500</u>	Additional reduction planning in FY21 to reduce prior year balance
		<u>19,255,500</u>	Total FY21 reduction efforts, in excess of FY21 targets

Major Unit (by VC)	School/College/Unit	Category	Description of Reduction	Amount	Comments	
Chancellor	Chancellor Ops	Admin	Reductions in travel/commodities/contractual svcs	20,000	Base UGF reduction	
	University Relations	Admin	Position reduction (1) or transition to private support	80,000	Base UGF reduction	
	Development	Admin	Transition position (1) to private support & reduce employee contracts	150,000	Base UGF reduction	
			Reduced travel & services	26,000	Base UGF reduction	
	Equity & Compliance	Admin	Travel reduction	10,000	Base UGF reduction	
			Organizational change - TBD	130,000	Base UGF reduction - being managed by Director DEO	
VC Administrative Services	Governance	Admin	Reduction in travel/commodities/contractual svcs	15,000	Base UGF reduction	
	UAF IT	Other	TBD based on further guidance from UA	444,000	Base UGF reduction planning - TBD based on further guidance	
	Facilities Services	Facilities	Reduce renewal & renovation (R&R) and maintenance & repair (M&R), employee reductions, custodial contractual savings	1,600,000	Base UGF reduction. One time used as needed to support critical facilities R&R/M&R in an annual context; may be adjusted if addtl revenue is generated through leases, reduced O&M footprint, or sale of power (P3) takes time for implementation.	
	Financial Services	Admin	Reductions in positions (4 vacant); participate in shared services	200,000	Base UGF reduction	
	Safety Services	Admin	Reduction in Fire Dept. travel/commodities/contractual svcs	50,000	Base UGF reduction	
	VC Rural, Community & Native Ed	CRCD	Student Svcs/Admin	Reductions in student svcs & admin positions (4 vacant)	247,500	Base UGF reduction. One time used as needed to bridge due to implementation timing.
			Admin	Use of shared services (2), reduction of EX/Sr. Admin (1), and positions moved to restricted or other unrestricted funding	587,100	Base UGF reduction
			Academic	Faculty reduction (vacant)	89,600	Base UGF reduction
			Admin	Reduction in travel/commodities/contractual svcs or campus operations	7,600	Base UGF reduction
			Facilities	Reduction in maintenance & repair (M&R)	104,800	Base UGF reduction
Community & Technical College		Academic	Reductions in faculty positions (2)	252,000	Base UGF reduction. One time used as needed to bridge due to implementation timing.	
		Admin	Nonrenewal of position (1) and labor reduction	101,000	Base UGF reduction	
		Facilities	Reduction in maintenance & repair (M&R)	19,600	Base UGF reduction	
	Admin/Academic	CTC Dean to determine - general costs and instructional	100,000	Base UGF reduction		
VC Student Affairs	Student Affairs	Student Svcs	Reduction in student services & programming	598,700	Base UGF reduction. One time used as needed to bridge due to implementation timing.	
	Enrollment Mgmt	Student Svcs	Reduction in enrollment management	407,100	Base UGF reduction. One time used as needed to bridge due to implementation timing.	
	Athletics	Other	Reduction in non-conference games & travel rosters	100,000	Base UGF reduction. May be offset by increasing philanthropic efforts.	
VC Research	Geophysical Institute	Research	Reduce staff (5) positions and employee contract reduction; migration to shared services structure	530,000	Base UGF reduction. One time used as needed to bridge due to implementation timing.	
	Inst of Arctic Biology	Research	Reduction in vacant staff (3) and faculty (1) positions	210,100	Base UGF reduction. One time used as needed to bridge due to implementation timing.	
	Intl Arctic Research Ctr	Research	Reduce staff positions and reduce in-house IT support	132,400	Base UGF reduction. One time used as needed to bridge due to implementation timing.	
	AK Ctr Energy & Power	Research	Transition appropriate positions to grants or contracts; eliminate support to Data Collection and Analysis program; reduce support to Power Systems Integration Program and Nenana Hydrokinetic Test site	77,600	Base UGF reduction. One time used as needed to bridge due to implementation timing.	

	VCR Offices	Admin	Reduce developmental programs & projects; transition appropriate OneHealth effort to restricted funding; reduce travel in OGCA	308,500	Base UGF reduction. One time used as needed to bridge due to implementation timing.
Provost	College of Engineering & Mines	Academic	Reduction of faculty (2.25) and staff (2.5) positions; reduction in travel/commodities/contractual svcs and TA budgets	865,750	Base UGF reduction. One time used as needed to bridge due to implementation timing.
	College of Fisheries & Ocean Sciences	Academic	Net reduction of faculty (0.5) after transition of multiple positions (4); savings from junior and delayed hires	489,900	Base UGF reduction. One time used as needed to bridge due to implementation timing.
	College of Liberal Arts	Academic	Reduction in faculty (3.25), adjuncts and term faculty (3), and staff (4.5) positions	780,000	Base UGF reduction. One time used as needed to bridge due to implementation timing.
	College of Natural Sciences & Mathematics	Academic	Reduction in faculty (3) and staff (1.25) positions; ASRA program closure; in-year savings from sabbaticals and buyout through grant funding; reductions from expedited program review TBD	677,600	Base UGF reduction. One time used as needed to bridge due to implementation timing.
	School of Education	Academic	Reassignment of 0.5 faculty to another unit and faculty reduction through expedited program review; in-year savings from unfilled term faculty, delayed hires and sabbatical; increase in ICR revenue to offset	270,840	Base UGF reduction. One time used as needed to bridge due to implementation timing.
	School of Management	Academic	Elimination of economics program (1 Sr. Administrator and 2.75 faculty positions)	692,300	Base UGF reduction. One time used as needed to bridge due to implementation timing.
	AK Sea Grant/Marine Advisory Program	Other	Reduction of faculty (1) and staff contract reduction; reduction in commodities	216,560	Base UGF reduction. ASG/MAP moved from CFOS to Provost in FY21; further transition details TBD
	Inst of Natural Resources & Extension	Other	Transition MAPTS to greater mining industry support; move 0.5 positions to grants; reduce temporary and student positions; reduce 4H spend	786,300	Base UGF reduction
	eCampus	Admin	Shift of some base operations to sustained tuition revenue; reducing staff (1) position via restructure	208,450	Base UGF reduction. One time used as needed to bridge due to implementation timing.
	Provost Office Ops	Admin	Restructure Intl Programs Director; restructure Institutional Research; reduced UA Press commitments; eliminate Accuplacer payment; reduction in travel/commodities/contractual svcs in all areas	600,000	Base UGF reduction. One time used as needed to bridge due to implementation timing. Anticipates increase in faculty development and student support services expenditures
	Rasmuson Library	Academic	Reduction in journal subscriptions, elimination of print/book and DVD budget; staff contract reduction	641,500	Base UGF reduction. One time used as needed to bridge due to implementation timing.
	UA Museum of the North	Other	Reduction in temporary staffing; plans to increase tuition revenue via microcredentials/certificates in museum science - impacted by COVID-19	83,000	Base UGF reduction. One time used as needed to bridge due to implementation timing. Anticipating COVID-19 impact is difficult at this time - will evaluate as more information is available
	Summer Sessions & Lifelong Learning	Admin	Reduction in high-cost program offerings; revenue generation in programmatic enrollment may offset	27,000	Base UGF reduction
Other	All	All	Add'l base reductions or new revenues in units; may also be addressed through cross MAU collaboration	3,317,700	Additional actions to address FY20 base shortfall. One time funds may increase or decrease due to implementation timing or changes in estimates.
Central Reductions	Central	Facilities	Central base reduction	1,500,000	Base reduction. Transition some facilities maintenance to one-time sources.
	Central	Facilities	New revenue and/or cost reduction from CHP	1,500,000	P3 for power sales; estimated revenue may change - TBD
			Total	19,255,500	100% of base reduction target in FY21; applies additional actions to prior year base shortfall

NOTES:

- 1) Prior year (FY20) gap \$6.7M being addressed in FY21 & FY22 plans. FY21 actions are in excess of FY21 UGF reduction targets. Remaining balance may vary based on transition plans/timelines and is factored into FY22 plans.
- 2) Research reductions are included in both the VC Research & Provost areas. Categories listed are general estimates; actual reductions will apply to various categories when cuts are applied.
- 3) FY21 estimates may change as conditions change.
- 4) UAF in-year savings from Executive & Sr. Administrative furlough (\$244,500) is one-time in nature, not included above.

**UAF
Base Reductions - FY22**

UAF Summary	FY22 UGF State Reduction	9,900,000	
	FY22 compensation increase (market)	1,600,000	TBD
		<u>11,500,000</u>	100% of base reduction target in FY22
		3,244,500	Additional reduction in FY22 to eliminate prior year balances
		<u>14,744,500</u>	Total FY22 reduction efforts, in excess of FY22 targets

Major Unit (by VC)	School/College/Unit	Category	Description of Reduction	Amount	Comments
Chancellor	TBD	Admin	Estimated base reduction - subject to change	386,000	Participating in shared services opportunities
VC Administrative Svcs	TBD	Other	Estimated base reduction - subject to change	284,900	Participating in shared services opportunities
	TBD	Admin	Estimated base reduction - subject to change	1,718,000	Participating in shared services opportunities
VC Rural Community & Native Ed	TBD	Academic/ Admin	Estimated base reduction - subject to change	1,343,700	
VC Student Affairs (incl. Athletics)	TBD	Student Svcs	Estimated base reduction - subject to change	840,600	Participating in shared services opportunities
VC Research	TBD	Research	Estimated base reduction - subject to change	1,139,500	
Provost	TBD	Academic	Estimated base reduction - subject to change	4,189,000	Expedited Academic and Special Program Reviews cont.
Other	TBD	All	Estimated base reduction - subject to change	598,300	Considering ability to increase industry/external support for outreach or service functions
Central Reductions	Central	Facilities	Central base reduction - subject to change	1,000,000	Base reduction. Transition some facilities maintenance to one-time sources.
Other	All	All	Add'l base reductions or new revenues in units; may also be addressed through cross MAU collaboration	3,244,500	Additional actions to address prior year base shortfall. One time funds used as bridge may increase or decrease due to implementation timing or changes in estimates.
Total				<u>14,744,500</u>	100% of base reduction target met in FY22; applies additional actions to prior year base shortfall & eliminates FY20 balance

NOTES:

- 1) Remaining balance addressed in FY22 plans. FY22 actions are in excess of FY22 UGF reduction targets. Remaining balance may vary; will be factored into FY22 plans to eliminate base shortfall.
- 2) Research reductions are included in both the VC Research & Provost areas. Categories listed are general estimates; actual reductions will apply to various categories when cuts are applied.
- 3) FY22 estimates may change as conditions change.