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March 11, 2025

TO: Anupma Prakash, Provost and Executive Vice Chancellor

Julie Queen, Vice Chancellor for Administrative Services

Charlene Stern, Vice Chancellor for Rural, Community & Native Education Owen Guthrie, Vice Chancellor for Student Affairs & Enrollment Management

Laura Conner, Interim Vice Chancellor for Research

Tom Hough, Executive Director, University Advancement

Nickole Conley, Chief of Staff

FROM: Daniel M. White, Chancellor

RE: Budget Guidance - Actions Required by June 30, 2025 (end of FY25)

As you know, I implemented a 60-day hiring delay for unrestricted funded positions in January of this year, based on the projections available to me from the October 2024 financial management report submitted by the Office of Finance & Accounting (OFA). Thus far, this action is slowing UAF's unrestricted personnel expenditures, which is helpful to UAF in meeting our stated unrestricted fund balance (UFB) targets this fiscal year.

Based on the updated January 2025 reported figures, UAF still has more work to do to meet the <u>UFB guidelines</u>, which require all units to end the year with a positive balance between 2-4% of total revenues (not including Intra-Agency receipts). Exceptions must be reported, and units must be actively managing a plan for deficit recovery where any deficit is projected.

For this reason, and in light of a high degree of uncertainty at the federal level with respect to federal and other sponsored funding (which also helps UAF generate revenues to support facilities and administrative expenses), I am asking that each of you work with VC Queen and arrange a meeting for all units who are not on track to meet their targets to either curtail, delay, or cease expenditures before fiscal year end to meet stated targets (with minimal exceptions for critical items only, to include labor, travel, contractual services, commodities, and other operating budget needs). Action plans should be provided to OFA and built into future projections for the fiscal year.

Where units are likely to hit stated targets, please take actions to bolster those amounts (e.g. manage to 4% UFB or above) to assist UAF's overall liquidity. This will improve our ability to



manage through uncertainty for the remainder of the fiscal year in the likely event circumstances continue to change. Where expenditures can be delayed, reduced, or stopped (without increasing unnecessary cost or risk), please take those actions in the near term. Where actions require longer term adjustments or consideration of personnel actions, please work with UA Human Resources and your unit leaders, as per our usual procedures.

OFA will be increasing the number of management reports, moving from quarterly to monthly, in order to have the most up-to-date and accurate projections as we continue to monitor our financial health this year. The next report will be due March 18<sup>th</sup> (for February) and should include consideration of this guidance.

This budgetary control mechanism is intended for short-term use, and does not replace other longer-term efficiency measures the university is and will continue to put into place.

VC Queen, AVC Wall, and OFA Director Theis will continue to gather information to update FY25 management report projections, including new revenue opportunities and adjustments to expenditures.

Thank you for your dedication to UAF.

CC: Memry Dahl, UA Chief Human Resources Officer
Kim Washburn, UAF Sr. Human Resources Business Partner
Amanda Wall, AVC Financial & Business Services
Jason Theis, OFA Director

