Faculty Forum - March 2013

Presented by:
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Raaj Kurapati, AVC Financial Services
UNAC Faculty Forum

• What are the basics of UAF’s Finances & Budgeting Processes?
• How do Environmental, Legislative, and Board of Regents actions and atmospherics affect UAF’s decision-making process?
• What is the decision-making process that sets UAF priorities & resources allocation decisions?
• What assumptions & financial projections result from environmental influences?
• In light of the environment, how do faculty, staff and executive actions enable UAF to reach its vision?
Reaching UAF’s Vision

- High Quality Academics
- Engineering excellence
- Biomedical & climate change research
- Accounting in 90th percentile
- Honors & undergraduate research
- Arts - Humanities - Citizenship
- Veterinary Medicine
- K-12 Partnerships
- Infrastructure needs
  - Cogen Heat & Power
  - Engineering
  - Student facilities
Emphasis on Students

• Revitalizing core curriculum
• Making transferability of credits seamless
  – 114,000 credits into UAF for 2,589 students
  – All UAA & UAS general education requirement courses transfer & satisfy UAF core requirements
• Comprehensive advising is getting results
• E-learning re-organized in 2012
• Designated a Military Friendly campus
• Transforming the UAF campus experience
UAF Finances & Budgeting Process

• Review Revenue & Expense Finance Categories
  • Restricted, Unrestricted, Designated, Auxiliary
  • State Appropriations, University Receipt Authority
  • Tuition, Federal, State, Capital, etc...
  • Compensation, Travel, Equipment, Debt
  • Fixed Costs, Other

• Discuss Budget & Resource Allocation Decisions & Processes/Influences
  • State, Federal, BOR, UAF

• UAF Financial Trends
Resource Allocations & Conditions

- Federal environment
  - Sequestration
- State environment
  - Oil Dependence
  - Demographics
- Board of Regents & Statewide 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
Annual Revenue Growth Rate
FY08-FY12 Annual Change & FY13 Projected Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Federal Receipts</th>
<th>General Funds</th>
<th>Indirect Cost Recovery</th>
<th>Tuition &amp; Fees</th>
<th>UA Receipts</th>
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<tr>
<td>FY08</td>
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</table>
UAF Earned Revenue
FY08-FY12 Annualized Compared to Projected FY12-FY13
Change

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

#### Restricted vs. Unrestricted

<table>
<thead>
<tr>
<th>Category</th>
<th>Unrestricted</th>
<th>Restricted (1)</th>
<th>Restricted (2)</th>
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<td>Salaries &amp; Benefits</td>
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(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.
Unrestricted Salary Expenditures Trend FY07-FY12

- Executive: 3.0%
- Faculty: 32.8%
- Staff: 24.6%
- Students: 31.4%
FY12 Unrestricted Salary Expenditures

- Executive: 47%
- Faculty: 43%
- Staff: 6%
- Students: 4%
## Assumptions & Projections
### FY14-FY16

<table>
<thead>
<tr>
<th>Possible Funding Scenarios</th>
<th>Best FY14</th>
<th>Best FY15</th>
<th>Best FY16</th>
<th>Moderate FY14</th>
<th>Moderate FY15</th>
<th>Moderate FY16</th>
<th>Worst FY14</th>
<th>Worst FY15</th>
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<td>-2%</td>
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<tr>
<td>State</td>
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<td>4%</td>
<td>6%</td>
<td>5%</td>
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<td>2.5%</td>
<td>1.5%</td>
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<td>1%</td>
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<td>-1%</td>
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<tr>
<td>Other</td>
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<th>FY14</th>
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<td>Equip/Travel/Other</td>
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<td>2.2%</td>
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Active Management

What Faculty, Staff and Leadership can do...

- Streamline existing processes to hold down costs
- Find ways to generate additional revenue from non-general fund resources
- Pursue new models for resource management including public-private partnerships (P3) to address housing, dining, and other student facility and service functions
- Strategically reinvest internal resources to high priority programs that align with UAF’s Strategic Plan, core themes and the UA SDI
- Regular ongoing academic planning & program review
- Review and manage administrative and academic staff support levels (Admin-Support Review Effort)
UAF FY14 Budget Updates

• The House passed an operating budget substantially reduced from the Governor’s budget.

• The Senate finance committee has included all of the Governors UA budget items, additional fixed cost items, and some program funding.
UAF FY14 Program Requests

- Veterinary Medicine program in partnership with CSU
- Office of Intellectual Property & Commercialization
- Comprehensive advising - community campuses
- Enhancing E-Learning
- Nursing faculty at Bristol Bay
- STEM capacity in General Chemistry
- Accountants for Alaska
- Construction trades & tribal management
- Sustaining critical operations
  - UA Press & High Performance Computing
UAF FY14 Capital Requests

- Deferred Maintenance, R&R
- Engineering building completion
- CoGen Heat & Power Plant
- Research & Development for Alaska
  - Energy technology testing & development solutions
  - Arctic oil spill response
  - Researching Alaska’s Chinook salmon population decline
  - Enhance Alaska’s mapping resources
Identified Internal Program Needs

FY14-FY16

(not inclusive & not in priority order)

• High Performance Computing
• IARC North by 2020
• NASA EPSCoR
• Development/Alumni
• SIREN Match
• R/V Sikuliaq
• Chemistry
• Psychology PhD
• OIPC
• CANHR Match
• INBRE
Identified Internal Program Needs
FY14-FY16
(not inclusive & not in priority order)

• Planning & Budget Committee
  – Structure & guidance
• Unit critical needs & plans for FY14
• FY15 legislative budget request preparation
• Infrastructure needs
  – Deferred maintenance
  – New facility operations
  – Debt Service
  – Utilities
FY14 Planning Expectations

- 2% tuition increase
- Enrollment flat or declining
- Strategic Reallocation & Investment
  - Clear link to UAF Core Themes & Strategic Plan; alignment with UA SDI
- Federal funding reduced
- ICR expected to remain flat or down
- Salary & benefit increases
- Process improvement
  - Pre-Recruitment, Grant Post-Award Mgmt, Travel, Procurement, Marketing & Communications Intake & Workflow, Sikuliaq Recharge Operations
  - New facilitators April 2013
Fairbanks Campus then and now

Aerial Photo of Fairbanks Campus, circa 1929

Aerial Photo of Fairbanks Campus, circa 2012
Inspiring great things

We are the UNIVERSITY OF ALASKA FAIRBANKS. Inspiring great people to do great things.

NATURALLY INSPIRING. Downright epic (since 1917)
Discussion