UA Statewide
FY16 Budget
Game Plan
(As of May 14, 2015)

Patrick Gamble
SW Budget Game Plan (FY16)

UA Shortfall  $31.4 M

Apportionment Share

- UAF 41.9% $13.1 M
- UAA 33.4% $10.5 M
- UAS 7.2% $2.3 M
- SW 17.5% $5.5 M

The Plan:

- Decide on system-wide reduction goal
- Subtract from SW apportionment sum
- Proceed with OPTIONS internal to SW to COVER THE REMAINING SHORTFALL SHARE
What Is Our Objective?

1. **Meet Our UA Shortfall (Bogey)**
   
   Current legislation _ _ _ _ _ _ _ _ _ _ No pay raises

2. **Validate Statewide Staff Construct**
   
   Core functions, organization structure that will get us through Alaska's recession threat
Why Is That Our Goal?

1. Must Meet UA Budget... A Legal Obligation
   Cover our shortfall, balance our budget

2. Address Concerns About SW Staff Growth
   Legislature _ _ _ increase "fair share" to 20%
   Board of Regents _ _ _ interest item
   MacTaggart–Rogers report _ _ _ "divest"
   Fisher Report _ _ _ "perhaps a target range of 60–80"
   Peer comparisons

3. SW has very little capability to offset our shortfall without adjusting staff size. In so doing, we create organizational opportunity.
Scene Setter Assumptions

1 FTE employee = $100,000 pay/benefits

State pay freeze remains, across the board

BUT

The longer the session continues, the greater the threat of revisiting UA's Operating Budget

UA's Capital Budget will remain at $3 M
Goal Development So Far: $31.4 M

SW Total Fair Share $5,501.2 M
SW Share Of System Actions ($1,335.9 M)
Remaining Net Goal $4,165.3 M

OPTIONS....Where Do We Go From Here?
Revenue? People? More Reductions?
Getting To The Statewide Goal

UA Shortfall __________ $23.4 M = 234 FTE

Statewide Shortfall __________ $ 4.2 M = 42 FTE

These are the baseline numbers

They will go up or down as alternative decisions are reached by each UA unit
## Selecting The Statewide Goal

<table>
<thead>
<tr>
<th>BOGEY</th>
<th>$31.3 M</th>
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<tbody>
<tr>
<td>Legislative &quot;20%&quot;</td>
<td>$6.3</td>
</tr>
<tr>
<td>SW Fair Share</td>
<td>$5.5</td>
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<tr>
<td>SW Net Share</td>
<td>$4.2</td>
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### EMPLOYEE REDUCTION

- **Fisher Report**
  - (Dec. 2011, 267 FTE) "60 to 80"
- **Possibility FY16**
  - 42
- **Since 2011 (FTE)**
  - 34 (233 FTE remaining)
- **Potential SW Reduction**
  - 76 (191 FTE remaining)
# Alternatives To Layoffs

<table>
<thead>
<tr>
<th>Revenue</th>
<th>People</th>
<th>Reductions</th>
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<tbody>
<tr>
<td>Sales</td>
<td>Normal Attrition</td>
<td>Energy</td>
</tr>
<tr>
<td>ICR</td>
<td>Voluntary Reductions</td>
<td>Travel</td>
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<tr>
<td>(Indirect Cost Recovery)</td>
<td></td>
<td>Card Purchases</td>
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<tr>
<td>Fees</td>
<td>Retirement Decisions</td>
<td>Contracts</td>
</tr>
<tr>
<td>Tuition Increase</td>
<td>Temps/Students</td>
<td>Outsourcing</td>
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Any of the steps above, or others in the categories, can reduce the need for layoffs at the cumulative rate of 1 FTE = $100,000.
### Action and Reaction

<table>
<thead>
<tr>
<th>Action</th>
<th>UA Reaction</th>
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<tbody>
<tr>
<td>ALASKA'S BUDGET CRISIS</td>
<td>Sense of urgency</td>
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<tr>
<td></td>
<td>Much more focus</td>
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<tr>
<td></td>
<td>Collaboration</td>
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<td></td>
<td>More expected of leadership</td>
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<td></td>
<td>Experience migration</td>
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<tr>
<td></td>
<td>Functional review time</td>
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<td>Organizational review time</td>
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<tr>
<td></td>
<td>Recalibrate future plans</td>
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STRENGTHEN THE CORE MISSION  
ENHANCE THE STUDENT EXPERIENCE  
UPHOLD A GROWING REPUTATION
Game Plan

1. Charge SW leadership to identify 10-20% potential cuts for each unit (Due May 22)

2. SW budget office financially scores proposals to achieve the balance of the SW shortfall (Week of May 25)

3. Determine the need/potential for additional voluntary/involuntary measures to reach SW balance

4. Provide detailed results to SAA for comment/advice

5. Final budget solution June 1