

University of Alaska

Board of Regents Audit Committee

May 13, 2020

# Overview

1. The Board is at a critical decision point in its commitment to a strong UA
2. Revenues from all sources are declining
3. Substantial cost reduction efforts are in progress, more needed
4. COVID creates new costs and magnifies falling revenues
5. The Board's challenge/opportunity is to consider transformational change needed to avoid decline and potential exigency in FY22, and to position the university to lead for the state's future

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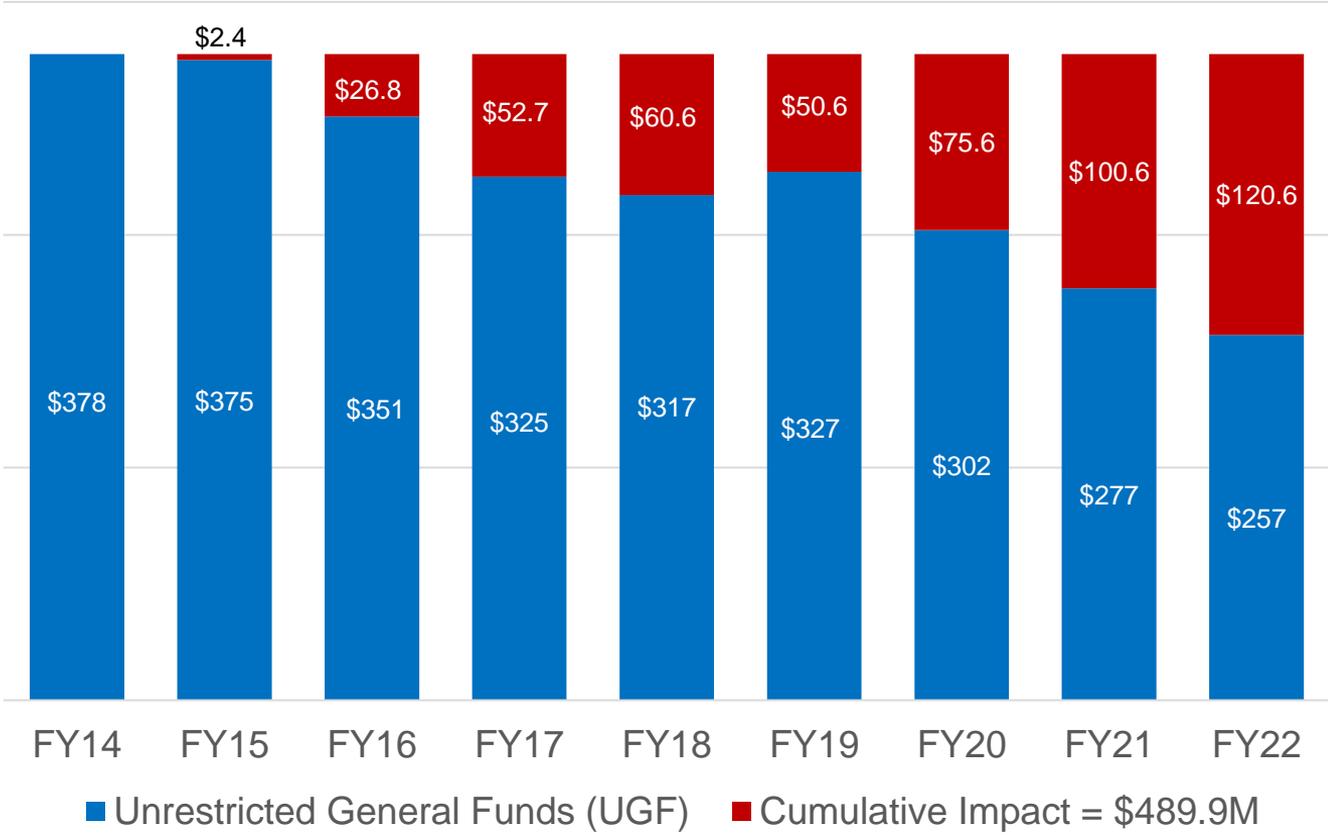
# The need for action has been building for years

- 2012 Enrollment begins to decline (part of national trend)
- 2015 State funding cuts begin
- 2016-17 Strategic Pathways identifies options for improvement, incremental decisions made
- 2019 State funding cut of 41%
  - declaration of exigency, subsequently withdrawn
  - BOR considered single accreditation, decided against
  - State cut partially mitigated through Compact Agreement (21% over 3 years)
  - BOR direction for university-led program reviews with FY21 & FY22 targets
- 2020 Current state
  - universities are actively working to increase enrollment
  - MAUs are implementing administrative reductions
  - university-led program reviews made progress and primarily address FY21
  - lengthy notice periods require specific action now for FY22
  - unforeseen COVID impacts magnify underlying fiscal challenges
    - response cost
    - negative revenue impact on enrollment, tuition, investment earnings, research
    - Alaska economic challenges: oil, tourism, fishing, investment earnings
    - State funding, philanthropy at risk

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# State funding is down through FY22 and could fall even more



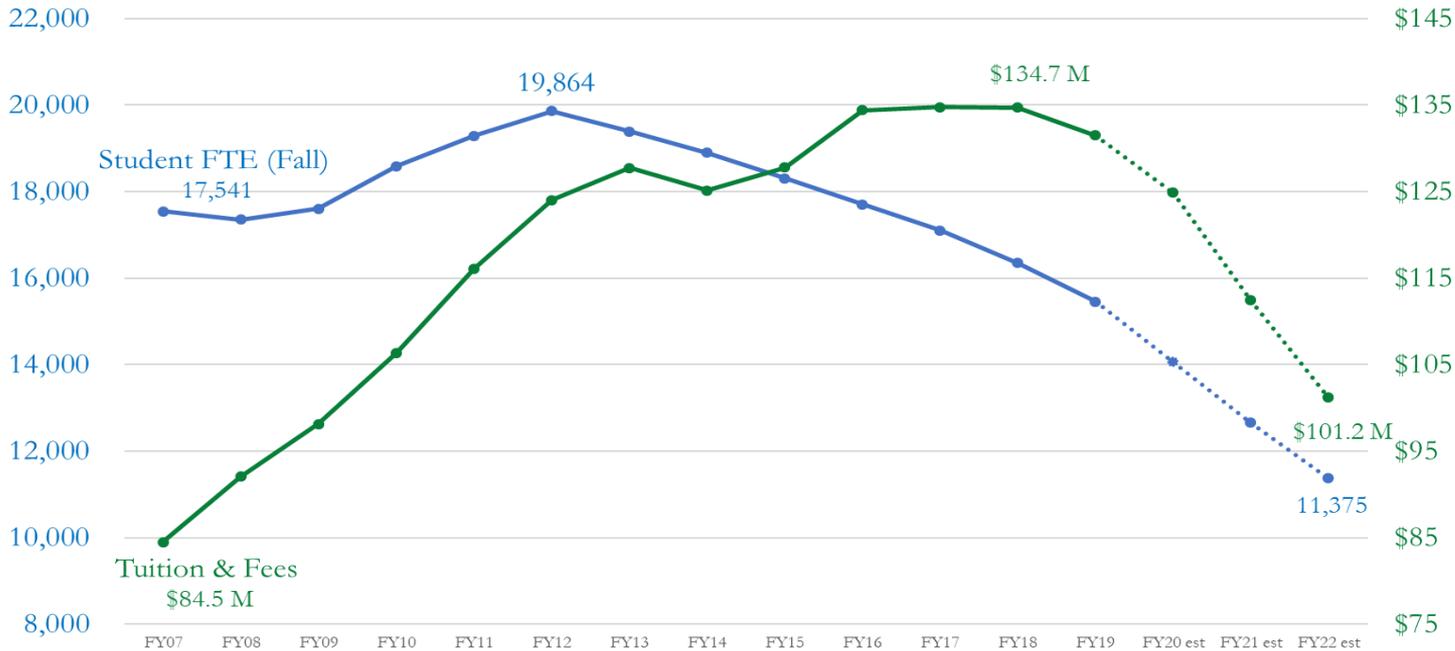
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## FUTURE

- State economy in decline
- State revenues in decline
- State funding at risk
- COVID impact

# Enrollment continues to decline

University of Alaska  
Student Full Time Equivalents and Tuition & Fees Revenue  
FY07 - FY22 estimate



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## FUTURE

- State economy in decline
- Population loss
- Program reductions
- Further decline in enrollment
- Further decline in tuition

Projections based on: annual enrollment decrease 10% per year; and tuition and fee reduction 5% in FY20, 10% in FY21 and FY22

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# MAUs cost savings projected for FY21 and FY22\*

	UAA		UAF		UAS		SW		Total	
	\$M	% of Total	\$M	% of Total	\$M	% of Total	\$M	% of Total	\$M	% of Total
Academic	\$ 4.6	23%	\$ 8.9	26%	\$ 1.1	26%			\$ 14.7	23%
Administrative	7.8	39%	5.6	16%	1.1	26%	4.5	100%	19.0	30%
Administrative and Academic	4.6	22%	8.8	26%					13.4	21%
All or Other			0.9	3%	0.9	21%			1.8	3%
Athletics	1.6	8%	0.1	0%					1.7	3%
Facilities	1.5	7%	5.7	17%	0.5	12%			7.7	12%
Student Services	0.2	1%	1.9	6%	0.6	14%			2.7	4%
Research			2.1	6%					2.1	4%
	\$ 20.3	100%	\$ 34.0	100%	\$ 4.2	100%	\$ 4.5	100%	\$ 63.0	100%

\* Includes both “specified” and “unspecified” reductions for FY21 and FY22.  
Additional detail in Appendix.

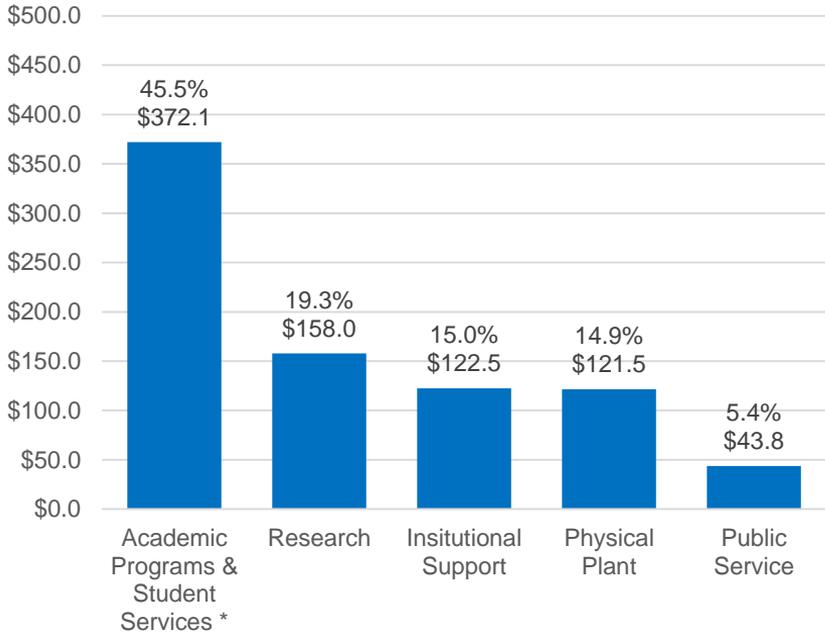
# The current plans leave a \$41M - \$66M gap in FY22

BASE FUNDS	FY21 and FY22 (\$M)
What is the Gap we need to fill?	
Unrestricted General Fund Reductions	45.0
1% general market compensation adjustment	3.9
Specific market compensation adjustment	6.5
Unmet base gap from prior to FY21	4.3
Proposed debt service refinance/restructure	(3.4)
Auxiliary deficits (caused by COVID)	7.4
Operating budget impact	\$63.7
COVID – Projected (FY21 and FY22)	32.8
<b>Total Gap we need to fill (FY21 and FY22)</b>	<b>\$96.5</b>
How will the Gap be filled?	
Specified Base reductions FY21	28.9
Specified base reductions FY22 (UAS)	1.7
Gap after specified reductions	<b>\$65.9</b>
Unspecified base reductions FY22 (UAA, UAF, SW)	\$25.1
<b>Remaining Gap to Fill</b>	<b>\$40.8</b>

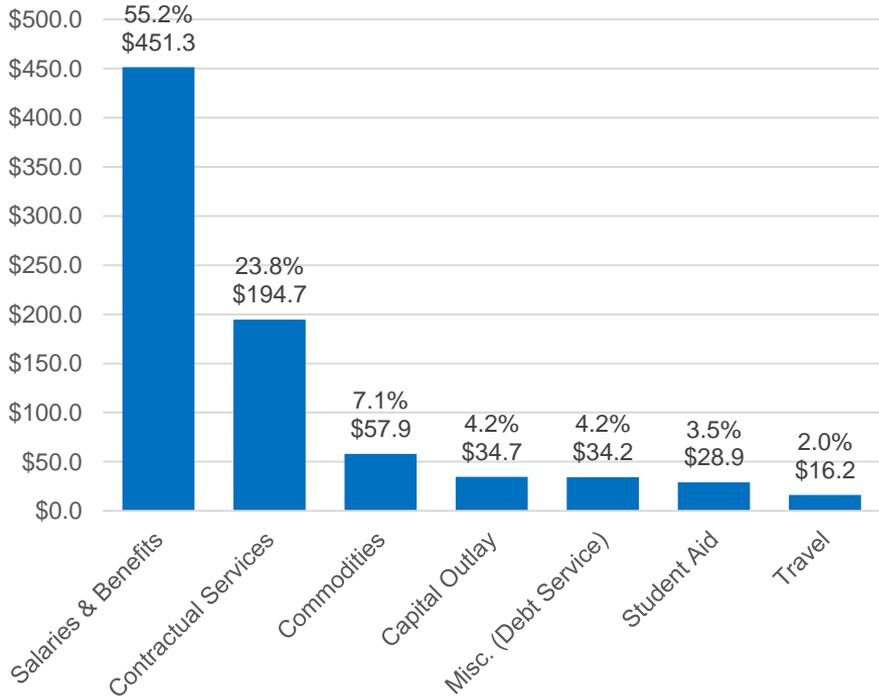
ONE TIME FUNDS	"Available" above floor	Projected 6/30/2020	Floor Level
Unreserved Fund Balance			
UAA	\$3.0	\$14.3	\$11.3
UAF		5.9	13.9
UAS	0.3	2.8	2.5
SW	8.1	10.0	1.9
	\$11.4	\$33.0	\$29.6
Debt Service Reserve Funds			
UAA	\$1.1	\$2.3	\$1.2
UAF	12.0	24.0	12.0
UAS	0.2	0.5	0.3
SW	0.1	0.2	0.1
	\$13.4	\$27.0	\$13.6
<b>Total Bridge Funding</b>	<b>\$24.8</b>		

# Cost cutting requires cuts to programs and people

FY19 Total Expenditures by Functional Category



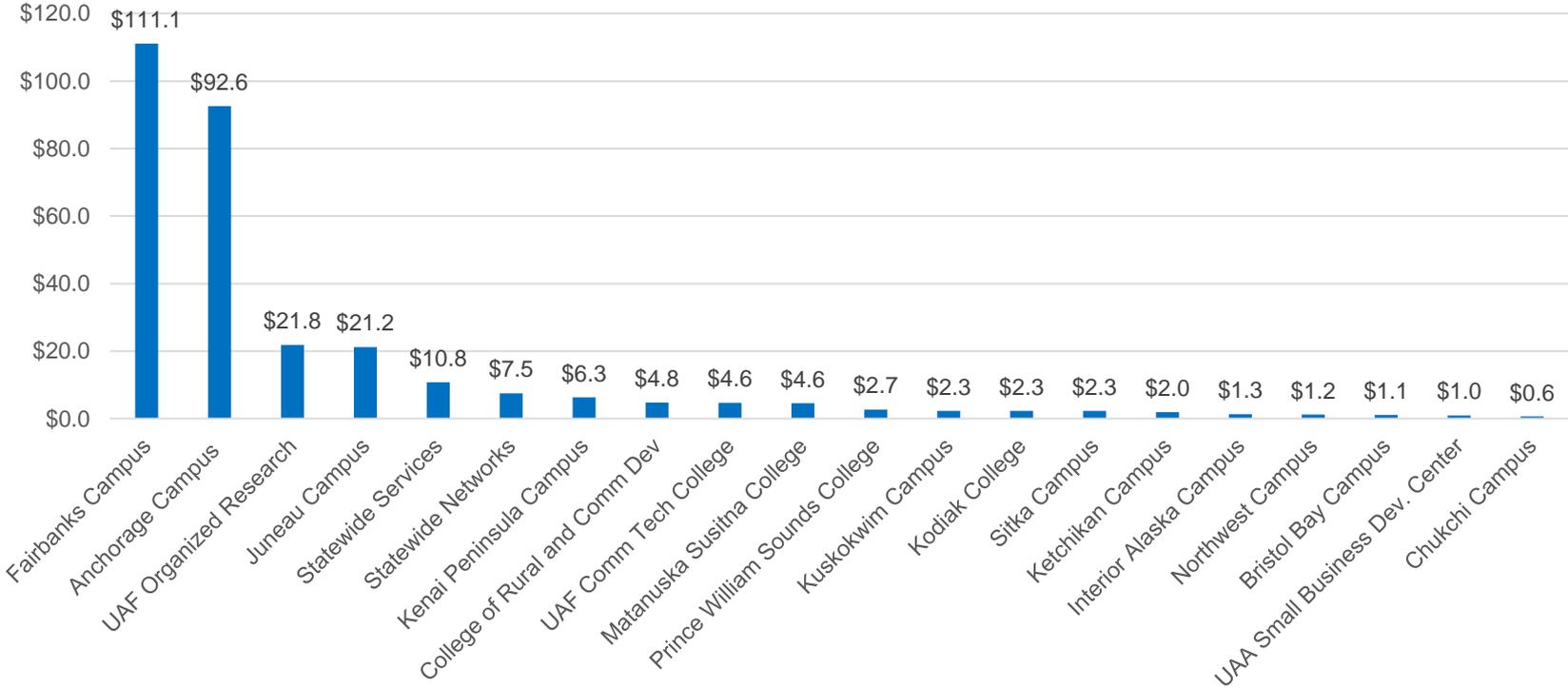
FY19 Total Expenditures by Natural Classification



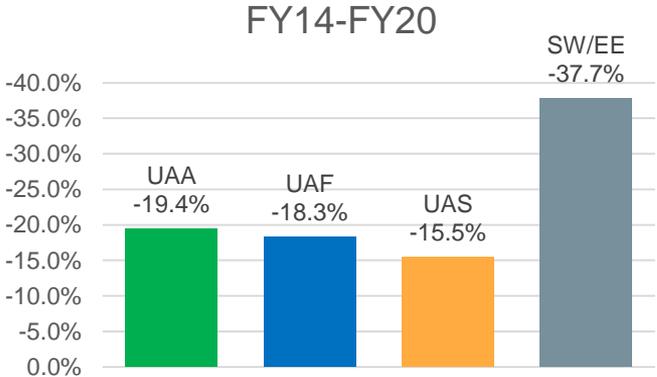
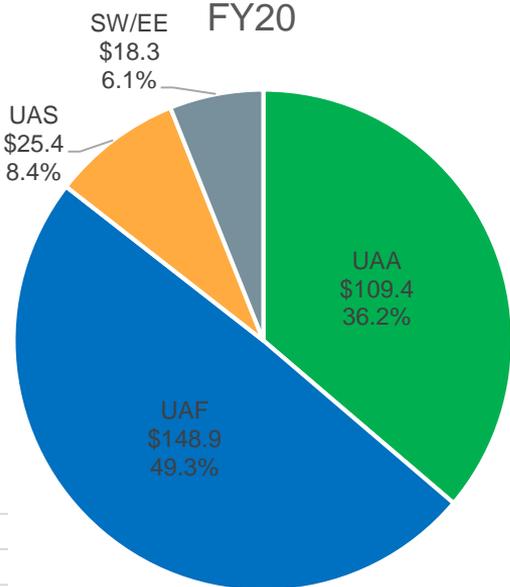
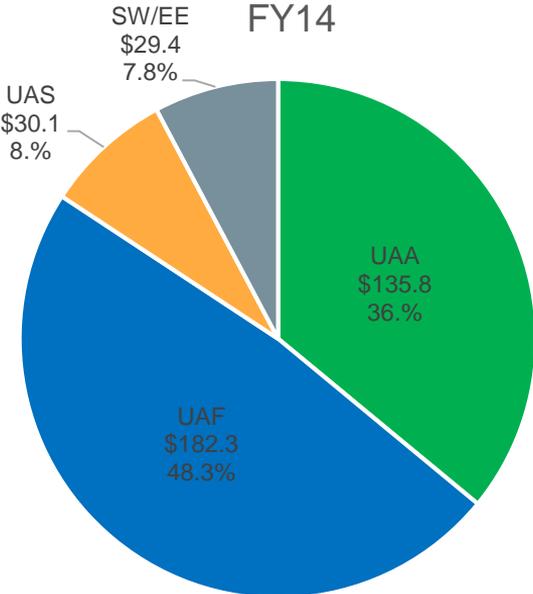
\* Academic Programs & Student Services includes the following NCHEMS categories: Academic Support, Instruction, Intercollegiate Athletics, Library Services, Scholarships, Student Services, and Auxiliary Services.

# Filling a \$41M-\$66M gap will require major change

FY20 Unrestricted General Funds



# UGF reductions have been taken by all MAUs



30% of SW/EE revenues (UGF+other) are pass through funds for wide area network, IT system, and insurance/claims payments.

# Our costs are high overall, but higher in certain areas

NCHEMS compared UA costs as a system, UA's universities, and UA Statewide to peer benchmarks (Cost Analysis, March 11, 2020).

UA's costs are higher overall, due in part, to higher cost of living in Alaska, broader reach of UA service area, and higher research productivity than peers.

On a per student basis:

- higher in full-time faculty, part-time faculty, full-time management, and full-time administration support
- lower in full-time academic support, full-time finance, and full-time IT
- administration (all MAUs together) is 170% of peers, but SW's share is lower than peer systems after pass-through removed

# Based on our enrollment, we need to right-size

NCHEMS used adjusted IPEDS\* data to compare UA FTE student ratios as a system and UA's universities to peers on FT staff, FTE instructional faculty, and FT management (2020 review of 2017-2018 IPEDS data).

	Staff % over (under) peers	Faculty % over (under) peers	Management % over (under) peers
UAA	(46)	15	(3)
UAF	(41)	34	49
UAS	14	39	50
UA system	(20)	24	40

Provost Emeritus Susan Henrichs, using IPEDS data but a different method (excluding part-time faculty and comparing UA to low population density states), reported in April 2020:

- UA 14% high on instructional faculty
- UA 6% high on management; comparable on staff

\* Integrated Postsecondary Education Data System (IPEDS) includes data from all U.S. universities. The data are imperfect, but IPEDS is the single most authoritative source of higher education data in the U.S.

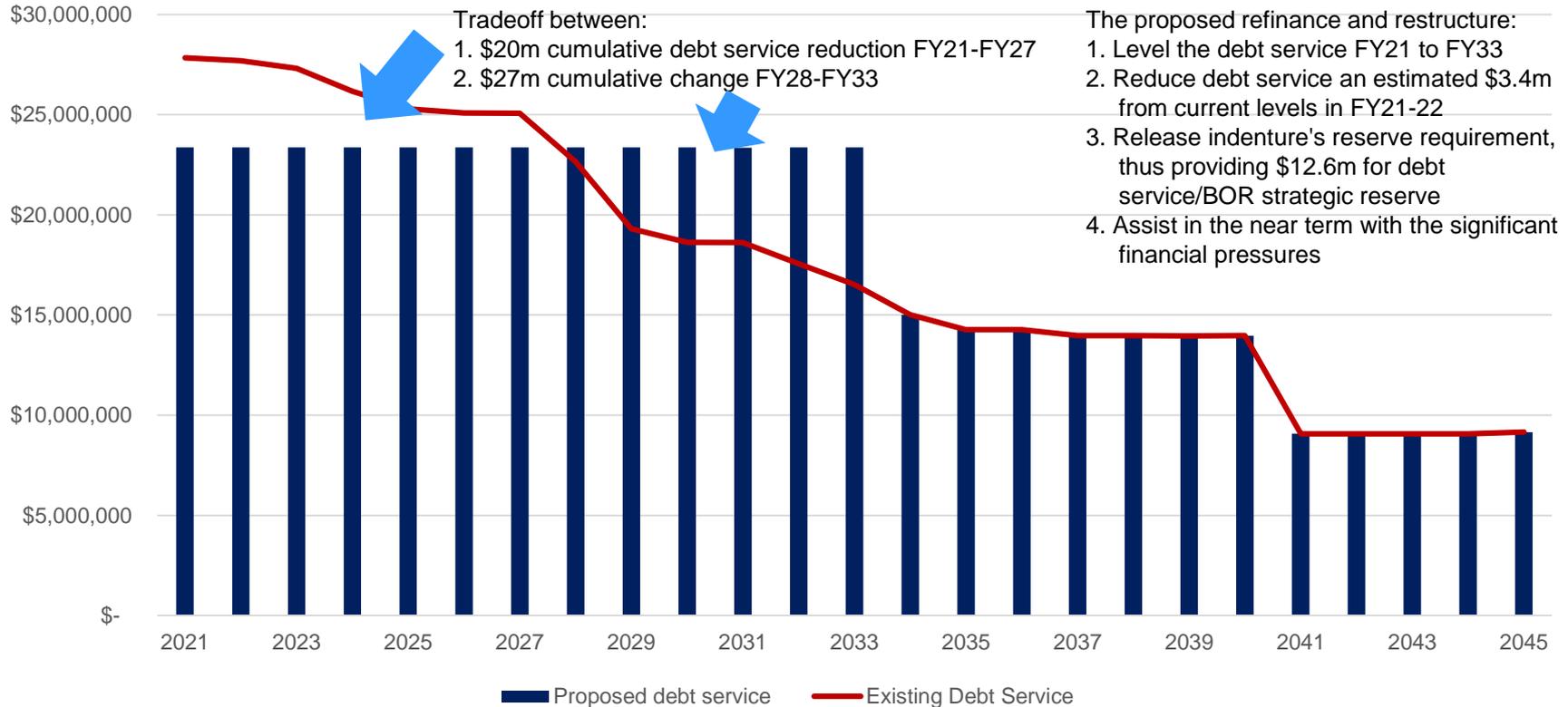
# Right-sizing would reduce expenses

	NCHEMS Method (using adjusted IPEDS data)		Henrichs Method (using IPEDS data w/o PT faculty)	
	% over (under)	\$M over (under)	% over (under)	\$ over (under)
FTE Faculty	24	30.1	-	-
FT Faculty	-	-	14	17.5
FT Management	40	14.3	6	2.1
FT Staff	(20)	(11.5)	0	0
Total (net)		32.9		19.6

# Planning for FY21-22 with prudent guidelines

- Base UGF budget at \$257M by end of FY22
- Include COVID cost and revenue impacts
- Personnel
  - Furloughs may be used only if applied to all employee groups (with exception of already implemented furlough of officers, senior administrators, and non-rep faculty)
  - Planned compensation increases may be postponed only if applied to all employee groups, subject to Board approval
- Conditions on use of one-time funds
  - UFB may be used to “bridge” if UFB  $\geq 2\%$  of expenses at end of FY20 and  $\geq 4\%$  at end of FY22
  - Debt reserve may be used to “bridge” to new base, but may be no less than one-half the maximum annual debt service payment at end of FY22
  - Debt refinancing may be used to reduce annual debt service
- Chancellors to seek additional cost savings through inter-university collaboration

# It will help to refinance and restructure debt now



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4. **COVID creates new costs and magnifies falling revenues**
5. The Board's challenge/opportunity is to consider transformational change needed to avoid decline and potential exigency in FY22, and to position the university to lead for the state's future

# COVID magnifies the problem

## COVID Impact FY20 (for the period March 13 - May 3)

	UAA	UAF	UAS	SW	Total
Lost or Decline in Revenue:					
Housing/Dining/Tuition/Refunds (to date)	\$4,062,124	\$3,296,955	\$595,137		\$7,954,216
Expenses:					
COVID response expenses	450,092	276,766	86,319	73,638	886,815
COVID Admin & emergency sick leave	423,035	716,159	55,157	36,168	1,230,519
<b>FY20 Gross Impact</b>	<b>\$4,935,251</b>	<b>\$4,289,880</b>	<b>\$736,613</b>	<b>\$109,806</b>	<b>\$10,071,550</b>

## COVID Impact - Projections FY21 and FY22

Lost or Decline in Revenue:					
Tuition and fees (20% decline)	\$15,300,000	\$8,300,000	\$2,300,000	\$400,000	\$26,300,000
Decline in interest income				3,500,000	3,500,000
Decline Indirect Cost Recovery		3,000,000			3,000,000
<b>FY21-FY22 Projections</b>	<b>\$15,300,000</b>	<b>\$11,300,000</b>	<b>\$2,300,000</b>	<b>\$3,900,000</b>	<b>\$32,800,000</b>

Note: Does not include estimates for potential lost revenue from Housing, Food Service, Conferencing, and Other Sales and Services

## COVID Impact - FY20-FY22

<b>FY20-FY22</b>	<b>\$20,235,251</b>	<b>\$15,589,880</b>	<b>\$3,036,613</b>	<b>\$4,009,806</b>	<b>\$42,871,550</b>
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# COVID relief funds help, but they are not enough

COVID Support FY20 (for the period March 13 - May 3)					
	UAA	UAF	UAS	SW	Total
Government Support Programs:					
CARES Act - Institutional Portion	\$2,722,592	\$1,033,326	\$186,470		\$3,942,388
Higher Education Emergency Relief Fund	272,776	1,999,637	354,391		2,626,804
Public Assistance - FEMA (estimate)	450,000	275,000	86,000	73,000	884,000
Governor's Emergency Education Fund - UA					1,500,000
Governor's Emergency Education Fund - ANSEP	200,000				200,000
Total Institutional Support	\$3,645,368	\$3,307,963	\$626,861	\$73,000	\$9,153,192
CARES Act - Student Support	\$2,722,592	\$1,033,326	\$186,470	\$ -	\$3,942,388

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# The Board's Challenge/Opportunity

- Status Quo
  - Continued incremental, pro-rata distribution of cuts
  - Ongoing incremental academic and administrative integration
- Transformation
  - Additional academic and administrative integration
  - Revision of budget allocation model, so not pro-rata
  - Structural change, e.g., mergers, closures, changes of mission

# Appendix

# Our action must be guided by principles

- Clear recognition of our serious fiscal challenges
- Timely decision making for strategic direction
- Primacy of the needs of our state for accessible, affordable, quality education, workforce training, research and service programs over our own institutional interests
- Strong commitment to preserving what is core to our mission combined with a commitment to adapt and change
- Consultation with key internal and external stakeholders
- Expeditious implementation
- Fidelity to our values

# Our action must live up to our values

- Unity in promoting communication and collaboration
- Accountability to our students, faculty, staff, alumni, and the diverse peoples of Alaska
- Leadership for Alaska's people and institutions
- Excellence in our programs and services
- Accessibility for all Alaskans
- Dedication to serving community needs
- Stewardship of our resources

# MAU cost reduction details

<b>FY21</b>	<b>UAA</b>	<b>UAF</b>	<b>UAS</b>	<b>SW</b>	<b>Total</b>
Unrestricted General Fund Reduction	\$ 9,100,000	\$ 12,300,000	\$ 1,900,000	\$ 1,700,000	\$ 25,000,000
1% general market compensation adjustment	1,400,000	1,900,000	300,000	300,000	3,900,000
Specific market compensation adjustment	1,300,000	1,600,000	170,000	200,000	3,270,000
Unmet base gap from prior year(s)		3,500,000		824,000	4,324,000
Proposed debt service refinance/restructure	(200,000)	(3,000,000)	(100,000)	(50,000)	(3,350,000)
Auxiliary deficits (caused by COVID)	2,500,000	4,900,000			7,400,000
Adjusted target	14,100,000	21,200,000	2,270,000	2,974,000	40,544,000
Specified base reductions	(10,240,682)	(13,993,800)	(2,370,000)	(2,303,000)	(28,907,482)
Unmet base gap at end of year	3,859,318	7,206,200	(100,000)	671,000	11,636,518
<b>FY22</b>	<b>UAA</b>	<b>UAF</b>	<b>UAS</b>	<b>SW</b>	<b>Total</b>
Unrestricted General Fund Reduction	7,200,000	9,900,000	1,700,000	1,200,000	20,000,000
Specific market compensation adjustment	1,300,000	1,600,000	100,000	200,000	3,200,000
Unmet base gap from prior year(s)	3,859,318	7,206,200	(100,000)	671,000	11,636,518
Gap	12,359,318	18,706,200	1,700,000	2,071,000	34,836,518
Specified base reductions (FY22)			(1,700,000)		(1,700,000)
<b>Combined FY21 and FY22</b>	<b>UAA</b>	<b>UAF</b>	<b>UAS</b>	<b>SW</b>	<b>Total</b>
Unrestricted General Fund Reduction	16,300,000	22,200,000	3,600,000	2,900,000	45,000,000
1% general market compensation adjustment	1,400,000	1,900,000	300,000	300,000	3,900,000
Specific market compensation adjustment	2,600,000	3,200,000	270,000	400,000	6,470,000
Unmet base gap from prior year(s)	-	3,500,000	-	824,000	4,324,000
Proposed debt service refinance/restructure	(200,000)	(3,000,000)	(100,000)	(50,000)	(3,350,000)
Auxiliary deficits (caused by COVID)	2,500,000	4,900,000	-	-	7,400,000
Adjusted target	22,600,000	32,700,000	4,070,000	4,374,000	63,744,000
Specified base reductions	(10,240,682)	(13,993,800)	(4,070,000)	(2,303,000)	(30,607,482)
Unspecified base reductions (FY22)	(8,500,000)	(14,439,600)		(2,224,000)	(25,163,600)
COVID Impact FY21 and FY22	\$ 15,300,000	\$ 11,300,000	\$ 2,300,000	\$ 3,900,000	\$ 32,800,000
	\$ 19,159,318	\$ 15,566,600	\$ 2,300,000	\$ 3,747,000	\$ 40,772,918

# UAA Reductions FY21

College/Major Unit	Dept.	Category	Description of Reduction	Amount	Comments
College of Arts and Sciences	Academic Affairs	Academic	Instructional and non-instructional and general costs.	\$899,000	Base UGF reductions. One time College funds as needed to bridge due to academic implementation timing.
College of Business and Public Policy	Academic Affairs	Academic	Instructional and general costs with small instructional.	633,000	Base UGF reductions. One time College funds as needed to bridge due to academic implementation timing.
College of Engineering	Academic Affairs	Academic	Non Instructional and general costs with small instructional.	367,000	Base UGF reductions.
College of Health	Academic Affairs	Academic	General costs and non-instructional with small instructional.	835,000	Base UGF reductions.
Community and Technical College	Academic Affairs	Academic	General costs and instructional.	495,000	Base UGF reductions. One time College funds as needed to bridge due to academic implementation timing.
Colleges	Academic Affairs	Academic	Administrative savings across all colleges	(795,482)	Base UGF reduction
Colleges	Academic Affairs	Administrative	Administrative savings across all colleges	795,482	Base UGF reduction
Office of the Chancellor	Office of Equity and Compliance	Administrative	Decrease contractual services commodities budget	80,000	Base UGF reduction
Office of the Chancellor	Office of the Chancellor	Administrative	Eliminate Chief Diversity admin generalist position .5 FTE, reduced operations budget	36,682	Base UGF reduction
Office of the Chancellor	Chancellor Operations	Administrative	Eliminate Chancellor Office Project Manager (partial savings taken previously in FY20)	35,400	Base UGF reduction
Office of the Chancellor	Chancellor Operations	Administrative	Decrease Chancellor's travel, commodities, and contractual budgets	152,600	Base UGF reduction
Administrative Services	Athletics	Athletics	Director of Athletics to determine specific reductions that may include permanent reductions of vacant positions and travel	600,000	Base UGF reduction
Administrative Services	Budget Office	Administrative	Budget Director to determine specific reduction, possible sharing of copier with Financial Services after move to ESH	3,000	Base UGF reduction
Administrative Services	Business Services	Administrative	Business Services Director to determine specific reductions based on current allocations of General Fund to AAC and GSS-recycle	192,000	Base UGF reduction
Administrative Services	Facilities and Campus Services	Facilities	Reduction of Facilities reserve (supplies, materials, tools, and parts).	840,000	Base UGF reduction

# UAA Reductions FY21 cont.

College/Major Unit	Dept.	Category	Description of Reduction	Amount	Comments
Student Affairs	Office of Student Affairs	Administrative	Eliminate Assessment and Strategic Projects Director position \$75,000; Implement a shared services approach for administrative generalist and fiscal technical positions \$75,000	150,000	Base UGF reduction
Kenai Peninsula College (KPC)	Community Campus	Administrative and Academic	3 unfilled faculty positions; 1 unfilled staff position; reduced student workers; reduced commodities, contractual services, and travel with increased use of Zoom	588,739	Base UGF reduction. Separate appropriation - RSA
Kodiak College (KOC)	Community Campus	Administrative and Academic	Unfilled positions from retirements & resignations and other non-personnel	225,825	Base UGF reduction. Separate appropriation - RSA
Matanuska-Susitna College (Mat-Su)	Community Campus	Academic	Reduced faculty: Refrigeration & Heating ; Computer & Office Information Systems	200,639	Base UGF reduction. Separate appropriation - RSA
Matanuska-Susitna College (Mat-Su)	Community Campus	Administrative	Reduced staff: 2 librarians and other non-personnel	96,588	Base UGF reduction. Separate appropriation - RSA
Matanuska-Susitna College (Mat-Su)	Community Campus	Facilities	Reduced staff: Physical plant	136,895	Base UGF reduction. Separate appropriation - RSA
Prince William Sound College (PWSC)	Community Campus	Administrative and Academic	Unfilled positions from retirements & resignations and other non-personnel	251,314	Base UGF reduction. Separate appropriation - RSA
		Administrative	TBD	1,559,318	Needed for target - one time funds needed to bridge. May increase or decrease due to implementation timing and estimates
				<u>\$ 11,800,000</u>	
			Adjustment by Statewide Finance for one-time item	<u>\$ (1,559,318)</u>	
			Adjusted specified base reductions	<u>\$ 10,240,682</u>	
	State UGF Reduction			\$ 9,100,000	
	Compensation (Specific Market)			1,300,000	
	Compensation (General Market)			1,400,000	
				<u>\$ 11,800,000</u>	

# UAA Reductions FY22

College/Major Unit	Dept.	Category	Description of Reduction	Amount	Comments
Colleges	Various	Academic	FY 21 Expedited Academic program reviews continued	2,000,000	
Colleges & Academic Affairs	Various	Administrative and Academic	Additional savings from efficiencies	2,320,000	
Various	Various	Administrative	Shared services initiatives	1,500,000	UAA Campus-wide
Administrative Services	Athletics	Athletics	Athletics restructuring	1,000,000	
Administrative Services	VCAS	Facilities	Offset GF expense by leasing off-campus buildings	500,000	
Community Campuses	Community Campus	Administrative and Academic	Percentage decrease of UGF	1,180,000	
			Total	<u>\$8,500,000</u>	
			State UGF Reduction	\$7,200,000	
			Compensation (Specific Market)	<u>1,300,000</u>	
				\$8,500,000	

# UAF Reductions FY21

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
		Admin	Transition position (1) to private support & reduce employee contracts	150,000	Base UGF reduction
	Development	Admin	Reduced travel & services	26,000	Base UGF reduction
	Equity & Compliance	Admin	Travel reduction	10,000	Base UGF reduction
				Organizational change - TBD	130,000
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	CRCDC	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

# UAF Reductions FY21 cont.

Major Unit (by VC)	School/College/Unit	Category	Description of Reduction	Amount	Comments
VC Rural, Community & Native Ed	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 Admin/ Academic	Reduction in maintenance & repair (M&R)	19,600	Base UGF reduction
			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.
	Student Affairs	Enrollment Mgmt	Reduction in enrollment management	407,100	Base UGF reduction. One time used as needed to bridge due to implementation timing.
	Student Affairs	Athletics	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.
				210,100	Base UGF reduction. One time used as needed to bridge due to implementation timing.
	Inst of Arctic Biology Intl Arctic Research Ctr	Research	Reduction in vacant staff (3) and faculty (1) positions	132,400	Base UGF reduction. One time used as needed to bridge due to implementation timing.
	AK Ctr Energy & Power	Research	Reduce staff positions and reduce in-house IT support	77,600	Base UGF reduction. One time used as needed to bridge due to implementation timing.
Provost	VCR Offices College of Engineering & Mines	Admin	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	308,500	Base UGF reduction. One time used as needed to bridge due to implementation timing.
		Academic	Reduce developmental programs & projects; transition appropriate OneHealth effort to restricted funding; reduce travel in OGCA	865,750	Base UGF reduction. One time used as needed to bridge due to implementation timing.
	College of Fisheries & Ocean Sciences	Academic	Reduction of faculty (2.25) and staff (2.5) positions; reduction in travel/commodities/contractualsvcs and TA budgets	489,900	Base UGF reduction. One time used as needed to bridge due to implementation timing.
	College of Liberal Arts	Academic	Net reduction of faculty (0.5) after transition of multiple positions (4); savings from junior and delayed hires	780,000	Base UGF reduction. One time used as needed to bridge due to implementation timing.
		Academic	Reduction in faculty (3.25), adjuncts and term faculty (3), and staff (4.5) positions		

# UAF Reductions FY21 cont.

Major Unit (by VC)	School/College/Unit	Category	Description of Reduction	Amount	Comments
Provost	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	All	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	<u>19,255,500</u>	100% of base reduction target in FY21; applies additional actions to prior year base shortfall

# UAF Reductions FY21 cont.

Major Unit (by VC)	School/College/Unit	Category	Description of Reduction	Amount	Comments
	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
NOTES:					
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.					
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.					
FY21 estimates may change as conditions change.					
UAF in-year savings from Executive & Sr. Administrative furlough (\$244,500) is one-time in nature, therefore not included above.					
			Adjustments by Statewide Finance on May 7, 2020		
			Total from above	19,255,500	
			Less time required to implement (possible use of one-time to arrive at new base)		
			Reductions in positions (4) & learning spaces support transitioned to fee revenues (TBD)	(444,000)	
			Add'l base reductions or new revenues in units; may also be addressed through cross MAU collaboration	(3,317,700)	
			New revenue and/or cost reduction from CHP	<u>(1,500,000)</u>	
			Adjusted base reductions	<u>13,993,800</u>	

# UAF Reductions FY22

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
		Academic/			
VC Rural Community & Native Ed	TBD	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	3,224,500	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>14,724,500</u>	<b>100% of base reduction target met in FY22; applies additional actions to prior year base shortfall &amp; eliminates FY20 balance</b>
	<b>UAF Summary</b>		FY22 UGF State Reduction	9,900,000	
			FY22 compensation increase (market)	<u>1,600,000</u>	TBD
				<u>11,500,000</u>	<b>100% of base reduction target in FY22</b>
				<u>3,244,500</u>	Additional reduction in FY22 to eliminate prior year balances
				<u>14,744,500</u>	<b>Total FY22 reduction efforts, in excess of FY22 targets</b>
<b>NOTES:</b>					
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.					
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.					
FY22 estimates may change as conditions change.					
			Adjustments by Statewide Finance on May 7, 2020		
			Total from above	14,744,500	
			Less reductions to Information Technology:		
			Estimated base reduction - subject to change	<u>(284,900)</u>	
			Adjusted base reductions	14,459,600	

# UAS Reductions FY21

College/Major Unit	Dept.	Category	Description of Reduction	Amount	Comments
Extended Camp.	Ketchikan	Academic	Savings from faculty position vacancy	30,000	
Extended Camp.	Ketchikan	Academic	Realignment of faculty workloads	20,000	
Extended Camp.	Ketchikan	Academic	Reduction in library expenditures	10,000	
Extended Camp.	Ketchikan	Academic	Sitka Campus Elimination of science lab assistant position	55,000	
Provost	Arts & Sciences	Academic	Savings due to senior faculty retirements	85,000	
Provost	Arts & Sciences	Academic	Savings from termination of term MPA faculty	25,000	
Provost	Arts & Sciences	Academic	Elimination of Geography faculty position	60,000	
Provost	Arts & Sciences	Academic	Savings from hiring entry level History faculty	30,000	
Provost	Arts & Sciences	Academic	Savings from reduced BBA faculty workload	10,000	
Provost	Career Education	Academic	Elimination of Health Sciences faculty position	90,000	
Provost	Career Education	Academic	Savings from Certified Nurse Aide hire	20,000	
Provost	Education	Academic	Reduction in Math Education faculty	81,000	
Provost	Education	Academic	Reduction in rural practicum funding	10,000	
Provost	Education	Academic	Savings from hiring entry level faculty	50,000	
Admin Svcs	Admin Svcs	Admin	Reduce travel and other NPS	4,000	
Admin Svcs	Facilities	Admin	De-allocate remaining funding for vacant admin staffing	7,000	
Chancellor	Development	Admin	Eliminate Development Operations Specialist position	55,000	
Extended Camp.	Ketchikan	Admin	Reductions in travel and contractual expenses	3,000	
Extended Camp.	Ketchikan	Admin	Eliminate Administrative & Recruitment Specialist	55,000	
Extended Camp.	Ketchikan	Admin	Savings from reclassified Assistant Director	25,000	
Extended Camp.	Sitka	Admin	Eliminate Administrative Assistant position	68,000	
Extended Camp.	Sitka	Admin	Reduce travel and other NPS	72,000	
Provost	Arts & Sciences	Admin	Deletion of Associate Dean position	174,000	
Provost	Inst. Effectiveness	Admin	Eliminate Research Analyst position	90,000	
Admin Svcs	Facilities	Facilities	Reduce Facilities Services grounds crew expenditures	13,000	
Admin Svcs	Facilities	Facilities	Reduce facilities maintenance and renewal	76,000	
Admin Svcs	Facilities	Facilities	Inter-University Partnership for Facilities Maint	15,000	
Admin Svcs	Facilities	Facilities	Increase # Bulk Material Orders on High Volume Products	5,000	
Admin Svcs	Facilities	Facilities	Reduce travel and other NPS	5,000	
Admin Svcs	Facilities	Facilities	Renegotiate with outsource providers	20,000	
Admin Svcs	Facilities	Facilities	In-source backflow valve testing	3,000	
Extended Camp.	Ketchikan	Facilities	Reduce facilities maintenance and renewal	43,000	
Extended Camp.	Ketchikan	Facilities	Reduce travel and other NPS	20,000	

# UAS Reductions FY21 cont.

College/Major Unit	Dept.	Category	Description of Reduction	Amount	Comments
Extended Camp.	Sitka	Facilities	Facilities operations reduction	46,000	
Chancellor	Central	Other	Use of centrally-pooled general funds	553,000	
Chancellor	Chancellor	Other	Reduce Chancellor's community partnership allocation	11,000	
Provost	Arts & Sciences	Other	Reduction in professional development funding	10,000	
Provost	Egan Library	Other	Shift in funding source for Instructional Designer	63,000	
Chancellor	PITAAS	Student Svcs	Use grant funding for PITAAS scholarships	150,000	
Student Svcs	EMSA	Student Svcs	Reduce EMSA non-personnel and contract services	147,000	
Student Svcs	Res Life	Student Svcs	Shift Res Life/FYE personnel to auxiliary	61,000	
			<b>Total</b>	<b>2,370,000</b>	
			All amounts reflect base budget reductions.		
			Total addresses 58% of FY21+FY22 base target		

# UAS Reductions FY22

College/Major Unit	Dept.	Category	Description of Reduction	Amount	Comments
Extended Camp.	Ketchikan	Academic	Academic consolidation / efficiency	65,000	
Provost	Arts & Sciences	Academic	Academic consolidation / efficiency	300,000	
Provost	Career Ed	Academic	Academic consolidation / efficiency	130,000	
Admin Svcs	Business Svcs	Admin	Eliminate manager of student accounts	85,000	
Admin Svcs	IT Services	Admin	Reduce support staffing	111,000	
Admin Svcs	IT Services	Admin	Increase fees	30,000	
Admin Svcs	IT Services	Admin	Cut IT reinvestment	10,000	
Chancellor	Chancellor	Admin	Administrative consolidation	175,000	
Extended Camp.	Sitka	Admin	Reduce support staffing	45,000	
Provost	Egan Library	Admin	Consolidate functions	55,000	
Admin Svcs	Facilities	Facilities	Reduce facilities maintenance and renewal	150,000	
Admin Svcs	Facilities	Facilities	Rent Facilities Annex	20,000	
Admin Svcs	Facilities	Facilities	Reduced utilities through efficiency	15,000	
Admin Svcs	Facilities	Facilities	Reduce staffing	25,000	
Admin Svcs	Facilities	Facilities	Reduce campus maintained grounds	13,000	
Admin Svcs	Facilities	Facilities	Demo Fitzgerald House	3,000	
Admin Svcs	Facilities	Other	Revenue generation	60,000	
Admin Svcs	Facilities	Other	Eliminate/replace recycling subsidy	24,000	
Chancellor	Central	Other	Use of centrally-pooled general funds	120,000	
Student Svcs	EMSA	Other	Reduce outreach	8,000	
Student Svcs	EMSA	Other	Travel, commodities and contract reductions	16,000	
Extended Camp.	Sitka	Student Svcs	Reduce support staffing	60,000	
Student Svcs	EMSA	Student Svcs	Increase shared costs born by auxiliaries	135,000	
Student Svcs	EMSA	Student Svcs	Downgrade / consolidate positions	75,000	
			Total	1,730,000	
			All amounts reflect base budget reductions.		
			Total addresses remaining 42% of FY21+FY22 target		

# SW Reductions FY21

College/Major Unit	Dept.	Category	Description of Reduction	Amount	Comments
Statewide	Foundation	Admin	Reduce annual support payment to UA Foundation	200,000	
Statewide	IT	Admin	Eliminate six vacant Information Technology positions	613,000	
Statewide	IT	Admin	Hardware efficiencies, and software contract reductions	400,000	
Statewide	All	Admin	Reduce travel costs - all departments	200,000	
Statewide	All	Admin	Implement shared service model	100,000	
Statewide	Finance	Admin	Eliminate Risk Services admin support position	81,000	
Statewide	Finance	Admin	Eliminate Internal Audit staff position	82,000	
Statewide	Finance	Admin	Eliminate Finance position	151,000	
Statewide	Inst Research	Admin	Eliminate Director position	139,000	
Statewide	Acad Affairs	Admin	Eliminate position	196,000	
Statewide	Acad Affairs	Admin	Eliminate shared admin support	41,000	
Statewide	Univ Relations	Admin	Eliminate shared admin support	41,000	
Statewide	Univ Relations	Admin	Reduced contract	21,000	
Statewide	Univ Relations	Admin	Contract reduction	21,000	
Statewide	Title IX	Admin	Reduced contract	17,000	
			<b>Total</b>	<b>2,303,000</b>	Target is \$2,200,000

# SW Reductions FY22

College/Major Unit Dept.	Category	Description of Reduction	Amount	Comments
		Note: Additional base expenditure reductions not forecasted due to the negative impact on viability. In lieu of base reductions, options for funding are presented below.		
	Admin	Consider Funding key SW Depts from Natural Resources Fund	700,000	
	Admin	Reallocate revenue within UA System	1,524,000	
		Total	<u>2,224,000</u>	
		FY22 Target	1,400,000	
		Unmet base gap from FY20 and FY21	<u>824,000</u>	
			<u>2,224,000</u>	