



UNIVERSITY
of ALASKA

Many Traditions One Alaska

Proposed
FY22 Operating Budget

Board of Regents
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University of Alaska
Proposed FY22 Operating Budget
Introduction

The proposed FY22 operating budget includes a state appropriation ask of \$257 million which is a \$20 million (7.2%) decrease over FY21. This reduction is year three of a three-year agreement (“compact”) between the UA Board of Regents and the Governor. A copy of the compact with the commitments from UA and the Governor can be found here:

<https://www.alaska.edu/bor/compact-agreement-governo/index.php>

The proposed operating budget assumes the following related to compensation:

- Includes an estimate of \$273.1 thousand for compensation increases specified in the Collective Bargaining Agreements for the Alaska Higher Education Crafts & Trades (Local 6070) and the Fairbanks Firefighters Union (FFU). The universities will need to reallocate in FY22 to cover these cost increases.
- Given the University’s current budgetary constraints, the third phase of the three-phase compensation adjustment that commenced in FY20 is not included in the FY22 budget request. To date, only phase one of the three-phase compensation adjustment has occurred.
- Effective January 1, 2021 the minimum wage as set by the State of Alaska will increase from \$10.19 to \$10.34 per hour. This increase may affect UA’s student and temporary employees. UA Human Resources is currently considering options to accommodate the change. Any increase is expected to be insignificant and therefore is not included in the FY22 budget request.

The FY22 proposed operating budget includes the following budget adjustments:

- A transfer of \$5 million general funds from Statewide Services to the universities to cover the cost of providing central Human Resources and Procurement services.
- An organizational change proposal to transition UA Foundation staff and operating costs from UA to a separate and distinct entity.
- Reduce excess receipt authority to align budgets with expected revenues and expenditures.

University of Alaska
Proposed FY22 Operating Budget Summary
(in thousands of \$)

	Unrestricted General Funds (UGF)	Designated, Federal and Other Funds	Total Funds
FY21 Operating Budget	277,033.5	555,240.4	832,273.9
Adjusted Base Requirements			
Compensation		273.1	273.1
Internal Reallocation		(273.1)	(273.1)
Adjusted Base Subtotal	-	-	-
	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
Budget Adjustments			
General Fund Reduction	(20,000.0)		(20,000.0)
UA Foundation Transition to Non-profit		(4,785.5)	(4,785.5)
Reduce Excess Budget Authority		(27,714.5)	(27,714.5)
Capital Improvement Project Receipts		(4,000.0)	(4,000.0)
Federal Receipts		(3,000.0)	(3,000.0)
State Inter-Agency Receipts		(3,500.0)	(3,500.0)
UA Receipts		(17,214.5)	(17,214.5)
Mental Health Trust (MHT) ¹			-
Tech. Voc. Ed. Prog. (TVEP) ¹			-
Budget Adjustment Subtotal	(20,000.0)	(32,500.0)	(52,500.0)
Operating Budget Changes	(20,000.0)	(32,500.0)	(52,500.0)
FY22 Operating Budget Total	257,033.5	522,740.4	779,773.9
% Chg. Operating Budget	-7.2%	-5.9%	-6.3%

1. The FY22 Mental Health Trust (MHT) and Technical Vocational Education Program (TVEP) funding change are unknown at this time and will be added to the budget request when known.

**Authorized Budget by Allocation
FY21 - FY22**

(in Thousands of \$)

	FY21			FY22 Proposed			Change 1 yr (FY21-FY22)			
	Designated,		Total Budget	Designated,		Total Budget	UGF \$	Total \$	UGF %	Total %
	UGF	Other		UGF	Other					
Anchorage/SBDC	84,259.7	166,130.6	250,390.3	79,922.5	164,130.6	244,053.1	-4,337.2	-6,337.2	-5.1%	-2.5%
Kenai	6,289.1	10,009.0	16,298.1	5,957.2	8,009.0	13,966.2	-331.9	-2,331.9	-5.3%	-14.3%
Kodiak	2,303.3	3,242.8	5,546.1	2,164.2	2,342.8	4,507.0	-139.1	-1,039.1	-6.0%	-18.7%
Mat-Su	4,568.7	8,623.8	13,192.5	4,314.7	6,323.8	10,638.5	-254.0	-2,554.0	-5.6%	-19.4%
PWSC	2,666.7	3,585.7	6,252.4	2,514.1	2,985.7	5,499.8	-152.6	-752.6	-5.7%	-12.0%
Fairbanks	120,518.4	257,829.3	378,347.7	113,821.0	251,529.3	365,350.3	-6,697.4	-12,997.4	-5.6%	-3.4%
UAF CTC	4,635.8	8,770.2	13,406.0	4,884.3	7,620.2	12,504.5	248.5	-901.5	5.4%	-6.7%
College of Rural & Comm. Dev.										
Bristol Bay	1,100.3	2,952.3	4,052.6	1,036.8	2,452.3	3,489.1	-63.5	-563.5	-5.8%	-13.9%
Chukchi	607.8	1,577.6	2,185.4	616.5	477.6	1,094.1	8.7	-1,091.3	1.4%	-49.9%
Interior Alaska	1,294.5	3,939.5	5,234.0	1,223.6	3,039.5	4,263.1	-70.9	-970.9	-5.5%	-18.5%
Kuskokwim	2,324.6	3,692.0	6,016.6	2,159.7	2,292.0	4,451.7	-164.9	-1,564.9	-7.1%	-26.0%
Northwest	1,161.7	3,856.2	5,017.9	1,095.9	1,856.2	2,952.1	-65.8	-2,065.8	-5.7%	-41.2%
CRCD	4,786.3	4,424.9	9,211.2	4,435.6	2,774.9	7,210.5	-350.7	-2,000.7	-7.3%	-21.7%
Juneau	21,738.4	23,147.1	44,885.5	16,619.2	19,847.1	36,466.3	-5,119.2	-8,419.2	-23.5%	-18.8%
Ketchikan	1,687.9	3,401.7	5,089.6	1,553.0	3,301.7	4,854.7	-134.9	-234.9	-8.0%	-4.6%
Sitka	2,008.3	5,033.1	7,041.4	1,848.4	3,733.1	5,581.5	-159.9	-1,459.9	-8.0%	-20.7%
Statewide Services	7,561.7	28,866.0	36,427.7	5,346.5	28,651.5	33,998.0	-2,215.2	-2,429.7	-29.3%	-6.7%
Statewide Networks	7,520.3	7,594.8	15,115.1	7,520.3	7,594.8	15,115.1				
UA Foundation		4,785.5	4,785.5					-4,785.5		-100.0%
Education Trust of Alaska		2,998.4	2,998.4		2,998.4	2,998.4				
UA Anchorage	100,087.5	191,591.9	291,679.4	94,872.7	183,791.9	278,664.6	-5,214.8	-13,014.8	-5.2%	-4.5%
UA Fairbanks	136,429.4	287,042.0	423,471.4	129,273.4	272,042.0	401,315.4	-7,156.0	-22,156.0	-5.2%	-5.2%
UA Southeast	25,434.6	31,581.9	57,016.5	20,020.6	26,881.9	46,902.5	-5,414.0	-10,114.0	-21.3%	-17.7%
UA Statewide	15,082.0	36,460.8	51,542.8	12,866.8	36,246.3	49,113.1	-2,215.2	-2,429.7	-14.7%	-4.7%
UA Enterprise Entities		7,783.9	7,783.9		2,998.4	2,998.4		-4,785.5		-61.5%
Systemwide Component		779.9	779.9		779.9	779.9				
UA System	277,033.5	555,240.4	832,273.9	257,033.5	522,740.4	779,773.9	-20,000.0	-52,500.0	-7.2%	-6.3%
Budget with Earned Rev. est.	277,033.5	404,300.0	681,333.5	257,033.5	400,500.0	657,533.5	-20,000.0	-23,800.0	-7.2%	-3.5%

The following structure changes are reflected in the budgets:

FY21, Fairbanks Organized Research no longer exists as a separate allocation (reported in Fairbanks Campus allocation).

The authorized budgets include the following:

FY21/FY22 Unallocated Technical Vocational Education Program (TVEP) funding of \$778.9 (Systemwide allocation);

FY22 UGF includes a \$5 million transfer from Statewide Services to the universities to cover the cost of providing central Human Resources and Procurement services;

FY22 UA Foundation transition from UA to separate and distinct entity;

FY22 Designated, Federal & Other funds includes a \$27.7 million reduction in excess budget authority.

**Authorized Unrestricted General Fund Budget by Allocation
FY22**

(in Thousands of \$)

	Base Reduction	Shared Services	Multiple Approp. Adj	Total
Anchorage/SBDC	-6,060.0	1,722.8		79,922.5
Kenai	-463.1	131.2		5,957.2
Kodiak	-177.7	38.6		2,164.2
Mat-Su	-341.5	87.5		4,314.7
PWSC	-197.7	45.1		2,514.1
Fairbanks	-9,053.3	2,355.9		113,821.0
UAF CTC	66.9	181.6		4,884.3
College of Rural & Comm. Dev.				
Bristol Bay	-92.9	29.4		1,036.8
Chukchi		8.7		616.5
Interior Alaska	-92.7	21.8		1,223.6
Kuskokwim	-202.0	37.1		2,159.7
Northwest	-79.9	14.1		1,095.9
CRCDC	-386.1	35.4		4,435.6
Juneau	-1,150.0	249.2	-4,218.4	16,619.2
Ketchikan	-170.0	35.1		1,553.0
Sitka	-200.0	40.1		1,848.4
Statewide Services	-1,400.0	-5,033.6	4,218.4	5,346.5
Statewide Networks				7,520.3
UA Foundation				
Education Trust of Alaska				
UA Anchorage	-7,240.0	2,025.2		94,872.7
UA Fairbanks	-9,840.0	2,684.0		129,273.4
UA Southeast	-1,520.0	324.4	-4,218.4	20,020.6
UA Statewide	-1,400.0	-5,033.6	4,218.4	12,866.8
UA Enterprise Entities				
Systemwide Component				
UA System	-20,000.0			257,033.5

**Authorized Unrestricted General Fund Budget by Allocation
FY98 to FY22**

(in Thousands of \$)

	FY98 (real \$)	FY14	FY19	FY22 (proposed)	% Change 3 yrs (FY19-FY22)
Anchorage/SBDC	76,408.2	116,187.1	104,044.2	79,922.5	-23.2%
Kenai	5,024.9	7,951.5	6,289.1	5,957.2	-5.3%
Kodiak	2,602.6	2,982.2	2,303.3	2,164.2	-6.0%
Mat-Su	3,625.4	5,082.2	4,568.7	4,314.7	-5.6%
PWSC	2,358.8	3,603.6	2,666.7	2,514.1	-5.7%
Fairbanks	113,753.9	159,753.1	147,534.0	113,821.0	-22.9%
UAF CTC	3,089.9	6,470.7	4,635.8	4,884.3	5.4%
College of Rural & Comm. Dev.					
Bristol Bay	1,105.9	1,587.5	1,100.3	1,036.8	-5.8%
Chukchi	1,050.9	1,135.5	607.8	616.5	1.4%
Interior Alaska	1,467.6	1,850.7	1,294.5	1,223.6	-5.5%
Kuskokwim	3,002.4	3,495.7	2,324.6	2,159.7	-7.1%
Northwest	1,746.6	1,848.3	1,161.7	1,095.9	-5.7%
CRCDC	2,760.3	6,141.4	4,786.3	4,435.6	-7.3%
Juneau	15,394.1	23,615.4	20,796.9	16,619.2	-20.1%
Ketchikan	2,223.1	2,807.2	2,110.9	1,553.0	-26.4%
Sitka	2,683.5	3,666.1	2,526.8	1,848.4	-26.8%
Statewide Services	10,706.9	18,110.6	10,861.6	5,346.5	-50.8%
Statewide Networks	7,735.1	11,338.1	7,420.3	7,520.3	1.3%
UA Foundation					
Education Trust of Alaska					
UA Anchorage	90,019.9	135,806.5	119,872.0	94,872.7	-20.9%
UA Fairbanks	127,977.7	182,282.9	163,445.0	129,273.4	-20.9%
UA Southeast	20,300.7	30,088.7	25,434.6	20,020.6	-21.3%
UA Statewide	18,442.0	29,448.7	18,281.9	12,866.8	-29.6%
UA Enterprise Entities					
Systemwide Component					
UA System	256,740.3	377,626.8	327,033.5	257,033.5	-21.4%

The following structure changes are reflected in the budgets:

FY21, Fairbanks Organized Research no longer exists as a separate allocation (reported in Fairbanks Campus allocation).

The authorized budgets include the following:

FY22 UGF includes a \$5 million transfer from Statewide Services to the universities to cover the cost of providing central Human Resources and Procurement services.

Compensation

(GF: \$0.0, NGF: \$273.1, Total: \$273.1) Reallocation

The compensation estimate includes FY22 pay increases specified in the Collective Bargaining Agreements for Local 6070 and Fairbanks Firefighters Union (FFU). Currently, no salary increases are being proposed for United Academics (UNAC), United Academic Adjuncts (UNAD), or UA staff.

Budget Adjustments

(GF: -\$20,000.0, NGF: -\$32,500.0, Total: -\$52,500.0)

General Fund Reduction

(GF: -\$20,000.0, NGF: \$0.0, Total: -\$20,000.0)

This reduction in general fund appropriations is the third year of a three-year agreement (“compact”) between the Governor and the UA Board of Regents.

UA Foundation Transition to Non-profit

(GF: \$0.0, NGF: -\$4,785.5, Total: -\$4,785.5)

This adjustment transitions the UA Foundation budget and staffing from the University of Alaska to the non-profit UA Foundation. The principal purposes for the proposed change are to better reflect in UA’s budget that both Foundation costs and expenses (staff and otherwise) are principally borne by the Foundation and not UA, and to clearly communicate that staff of the Foundation are not those of UA administration.

The Foundation is a 501(c)(3) organization separate and distinct from UA. The Foundation was created to serve and support UA as set forth in its governing documents. Since inception, Foundation employees have been employees of UA. Realignment of employee status is currently under review by outside consultants (management and legal).

Reduce Excess Budget Authority

(GF: \$0.0, NGF: -\$27,714.5, Total: -\$27,714.5)

Reduce excess budget authority in the following areas to better align with estimated expenditures.

- Capital Improvement Project Receipts -\$4,000.0
- Federal Receipts -\$3,000.0
- State Inter-agency Receipts -\$3,500.0
- UA Receipts - \$17,214.5