

UNIVERSITY OF ALASKA
FY25 Budget Development Guidelines

June 6, 2023

TO: Chancellors Carey, Parnell, and White

FROM: President Pitney

COPY: VP Rizk, CFO Fulp, VP Layer, and CHRO Dahl

The operating budget development guidelines serve as a tool to prioritize requests directed at maximizing progress toward the Board of Regents' goals and focus our efforts as we continue to provide a valuable service to Alaska. As you are developing your FY25 budget plan, please consider the following guidelines, which the system office will use to develop the overall UA budget request:

Key Principles

- Increase enrollment through retention in degree programs for Alaska's workforce
- Develop deferred maintenance and renewal funding strategy
- Maintain responsible financial stewardship

Operating Budget Fixed Costs Increases (\$15-\$19 million)

- Compensation 2.5% salary increase, and benefits; \$12-\$13 million (wage base ~\$350 million)
- Cyber Security (\$1-\$2 million)
- Property Insurance Premium (\$1-\$2 million)
- Facilities Maintenance (\$1-\$2 million)

Program Investment in support of UA/MAU goals and measures*

- UAA Healthcare and workforce training
- UAF R1 research and indigenous leadership
- UAS maritime, mariculture, southeast ocean economy, and indigenous culture
- Requests will demonstrate return on investment and impact on goals and measures
- Specific requests should be prioritized and ideally range from \$200k-\$500k, but no more than \$650k
- For reference: 1% to 3% of state general funds is ~\$3 to \$9 million and FY24 request for Building Capacity for Alaska's Workforce was \$5.2 million.

Revenue

- Earned revenue transition to greater revenue contributor (~\$460 million; 60% of total revenue)
 - Enrollment/Tuition ~\$110 million (25%)
 - Other unrestricted funds ~\$90 million (20%)
 - Restricted and Designated funds ~\$250 million (55%)
- State General Funds ~\$308 million; 40% of total revenue
- Economic development/state partnerships - Review FY23/FY24 projects to determine if a request for a funding extension and/or a small base transition is necessary.

Capital Budget

- Deferred maintenance and renewal funding strategy
- Student-centered sustainable space utilization strategy
 - Space and Cost Optimization through Footprint Management (reduction + existing building modernization + new development)

Key Message "We Empower Alaska"

- Affordable and Accessible - higher education to all Alaskans
- Student Success - resources and support so students can achieve their academic and career goals
- Community Impact - through workforce and economic development, research, service, and partnerships
- Innovation and Excellence - in teaching, learning, and research, preparing students for the future

* <https://www.alaska.edu/pres/goals-metrics/>

Below is an overview of the timeline for preparing, reviewing, and presenting the FY25 Operating and Capital Budgets and FY23/FY24 Financial Management Reports.

FY23/FY24 Financial Management

Chancellors and the System Office will review and update their FY24 budget plans and add context to the periodic Financial Management Report produced by the System Finance Office. The Financial Management Reports will align with regularly scheduled BOR meetings.

September Board of Regents Meetings Preparation

- FY23 Financial Management Report (year-end report)
- First review of the FY25 Operating and Capital Budgets
- Preview AY25 tuition rate(s)

06/05/23	Deferred Maintenance Strategy Meeting
07/24/23	Executive Council discussion of FY25 budget priorities
08/01/23	MAUs submit FY25 operating and capital budget requests <ul style="list-style-type: none"> • Provide tuition rate/enrollment projections • Link requests to specific goal/measure/priority focus area • Consider federal funding opportunities • Includes a prioritized deferred maintenance request
08/14/23	Executive Council, review and discuss draft FY25 budget documents
08/21/23	Post FY25 Budget documents
08/29/23	Public Testimony
08/30/23	Board of Regents Audit & Finance Committee meeting review FY23 Financial Management Report (FY23 year-end report)
08/31/23	Board of Regents meeting first review of the FY25 Operating and Capital Budgets
Mid-Sept	Initial budget meetings with Governor and Legislative Finance

November Board of Regents Meetings Preparation

- Approve FY25 Operating and Capital Budgets
- FY24 Financial Management Report (period ending September 2023)
- Approve AY25 tuition rate(s)

10/02/23	Executive Council, review and discuss draft FY25 budget documents
10/23/23	Executive Council, review FY25 budget documents
10/27/23	Post FY25 Budget documents
11/07/23	Public Testimony
11/09/23	Board of Regents Audit & Finance Committee meeting review FY24 Financial Management Report (Sept 2023)
11/10/23	Board of Regents meeting to approve the FY25 Operating and Capital Budgets
12/15/23	Governor's proposed budget released