

UAF Budget & Financial Report

UAF funding comes from a variety of sources. About 40 percent is from state general funds and the remaining 60 percent comes from things like externally funded research activity, student tuition and fees, and auxiliary activities.

Because a large percentage of the UAF budget comes from the state, and because the cost of doing business rises with inflation each year, even flat state funding has a sizeable effect on UAF operations. In recent years, as state revenues declined, appropriations to the university have gone from flat to reduced.

UAF is in its third year of state funding cuts. When combined with increases in operating costs, the result is substantial budget gaps. That gap in FY14 was \$8.5 million. In FY15, the shortfall increased to \$14 million. UAF was anticipating a similar gap in FY16, however. For the UA System, the total reduction in state compensation increases. Compensation increases are usually funded as an ongoing commitment. UAF will shoulder approximately \$13.1 million of the reduction. When combined with other UAF-specific fixed costs, debt service requirements, and compensation increases that must be maintained in future years, UAF is facing a budget gap of about \$20 million in FY16.

UAF will be a smaller institution in the coming years, but is committed to continuing to offer quality programs and services for Alaskans. Multiple committees spent significant time last fiscal year assessing academic and nonacademic program alignment with UAF priorities. A committee was also assigned to consider options for generating new revenue. UAF-wide, spending reductions in FY16 will amount to approximately 11 percent of state revenue and more than 7 percent of all unrestricted funds, which includes tuition, indirect cost recovery for sponsored activities, and other external funding sources.

In addition to furloughs by senior leadership and executives, UAF will reduce its spending in a variety of ways. UAF leaders have worked closely with deans, directors, and the budget and special review committees to allow for those closest to the programs and services to help make strategic budgeting decisions. In an effort to preserve academic program quality and continue research efforts, support administrative service units are making deeper cuts than academic and research units.

Additional information on the campus-wide and unit-level effects of the FY16 budget reductions is detailed in the body of this document.

	0	0	0	0	0	0	0
Regular	2,233	2,232	2,115	-5.3%	(118)	-5.2%	(117)
Temporary()-1(F9-1()-1(Ji5 0.006 Tw -)-4(5.)-4(2%))TJ44(5.)-4s181[S43.4.74S43.4.7)-1()-1()-1()-1()-1()TJ 0 Tw 2.769 0 Td ()							

<p>10. Moved eLearning operations and staff onto the Fairbanks Campus, eliminating an off-campus lease obligation</p>	<ul style="list-style-type: none"> • This move created savings for use in other critical areas at UAF and will promote a closer relationship between eLearning services and campus customers • Increases availability of instructional design services to Fairbanks faculty members, increasing opportunities for collaboration • This operation has high revenue potential; UAF intends to continue to grow enrollment in eLearning programs and is making strides to increase the number of fully online degree offerings to meet increasing student demand
---	--

<p>1. Vice Chancellor's Office: consolidated 1 senior executive position million</p>	<p>•</p>
--	----------

4. Procurement and Contract Services (P&CS) reduction and consolidation of staff

7. Financial Services: 4.5 vacant staff positions will remain unfilled, may consider reduced contracts for employees or limited furloughs, discontinued printing services operations, slowed processing response in various areas, considering outsourcing options, focus on supporting units with fewer available staff/resources
 - A reduction of 2.5 staff in the Office of Finance and Accounting (OFA) may increase time for accounts payable activities/vendor payments; pursuing a move to electronic processes to expedite payment/reduce manual services
 - External auditors may experience delayed response, but will continue to meet reporting deadlines; a focus on prevention of compliance risks including legal/Federal obligations is expected
 - Maintaining level of service in travel will require holding units to a higher standard for submission of travel plans/reimbursement requests; goal is to shift to an audit approach for

10. University Fire Department (UFD); eliminated 1 administrative staff position and 1 student position will remain unfilled , reduced training, monitoring use of overtime, holding plans to pursue the new

Report on the Budget: \$ million

Budget	Notes
1. Bristol Bay Campus: leadership furlough, unfilled faculty vacancy and movement of 1 staff position to non-state funding	<ul style="list-style-type: none"> • Mandatory leadership furlough • Retiring general studies faculty will remain unfilled, limiting student support in this area
2. Chukchi Campus: 2 vacant staff positions will remain unfilled	<ul style="list-style-type: none"> • Administrative and fiscal support positions will remain unfilled
3. Interior	

5. Department of Recreation and Wellness (DRAW) reduce the number of climbing wall competitions and outdoor adventure trips, reduce student employees and hire new staff on 10 month contracts rather than full - time, eliminate new equipment purchases/trip consumables

- The DRAW program is supported by revenue-generating activities to a large degree via SRC memberships, facility rentals, terrain park admission, private giving and climbing wall/summer program fees
- Replace retired building supervisor position

0 0 0 0 : \$0 0

B 0 0 0 0	0
<p>1. Management of staffing levels: position reclassification, eliminating unfilled vacancies and layoffs</p>	<ul style="list-style-type: none"> • Evaluation of the services that are vital to support UAF technical operations; service delays may result from a reduction in staff support • Eliminated UAF campus event support • Eliminated 2 vacant manager positions in Desktop Support and Campus Technology Services respectively, consolidating support in those areas and transitioning supervisory responsibility to a smaller management team • Eliminated 1 manager position via layoff/transfer to another position • Eliminated 1 vacant fiscal technician and 1 IS professional position • Reduction in service in telephone services, core applications, the OIT support center and business operations
<p>2. Increasing support partnerships to provide service to UAF customers where units are unable to meet technical needs</p>	<ul style="list-style-type: none"> • Creating support