



29th Alaska State Legislature
House Finance Budget Subcommittee
University of Alaska
FY 17 Operating Budget

Chair

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465-4797

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**UNIVERSITY OF ALASKA
FY2017 HOUSE FINANCE BUDGET
SUBCOMMITTEE NARRATIVE REPORT**

FEBRUARY 24, 2016

Recommendations:

The House Finance Budget Subcommittee for the University of Alaska submits an operating budget for FY2017 as follows:

Fund Group:

Unrestricted General Funds	\$ 300,000.0
Designated General Funds	337,183.9
Other Funds	86,875.4
Federal Funds	<u>150,852.7</u>
Total	\$ 874,912.0

Positions:

PFT:	4,513
PPT:	221
Temp:	0

BUDGET ACTION:

The University of Alaska Finance Subcommittee held eight meetings with the department and took the following actions:

Accepted the Governor's amended proposal with the following adjustments:

Systemwide Reduction:

- A. Reduce UGF \$35,001.6
- B. Rationale: Through efficiencies and utilizing the intent language's recommendations, the University of Alaska can absorb the reduction.

Added intent language:

- 1) It is the intent of the legislature that the Board of Regents of the University of Alaska return to the legislature with a specific plan for consolidation that includes specified timelines for anticipated results by the end of the 2016 calendar year; the plan would include, but would not be limited to, the university restructuring to one administrative unit with one accreditation.
- 2) It is the intent of the legislature that the University of Alaska prioritize and streamline its Personal Services within the Statewide Services Allocation.
- 3) It is the intent of the legislature that the University of Alaska conduct a comprehensive and transparent cost-to-revenue analysis, which does not include student fees or appropriations from the State of Alaska's General Funds as revenue, for all of its intercollegiate athletics programs; furthermore, the university is to report back to the legislature with its findings by the fifteenth day of the 2017 Legislative Session.
- 4) It is the intent of the legislature that the University of Alaska better utilize community buildings, school district buildings, and other facilities in close proximity to its existing "brick and mortar" campuses and satellite facilities that have low utilization rates of face-to-face classes only if the restructuring results in a decreased total cost; furthermore, the university is to report back to the Legislature with a plan to increase its use of "co-location" by the fifteenth day of the 2017 Legislative Session.
- 5) It is the intent of the legislature that the President of the University of Alaska make it one of his very highest priorities to improve student retention and graduation rates.
- 6) It is the intent of the legislature that the University of Alaska increase contributions from alumni and private industry by a combined twenty percent, as well as seek out productive public-private partnerships in an effort to increase self-supporting revenue and achieve a balanced, sustainable budget.
- 7) It is the intent of the legislature that the University of Alaska increase its incoming enrollment for the Alaska Performance Scholarship and UA Scholars Program recipients by five percent.
- 8) It is the intent of the legislature that the University of Alaska further develop and improve upon its utilization of its land grants in order to generate additional revenue; furthermore, the university will create a comprehensive plan to expand its land grants as they relate to generating revenue and present it to the legislature no later than the fifteenth day of the 2017 Legislative Session.

Amendment #1 passed in subcommittee:

- 9) It is the intent of the legislature that the University of Alaska focus FY17 UGF budget reductions on (1) non-core mission programs and services; and (2) reduced personal services for all employees across the board or through furloughs.

The subcommittee adopts the following reports:

FY2016 Legislative Finance Division reports-FY2017 House Structure

- A. Multi-Year Agency Totals-FY2017 Operating
- B. Multi-Year Allocation Summary (All Funds)
- C. Multi-Year Allocation Summary (UGF Only)
- D. Transaction Compare between Adjusted Base (17 ADJ Base) and House Subcommittee (H Sub)
- E. Transaction Compare between Governor Amended (17 Gov Amd) and House Subcommittee (H Sub)
- F. Wordage Report-FY2017 Operating (AMENDED in Subcommittee)

The Budget Action Worksheet is attached for information purposes.

Respectfully submitted,



Representative Tammie Wilson
Chair: University of Alaska House Finance Subcommittee
Alaska State Legislature
February 24, 2016

**University of Alaska
FY2015 to FY2016 Comparison**

<u>Fund Type</u>	<u>FY2015 Mgt Plan</u>	<u>FY2016 Enacted</u>	<u>Difference</u>	<u>Percent Difference</u>
Unrestricted General Fund	\$370,599.7	\$350,787.0	-\$19,812.7	-5.3%
Designated General Fund	\$316,693.5	\$327,170.0	\$10,476.5	3.3%
Other	\$86,717.8	\$86,784.7	\$66.9	0.1%
Federal	<u>\$150,852.7</u>	<u>\$150,852.7</u>	<u>\$0.0</u>	<u>0.0%</u>
Total	\$924,863.7	\$915,594.4	-\$9,269.3	-1.0%

<u>Budgeted Positions</u>	<u>FY2015 Mgt Plan</u>	<u>FY2016 Enacted</u>	<u>Difference</u>	<u>Percent Difference</u>
Permanent Full-Time	4,712	4,628	-84	-1.8%

*Since the University does not use the State's payroll system, filled position counts are not available.

Notable Changes \$19.8 million UGF

In order to help cover this base reduction, University units took an across the board reduction ranging from 5% to 17%. Through comprehensive program and administrative prioritization processes, each university is working to better align academic programs and support services with their core mission.

Administrative/Statewide changes:

- Reduced Administrative Costs
 - Leadership furloughs
 - Eliminated Shaping Alaska's Future Office
 - Numerous vacant positions across the system will remain unfilled
 - Reduced off campus leases and facility operating costs
 - Federal Relations contract eliminated and function reassigned
 - Reduced prevention and renovation maintenance
- Reduced Student Services
 - Advising (enrollment, admissions, scheduling), counseling/tutoring
 - Financial Aid/scholarship
 - Library collection and Information technology services

University of Alaska Anchorage (UAA) \$6,302.3 UGF

UAA implement a FY2016 budget that affects 203 positions (17 Layoff, 92 retired or vacant, 94 reduced assignments). Additionally, the following actions will be taken:

- Reduce Alumni outreach
- Suspend various programs and reduce course offerings
- Reduce Alaska Native Science & Engineering Program (ANSEP)

- Reduce Library Staff and acquisitions
- Reduce student employment
- Reduced course offerings and increased enrollment caps
- Discontinuation of the College and Career pathways program
- Eliminated the Network and Systems Operations Center

University of Alaska Fairbanks (UAF) \$5,891.7 UGF

UAF will reduce filled position counts by 153 from this time last year. Additionally, the following actions are taken to implement the FY2016 budget:

- Reduced Student Retention programs
- Reduce K-12 outreach
- Reduce research (Reindeer research program, Collaboration in the arts, arctic system research, and energy research) – some of these programs are Alaska-specific niches.
- Eliminate various degree programs
- Closed Galena Learning Center
- Reduced support for Alaska Summer Research Academy
- College of Liberal Arts program and undergraduate research funding ended
- Reduced research center support: International Arctic Research Center, Institute for Arctic Biology, Animal Research Center, and Geophysical Institute

University of Alaska Southeast (UAS) \$1,388.4 UGF

UAS will eliminate 27 Positions, reduce administrative budgets by 5% and make the following changes to their service delivery:

- Eliminate Pre-Engineering Certificate
- Eliminate Masters of Business Administration
- Eliminate Certificate in Residential Building Science
- Suspend Bachelors of Arts in Art
- Reduce Library Services and breadth of library collections
- Eliminate UAS Live broadcast courses
- Reduce custodial services
- Reduce Campus Audio/Visual Support
- Reduce IT/Help Desk support
- Increase online degrees to respond to escalating costs for “Brick and Mortar” courses