



# FY18 Budget Request Overview

## UNIVERSITY OF ALASKA SOUTHEAST

**A comprehensive coastal university offering high-impact interdisciplinary learning, accessible online degrees, and high-demand career education**

### 1. How will you meet the FY17 budget target?

The FY17 budget target for UAS reflects a \$5.3M funding gap from FY16 based on increased fixed cost and general fund reductions compared with FY16 actual revenues and expenditures. In meeting this target, UAS has continued to seek ways to reduce administrative and fixed costs in order to sustain strength in instruction and academic programs.

Personnel Reductions	\$2,364	45%					
Tuition/Fee increases	\$699	13%	<b>PCN Reductions</b>	<b>Attrition</b>	<b>Layoff</b>	<b>Non-renewal</b>	<b>Grand Total</b>
Debt Service Reductions	\$694	13%	Instructional	5	1	1	7
Travel & other NPS	\$538	10%	Non-Instruction	17	5	3	25
Fixed cost reductions	\$505	10%	<b>Grand Total</b>	<b>22</b>	<b>6</b>	<b>4</b>	<b>32</b>
FY16 measures	\$292	6%					
Program Reductions	\$204	4%					
<b>Grand Total</b>	<b>\$5,296</b>						

### Position reductions (45% of target)

As with the rest of the UA system, UAS significantly reduced the number of positions for the second year in a row. The extended hiring freeze created the opportunity to reorganize many units and address downsizing through attrition. Nevertheless, nearly 20% of staffing reductions were the result of direct layoffs. As with FY16, most positions eliminated as part of the FY17 budget solution were non-instructional (78%).

### Fixed cost reductions (23% of target)

UAS was able to address 13% of the budget target through the reduction of general funded debt service. Significant additional efficiencies were achieved in the use of space and the transition to more energy efficient systems. These efforts combined with renegotiations of various contracts accounted for another 10% of the target.



## Use of UFB

As the budget shifted at the end of the fiscal year, there was inadequate time to address a small (\$38,500) in the Title IX budget. This was addressed through use of UFB. Beyond its primary function of providing for essential financial reserves, the current budgeted use of UFB in FY17 include aggressive marketing, enrollment management and initiatives to strengthen UAS summer programs.

## 2. What are your fixed cost estimates and other priority needs?

The single largest driver of fixed costs will be salary and benefits. For the purpose of this report, UAS is not able to model salary increases, although that will need to be part of a larger UA discussion. Any estimation of increased benefits costs is highly speculative. A range of benefit-cost impacts is presented below. Should UA implement salary increases, these benefit costs would be impacted as well.

Benefit Cost Increases	1%	3%	5%
A9-UAFT	26,843	80,529	134,215
CR-Local 6070	11,534	34,602	57,670
EX-Executive	15,534	46,602	77,670
F9-UNAC	56,424	169,272	282,120
FN-Non-barg <12mos	1,719	5,157	8,595
FR-Non-barg 12mos	1,063	3,189	5,315
NR-Classified	44,552	133,656	222,760
XR-APT	55,331	165,993	276,655
<b>TOTAL</b>	<b>213,000</b>	<b>639,000</b>	<b>1,065,000</b>

### Other fixed costs

- Projected UAS risk allocation increase: \$30,000
- Possible increased operating costs from acquisition of NOAA property: \$100,000
- Increased software licensing/service costs to implement uniform UA solutions: \$120,000 (facilities, admissions/marketing, title IX, helpdesk, etc.)

### Other Priority Needs

Reversing declining enrollment trends and addressing the high cost of two-year and certificate programs remain top UAS priorities. UAS is planning innovative approaches to these challenges which can be funded partially but not entirely through internal reallocation and UFB.

## 3. What is the status of your program reviews and reductions?

In line with its published schedule, UAS conducted ten Program Reviews in AY 15-16.

Academic Program Review	Decision
Certificate in Automotive Technology	Suspend admissions with intention to delete
Certificate in Drafting Technology	Revision of existing program with alignment of requirements more closely to AAS in Construction Technology
Certificate in Outdoor Skills & Leadership	Continuation of existing program with recommendations
AAS Apprenticeship Technology	Suspend admissions with intention to delete



<b>AAS Power Technology – Diesel</b>	Continuation of existing program with recommendations
<b>AAS Power Technology – Marine Oiler</b>	Suspend admissions to update USCG requirements
<b>AAS Fisheries Technology</b>	Continuation of existing program with enhancements
<b>Bachelor of Arts in English</b>	Continuation of existing program with enhancements
<b>Master of Arts in Teaching – Elementary</b>	Continuation of existing program
<b>Master of Education – Learning Design and Technology</b>	Suspend admissions to restructure program

## 4. What are you doing for deferred maintenance and properties transitioning?

### Strategic Framework

The UAS facilities in transition strategy began with the 2012 master plan process. In that process UAS established a goal of making the Juneau campus more compact and utilizing space more effectively. A more compact campus creates more vibrant campus life. More effective space utilization leads to a smaller facility footprint and resulting lower cost.

### Specific steps already accomplished:

The sale of the Bill Ray Center in 2014 - this facility twelve miles from the Auke Lake Campus was underutilized and remote from other campus activities.

Moving administrative services to the main campus - this relocation was accomplished as part of the renewal and repurposing of the Hendrickson Building in 2015-2016.

Defeasance of bonds - the recent defeasance of the debt on the Natural Science Research Lab (NSRL) and the Bookstore/Admin Services Building (BAS) not only reduce future debt payments but create flexibility for the future use or disposal or both properties.

Demolition of the Ellsworth House - this house was demolished in 2016.

### Specific steps currently underway:

Bookstore/Admin Services Building lease - having defeased the bonds encumbering this property, UAS is now looking for tenant(s) for this space to bridge the medium term (3 -5 years). Within this time frame UAS will determine whether this property will be repurposed for campus use or sold.

Evaluation of surplus NOAA Auke Bay Marine Station - the potential acquisition of this property--likely at no immediate cost--would accommodate some of the future steps in this overall strategy. It would likely allow sale of the NSRL and provide for enhanced physical and environmental science instructional space.

Sale of the Schaible House - A contract for sale has been agreed to for this property that is about 3 miles from campus.

