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Budget
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Amanda Ryder
Senior Fiscal Anal

guidance, using measurable outcomes, efficiency and core mission benchmarks with which to judge necessity and, if appropriate, deletion.

2) Implement streamlining and efficiency measures

Response: Underway. Information is collected from each university every September as part of the annual budget process. Streamlining and efficiency measures are listed by university. In addition, the process involved in conducting Shaping Alaska's Future (P01.02.060) is predominantly aimed at streamlining and efficiency as well, and progress will show up in the associated metrics.

3) Conduct a systemwide audit

Response: Per Board of Regents' policy (P05.03.026), UA's chief audit executive presents the annual system-wide audit plan to the Board of Regents' Audit Committee for review and approval. The University also contracts with an independent firm to conduct an annual audit of the financial statements and a Federal Single audit. In addition, House Bill 30 included a requirement for the Division of Legislative Audit to conduct performance reviews of the University beginning in 2018.

4) Implement and conduct rigorous employee evaluations using best practices

Response: Per Board of Regents' policy (P04.07.030) the performance of each employee is evaluated annually. Each of the three universities and UA Statewide have a performance evaluation process in place.

5) Strongly consider fiscal impacts during employee labor contract negotiations to help lower costs

Response: UA labor and wage rates are historically below state wage rates. Today they are even well below UA rates for FY11 and earlier. We continue to work labor contracts carefully with regard to wages.

6) Attain and implement cost-savings in travel policy

Response: The University of Alaska has focused on limiting travel costs over the last three years by investing in video conferencing and associated equipment to offset travel expenses. Cost avoidance for travel expenses across the entire UA System for FY14 alone was estimated at \$858K. UA travel costs are made challenging given athletic and research needs. When the legislature reduced UA's travel budget by \$1.1M to pay operation and maintenance bills, that decision removed UA's ability to find additional significant travel savings in FY15 that were not already considered. UA will certainly continue to examine travel costs.

8) Sell, lease, or repurpose buildings for maximum utilization

Response:

UAA

UAA sold its interest in the Diplomacy building and will save significant lease costs in FY16 when more UAA offices are consolidated into the UA office building at 1901 Bragaw Street. UAA has also focused on better leveraging of existing space. A prime example of this is the Wendy Williamson Auditorium. UAA recently rehabed the interior with improved lighting and seating. The upgrades included IT infrastructure upgrades and acoustical improvements, making the auditorium more conducive for academic use. Today, several large classes of 150-200 students are being conducted in this venue, allowing UAA to consolidate courses that had been taught in multiple, smaller sections.

UAF

UAF will demolish the outdated large animal quarters as a part of the upgrade project which remodels the Irving building to accommodate the Vet Med 2+2 program in fall 2015. Proceeds from the intended sale of Geist Road acreage is planned to benefit the early childhood education program.

UAS

UAS sold the Bill Ray Center and consolidated programs into existing campus space. It is

- OIPC patent filings have increased annually from 3 filings in FY10 to 7 filings annually by the end of FY14.
- In FY14, UAF was awarded two patents.
- In FY14, NIC licensed 40 technologies. Three of the four technology licensees are companies that are based in Alaska and Alaskan owned.
- NTV formed two start-up companies commercializing UAF intellectual property. Both companies are owned and operated by UAF researchers.
- OIPC is currently making payment of the first \$10,000 in licensing royalties generated from technology commercialized by a start-up company.

Senator Fairclough

“It is the intent of the legislature that the University of Alaska submits a Fiscal Year 2016 budget in which requests for unrestricted general fund increments do not exceed the amount of additional University Receipts requested for that year. It is the intent of the legislature that future budget requests of the University of Alaska for unrestricted general funds move toward a long-term goal of 125 percent of actual University Receipts for the most recently closed fiscal year.”

Response:

The University of Alaska believes the purpose of the intent language was to 1) stabilize general fund growth; 2) incent generation of non-general fund revenue; and 3) create programmatic budget constraints that will drive future negotiated salaries as well as other potential financial decisions under consideration.

Unrestricted general funds (UGF) definition: As the name indicates, there are no statutory designations or restrictions on funding included in this group. Funding in this group can be (and is) appropriated for any purpose and includes general fund match, general fund, and general fund/mental health.

University receipts definition: Includes interest income, auxiliary receipts, student tuition/fees, indirect cost recovery (ICR), and university receipts.

The FY16 request for unrestricted general fund increments (\$14.7M) is very close to the amount of university receipts budgeted (\$14.6M) that covers annual unavoidable (or “must pay”) fixed costs increases. However, with the Board of Regents’ intention to reduce the tuition burden on students and families by voting not to increase tuition in FY16, and with enrollment (student

methodology needs to be re-evaluated for applicability in the case of an un-programmed GF reduction or an extended down budget cycle, given that UA can be placed in a situation where it has very little control of either the numerator, or the denominator, or both.

UA is also considering revenue enhancement opportunities. As mentioned, UA is working to create economic value from intellectual property through the UAA and UAF Offices of Intellectual Property and Commercialization. Recruiting efforts (tuition) could be increased considerably, but that takes investment dollars. Retention of students is a significant source of tuition dollars and programs such as advising and dual enrollment