Contingency Budget
Value-based, investment growth strategy

Alaska’s Economic Engine
The University of Alaska serves Alaska in delivering quality higher education. Powerful examples of the difference UA makes can be seen across all three universities and within the 13 communities where campuses deliver education, workforce training and conduct research vital to Alaska’s people and economy. During these tough financial times, the university is a driver of economic development in Alaska, and an economic engine moving Alaska forward.

Managing Reductions
To date, UA has been able to employ a variety of tools to manage reductions. The next round of reductions will impact programs and people. There’s no question that this is going to be difficult. There’s opportunity now to strengthen the university. Reductions must be strategic and focused. In addition there must be investment in key areas. This growth strategy will build a stronger university than if we only make cuts. Reductions and increases will be evaluated based on the value and service provided: cost, access, centrality to mission and relation with other programs.

While the decisions must be made before the new fiscal year, it is important to balance speed with inclusion. Reducing academic programs does not provide immediate savings due to teach out obligations. Plus there’s a risk of losing students due to reduced offerings. It is vital to have the perspective of all those effected, students, employees, employers, lawmakers and state leaders, to advise the decisions and provide feedback.

Commitment to Communities
Some have a notion that we can solve our problems by eliminating rural campuses. UA fully supports the rural campuses, and will work to protect them and the vital role they play in Alaska’s communities. However, we must reduce the expense of delivering education in those communities by partnering with local resources and agencies and rethinking how we serve students in rural communities.
**Guiding Principles**

1. Include faculty, staff, and student governance for front line knowledge, participation, and voice.
2. Recognizing that people are our single most important resource, strive for parity across employee groups.
3. Continue to reduce cost of administration and fixed costs through outsourcing, intercampus collaboration and common services, automation, refinancing, public/private partnerships, and other strategies.
4. Include statewide university leaders to support communication and coordination across the campuses.
5. Evaluate academic research, outreach, and other programs based on their value, to include such factors as quality, centrality to mission, contribution to other programs, cost effectiveness, market demand, access, uniqueness, and opportunity for inter-campus collaboration and external partnership.
6. Identify several areas for increased investment, based on higher value.
7. Define campus leadership role and unique strengths (in and for the university system).
8. Identify several areas for reduction or elimination in light of lower value and availability of strong, similar programs at other campuses, and conduct expedited program reviews (as per Regents’ Policy).
9. Strengthen the position of the community campuses in rural Alaska by reducing instructional costs and by partnering with other organizations in those communities.
11. Consolidate similar or adjacent programs on campus and across campuses.
12. Reduce middle and upper management positions and levels.
13. Increase support for development and private fundraising.
14. Ensure compliance with legal requirements and commitments, e.g., campus safety.

**Our Challenges**

- FY2017 operating budget cut 3rd year in a row
- FY2017 capital budget unlikely to be fully funded
- Reductions likely to impact programs and people
- Long term impacts of program decisions
- Decisions may impact performance
- Need to balance decision-making speed with participation
- Coordination/collaboration of university processes