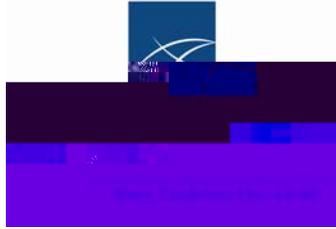


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To: Vice Chancellors Spindle, Burrell, and Ciri
Chief Finance Officer Dosch

From: Michelle Rizk, Vice President UA Relations

Date: 8/30/16

Re: FY17 UA Authorized Budget and Budget Principles

The FY17 Operating Budget Distribution Plan approved by the Board of Regents can be found at http://www.alaska.edu/swbir/budget/budget_planning/. The FY17 budget principles to include in the distribution follows.

Compensation Distribution

The operating budget proposed by the Legislature for the University of Alaska includes FY17 salary and benefit increases for union represented employees and benefit increases only for other employees.

The UA Board of Regents approved the operating budget distribution plan which includes the following:

- FY17 contract renewal amounts for Local 6070, United Academics (UNAC), United Academic Adjuncts (UNAD), and UA Federation of Teachers (UAFT)
- Two and a half percent (2.5%) salary increase (1.5% grid increase and 1% step movement) for UA staff.
- Fairbanks Firefighters Association (FFA) contract for FY17 is under negotiation.
- No across the board salary increases for executives.

Strategic Investments & Reductions

Forgone mid-year tuition revenue, \$9 million – distributed based on actual tuition collected in FY15.

Leadership cost reductions, \$1.5 million – we will be scheduling meetings next month with your campus leadership to discuss.

Facilities

- Deferred maintenance, \$10.0 million – distributed based on age, size, and value methodology formula. See Capital Projects section below for special set-up requirements. Note: This distribution assumes the FY16 funding level for facilities maintenance (FY16 \$35.8 million) will be preserved and therefore would not replace existing funding going toward facility maintenance.

- UAF engineering building, \$3 million – distri

(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.”*

Initial response: Enrollment Summit, Strategic Pathways

(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.”*

Initial response: Statewide Transformation, Land Deficit Initiative, Strategic Pathways

(9) *“It is the intent of the le*