UAF Budget Actions to Address FY15 Shortfalls

June

Idea 4*: Implement shared service models for administration, e.g. service partnerships between departments with a reduction in employees over time where service capacity exists

Description: A shared service is a business model that enables resources to be leveraged across departments resulting in lower co and increased efficiencies. It can be a good long-term savings choice for highly transactional business functions such as in the areas of proposal preparation, payroll/personnel processing, and travel. Administrative and support positions are continually a focus for reduction or streamlining. Many functions across campuses or departments are similar and potentially duplicative and warrant

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Idea 7*: Continue 90-day vacancy holds with modifications for greater flexibility and/or a cap for each unit. If not modified, the committee prefers an ATB mechanism to the existing practice (based on turnover).		
Description: In May 2013, UAF instituted a vacancy hold to delay employee hires for 90 days and centrally pull back a portion of accrued savings on a one-time basis. This formally applies to Regular and Term Staff and Executive positions, and does not apply to Faculty positions (although there may be delays in Faculty hires outside of this hold process). This mechanism is short-term and has no permanent savings unless positions are reorganized or eliminated. Average UAF annual turnover is 300 positions.		
Ability to Implement:	1 – Chancellor/Campus Level Decision	
Timeline:	Short Term	
Analysis (Pro/Con):	x Mechanism already in place x Savings are immediate x Vacancy hold time to hire is not materially different than normal time to hire x Adding a cap reduces the burden on departments with high turnover	x Vacancy rates may be proportionally higher in some units causing some units to be disproportionately impacted x Savings are one time only (OTO) x Not strategic; based on attrition x Services may be reduced in departments that are hard-hit x Significant employee stress and morale impacts x Extended use may result in more need for exceptions, reducing savings target
Alternative Scenarios:	Savings are dependent on when the vacancy holds start and how long they are continued. One-time savings increases if this practice is maintained over time. Consider shorter hold periods, or other ways to increase flexibility; option to give up the position and retain all savings at department level. Consider an ATB reduction in lieu of vacancy holds so unit leadership has more flexibility to determine how to achieve savings targets.	
Estimated Savings Target:	$2M estimated, one time only, accrued in units	
PBC Recommendation:	Continue the 90-day vacancy holds, with modifications to include greater flexibility and/or a cap for each unit. Over the past year, some units have	

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Idea 9*: Move to 37.5 hour work week (similar to State of AK employees)	
Description: The State of Alaska has instituted a 37.5 hour workweek to foster additional savings; savings noted here represents a reduction of annual compensation increase	
Cost Statistic:	The FY15 annual compensation increase is approximately $6M.. Looking at only the UAF share of the increase and only at unrestricted funds, the maximum savings is estimated at $2.1M if used for all employee types (maximum).
Ability to Implement:	2 – President/System Level Decision
Timeline:	Mid to Long-Term
Analysis (Pro/Con):	x Savings are immediate and re-occurring x

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Program and Service Options

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Idea 2: Summer Sessions should undergo a special review in FY15; consider alternative models for operations in conjunc with appropriate academic or administrative partners.
Description:

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Idea 5*: Move the CRCD bookstore into appropriate non-leased space on the Fairbanks Campus to reduce off-campus lease costs. Explore expanding the use of print-on-demand options on campus.		
Analysis (Pro/Con):	x Moving CRCD bookstore on campus allows for a reduced off-campus lease cost x Print on demand (book printing/binding machine) may be utilized campus-wide by UAF Libraries, UA Press and/or Printing Services if moved on campus	x In order to garner full lease savings, all departments in the Bowers Building also need to relocate (eLearning/Distance Ed) x CRCD services for rural students must not be diminished
Recommendation:	The PBC recommends that the CRCD bookstore move onto the Fairbanks Campus to reduce off-campus lease costs. Merging some or all operations with the UAF bookstore (or Library) may also be a result, but must be evaluated to preserve specific rural student services and needs. CRCD additionally has a print-on-demand machine that may effectively be shared by other units (Library, UA Press, Printing Services, etc.) to find higher use. The committee recommends use of this specialty equipment be explored with the possible partners on campus.	
Estimated Savings Target:	$70K, accrued to CRCD	
Cabinet Decision:	Implement – Savings estimated at $70K by FY16; savings will accrue to CRCD.	

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Idea 6: Reduce or combine operational management of LARS and Fairbanks Farm maintenance and support activities (staffing and vehicle management).

Description: Fairbanks and Palmer farms are used for:
Teaching: (graduate and undergraduate student thesis projects). Palmer is also used to deliver many undergraduate courses in SNRE, and CES has delivered public workshops. Research Fairbanks farm has active research and Palmer farm recently lost a horticulturalist which has cut into their research activities. They do some moose diet research in Palmer by AK Dept of Fish & Game.
Public Service: Botanical Garden (part of Fairbanks farm) is

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Idea 8*: Move Printing Services & Copy Pool

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Idea 10*:	Reduce administrative travel by 20% (definition below); Legislative mandate requires $517.2K decrease at UAF in FY15. This applies specifically to unrestricted sources (Fund 1).	
PBC Recommendation:	As of April 2014, the State of Alaska Legislature included a requirement to reduce UA travel by $1.1M in total. The UAF portion of this reduction is just over $515K. PBC recommends UAF reduce administrative travel at the 20% level, with the note that every effort should be made to preserve any critical annual certifications or partnerships required for academic program quality and to continue development of collaborative research opportunities. A 20% reduction as noted above will cover this State of Alaska requirement if applied in FY15. Administrative travel savings targets in this recommendation are based on FY14 unrestricted travel budgets, excluding "Instruction" and "Athletics" categories, although there is flexibility to determine the best mechanism to meet the State reduction requirements. PBC encourages departments to be creative in utilizing technology tools or rotating travel opportunities among employees to get the best possible use out of the institutional travel funds available.	
Estimated Savings Target:	Min $517.2K (legislative mandate)	Max: $600K
Cabinet Decision:	Implement – Savings of approximately $600K, reduced from each unit budget in FY15. UAF will reduce 20% of budgeted unrestricted travel in all units except in instructional expenditure categories and intercollegiate athletics. For instructional expenditures and intercollegiate athletics, travel will be reduced by 5% of budgeted unrestricted levels. Revenue and expense will be reduced in each unit budget.	

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Idea 12*: Conduct a review of UA Press in FY15 to evaluate whether a sustainable model can be achieved through increasing non-traditional publishing and sales. The goal is to produce a sustainable operation within a two year timeframe.
Description: UA Press is a professional, modern scholarly press publishing a broad range of nationally recognized titles relevant Alaska and the circumpolar North. The mission is to preserve and document the history and cultures of Alaska. UA Press is located in a building owned by UA.

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Idea 13A*: Maintain flexible unreserved fund balance (UFB) principles so units can manage year end expenditures and plan for future year needs. Explore higher-value procurement options and volume/educational discounts available to the campus to encourage optimization of expenditures.

PBC Recommendation: The PBC agrees with the concept of increasing higher-value expenditures (strategic investment vs. spending to use it up); however there may not be significant savings generated with this option. Exploring options for more optimal or higher-value procurement is recommended.

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Idea 15*: Reduce Athletics program costs between $50-75K in FY15. Increase revenue capacity within the department to fully cover program costs.		
Cost Statistics:	Remaining attractive for athletes and student life is important. 15% of all UAF athletes are UA scholars and athletes account for 15% of the Business Administration (BBA) majors in the School of Management. Athletes generated over 2000 student credit hours (SCH) in Fall 2012, the highest in the College of Liberal Arts (CLA) and College of Natural Sciences & Mathematics (CNSM). Athletes are retained at the same rate as overall UAF students and contribute significantly to student life. NCAA and Title IX requirements prohibit much change without a loss of division status and student aid options.	
Analysis (Pro/Con):	x Carlson Center contract costs are covered by hockey revenues x Booster Club revenues were $130K in FY13; some options may exist here to expand revenue generation and split revenues between individual sports and Athletics dept. x Increasing Athletics-focused giving and corporate sponsorships should be explored; this is currently underway in the department with FY14 projections at over $800K in sponsorship and in-kind revenues x A $2 increase to the student athletics fee is planned and will generate approx. $250K in FY15; with escalators every three years thereafter	x Significant adverse community and student life impact x Eliminating pre-conference tournaments may not equate to savings; NCAA regulations require a minimum number of games that cannot be achieved by regular season games alone – this means pre-conference or non-conference play will still be required to meet NCAA stipulations and maintain competitiveness x May lose corporate sponsorships and in-kind support if program is reduced x Renovating the Patty Center to reduce the Carlson Center cost is a significant expense
Recommendation:	Unless UAF is daring enough to reduce Athletics in a wholesale fashion; the community fallout and student impact would be so adverse it may not be worth the significant change. Eliminating this program at this time is not recommended and may be short-sighted considering Athletics has a	

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Idea 23*: Change UAF Athletics program from Division II to Division III	
Description: UAF Athletics is a Division II school and includes 10 different teams (the minimum number of teams required t maintain Division II status in the NCAA). UAF would not be able to field a hockey team at this level, as a Division III school. Scholarship requirements additionally change between divisions which would change the aid package available for student athletes (Division III does not provide athletic aid/scholarships). A change in UAF's Division may result in no net savings, as operational costs may not change significantly.	
Cost Statistics:	Cost to rent Carlson Center is approx. $170K and seats 4500; current attendance at hockey games covers this cost.
Ability to Implement:	3 – Board of Regents' Decision
Timeline:	Long-Term
Analysis (Pro/Con):	x Savings in scholarships $600K but will likely be offset by other aid and financial incentives necessary to attract athletes x May allow for stronger focus on academic progra12( )6.8 586.0894.96;09.6 09pm

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Space Utilization, Sustainability (Green) Initiatives and Systemwide Efficiency Options

Idea 1*:	Increase energy efficiency audits in buildings; make upgrades in a cost effective manner
Cost Statistic:	An initial investment of approximately $125K design

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Idea 2*: Move off-campus departments out of leased space to create savings	
Description: 1. Bowers Building (FL186) houses eLearning & Distance Ed, CRCD Bookstore and Math in a Cultural Context. Lease costs $300K/year and occupies 14,000 sq. ft. in Fairbanks 2. Bachner Building (FL139) houses SNAP and OIPC. Lease costs $200K/year and occupies 7,000 sq. ft. in Fairbanks. 3. Marine Advisory Program in Anchorage (FL178) plus (8) MAP parking; approx. $90K/year Four different departments are housed in Bowers Building. The lease is structured such that if the lease is terminated early, all tenants must move out. The lease is due to expire 5/31/2014. Facilities Services is exploring options to renew the lease for an additional six months instead of a full year. Moving eLearning into Lola Tilly is a possibility but would not be able to do so until at least summer after Lola Tilly food service is shut down with the opening of Wood Center. Lola Tilly requires first floor renovation. The parking lot in this area would also need work to accommodate eLearning students and staff. Over the past 2 years, many efforts have occurred to reduce off-campus leases and a target $500K to $1M lease savings is very difficult to achieve when considering relocation costs also. Leases located in Anchorage are under current active review with the intent to reduce the Anchorage lease footprint. Leases in Anchorage include ACEP, CES, CRCD Carlton Trust Building and MAP. Options to co-locate departments in Anchorage are under review.	
Cost Statistic:	$590K/year total for facilities above. Other leases can be discussed further.
Ability to Implement:	1 – Chancellor/Campus Decision
Timeline:	Short to Mid-Term

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Idea 5*: Apply power management software to computers; UAF currently manages the Nightwatchman software program which can be expanded to increase technology energy savings (power down computers at night)		
Description: Nightwatchman is a software program that effectively "shuts down" inactive computers during evening/overnight hours to save energy. It is relatively simple for users to install through OIT and requires use of UA network.		
Cost Statistic:	Savings is $95/computer/year; licensing is $20/computer in first year only. Net savings is $75/computer (first year); $95 ongoing. Total of 1850 computers at UAF are not using software to date. Maximum target assumes ongoing cost savings of $170K after initial year one licensing.	
Ability to Implement:	1 – Chancellor/Campus Level Decision	
Timeline:	Short-Term	
Analysis (Pro/Con):	x Immediate savings, easy to implement x Allows for work-arounds or exemptions if certain business processes must run nightly x Standardizes use of UA network with ability to push software updates; reduces IT silos x Consistent method of savings (rather than relying on users to behave the same on a daily basis) x Generate reports to demonstrate energy savings	x Not all 1850 computers may be in use x Requires service level agreement when network control is managed in the unit
Estimated Savings Target:	$70K (approx. 925 computers net licensing) in FY15 with $100K additional savings in FY16	
PBC Recommendation:	The PBC feels this option is viable and recommends it move forward.	
Cabinet Decision:	Implement – The Office	

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Idea 6: Sell or lease Kodiak Seafood and Marine Science Center, preserve program and relocate occupants to alternative Kodiak sites, other UAF facilities or SFOS sites where expertise would be most useful	
Description: Kodiak facility (FS916 & FS918) consists of approx. 11,000 SQ FT of space plus 600 SQ FT of storage. SFOS intent is to move but not reduce the program.	
Cost Statistic:	There may be ways to move existing personnel from the facility, eliminating costs, but preserving program functions.

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Idea 10*: Reduce volume of internal/inter-campus printed mailings
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