UAF Budget Actions to Address FY15 Shortfalls

June 2014

Budget Overview

In response to current State conditions, UAF prudently manages its resources and practices strategic reduction and reinvestment. UAF is prepared to be aggressive in order to garner new funding in areas of strategic importance, which will enable us to increase grant, contract, tuition, or other revenues, or will have important benefits to the State of Alaska. With the recent Board of Regents approval of Shaping Alaska's Future, UAF's choices are guided by the effects that the University system has agreed to achieve.

UA received $8.34 million in partial funding for fixed costs, including part of new building operating costs and 50 percent of the compensation (salary and benefit obligations) increases for university employees. The compensation increases for nearly all faculty and some staff are specified by collective bargaining agreements.

Reductions to the UA operating budget include:

1) Unallocated UA General Fund Reduction: $15,900,000
2) Reduction to UA Travel: $1,066,200
3) Estimated Reduction to the Fuel Trigger: $1,000,000 (placeholder)

Although distribution of funds is subject to change, UAF estimates its proportional reduction to be:

1) UAF General Fund Reduction: $7,500,000
2) Reduction to UAF Travel: $517,200
3) UAF must pay utility cost increases not covered by the Fuel Trigger: up to $1,000,000

UAF did receive <u>one-time only</u> funding for some high priority program initiatives, including:

3. Mandatory Comprehensive Student Advising: $400,000 (to be shared with UAS)
4. Hydrocarbon Optimization Research: $500,000

In the capital budget, UAF was able to secure a funding package for two critical major projects:

1) UAF Engineering Building: $5,000,000 (with $5,000,000 receipt authority)
2) Combined Heat & Power Plant (CHP): $162,000,000 (with $70,000,000 receipt authority + tuition increase/utility surcharge)
    a. The financing package includes $74,500,000 in state capital funding including a reappropriation from AEA, $87,500,000 authorization for UA to borrow from the Municipal Bond Bank (MBB), and authorization for UA to sell $70,000,000 in revenue bonds, to be repaid by UA. The legislature also adopted a fiscal note with the MBB bill, which appropriates $7,000,000 annually to pay off the loan from the MBB, so UA does not have to pay off the loan solely from its own resources. In FY15 and FY16, the $7,000,000 will be directed to the project and starting in FY17 it will be dedicated to debt payments.
    b. A majority of the revenue bond debt service costs will be covered by the $4,200,000 estimated annual energy savings expected for the new plant and by a utility surcharge, generating no more than $2,000,000 in annual revenue (per Legislative intent language).

The operating budget reductions combined with increasing fixed costs leave an operating funding gap in the range of $12 to14 million in FY15.

UAF committees, including members from the faculty, staff, and administration, have been engaged since December 2013 to recommend expenditure reduction options and revenue generating ideas to close this gap. Further, the Governor has indicated that UA operating budget reductions are likely in FY16 and FY17, and the impact of such reductions is being assessed.

UAF has engaged the McDowell Group to help determine the economic impact a shrinking budget of this magnitude has on the university, Fairbanks community and the State. Results are expected this summer.

Budget Options Group & Process

In December 2013, Chancellor Rogers appointed a Budget Options Group to identify and assess both budget reduction and revenue enhancement options. The group identified areas unique to UAF's mission and competitive strengths that should be maintained and/or enhanced. The group then reviewed and analyzed a range of budget ideas submitted from a variety of sources and forwarded a list of options to the UAF Planning & Budget Committee (PBC) for its consideration.

The Budget Options Group summary document listing initial options is posted online:
http://www.uaf.edu/files/finserv/BOG-DYNAMIC-DOCUMENT---Options-Summary-and-Analysis---26Feb14-v1.pdf

Planning & Budget Committee (PBC)

This year, the UAF Planning & Budget Committee (PBC) was charged by the Chancellor with reviewing and assessing the options provided by the Budget Options Group. In March 2014, the PBC agreed to guiding principles and a decision process. About twenty additional budget reduction items were added to the initial Budget Options Group list, either by committee members or by other individuals from across the campus community. The PBC rated the reduction/efficiency options and passed those ratings and an evaluative review to the Chancellor's Cabinet in May 2014. Broad feedback was collected and reviewed.

The PBC recommendations document is posted online:
http://www.uaf.edu/files/finserv/omb/reports-presentations/PBC-Report---Detailed-Narratives--May2014---WEB-VERSION-FINAL.pdf

Budget Actions to Address FY15 Shortfalls

Chancellor's Cabinet, with input from those attending the Executive Leadership Workshop in May and broad community response, has produced a list of budget actions for implementation in FY15 and FY16+. Some items can be implemented immediately, while other processes will take longer. For example, degree programs cannot be eliminated without a program review, according to Regents' Policy. The PBC has developed criteria for choosing programs to undergo a special program review, which will occur in Fall 2014.

Travel Reductions

To meet specified Legislative intent in FY15, UAF will reduce 20 percent 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 five percent of budgeted unrestricted levels. Revenue and expense will be reduced in each unit budget.

Vice Chancellors will have flexibility to reallocate travel funds between their units, but must ensure that the aggregate unrestricted fund travel for their units does not exceed budgeted amounts. Travel with restricted funds (grants and contracts) and private funds (from UA Foundation and other sources) is not included in the restriction.

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Across-the-Board (ATB) Reductions (varied by unit)

Recognizing that all options may not produce substantial savings in FY15, UAF will implement a combination of an across-the-board (ATB) reduction (applicable at the Vice Chancellor level) in addition to vertical or targeted reductions. The Cabinet agrees with the PBC's recommendation and feels this combination allows Deans and Directors to choose how to address reductions, given their knowledge of each organizational unit. It also allows UAF leadership to achieve the necessary targets in FY15 while working on the longer-term items that may take more time to produce savings.

Vice Chancellor Level Unit	General Fund Reduction	Savings
Chancellor	6%	$72K
VC Administrative Services	6%	$1.5M
College of Rural & Community Development	5%	$1.12M
Provost	3-5%	$2.82M
Office of Information Technology	6%	$201K
Research	4-5%	$600K
University & Student Advancement	5%	$736K
Total Savings		**$7.1 M**

Every effort will be made to preserve the quality of academic programs, the research enterprise and critical support services. However, a reduction of this magnitude will inevitably require a reduction in the UAF workforce. To the extent possible this will be accomplished through attrition and vacancy management.

UAF Decisions Based on PBC Recommendations

UAF is adopting most of the recommendations of the PBC, some as formulated by the committee and others with amendments. In most cases, however, savings will not be taken centrally, but will rather accrue towards the unit budget reduction targets shown above. Some will require a committee or work group process to develop an implementation plan and/or final target for reductions or savings; the Chancellor's Cabinet will identify the work groups and membership over the summer, with most work groups initiating efforts at the beginning of the academic year. Some will not yield full-year savings until FY16 or later.

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UNIVERSITY OF ALASKA FAIRBANKS

Personnel and Payroll Options

Idea 1*: Reduce administrative and regulatory burden to allow for more efficient/effective use of staff time; improve process efficiency	
Description: For example, UAF Travel requirements are more burdensome than those of the Federal government, and represent a cost in staff/faculty/exec time to comply with. Reduce the burden through policy changes and through use of electronic management (TEM). Consider procurement/processing/contracts/HR, and pursue in coordination with Process Improvement efforts.	
Ability to Implement:	1 – Chancellor/Campus Level Decision
Timeline:	Mid-term
PBC Recommendation:	Reduce administrative and regulatory burdens wherever possible, so that transactions can be processed efficiently under restricted budget circumstances. Consider procurement processing, contracts, HR activities and pursue in coordination with Process Improvement efforts. This option is not expected to generate savings on its own necessarily, but will be instrumental to the success of other savings options (like consolidation, vacancy holds, etc.).
Estimated Savings Target:	TBD, likely to accrue in units (varies)
Cabinet Decision:	Implement **- Encourage areas where administrative and regulatory burden can be reduced or process efficiency can be improved. Savings is likely to accrue to units; no estimate available for savings at this time.**

Idea 2: Consolidate the Office of Faculty Development with other similar areas to reduce operational costs and while preserving the function		
Ability to Implement:	1 – Chancellor/Campus Level Decision	
Timeline:	Short to Mid-Term	
Analysis (Pro/Con):	• May allow for streamlined/integrated development functions between departments that do similar work	• Small staff; savings may not result from consolidation
Alternative Scenarios:	Combine the Office of Faculty Development with other services (ex.: OIT training and development, eLearning instructional design)	
Estimated Savings Target:	Min: $50K	Max: $200K
PBC Recommendation:	Pursue consolidation with other offices where possible and logical. As long as the service is still provided, maintaining a specific office is not necessary. Expected savings are low but may create efficiencies.	
Cabinet Decision:	Do not implement **– Rather, the Provost will consider cost reduction options as part of the percentage reductions to unrestricted funds (listed above).**	

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Idea 3*: Utilize 11-month contracts on a voluntary basis where service areas permit a reduced or seasonal schedule		
Description: Consider offering the option of 11-month contracts to employee volunteers. This option is already available for supervisors to use based on job needs, but additional staff may elect to use an 11-month contract if given the choice.		
Ability to Implement:	1 – Chancellor/Campus Level Decision	
Timeline:	Short to Mid-Term	
Analysis (Pro/Con):	• Savings are immediate and reoccurring • Offers flexibility to employees • May be an ideal schedule for some employees • Is an available option now for supervisors when job requirements permit this arrangement	• Employees must be aware of earnings reduction; that they do not accrue leave or pay into retirement accounts on the month off • Applies to employees whose jobs do not require a continual presence, particularly in academic units • May be unfair to term-funded employees (not negotiated with supervisors) • Will not reduce benefit costs associated with full time positions, except leave costs
Alternative Scenarios:	Voluntary 30-hour work weeks for staff without benefit reductions.	Explore this scenario with new hires.
Estimated Savings Target:	$100K, accrued in units	
PBC Recommendation:	Advertise and promote voluntary 11-month contract options in areas where this may make sense (e.g. seasonal, summer, academic year only). Encourage this tool for use within units, since it is currently available. Discuss 11-month options with new employees during hiring.	
Cabinet Decision:	Implement with modifications **– UAF units may offer 11 or 11.5 month contracts, reduced summer work schedules, or alternative work schedules on a voluntary basis (by employee) with approval (by supervisor). UAF HR will provide a guidance document regarding choices, listing impacts on retirement and other benefits. UAF leadership will seek a change to UA Regulation to allow use of Leave Without Pay (LWOP) before Annual Leave (AL) is exhausted. Estimated $100K in savings will accrue to units.**	

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<table>
<tr><td colspan="3">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</td></tr>
<tr><td colspan="3">Description: A shared service is a business model that enables resources to be leveraged across departments resulting in lower costs 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 exploration to identify opportunities to create greater efficiencies.</td></tr>
<tr><td>Ability to Implement:</td><td colspan="2">1 – Chancellor/Campus Level Decision</td></tr>
<tr><td>Timeline:</td><td colspan="2">Short to Long-Term</td></tr>
<tr><td>Analysis (Pro/Con):</td><td>Opportunity to explore more efficient and less costly services to UAF departments
Opportunity for employees to specialize in certain areas and do one thing well as opposed to several things “okay”
Cross-training and larger groups of customers may keep staff busy at all times rather than high vs. low volume fluctuations
Builds stronger communities and interdisciplinary relationships
Employees are empowered to excel as new career paths/opportunities are developed</td><td>Possible resistance to change
Culture-shift is required
Investment in training and technology is required
Executive and leadership support is required
Possible loss of personalized service to specific units
Not a fast fix; represents a cultural change
Requires campus-wide coordination and effort to see full benefits
Strategic selection of positions or locations that are the best candidates may be difficult</td></tr>
<tr><td>Alternative Scenarios:</td><td colspan="2">Research institutes/departments can train a business “hub” or “team” that supports many research-intensive departments rather than a single department. The same is true for Academic areas and Administrative areas.
Evaluate “slivered” FTE (i.e. those who perform a wide variety of multiple tasks) and consolidate to have fewer FTE perform shared service functions and become specialized/empowered to do more within the job.
Create mechanism to examine and strategically downsize (e.g. one in five vacancies). This is approximately 60 FTE over the course of a full year on average. A reorganization of this size could produce $4.5-$6M in base savings. Level of service must remain consistent and employee training and career ladders should be a primary focus.</td></tr>
<tr><td>Estimated Savings Target:</td><td colspan="2">$250K, over each of the next two years</td></tr>
<tr><td>PBC Recommendation:</td><td colspan="2"><u>Promote and incentivize department creation and use of shared services.</u> The PBC expects that shared services will be used by departments to cope with tighter budgets (ATB reductions) rather than a centrally-managed approach.

<u>Incentivize through an ATB reduction, with a commitment from administration to support implementation with targeted resources</u>. The committee expects that while the initial savings may be small, the potential for long term benefits in savings, efficiencies, and service will be substantial.</td></tr>
<tr><td>Cabinet Decision:</td><td colspan="2">Implement – Each Vice Chancellor area will document new shared service models implemented in FY14 or in process for FY15. Each Vice Chancellor will identify new opportunities for shared service models. Savings will accrue to the units.

A UAF shared services guide is posted online for examples:
<u>http://www.uaf.edu/finserv/omb/process-improvement/shared-services/</u></td></tr>
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Idea 5*: Extend winter break or other closure periods		
Description: Consider extending winter break closure; or extending spring break for certain academic departments; or extending summer breaks in departments where it makes sense.		
Cost Statistic:	• $750K/day if all unrestricted staff and faculty take LWOP; less if A/L is used • Consider utilities savings (approximate): ✓ Winter closure savings: $1,500-$2,000/day ✓ Summer closure savings (no head bolts): $1,000/day	
Ability to Implement:	1 – Chancellor/Campus Level Decision	
Timeline:	Short-term	
Analysis (Pro/Con):	• Utility savings for office area (lights, computers) • Salary savings generated if employee elects to use LWOP or A/L • Real benefit may only be seen if fully buildings/facilities are shut down (utility savings) • Hard closure use would reduce A/L available for cash out	• Employees must be aware: this could impact employee retirement if they exceed 10 days of LWOP within a single year; individual choice • May be an adverse impact to restricted fund projects or staff (grants/researchers) • May adversely impact lower-income employees who can less afford LWOP disproportionately • May require union negotiation or notification of employees ASAP • Exceptions will be necessary • Possible impact to Wintermester (approximate revenue $75k; 130-200 students)
Alternative Scenarios:	Decide if UAF mandates the actual days, or allows departments to offer the flexibility to the employee.	
Estimated Savings Target:	Min: $250K (1 day; not all employees)	Max: $1.5M (multiple days hard and soft closure)
PBC Recommendation:	The savings for this option are dependent on the how many days are selected for hard or soft closure and the number of employees that participate. Utility savings are only material if full buildings can be "shut down". Use of leave vs. leave without pay days would be a consideration as more savings are generated when leave is taken without pay. The PBC recommends an increase of both hard and soft closure periods by two days during winter and/or spring breaks. Timing of closures should be a campus-level decision. Consider the potential for extended breaks/closure during academic calendar planning, to maximize the benefit in future years. Hard closure is preferred to ensure use across departments, and to realize greater savings. Advance notice is necessary so that employees can plan leave usage accordingly. For some campuses, closures during spring break are preferable to extending winter closure.	
Cabinet Decision:	**HOLD – Needs further discussion.**	

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<tr><td colspan="3">Idea 6*: Reduce the number of senior level administrators e.g. executives and administrative management level staff</td></tr>
<tr><td colspan="3">Description: While UAF has proportionately fewer executives than the average of its peers, it may be possible to reduce management layers.</td></tr>
<tr><td>Ability to Implement:</td><td colspan="2">1 – Chancellor/Campus Level Decision</td></tr>
<tr><td>Timeline:</td><td colspan="2">Short to Mid-Term</td></tr>
<tr><td>Analysis (Pro/Con):</td><td>• Executives are more expensive than other staff (more savings per FTE reduction)
• Shares the pain of position reduction and workload changes across employee types</td><td>• UAF has already reduced executive positions by 33% over the last ten years; it may be difficult to identify cuts</td></tr>
<tr><td>Estimated Savings Target:</td><td colspan="2">$250K, savings will accrue 50% to units and 50% to central for vacancies at range 82+</td></tr>
<tr><td>PBC Recommendation:</td><td colspan="2">As positions come vacant, review for efficiencies before filling; if staffing levels change in a unit, review need for executive/management level positions.</td></tr>
<tr><td>Cabinet Decision:</td><td colspan="2">Implement with modifications – The Chancellor's Cabinet will review all vacancies at range 82 and above with the goal of annual savings of $250K. Half of the savings will accrue to units; half of the savings will accrue toward the central budget target.

The Provost or Vice Chancellor for Research (as appropriate) will review faculty workload assignments to Associate Dean or Associate Director and similar positions. Potential savings are minimal, primarily relating to avoiding potential reductions in faculty member research or teaching assignments with consequent reductions in revenue.</td></tr>
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<tr><td colspan="3">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).</td></tr>
<tr><td colspan="3">Description: In May 2013, UAF instituted a vacancy hold to delay employee hires for 90 days and centrally pullback 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.</td></tr>
<tr><td>Ability to Implement:</td><td colspan="2">1 – Chancellor/Campus Level Decision</td></tr>
<tr><td>Timeline:</td><td colspan="2">Short Term</td></tr>
<tr><td>Analysis (Pro/Con):</td><td>• Mechanism already in place
• Savings are immediate
• Vacancy hold time to hire is not materially different than normal time to hire
• Adding a cap reduces the burden on departments with high turnover</td><td>• Vacancy rates may be proportionally higher in some units causing some units to be disproportionately impacted
• Savings are one time only (OTO)
• Not strategic; based on attrition
• Services may be reduced in departments that are hard-hit
• Significant employee stress and morale impacts
• Extended use may result in more need for exceptions, reducing savings target</td></tr>
<tr><td>Alternative Scenarios:</td><td colspan="2">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.</td></tr>
<tr><td>Estimated Savings Target:</td><td colspan="2">$2M estimated, one time only, accrued in units</td></tr>
<tr><td>PBC Recommendation:</td><td colspan="2">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 contributed substantially more than others based on high-turnover in certain areas.

While the committee recommends continuing the holds, there were strong concerns about the impacts to staff morale and wellbeing, and the fact that the savings generated are not strategic and are one-time-only. VC Pitney noted that if the holds are not continued, the savings would be attained through increasing an ATB pullback. The committee also prefers this mechanism to the current practice.</td></tr>
<tr><td>Cabinet Decision:</td><td colspan="2">Implement with modifications - The method used in FY14 will be modified for FY15. Savings will accrue to units. No position will be required to have vacancy hold more than once in a year. The 90-day hold will be reduced to 45 days if hiring is from a former term employee or layoff pool. Savings are estimated at $2M.</td></tr>
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<tr><td colspan="3">Idea 8*: Reduce Annual Leave (AL) cash-out option from 40 hours/year to 20 hours/year</td></tr>
<tr><td colspan="3">Description: Reduce AL cash-out to 20 hours per calendar year. Expected result may be $240K; roughly half of the savings than if the program were eliminated.</td></tr>
<tr><td>Cost Statistic:</td><td colspan="2">AL cash-out is a cost to the university considering employees do not take the leave they have earned and are paid for all days worked. 408 UAF employees used this in FY13. Figures are similar in previous years.</td></tr>
<tr><td>Ability to Implement:</td><td colspan="2">2 – President/System Level Decision</td></tr>
<tr><td>Timeline:</td><td colspan="2">Short Term</td></tr>
<tr><td>Analysis (Pro/Con):</td><td>• Impact to employees is relatively minimal
• Savings are immediate and reoccurring
• Use of AL should be encouraged to promote wellness
• Prevents compound impact to employees who are seeing workload increases due to 90-day vacancy holds</td><td>• May require multi-campus agreement
• May be viewed as a loss of an employee benefit
• Employees must have ability to take earned AL
• More employees may “lose” earned AL, if over 240 hour threshold
• Large amounts of carried A/L at retirement can cause significant and unplanned hits to department budgets
• Important to a significant number of employees who rely on cash out during winter months
• Not a high dollar value for savings</td></tr>
<tr><td>Estimated Savings Target:</td><td colspan="2">$275K, accrued in units</td></tr>
<tr><td>PBC Recommendation:</td><td colspan="2"><u>Reduce annual leave cash out option to 20 hours/year, but do not discontinue the option to cash out some level of leave on an annual basis.</u>

With the 90-day vacancy holds in place, some employees may find it difficult to use their leave. Explore policy to allow exceptions to the 240 hour threshold or consider increasing rollover threshold from 240 hours to 300 hours (while maintaining current cap on retirement cash out) since people may have higher leave balances if they are unable to cash it out at the same level annually.</td></tr>
<tr><td>Cabinet Decision:</td><td colspan="2">Implement with modifications (if approved) - UAF will forward to the UA President/System Office for consideration. UAF will seek approval to eliminate the AL cash out option for range 79 and above employees including senior administrators, but will keep AL cash out options in place for range 78 and below and for those whose bargaining unit contract requires the cash out provision. UAF will propose to allow exemption for hardship (to be defined). Savings are estimated at $275K and will accrue to units.</td></tr>
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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; the savings noted here represents a reduction of annual compensation increases.		
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):	• Savings are immediate and re-occurring • Offers flexibility to employees • Improved work-life balance (could be a recruiting tool) • Less painful to employees than alternatives • Flat earnings and an increase in personal time, rather than reduced earnings	• Employees must be aware of changes • Potentially disparate impacts for hourly/salaried employees • No savings generated for restricted employees • Most faculty already on 9-month contracts or soft funding • Potential for less work to get done • UAF employees are represented in a variety of ways; this mix of representation may make implementation challenging. • Could have workload implications • Would likely require coordination with other UA universities/system • Potential impacts for retirement
Estimated Savings Target:	Min: $1.4M	Max: $2.1M
PBC Recommendation:	UAF could consider a similar structure, but, in lieu of annual compensation increases, pay is equivalent to a 40-hour work week. Employees would realize the same (or similar) take-home pay in FY15 as in FY14, but would work fewer hours (essentially getting time instead of a raise). It is not the recommendation of PBC to compensate employees less for the same amount of assigned work. Effective communication is especially important if this option were to be highly recommended. If this is approved, the PBC recommends implementation begins with non-represented employees and executives, and pursue full implementation through collective bargaining processes. There may be nuances associated with labor unions that would need full consideration. State of Alaska employees have an established performance review framework and regular cost of living (COLA) adjustments; in order to make this a feasible option at UAF, a similar framework may need to be put in place. Potential impacts to retirement should be explored and communicated.	
Cabinet Decision:	**Do not implement.**	

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Program and Service Options

Idea 1: Increase the online availability of full degree programs in partnership with academic units. Conduct a special review of eLearning and Distance Education, consider alternative or more cost effective models for operations to cover support costs, increase campus-wide collaboration and develop an optimal tuition distribution.	
Description: Distance-delivered programs represent a significant growth opportunity for UAF. eLearning and Distance Education is currently staffed with 26.5 FTE (primarily instructional design and student services staff). It is organized directly under the Chancellor, and receives 40% of tuition revenue for Fairbanks courses and 25% for rural courses. Schools/colleges retain 60% of tuition revenues (75% in community campuses), as faculty prepare and teach the course content. The unit is on the FY14 financial watch list since a change to the tuition model was put into effect in FY14 which impacted the revenue stream; a deficit may exist in FY14. FY15 is currently projected to break even, due to increased enrollment and fee changes, although some revenue items may be TBD. While eLearning and Distance Education provides student services and instructional design, departments are responsible for faculty costs. Finding an optimal management and revenue model that streamlines eLearning infrastructural costs to provide support in addition to increasing faculty participation and school/college engagement is a goal.	
Cost Statistic:	If degrees are made fully available online, enrollment and tuition revenue is projected to increase (full tuition is between $6K and $8K per student, per year, for in-state; $15K-$19K per student per year for non-resident). Enrollment in eLearning courses continues to grow at a steady pace. As of January 2014, SCH in eLearning courses were up 12% from the same time last year and represented 16% of total SCH at UAF. In response to student demand for flexible options, UAF continues to develop or convert additional course content for online delivery. 18 courses are being offered online for the first time this spring.
Ability to Implement:	1 – Chancellor/Campus decision
Timeline:	Short to Mid-Term
Analysis (Pro/Con):	Pro: • A different model might promote or incentivize schools to move full degree programs online • In an alternate model, focusing resources on specific programs may allow for faster implementation of online degrees • Departmental needs could be met more directly in a decentralized model • A centralized shop for eLearning and Distance Education allows it to be prioritized and run cost-effectively • Centralized or shared staff may allow for greater expertise vs. having eLearning knowledge splintered among units • Centralized structure ensures design, UAF brand and technologies are consistent, reducing barriers for students Con: • In current model schools may not get direct support or dedication to move more programs fully online • Schools/colleges want a higher proportion of generated tuition revenues • Collaboration with eLearning may be limited if done farther away from the school/college
PBC Recommendations:	The PBC recommends eLearning focus on putting appropriate full high-demand degree programs online in FY15 so increased enrollment and resulting tuition revenues may be achievable by FY16. This should be done in close partnership with the academic units and student advisors. Reducing/eliminating the need for central subsidy is a goal. eLearning should undergo a special review in FY15. The PBC recommends preserving centralized eLearning activities; however, a review will help determine what is most cost effective so alternate operational models and/or tuition sharing can be considered. Moving eLearning staff or components to individual units is not recommended at this time, as this does not appear to streamline operations and duplicates it in multiple units.
Estimated Savings Target:	TBA - Increased revenue may reduce/eliminate need for central subsidy. Consolidated or streamlined operations may be a result of a special program review by FY16.
Cabinet Decision:	**Implement – Conduct special review. Savings/revenue model TBA.**

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Idea 2: Summer Sessions should undergo a special review in FY15; consider alternative models for operations in conjunction with appropriate academic or administrative partners.		
Description: In Spring 13, the Summer Sessions staffing level was 5 FTE organized under the Provost. Summer Sessions receives 100% of the tuition (in-state) for classes it offers; however, also pays faculty and instructional costs. Summer Sessions is independently operated outside of schools/colleges and faculty are hired (typically adjunct) to teach in the summer. Summer Sessions is more recently expanding to deliver Winter-mester and May-mester options for additional coursework during regular academic year down-time.		
Ability to Implement:	1 – Chancellor/Campus decision	
Timeline:	Short to Mid-Term	
Analysis (Pro/Con):	• An alternate model may reduce SSLL administration and increase collaboration/administration through the schools/colleges • An alternate model may merge SSLL with eLearning or other appropriate academic/administrative partners • Summer offerings (at in-state rates) help students to complete degrees in less time, with incentives • Current model is minimally staffed and is nimble; can offer courses based on interested faculty • Improved integration with the schools/colleges may increase faculty participation and improve advising efforts	• Current model is disconnected from the schools/colleges; all faculty assignments are separate/outside of a regular academic teaching load • Courses may not be consistent summer to summer based on faculty availability • To improve progress toward degree, course sequencing in partnership with the schools may improve with greater involvement from the schools
PBC Recommendation:	<u>Summer Sessions/Lifelong Learning (SSLL) should undergo a special review in FY15</u>. The PBC recommends preserving SSLL activities; however, a review will help determine what is most cost effective so alternate operational models, coordination or partnership with academic/administrative units, and optimal tuition distribution can be considered. Summer Sessions is staffed during non-academic year times when school/college staffing is low and enables specialized and/or unique course offerings. The potential to increase revenue through coordinated efforts in these areas may make for a more sustainable business model and higher enrollment.	
Estimated Savings Target:	TBA; consolidated or streamlined operations may be a result of a special review by FY16. Revenue opportunities may increase if SSLL increases coordination with academic units so summer and online efforts can be expanded.	
Cabinet Decision:	**Implement – Conduct special review. Savings/revenue model TBA.**	

Idea 3*: Conduct an accelerated special academic review in FY15 with a target of evaluating, consolidating or eliminating duplicate or low-enrollment areas, where most appropriate.		
Description: Regular and ongoing Academic Program Review and Student Outcomes Assessment already take place, as driven by accreditation standards, BOR Policy & Regulation and UAF governance groups. Review of enrollment as part of a special review may be necessary with specifically identified criteria.		
Cost Statistic:	Currently program review is conducted on a five-year cycle, which makes it difficult to compare the costs and productivity of different programs, because conditions change during that period. Also, acceptable cost and performance several years ago may not be acceptable under the new fiscal constraints. A rigid (cost-revenue)/student statistic cannot be applied due to considerations such as centrality to UAF's mission, critical support roles for other academic programs or for research, and differences between rural and urban-based programs.	
Ability to Implement:	3 – Board of Regents' Action or Decision	
Timeline:	Mid to Long-Term	
Analysis (Pro/Con):	• May increase program efficiencies and sharing of services or support • May reduce cost and promote joint partnerships for faculty hires or with other campuses • May streamline options for students and lead to faster degree completion • Quality of education and a UAF strategic plan (what we want to be) must be considered throughout this type of review; financial savings may not be the sole driver for review	• Elimination certain programs may cause public outcry • Obligation to "teach out" programs for students currently enrolled. Savings may not accrue until several years out. • May reduce ability to generate other revenues (tuition/fees or outside support/grants) • Some high-cost/low-enrollment programs may be mission specific • Some high-cost/low-enrollment programs may have external funding
PBC Recommendation:	<u>The PBC committee recommends that a special academic program review is conducted in FY15</u>. Academic program reduction, consolidation or elimination requires faculty involvement, a plan to meet obligations to students, and BOR approval. <u>For this special academic review, appropriate criteria would need to be developed. A committee structure with key stakeholders to fully evaluate program cost and associated drivers should be developed.</u> <u>The committee recommends a fairly aggressive schedule</u> in order to meet fiscal targets and encourages regular reporting and transparency as part of the special review. Note: UAF currently conducts a regular and thorough review of academic programs as required by BOR Policy and Regulation. This review will place increased emphasis on (cost-revenue), but will not ignore other considerations. See PBC review criteria for full details.	
Estimated Savings Target:	TBA - based on specific programs identified for review/elimination; $1M+ in FY16-FY17	
Cabinet Decision:	**Implement with modifications – Include more than only lower enrollment programs. The focus will expand to include delivery cost, centrality to mission, importance to research and employer demand. Savings TBA, but expected to exceed $1M annually when fully implemented in FY16 and FY17.**	

*Indicates PBC recommendation was derived from an expansion/variation of an idea noted originally in the Budget Options Group document.

Idea 4: Monitor ARSC performance and sustainability as a result of the recent merger with GI; review progress in two-three year timeframe.		
Description: ARSC was recently downsized significantly due to loss of external research funding (DOD). ARSC maintains and operates two supercomputers with a combined total of 3,800 processors, 275-terabyte high-speed parallel file system, archival enterprise storage and a small private cloud for Platform as a Service hosting. These reside in the Butrovich building and there are no plans to move them from the current location. Effective in FY14, ARSC was merged into the Geophysical Institute (GI) and exists as a smaller unit than its previous form. Faculty, staff and students at ARSC will use the GI's administrative services, such as its business office and human resources, for their day-to-day business functions. GI is currently working with research groups and OIT to evaluate how and in what ways UA faculty, staff, students and research affiliates may use ARSC resources; best models for support of this service are also being considered. There is a 3 year timeline identified for evaluation and change.		
Ability to Implement:	1 – Chancellor/Campus Level Decision	
Timeline:	Short-Term	
Analysis (Pro/Con):	• Opportunity to review how other university faculty, staff, students and research affiliates can use ARSC resources • Temporary advisory team in GI has already been created to look at synergies, partnership and collaboration options • Explore whether to shift the emphasis from processing to data storage or from administration to research • ARSC has 7 petabytes and UAF has several major initiatives that could use this capability • Other constituents are interested in shared nodes or shared data storage • Explore opportunities to migrate other support systems (storage, networking, infrastructure) • Opportunity to evaluate FTEs funded from unrestricted funds exist; reorganization within GI may already be in progress	• Specialized equipment and larger systems may need dedicated maintenance by ARSC-specific personnel • Potential communication and funding barriers to overcome
PBC Recommendations:	Reductions and/or sustainable operations for ARSC are currently part of an active review and plan as a result of the recent merger with GI. This committee recommends review of progress in 2-3 years. GI Director McCoy is charged with a three year timeline to improve the ARSC model (transition it into a self-sustaining service model). A committee has been formed to evaluate ARSC functions and operations. There is a research focus to consider if more new proposals can include costs for ARSC support where high-performance computing resources are needed. GI is currently working with OIT to consider efficiencies in technical support and for research data archiving. ARSC has shifted away from its reliance on DOD and is exploring new options for revenue.	
Estimated Savings Target:	TBA	
Cabinet Decision:	**Implement with modifications – Include a special program review of ARSC – Geographic Information Network of Alaska (GINA) – Alaska Satellite Facility (ASF) – Office of Information Technology (OIT) synergies. Savings/revenue model TBA.**	

<table>
<tr><td colspan="3">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.</td></tr>
<tr><td>Analysis (Pro/Con):</td><td>• Moving CRCD bookstore on campus allows for a reduced off-campus lease cost
• 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</td><td>• In order to garner full lease savings, all departments in the Bowers Building also need to relocate (eLearning/Distance Ed)
• CRCD services for rural students must not be diminished</td></tr>
<tr><td>Recommendation:</td><td colspan="2">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.</td></tr>
<tr><td>Estimated Savings Target:</td><td colspan="2">$70K, accrued to CRCD</td></tr>
<tr><td>Cabinet Decision:</td><td colspan="2">Implement – Savings estimated at $70K by FY16; savings will accrue to CRCD.</td></tr>
</table>

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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 used as tourist destination and site for occasions (weddings etc). Fairbanks farm hosts annual festivals. Palmer farm interacts with other farms in Mat-Su area. **Fairbanks Farm** has 17 different buildings with about 45,000 square feet of space. Fairbanks farm operations are on unrestricted funds. **LARS:** Current animal colonies consist of muskoxen, caribou and domestic reindeer. Most of the animals are tame and are therefore useful in nutrition, metabolic, physiological and behavioral studies. In 2012, colony size was approximately 60 caribou/reindeer and 30 muskoxen. LARS is located on a former homestead established by Mike Yankovich, who donated the property to UAF in 1963 for the purpose of conducting muskox research. The site comprises 134 acres (approximately 50% pasture, 50% boreal forest), with a centralized handling facility, equipment for large animal restraint, a laboratory, a metabolic research building, state of the art classroom, feed and bedding storage units, offices and living quarters. The facility is licensed for radio-tracer studies and is inspected for approval of animal research under federal and state authorities. LARS has 11 different buildings with about 10,000 square feet of space. It is a well-known tourist attraction. LARS appears to be wholly funded on unrestricted fund 1.		
Analysis (Pro/Con):	• Combining activity at Fairbanks and LARS farms is geographically sensible and could save unrestricted fund dollars	• Fairbanks farm buildings are among the oldest on campus; energy upgrades could require significant renovations/investment
Recommendation:	PBC recommends the Fairbanks Farm and LARS locations strive to generate $150K (approximately 20% between both units) in savings via collaboration or consolidation of staffing and support activities. Activities are similar enough that efficiencies appear to be possible. Vehicles are additionally managed separately from the UAF Facilities Services (FS) vehicle leasing program; there may be a more efficient way to manage vehicles maintenance crews, physical space requirements and standard use agreements if farm vehicle care is merged with UAF FS vehicle and maintenance programs. The Palmer Farm is being considered for revenue generating ideas and has been referred to the Revenue Committee. Note: This recommendation does not specifically address large animal quarters and management, but this should be addressed by a full review of farm operations.	
Estimated Savings Target:	TBA	
Cabinet Decision:	**Implement with modifications – Include a special program review of LARS, the Fairbanks Farm and Palmer Farm looking for shared personnel, size of animal herds, reduction of facilities and equipment. Savings TBA.**	

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<table>
<tr><td colspan="3">Idea 7*: Implement shared services for SNRE/CES and MAP administration</td></tr>
<tr><td colspan="3">Description: Reduce duplication of services between programs</td></tr>
<tr><td>Cost Statistic:</td><td colspan="2">Consultants for space utilization study are actively reviewing Anchorage lease space to explore possibilities for consolidation and cost saving opportunities. Approx. 17 CES staff located in Anchorage.</td></tr>
<tr><td>Ability to Implement:</td><td colspan="2">1 – Chancellor/Campus decision</td></tr>
<tr><td>Timeline:</td><td colspan="2">Short to Mid-Term</td></tr>
<tr><td>Analysis (Pro/Con):</td><td>• Review of Anchorage leased space is underway with space utilization study right now (specifically with MAP space)
• Goal is to reduce Anchorage leased space footprint and find efficiencies between the two groups
• Opportunity exists to partner different departments into one location (not only CES and MAP)</td><td>• Reducing CES presence in Anchorage could reduce outreach to rural communities</td></tr>
<tr><td>PBC Recommendation:</td><td colspan="2">There may be opportunity to <u>reduce administrative redundancies</u>, if they exist, between units in the School of Fisheries and Ocean Sciences (SFOS) and MAP offices, especially if they are co-located. If efficiencies can be achieved, this committee recommends pursing them.</td></tr>
<tr><td>Estimated Savings Target:</td><td colspan="2">TBA</td></tr>
<tr><td>Cabinet Decision:</td><td colspan="2">Implement – Conduct a special review of shared services and staffing efficiencies, particularly in communities where both units are present (such as Anchorage and Fairbanks). Savings TBA.</td></tr>
</table>

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Idea 8*: Move Printing Services & Copy Pool operations to the Aurora Building on Marika Avenue; renovate vacant Bunnell space for another off-campus program. Eliminate off-campus lease for savings.		
Description: Move Printing Services from Bunnell to the Aurora Warehouse on Marika Avenue. If relocation is possible, this vacated on-campus space (6,200 square feet) may be an option for other groups paying lease costs off-campus. It is a requirement that Printing Services have access to a loading dock; this is available in this location. The Aurora location has 39,000 assignable square feet (ASF); the post office occupies 2,600 ASF, offices occupy 4,000 ASF, storage is the remaining 32,400 ASF occupied by various UAF departments – there is capacity to utilize the storage space differently.		
Analysis (Pro/Con):	• Printing Services is responsive and offers quality products in a timely fashion; PBC does not recommend outsource at this time • Many printing services can now be offered digitally (via email); a move off campus may not hinder UAF business or customer support • The Aurora location has loading docks available; a requirement of Printing Services & Copy Pool operations • Printing Services occupied 6,200 square feet in Bunnell and is limited for expansion; a new location might allow for additional space for large machinery/offices • The storage area may need to be renovated to meet the needs of Printing Services; a space and operational evaluation must be conducted to validate prior to move	• The operations are currently in a self-support model which is nearly break-even; savings may not be a reduction in expense but may rather be in optimizing on-campus physical space • Printing Services may experience a drop in business if customers go to other external vendors rather than working with this group in an off-campus location • The Aurora Building may need renovation investment (office space and/or power) to meet the needs of Printing Services & Copy Pool
PBC Recommendation:	This recommendation is broken into two parts: 1) <u>Move Printing Services to Aurora, repurpose Bunnell</u>: if the space in the Aurora Building can meet the needs of the Printing Services & Copy Pool operations, this committee recommends moving Printing Services to the Aurora location on Marika Avenue so Bunnell space can be repurposed. <u>A cost analysis must be done to evaluate the full cost of a move including renovation vs. a cost to outsource; the objective is to create savings, so if a move is very expensive, outsourcing may be a more viable option</u>. If an off-campus department can move into this space and create a savings (via elimination of a lease) this will equate to long-term institutional savings. The Aurora location may need renovation for appropriate offices, power and machine space. Any renovation cost should be kept to a minimum in case operations are considered for outsource in the future. 2) Outsource operations: if Printing Services experiences a drop in business after the first year (or two) in its new location, the PBC recommends outsourcing options be considered.	
Estimated Savings Target:	6,200 ASF in Bunnell + Off-Campus Lease Savings (TBD)	
Cabinet Decision:	**Implement with modifications – As Printing Services is not able to cover its operations and the space is required for savings on leased facilities, this function will be outsourced rather than moved. Printing Services functions can be accommodated by outside vendors. The Vice Chancellor for Administrative Services (VCAS) is tasked with closure of Printing Services and Copy Pool and outsourcing printing to private vendors. Savings to be calculated by the VCAS and included in central savings targets.**	

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UNIVERSITY OF ALASKA FAIRBANKS

<table>
<tr><td colspan="3">Idea 9*: Evaluate marketing investment across UAF (central + units); streamline/unify efforts and reduce campus-wide costs by 15%. Support focused marketing with emphasis on recruitment, retention and development/fund-raising efforts. Find efficiencies in administrative support and define the relationship with the UAF unit public information officers (PIOs).</td></tr>
<tr><td colspan="3">Description: Marketing ROI is inherent in student recruitment/retention and recent branding efforts. Website upgrades, social media presence and branding is excellent and can be credited to Marketing & Communications (M&C) efforts. Creating an optimal balance of investment in targeted areas and collaborating with the UAF departments may help better align all marketing, promoting a unified voice with coordinated efficiencies.</td></tr>
<tr><td>Analysis (Pro/Con):</td><td>• Must maintain UAF brand
• Targeted marketing efforts have a profound impact (directly and indirectly) on the student recruitment/retention efforts and student life – as seen in increased website traffic, social media communications/campus events
• Focus on recruitment, development/fund-raising and external communications may be important for central office
• There is merit for units to maintain PIOs to allow representation of specific unit needs</td><td>• M&C struggles to define its role centrally in collaboration with department PIOs – where M&C needs to be involved needs resolution
• M&C can be slow to respond due to the high volume of work requests (planned vs. last minute)
• Investment in marketing efforts across campus may be adequate; however department spend vs. M&C spend may be disproportionate – there may be greater efficiencies if units work with M&C to optimize spend</td></tr>
<tr><td>Recommendation:</td><td colspan="2">The PBC supports UAF marketing efforts. Any successful institution of this size must maintain a strong marketing component and the department has done a good job in building consistency in branding and templates for use across the campus. However; this group may benefit from streamlining or finding shared services for administrative support within the VC USA.

There may be adequate investment in marketing efforts across the campus; however, it may exist in many departments so spend is not unified or optimal.

The committee recommends an analysis of total UAF investment for “marketing and events” at all units (including central M&C) is conducted. Consolidate or develop shared service models for greater efficiency. To be more efficient, this committee recommends a campus-wide reduction target of 15%. The PBC additionally recommends M&C should have primary focus on student recruitment, retention, development efforts and external communications. Finding thoughtful restraint for other (internal) functions, in order to best serve these areas is key to UAF success.

Developing stronger, more defined relationships with department PIOs is recommended; thereby, allowing PIOs to serve as members of an extended M&C team.</td></tr>
<tr><td>Estimated Savings Target:</td><td colspan="2">Savings TBA; pending review but targeted to $100K FY15 and an additional $250K by FY16</td></tr>
<tr><td>Cabinet Decision:</td><td colspan="2">Implement with modifications – Conduct special program review of central and unit communications and public information offices. Savings TBA but targeted to $100K in FY15 plus $250K in FY16.</td></tr>
</table>

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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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<table>
<tr><td colspan="3">Idea 11*: Reduce shuttle operation costs to achieve break-even status without increase parking fees. Consider discontinuing one of the two off-campus (less utilized) shuttles. Maintain high-use on-campus shuttles. Consider an outsourced model for operations in future years if break-even status cannot be achieved.</td></tr>
<tr><td colspan="3">Description: The goal is to reduce expenses in FY15 to achieve break-even status and eliminate central subsidies. Downsizing by one shuttle, associated staffing, maintenance and fuel may achieve this balance.</td></tr>
<tr><td>Cost Statistic:</td><td colspan="2">• Annual average of passengers served during a fiscal year: 287,000 rides
• During peak times (10am-4pm) 6 buses run: 4 on fixed routes that stay on campus and 2 are on-call for off-campus sites: U-Park, Admin Services, Hutch, e-Learning, Advancement office, Harper, Botanical Gardens.
• 6 Full-Time drivers: 4 are 12-month employees, 2 are 9-month employees
• 42% Ridership for Yukon Route (2 buses covering Wood Center-West Ridge-MBS-Reichardt-Wood Center)
• 42% Ridership for Nenana Route (Nenana Lot-Eielson/Signers)
• 7.5% Ridership for Campus Shuttle (on call off-campus starting 7:15; 2nd shuttle starts 10:30am
• 5.3% Ridership for Taku Shuttle (Taku Lot/Farmer's Loop-Wood Center-on call for North Campus Housing-Harwood-Columbia-Hess Village-Cutler)
• 3.5% Ridership for Evening shuttle at 7pm-10:30pm (Campus Shuttle switches to Evening shuttle at 7pm)</td></tr>
<tr><td>Analysis (Pro/Con):</td><td>• Reducing one off-campus shuttle may reduce the need for specific positions dedicated to shuttle service at UAF; allowing for savings by eliminating the UAF central subsidy
• Off-campus routes are lower use; there are two, reducing to one shuttle may still meet UAF needs, particularly as off-campus leases are reduced
• Eliminating the subsidy by reducing expenditures preserves the service without increasing parking rates or student fees</td><td>• Moving this nearly break-even operation to an external contract may not result in a net savings if costs for a full contract are greater than UAF central subsidy amounts
• There may be union considerations if this service is outsourced
• Student run operations may be difficult to staff adequately during heavy academic times (finals or exam weeks/summer/holidays)
• Increasing parking fees to cover central subsidy cost may increase negative customer perception</td></tr>
<tr><td>PBC Recommendation:</td><td colspan="2"><u>The PBC recommends to maintain operations on campus (do not outsource), however strongly supports the idea of cost reduction for this operation</u>. Since shuttle/parking operations have a central subsidy; every effort should be made to reduce this and create a break-even operation. As there is friction with increasing parking rates; the alternative recommendation is to reduce costs.

Changing the management structure of this operation by outsourcing it would require more time; therefore savings may not be created in FY15. In order to achieve a break even operation in FY15, <u>the committee recommends downsizing the operations by one off-campus (and less utilized) shuttle</u>. The committee recognizes that on-campus shuttles are in higher demand and therefore services for on-campus loops should not be reduced. Reduction of one shuttle route will save on fuel costs, may result in some salary/benefit savings, and will reduce operational or maintenance costs. <u>The target reduction is $200K/year</u>.

If reduction of one shuttle produces enough savings to break-even and still provides quality services, the committee supports continuing the operation. If reduction causes issues with service or does not result in cost savings, outsourcing operations should be explored for future years.</td></tr>
<tr><td>Estimated Savings Target:</td><td colspan="2">$200K</td></tr>
<tr><td>Cabinet Decision:</td><td colspan="2">Implement – Central savings estimated at $200K in FY15.</td></tr>
</table>

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<table>
<tr><td colspan="3">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.</td></tr>
<tr><td colspan="3">Description: UA Press is a professional, modern scholarly press publishing a broad range of nationally recognized titles relevant to 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.</td></tr>
<tr><td>Cost Statistic:</td><td colspan="2">UA Press publishes approx. 20 books per year with 4.5 FTE staff. The UA Press received $200K base funding from State of AK in FY14. UA Press has reduced older operating deficits from prior years through improvement management of inventory and other management changes that reduced operating costs. All but one of the FTE are funded on Auxiliary funds.</td></tr>
<tr><td>Ability to Implement:</td><td colspan="2">1 – Chancellor/Campus Level Decision</td></tr>
<tr><td>Timeline:</td><td colspan="2">Short-Term</td></tr>
<tr><td>Analysis (Pro/Con):</td><td>• Immediate savings possible if central subsidy obligation is relieved
• Partnerships with other units to find operational efficiencies may be possible
• Expanded use of print-on-demand options may increase UA Press sales/services; UA Press already uses this where applicable to current titles.</td><td>• Recently received FY14 base funding from State of AK; high constituent support
• Serves unique mission to publish works by Alaska Native and Alaska authors
• Faculty in the humanities and social sciences depend upon scholarly presses to publish their books, because few of them are selected by commercial presses. Scholarly presses provide the peer review that is essential for professional advancement.
• If discontinued, loss of public awareness about University of Alaska</td></tr>
<tr><td>PBC Recommendations:</td><td colspan="2">This committee recommends UA Press be reviewed as part of a special administrative review to determine if a break-even operation can be achieved. Increasing non-traditional publishing and sales may be possible via partnership with other units on campus (e.g. Marketing & Communication or Library). Print-on-demand options could also be explored, if not already fully utilized.

Preserving UA Press' unique functions may be important within Alaska and for UA; however, if administrative efficiencies can be leveraged to reduce any central subsidy (become fully self-support) this could be a goal. If budget conditions persist, and a break-even status cannot be achieved, evaluating whether UAF should preserve this operation in the future may be necessary.

Note: The UA Press received $200K base funding from the State of AK in FY14.</td></tr>
<tr><td>Estimated Savings Target:</td><td>Min: $50K</td><td>Max: $290K</td></tr>
<tr><td>Cabinet Decision:</td><td colspan="2">HOLD - Pending UA System Office decision on Natural Resource Fund (NRF) reduction; consider NRF reduction in total target.</td></tr>
</table>

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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. To date, UFB principles reflect a high degree of expenditure flexibility within established procurement deadlines. The Office of Finance & Accounting (OFA) currently asks units to let OFA know if any large or unused balances may exist at the end of the fiscal year. If balances are known, central and unit fiscal offices have opportunities to roll balances into future years for planned or strategic use. If large unknown balances exist that are found at the fiscal year close; less flexibility exists to utilize fund optimally. Researchers should be encouraged to plan for ICR accrual and expenditures in a timely manner in accordance with UAF Procurement deadlines and standards.
Cabinet Decision:	**Implement – No savings will be produced as a direct result; but additional flexibility will exist at the unit level. See 13B listed below for an expansion of this concept related specifically to strategic procurement.**

Idea 13B: Move Procurement to a Strategic Sourcing Model (bulk purchasing and standards)		
Description: Establish Indefinite Delivery/Indefinite Quantity (IDIQ) contracts for high volume, repetitive purchases of commodities such as plumbing and electrical supplies, automotive supplies, scientific supplies and office supplies. IDIQ contracts may be recommended or mandatory.		
Ability to Implement:	1 – Chancellor/Campus Level Decision	
Timeline:	Medium to long term with some short-term benefits	
Analysis (Pro/Con):	• Cost savings on small dollar/high volume purchases • Simplified acquisition process, IDIQ purchases can be made at the department level • Purchase tracking will be simplified • Potential for inventory reduction	• Reduces department choices amongst vendors • Reduces department choices of similar products
Alternative Scenarios:	UAF consumable commodities expenditures in FY13 were approximately $20M. 50% of this total is the type of repetitive spend that may be impacted by IDIQ contracts. This “savings” will be most likely realized in additional purchasing capacity for departments or repurposing funding for other priorities. With an IDIQ contract UAF can push market share for scientific supplies toward a particular supplier in exchange for superior pricing. With an optional usage model, Procurement can advertise the contract on its website, track contract usage and advise those who buy off-contract of savings opportunities when the contract is used. With a mandatory usage model Procurement can put processes in place so that all purchases are made on the IDIQ contract unless the user provides a justification to purchase off-contract. Since the suppliers can expect greater market share with the mandatory model, superior pricing can be gained. In either case there may be instances where users are encouraged to try different brands for their scientific supplies in order to increase contract compliance, but in no instance should a customer be required to use a product if they can show that it will not meet their needs.	
Estimated Savings Target:	$200K targeted savings, accrued to units	
Cabinet Recommendation/Decision:	**Implement – Cabinet adopted a plan for strategic sourcing; targeted savings of $200K will accrue to units.**	

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Idea 14*: Find efficiencies within CRCD business processes and/or administrative staffing at Fairbanks Campus		
Description: Specific requirements exist for campus autonomy and ANSI funding impacts must be considered. If there are opportunities to streamline administration resulting in a reduction in FTEs, these should be taken, as long as there is no adverse impact to autonomous status (and therefore eligibility of ANSI/Title III funds).		
Analysis (Pro/Con):	• If there is opportunity for community campuses to combine or streamline administration for process efficiencies, exploring if this allows for a greater availability of ANSI funds could increase opportunities • Students in these locations must have some in-person services while others may be suited to provide from a distance or via another community campus	• ANSI nuances must be known; if streamlining administrative support eliminates ANSI eligibility, this would have an adverse effect on the availability of funds • Community campuses may be competing for the same pool of ANSI/Title III funds • Many CRCD administrative staff are funded by restricted and unrestricted sources and are seasonal
Recommendation:	PBC recommends CRCD administration at the Fairbanks Campus be reduced or streamlined. Each community campus must maintain appropriate staffing to serve rural students in their communities. As long as minimal staffing to preserve ANSI status exists; the PBC recommends administrative support is evaluated so that critical in-person services are maintained. However if there are services or business processes that can be provided from a distance in a more efficient model, those changes are recommended. Any rural campus reductions should not be to a level that changes the autonomous status of any campus where it adversely impacts funding availability for ANSI (DOE/Title III/USDA/HUD) sources. Restricted funding of this nature makes up between 27.4%-46.8% of the total funding respectively across the CRCD campuses. PBC recommends that collaboration between campuses in outlying locations is explored.	
Estimated Savings Target:	$75K, accrued to unit	
Cabinet Decision:	**Implement – CRCD will accomplish this consolidation as part of its percentage reduction in FY15. $75K in savings will accrue to the unit.**	

*Indicates PBC recommendation was derived from an expansion/variation of an idea noted originally in the Budget Options Group document.

UNIVERSITY OF ALASKA FAIRBANKS

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):	• Carlson Center contract costs are covered by hockey revenues • 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. • 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 • A $2 increase to the student athletics fees is planned and will generate approx. $250K in FY15; with escalators every three years thereafter • Significant adverse community and student life impact • 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 • May lose corporate sponsorships and in-kind support if program is reduced • 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 marketing, development and a student aid component, which also serves as outreach for recruitment and retention of students. However, PBC expects prudent cost containment within this program and recommends processes are reviewed in FY15 to include optimal revenue and expenditure models are in place for efficient management. Athletics should reduce between $50-75K in program costs in FY15. Suggestions include: • Maintain minimum number of contests to achieve NCAA status, reduce additional non-conference or pre-conference play to reduce program/travel costs • Salary and benefit costs including employee increases (compensation adjustments or increases in FTE) should be strictly managed to contain costs and slow or reduce increases over time. • Travel costs, wherever possible, should be strictly managed and reduced. • Booster Club/in-kind and corporate sponsorship may be an area to increase and/or share revenues between the individual sport and the Athletics department. • PBC recommends athletics fees are increased in accordance with the UAF Athletics Business Plan (Oct 2012) recommendation, this is anticipated to generate $250K in additional revenue in FY15, with built-in escalators to this fee every three years.
Savings/Revenue Targets:	$50K increased corporate support + program savings in addition to percentage budget reduction
Cabinet Decision:	**Implement – The target is $50K in increased corporate support, with a corresponding reduction in the general fund budget in addition to the percentage budget reduction in FY15.**

*Indicates PBC recommendation was derived from an expansion/variation of an idea noted originally in the Budget Options Group document.

Idea 16: Reduce library administrative and technical support through shared service model (or other)		
Description: There are three libraries on campus: Rasmuson, BioSciences and Mather in GI. The BioSciences Library is already slated to close and space will be repurposed. There may be opportunities for library administrative or technical efficiency if services are reviewed and/or consolidated.		
Ability to Implement:	1 – Chancellor/Campus decision	
Timeline:	Short to Mid-Term	
Analysis (Pro/Con):	• Consolidating may create management and/or operational efficiencies within campus Libraries	• West Ridge and central campus locations both need staff support; cost savings may not be achieved through staff downsizing as services need to be maintained
PBC Recommendation:	There may be greater operational and/or management efficiencies within the Library system. The Rasmuson Library should be expected to optimize administrative and technical support to contain costs, exploring shared services models and/or partnerships with other units where appropriate. A special review may be necessary to determine if shared service models can be effective.	
Estimated Savings Target:	$75K, accrued to unit in FY15-FY16	
Cabinet Decision:	**Implement – A $75K reduction target for the libraries will accrue some savings in FY15, with complete savings in FY16.**	

Idea 17: Support KUAC staffing/operations through external funds without dependence on UAF general funds		
Description: KUAC creates radio and television programming. KUAC strives to establish itself as the most vital and trusted multi-media voice in Alaska Broadcasting. KUAC staffing consists of Central Operations (10%); Radio (60%) and TV (30%).		
Ability to Implement:	1 – Chancellor/Campus Level Decision	
Timeline:	Mid to Long-Term	
Analysis (Pro/Con):	• KUAC functions partially independent of UAF operations due to a mission focused in broadcasting; however utilizes UAF funding as a significant portion of its base for operations • Potential to explore shared service model where Admin/Communications or Development job family can serve other departments in addition to KUAC • KUAC is not involved in student academic programs currently; administrative review is recommended	• Negative public perception and/or impact to community and outreach efforts; KUAC does some UAF focused outreach • Transition plan may be required
PBC Recommendation:	This committee recommends KUAC should endeavor to operate through public support. An administrative review of KUAC operations may be necessary to determine if current structure is most cost-effective. PBC recognizes KUAC provides radio and television services that reach out to a broad statewide audience. Currently, UAF supports KUAC operations by providing funding, space and licensing for these functions. In exchange, UAF benefits from outreach such as advertising and marketing via radio and TV ads. PBC recommends reducing the UAF-specific funding for personnel/operations in order to transition to self-support. KUAC has the unique ability to generate revenue through public support and functions as a non-UAF entity in many cases. Although a UAF partnership is beneficial with KUAC for educational outreach and communication; these functions indirectly support the UAF mission and therefore can likely operate with an alternative model.	
Estimated Savings Target:	Savings TBA; special review pending + increased corporate and individual support by 10%	
Cabinet Decision:	**Implement with modifications – Not adopted as recommended; however, Cabinet adopted a modified recommendation. KUAC is charged with increasing corporate and individual support by $100K (approximately 10%) with a corresponding reduction of the general fund budget in addition to the percentage applied throughout UAF. A special program review will be conducted of KUAC interaction with academic programs, marketing and communications and athletics, with an external review to address staffing and other expenses.**	

*Indicates PBC recommendation was derived from an expansion/variation of an idea noted originally in the Budget Options Group document.

Idea 18*: Create a 501(c)(3) as a separate UAF subsidiary to run housing and/or other similar campus operations as individual businesses.		
Description: A recent NACUBO article describing this option at the University of North Georgia, *Seeding a Campus Transformation* (McConnell/Terrell) has merit and should be explored for housing and other campus business-type operations where opportunities may exist.		
Analysis (Pro/Con):	• There is an interest to explore the feasibility of creating UAF subsidiaries vs. privatization	• There may be no immediate savings considering this is such a substantial campus operations shift • There must be private/corporate interest to create a relationship to outsource • Some risk/liability factors may be associated with privatizing campus operations such as housing; UAF responsibility for student safety should always be considered
Recommendation:	PBC does not feel outsourcing housing is an option that would produce cost savings results in FY15 and therefore does not currently recommend outsourcing this operation at this time. However, PBC has an interest in understanding what is most feasible when it comes to the idea of creating a separate subsidiary (501(c)(3)) and what UAF options with respect to this may be. Privatization efforts may separately be explored for housing and other business units at UAF, where appropriate.	
Estimated Savings Target:	Savings TBA; pending special program review	
Cabinet Decision:	**Implement with modifications – Not adopted as recommended; however, Cabinet adopted a modified recommendation to consider a university service organization (subsidiary, nonprofit, or other). Conduct a special program review of auxiliary business models. Savings, if any, TBA.**	

*Indicates PBC recommendation was derived from an expansion/variation of an idea noted originally in the Budget Options Group document.

Idea 19*: Conduct a review to determine if merging some or all CRCD bookstore operations with the UAF bookstore or Library may be an optimal result.		
Analysis (Pro/Con):	• The Follett contract expires in 2015; it will go out to bid this fall and could be a new vendor – there may be opportunities to alter the existing terms to incorporate CRCD needs • There is interest to allow Fairbanks and CRCD students to charge educational expenses to student accounts (via the bookstores); CRCD students already have the ability to do this, Fairbanks student do not – merging some operations may add conveniences for students • Explore potential for increasing textbook rental via online vendors	• Fairbanks bookstore may not be set up to handle shipping required for rural Alaska students • Potential Follett contract limitations with shipping/specific CRCD needs; details would need to be explored • Students generally need near-immediate response on book orders; if service decreases students may purchase books elsewhere • 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. This is primarily a space savings rather than a change in service model, depending on full evaluation of CRCD student needs. CRCD students must have an appropriate level of dedicated staff; these students often require a strong in-person service component and often are subject to specialty shipping rates/timelines. Bookstores may not need to occupy the same space; but there may be benefit in co-location. Note: If Follett picks up sale and shipping of the CRCD book orders, additional commissions on sales may be possible. The Follett contract is slated to expire in 2015; an RFP is expected this fall. This may be an opportunity to insert any CRCD shipping contingencies or specific service requirements into the RFP and resulting agreements.	
Estimated Savings Target:	TBA, savings in FY16	
Cabinet Decision:	**Implement with modifications – This will not be possible in FY15; however, changes will be implemented in conjunction with the next contract bid for outsourcing, with full consideration of special circumstances for students outside of Fairbanks. Any savings will be realized in FY16, TBA.**	

*Indicates PBC recommendation was derived from an expansion/variation of an idea noted originally in the Budget Options Group document.

<table>
<tr><td colspan="3">Idea 20*: Consider relocating Anchorage-based Marine Advisory Program (MAP) and Cooperative Extension Services (CES) agents/staff to other Alaskan communities (potentially utilizing existing MAP/CES vacancies in other locations)</td></tr>
<tr><td colspan="3">Description: Relocate Anchorage personnel, if necessary, to consolidate Anchorage leases while increasing rural outreach services/components. Reduce vacancy in rural locations and improve outreach and community support.</td></tr>
<tr><td>Cost Statistic:</td><td colspan="2">Consultants for space utilization study are actively reviewing Anchorage lease space to explore possibilities for consolidation and cost saving opportunities. Approx. 17 CES staff located in Anchorage.</td></tr>
<tr><td>Ability to Implement:</td><td colspan="2">1 – Chancellor/Campus decision</td></tr>
<tr><td>Timeline:</td><td colspan="2">Short to Mid-Term</td></tr>
<tr><td>Analysis (Pro/Con):</td><td>• Review of Anchorage leased space is underway with space utilization study right now (specifically with MAP space)
• Goal is to reduce Anchorage leased space footprint
• Consolidating Anchorage leases into 1 or 2 spaces containing different departments can heighten UAF presence in one geographic area
• Opportunity exists to partner different departments into one location (not only CES and MAP)</td><td>• Reducing CES presence in Anchorage could reduce outreach to rural communities
• Moving Anchorage CES staff to Fairbanks or rural areas could require investment for moving costs, relocation, COLA or compensation differentials, etc.</td></tr>
<tr><td>PBC Recommendation:</td><td colspan="2"><u>The level of CES/MAP staffing should be evaluated to find an optimal mix of those located in Anchorage and those located in other rural communities</u>. This concept is related to the recommendation below to reduce lease costs in Anchorage.

As one of the focus areas for CES/MAP agents is outreach in rural communities; relocating employees to vacant positions in Fairbanks or other communities may increase the outreach component and community benefit. If these moves allow for reduced leasing costs that may be an added benefit.

Ultimately, moving some employees to Fairbanks/other locations may alleviate vacancy in rural areas and create longer-term savings if some positions in Anchorage are not refilled. However, investments for relocation or compensation may exceed savings and would need to be reviewed prior to a decision.</td></tr>
<tr><td>Cabinet Decision:</td><td colspan="2">Do not implement.</td></tr>
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<tr><td colspan="3">Idea 21: Consolidate UAF Library operations (Mather and Rasmuson)</td></tr>
<tr><td colspan="3">Description: There are three libraries on campus: Rasmuson, BioSciences and Mather in GI. The BioSciences Library is already slated to close and space will be repurposed. There may be opportunities for management efficiency or an expansion of library services across the UAF campus if Rasmuson and Mather are integrated so there is consolidated support at both the UAF central campus and research community on West Ridge.</td></tr>
<tr><td>Ability to Implement:</td><td colspan="2">1 – Chancellor/Campus decision</td></tr>
<tr><td>Timeline:</td><td colspan="2">Short to Mid-Term</td></tr>
<tr><td>Analysis (Pro/Con):</td><td>• Consolidating may create additional management and/or operational efficiencies within Libraries</td><td>• West Ridge and central campus locations both need staff support; cost savings may not be achieved through staff downsizing as services need to be maintained</td></tr>
<tr><td>PBC Recommendation:</td><td colspan="2">It is not the purview of the PBC to determine how to staff or manage Library services at UAF; however, <u>there may be greater operational and/or management efficiencies within the Library system if the Mather Library consolidates with the Rasmuson Library and opens up services (primarily available only in the GI) for greater campus use</u>.

This may not create any savings and may have political implications.</td></tr>
<tr><td>Cabinet Decision:</td><td colspan="2">Do not implement - As recommended by PBC.</td></tr>
</table>

*Indicates PBC recommendation was derived from an expansion/variation of an idea noted originally in the Budget Options Group document.

Idea 22*: Merge one or more rural campuses or convert to Learning Centers to create efficiencies		
Description: In order to understand this question, the committee ran a scenario based on campus size (# of employees and # of students). Chukchi Campus (CC) and Northwest Campus (NWC) are the smallest locations in terms of staffing and students and represent a hypothetical example for this option.		
Analysis (Pro/Con):	• Some efficiencies in administration may exist if operations and/or leadership were combined • ANSI/Title III funding is critical to preserve and makes up a high portion of campus support, respectively	• There is some need to preserve in person student services; loss of presence in some communities at this level may result in a decrease in student enrollment • ANSI/Title III is based on specific criteria associated with autonomous operations • Campuses compete for a fixed pool of ANSI/Title III funds; if one campus were to merge, the resulting larger campus is not guaranteed a larger pool of funds – rather all campuses would compete for a similar level of funding (although # of campuses competing might be less)
Recommendation:	<u>This PBC committee does not recommend that community campuses are merged or converted to Learning Centers due to potential loss of ANSI eligibility</u>. Should the ANSI conditions change, this option can be revaluated. <u>This committee does encourage cost containment and a review of administrative processes and staffing at all rural campuses and the Fairbanks Campus; a review of administrative staffing across CRCD is detailed in another option.</u> For specific ANSI qualification, an accredited branch campus must be geographically different from the main campus, permanent in nature, offer courses for credit and programs leading to an associate or bachelor's degree, has its own faculty and administrative/supervisory organization and has its own budgetary/hiring authority. Restricted funding of this nature makes up between 27.4%-46.8% of the total funding respectively across the CRCD campuses. Based on the scenario that CC were to be merged with NWC; campus absorption would need to result in a savings of at least $685k to compensate for the loss of Title III funds. This is equivalent to approximately 10 FTE (out of 13). The result is a net loss rather than a net gain. Learning Centers do not have the ability to apply for specific ANSI funds in the same was as campuses do. The loss of ANSI/Title III funds appear to outweigh significant savings generated through merged operations.	
Cabinet Decision:	**Do not implement - As recommended by PBC.**	

*Indicates PBC recommendation was derived from an expansion/variation of an idea noted originally in the Budget Options Group document.

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 to 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):	• Savings in scholarships $600K but will likely be offset by other aid and financial incentives necessary to attract athletes • May allow for stronger focus on academic programs/services	• Less attractive to new students and negative student life impact • Related tuition and fees may be lost (approx. 130 total student athletes; 15% are UA Scholars) • Some revenue generation capability may be lost; 30% of athlete aid is from other non-UA sources ($400K/year) • PR/community support issues • May have unintended Title IX impacts • Operational costs may not change significantly
PBC Recommendation:	The PBC does not recommend this option. A change from Division I/II to II/III does not appear to generate savings or reduce costs and reduces the ability to provide aid to student athletes; which is also a recruitment/retention activity. Additionally, maintaining Hockey as a Division I sport is not possible if other sports are moved to Division III. Hockey at this level generates the highest revenue of any sport and there is significant community and student support for maintaining Hockey as Division I to be most competitive. Overarching recommendations for the Athletics Program are listed above.	
Cabinet Decision:	Do not implement **- As recommended by PBC.**	

Idea 24*:	**Eliminate or outsource US Postal Service (review of business model needed)**	
Analysis (Pro/Con):	• This could free up minimal space on campus and in Aurora • Some business process changes may increase use of the Post Office - such as allowing for credit card transactions (currently PO only takes cash or check) • Increasing services, convenience for students/employees and thereby increasing revenues rather than downsizing the operations is a recommendation	• Students without transportation would have difficulties getting mail or mailing packages; may be inconvenient • Potentially large "hassle factor" for little to no savings • Renovation costs to use the vacated space may be high • May create many unintended consequences • USPS indicates delivery to individual mail boxes on campus is not possible with the current contract (and not preferred) • An internal mail routing service and staff would still be needed
PBC Recommendation:	The PBC does not recommend elimination of the USPS services on campus; however, does recommend the business model for this service is reviewed. If the model is made more viable, it may increase customer service, convenience for use, and therefore revenue. An increase in revenue may eliminate the need to subsidize this service from central budgets, which may result in savings. If credit card transactions are enabled (for example) it may optimize services so use of this office is increased and is fully self-support.	
Cabinet Decision:	**Implement with modifications – Elimination/outsource of USPS on the Fairbanks Campus is not adopted (as recommended by PBC); however, a review of business operations will be conducted to consider increasing payment (credit/debit) functionality and other convenience based services.**	

*Indicates PBC recommendation was derived from an expansion/variation of an idea noted originally in the Budget Options Group document.

Idea 25*: Move from 60 minute lecture hour to 50 minute lecture hour		
Description: Moving to a 50 minute lecture hour may open-up classroom space without increasing program costs. This may allow for additional opportunity within the week to add extra classes.		
Cost Statistic:	UA Shaping Alaska's Future initiatives may call for uniform lecture hours across all UA campuses	
Ability to Implement:	1 – Chancellor/Campus Level Decision	
Timeline:	Short-Term	
Analysis (Pro/Con):	• There may be policies created to make course calendars and lecture hour requirements uniform across UA campuses • 50 minute lecture hours may allow for more offerings during the week • May increase opportunities to improve course sequencing	• May reduce quality standards of many courses • May not be a cost savings • Capacity already exists in the current course schedule; not all times of the week are utilized to date • Faculty Senate would need to review/approve changes of this nature
PBC Recommendations:	<u>This committee does not recommend moving to a 50 minute lecture hour. Current 60 minute lecture hours are preferred.</u>	
Cabinet Decision:	Do not implement - **As recommended by PBC.**	

Idea 26*: Eliminate Vet-Med program (partially-funded)		
Description: UAF teamed with top ranked Colorado State University, College of Veterinary medicine and Biomedical Sciences in the new proposed 2+2 joint DVM program. Students will apply at CSU CVMBS and choose Alaska resident or preference to attend the first two years of the program at UAF. In years 3-4 the students will attend CVMBS in Ft. Collins ultimately acquiring a DVM degree.		
Cost Statistic:	UAF requested $400K from the State of Alaska; $200K was funded in FY13, $0 in FY14 and FY15. Enrollment capacity in the program is 10 students after July 1, 2014.	
Ability to Implement:	2-3 – President/UA System decision or Board of Regents' decision	
Timeline:	Long-Term	
Analysis (Pro/Con):	• May allow UAF to reallocate $200-400K already provided by the Legislature to other high priority programs • Is there potential to share resources for administrative support for this program	• UAF already received funding from the State as a high priority item; may appear contrary to immediately discontinue • Consider lost future tuition revenue; UAF expects $250K-$300K tuition revenue over time • Building program takes time to build/staff/enroll students • Vet-Med program allows competitive edge at UAF due to our unique location and statewide demand for veterinarians • This agreement fits with UA strategic themes for partnerships • This partnership is much lower in cost than delivering the full program solely at UAF
PBC Recommendation:	<u>The PBC does not recommend eliminating or reducing this program at this time.</u> This program fits the mission of the university and appears to be a low cost/low staffed program that serves one of Alaska's needs. Additionally, this program is a result of some recent investment from UAF and the State of Alaska. There has also been a recent partnership with Colorado State University (CSU) effective this year, which supports UAF strategic initiatives and Shaping Alaska's Future partnerships. A head Veterinarian has recently been hired and the program is expected to have a 10 student capacity, in partnership with CSU, available after July 1, 2014. This program will be subject to the regular UAF program review once it is fully developed.	
Cabinet Decision:	Do not implement - **As recommended by PBC.**	

*Indicates PBC recommendation was derived from an expansion/variation of an idea noted originally in the Budget Options Group document.

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 (for Engineers) plus $600K (capped) to do the work would mean nearly $725K in initial required funds. An estimated $350K savings in Year 1, and ongoing each year; initial investment recouped in less than 3 years. External third party audits required to ensure savings are real, estimate $30K/year.	
Analysis (Pro/Con):	• Necessary practice as UAF has some older and inefficient buildings • Opportunity to hire students to do some of the work in a practicum setting • Most of work can be hired in-house (less expensive than external contracts)	• Cost savings realized in future years; not immediately • Requires initial investment (pay cash now and obtain savings when work is finished) • May need a third-party audit to monitor that UAF did the work and savings are realized (requires investment)
PBC Recommendation:	Energy audits were done in 2011 to selected buildings (10 in Fairbanks). These efforts continue to be explored by evaluating other low-efficiency buildings on campus for energy work. A new set of 11 buildings have been chosen for an upcoming energy audit review. Coffman Engineers in Anchorage is provided the list of buildings and will perform a Level 2 energy audit. Deliverables include recommendations for energy efficiency options and an estimated cost savings if recommendations are utilized. UAF plans to hire in-house to perform energy work (most of it consists of lighting changes and upgrades). The PBC feels that if funding availability is finalized, this is a necessary and viable option to put forward.	
Estimated Savings Target:	TBA	
Cabinet Decision:	**Implement – Facilities Services will identify specific facilities, investment and return model. Savings TBA.**	

*Indicates PBC recommendation was derived from an expansion/variation of an idea noted originally in the Budget Options Group document.

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, all departments must move out. The lease is due to expire 5/31/2014. Facilities Services is exploring options to renew the lease for six additional months instead of a full year. Moving e-Learning 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 e-Learning 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	
Analysis (Pro/Con):	• Results in lease cost savings • Results in co-location on campus; renovation may be required for long term benefits	• Must find suitable space on-campus to put the displaced departments • Renovation and relocation/colocation costs must be considered
PBC Recommendation:	<u>The PBC recommends that all departments located in the Bowers Building are moved into on-campus or non-leased space</u>. Additionally, the PBC recommends that if leases are paid from departments or schools, it is their responsibility to manage these costs and seek savings where it makes sense, with the overall broad intent to reduce off-campus leases. Ending the Bachner Building lease is currently in progress; SNAP and OIPC are slated to move onto campus so this item can be removed from consideration because it is already occurring in FY14. Anchorage leases are addressed in a separate recommendation listed below.	
Estimated Savings Targets:	$150K FY16 (Bowers only; reduced for relocation and furniture needs)	
Cabinet Decision:	**Implement – No savings are expected in FY15. eLearning will move to the Fairbanks Campus by May 2015. Savings will accrue centrally in FY16 estimated at $150K.**	

*Indicates PBC recommendation was derived from an expansion/variation of an idea noted originally in the Budget Options Group document.

Idea 3*: Optimize use of on-campus space and facilities (including classroom, office and laboratory space)		
Analysis (Pro/Con):	• Improving use of space has a direct impact to cost containment at UAF; it reduces deferred maintenance costs and encourages optimization in academic/administrative areas • Review of laboratory/research, teaching and administrative space is opportunity to make decisions regarding space and programs	• Classroom utilization may require sections to be split which is also costly. • May require additional investment to modify space
PBC Recommendation:	The PBC feels this option is viable and recommends it move forward, if not already in progress. Several ideas include enforcing shared labs: current practice/belief is that laboratory/research space cannot be shared among PIs. If UAF can successfully share labs, an opportunity exists to increase research. Other specific scenarios under review by various groups include: 1) Review Lola Tilly and U-Park (UAF owned spaces) and consider departmental moves and analyze how to best utilize these spaces. 2) Lola Tilly will soon discontinue food services when the new Wood Center addition is complete summer 2014. Renovation options for Lola Tilly to convert to office space. 3) U-Park may need west wing renovation; this area is not well-heated and currently used for cold storage. Potentially require $1M in renovation costs, funding availability is not yet known. 4) Move Printing Services out of Bunnell Bldg (FS303) and into Aurora Bldg (FS656). Printing Services currently occupies 6200 SQ FT of space in basement of Bunnell. 5) Consolidate bookstores: move CRCD bookstore into UAF bookstore on campus.	
Estimated Savings Target:	$TBA (space dependent)	
Cabinet Decision:	**Implement – UAF has a space study in progress and will devote a substantial effort to improved classroom, laboratory and office space utilization throughout FY15. Savings TBA.**	

Idea 4: Consolidate Anchorage leases (MAP/CES) into less expensive space		
Description: Consolidate off-campus leases. Currently MAP program utilizes leased space in Anchorage.		
Analysis (Pro/Con):	• Results in lease cost savings	• Moving to another facility requires leasing new space, tenant improvements and moving expenses. • Location suggested for this move (*note that the location is unknown to PBC at this time*) will only save $0.40/sq. ft. for moving from Class A office space to Class C.
Alternatives/Add'l Notes	1) Instead of eliminating the lease, ask staff and faculty to pay a portion of parking (much like they would pay if they were parking on campus) 2) Share this space with another University office(s)/department(s) to make space use more efficient 3) Issue an RFP to explore other spaces that are available for the best deal 4) Move MAP faculty to remote sites or Fairbanks to eliminate the Anchorage lease	
PBC Recommendation:	The PBC feels this option should be evaluated carefully within the School of Fisheries and Ocean Sciences (SFOS) to establish if this is an avenue they would explore for cost savings.	
Estimated Savings Target:	TBA	
Cabinet Decision:	**Do not implement – Not at this time, but this will be considered as part of the shared services review noted above (Program and Service Option #7). The two units are encouraged to continue collaboration, and where appropriate, joint positions.**	

*Indicates PBC recommendation was derived from an expansion/variation of an idea noted originally in the Budget Options Group document.

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):	• Immediate savings, easy to implement • Allows for work-arounds or exemptions if certain business processes must run nightly • Standardizes use of UA network with ability to push software updates; reduces IT silos • Consistent method of savings (rather than relying on users to behave the same on a daily basis) • Generate reports to demonstrate energy savings	• Not all 1850 computers may be in use • 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 of Information Technology (OIT) is tasked with identifying the investment and savings model. $70K net savings is expected in FY15 with an additional $100K in FY16 taken from utilities toward the central budget.**	

*Indicates PBC recommendation was derived from an expansion/variation of an idea noted originally in the Budget Options Group document.

<table>
<tr><td colspan="3">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</td></tr>
<tr><td colspan="3">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.</td></tr>
<tr><td>Cost Statistic:</td><td colspan="2">There may be ways to move existing personnel from the facility, eliminating costs, but preserving program functions.</td></tr>
<tr><td>Ability to Implement:</td><td colspan="2">2-3 – President/UA System Decision or Board of Regents' Action</td></tr>
<tr><td>Timeline:</td><td colspan="2">Short to Long-term</td></tr>
<tr><td>Analysis (Pro/Con):</td><td>• Reduction in operating costs by facility sale
• Opportunity for revenue-generation if property is leased
• Opportunity to consolidate program for greater administrative efficiencies in new space
• Low impact to students and program delivery
• Allows SFOS to mitigate a deficit situation
• Selling property demonstrates to BOR and President that UAF is addressing very difficult decisions due to budget constraints
• Does not negatively impact core campus operations</td><td>• Selling facility will require negotiation with UA to have the funds allocated to UAF
• It is unclear that there is any market (sale or lease) for this specialized facility
• Need to find alternative equivalent sized space to accommodate ongoing services
• May have associated renovation costs
• Partial central cost savings due to split with SFOS
• Savings may occur over time based on program move, etc.
• Lose or relocate presence in Kodiak
• Kodiak community is strongly committed to UAF continuing to operate and staff the facility
• Relocation or loss of approx. $350K in industry research funding, plus loss of additional ecosystem and marine mammal external research funding and associated F&A may be a risk</td></tr>
<tr><td>Estimated Savings Target:</td><td colspan="2">TBA, special review pending, target is $100K in increased revenues or decreased costs</td></tr>
<tr><td>PBC Recommendation:</td><td colspan="2"><u>The PBC recommends SFOS pursue this option and explore opportunities to relocate program in order to create lease savings.</u>

The committee recognizes there is wide community support for maintaining this facility in Kodiak. The cost of this lease and benefits of co-locating with other units are currently under review.

Note that facility/land sale revenues traditionally go to UA (negotiable), while lease savings would go to UAF. UAF would need to negotiate a prudent agreement if sale becomes an option.</td></tr>
<tr><td>Cabinet Decision:</td><td colspan="2">Implement with modifications – Conduct a special program review of space use options, including the establishment of a broader technology center at the Kodiak facility, and/or use by other UAF, Kodiak Campus or private entities. The target will be $100K in increased revenues or decreased costs.</td></tr>
</table>

Idea 7*: Streamline System Office functions and/or provide identified operations from the Fairbanks Campus to avoid duplication of services with Statewide, e.g., Procurement, Labor Relations, Risk Management		
Description: System office services include: HR, Risk Management, Finance, Foundation, OIT, Public Affairs, Budget, General Counsel. Explore opportunities to streamline where it makes sense and prevent duplication of services. Initial ideas to explore are **Risk, Procurement and HR** where services are located in Butrovich building and on Fairbanks campus.		
Ability to Implement:	1-2 – Chancellor/Campus Decision or President/UA System Decision	
Timeline:	Short to Mid-Term	
Analysis (Pro/Con):	• Opportunity for consolidation and increased efficiency • Geographically can make sense • UAF runs the majority of administrative operations for the Fairbanks location; may be able to absorb certain work with appropriate resourcing • May require investment in key areas • If Statewide secures cost savings via consolidation, opportunity for UAF to receive a portion of savings from the pool • Statewide Procurement consists of 1 FTE which is currently vacant; transitioning the function to UAF Procurement can/could be a relatively smooth transition	• Must consider centralizing and decentralizing options • Must consider Statewide services geographically located in Anchorage • May not include all Statewide services since some functions are best performed in the System Office (General Counsel etc.) • If Statewide transfers functions to UAF, cost savings likely realized by Statewide only • Little UAF influence on System Office recruitments
PBC Recommendation:	The PBC does not oppose this idea. Rather, the PBC feels that Statewide should proactively review their departments and functions to establish cost savings ideas and be part of the collaborative process to make decisions that affect other campuses. UAF recommends certain collaborations with Statewide should be explored including Procurement, HR Labor Relations and Risk Management. Opportunities may exist for lead campuses to take on services for the UA System if Statewide vacancies exist and responsibilities are transitioned. • Anchorage and Fairbanks both have Statewide HR functions; previous consolidations have been explored however budgetary climate may merit further discussions. Other services may now be options. • Decentralize Statewide HR Labor Relations function from Statewide to UAF. • Decentralize Statewide Procurement function from Statewide to UAF. The PBC also recommends that Statewide actively collaborate and communicate with other universities to establish how functions can be streamlined.	
Estimated Savings Target:	TBA, pending UA System Office agreement	
Cabinet Decision:	**Implement (with agreement) – Will require concurrence of the UA System Office. UAF will propose initial work in Payroll and Labor Relations areas; e-Procurement options would be the next targeted area. Savings TBA, pending agreement.**	

*Indicates PBC recommendation was derived from an expansion/variation of an idea noted originally in the Budget Options Group document.

Idea 8*: Encourage timely retirements for eligible employees – remind/encourage employees to develop/implement retirement plans		
Description: Explore retirement incentives in key areas – what employees qualify for, or are near to, retirement? Consider impacts of ORP vs PERS; what is cost vs. savings (net result); where we have compression (if any)?		
Cost Statistic:	• PERS allows retirement at 30 years of service or age 60. Early retirement is age 55. • Early retirement reduction is 6% per year for every year less than normal retirement age (this is a potential payout UA would be required to pay)	
Ability to Implement:	1-2 – Chancellor/Campus Decision or President/UA System Decision	
Timeline:	Short to Mid-Term	
Analysis (Pro/Con):	• Salary cost savings immediately	• Potential other (additional) employee payouts required • Promotes "brain drain" • Faculty early retirement will impact programs, creating potential unintended consequences in other areas (the ripple effect)
PBC Recommendation:	The PBC recommends that this not move forward as a formal universal initiative. Instead, the PBC recommends that during open enrollment, HR remind employees to review their retirement plans and options. If a retirement incentive were to be developed, asking for volunteers or allowing employees to move to part-time from full-time might be an alternative option. It should be noted, UAF administration is also generally not supportive of a retirement incentive and the PBC did not support the concept of "brain drain".	
Cabinet Decision:	**Implement with modifications – Retirement incentives were not adopted, but this item was modified as suggested by the PBC. During open enrollment periods, Human Resources Offices should remind employees to review their retirement plans and options.**	

*Indicates PBC recommendation was derived from an expansion/variation of an idea noted originally in the Budget Options Group document.

Idea 9*: Reduce PERS penalty that UA System pays to State of Alaska for lack of minimum number of participants in PERS		
Description: Alaska Statutes require the University contribute to PERS Defined Benefit and Defined Contribution plans at a minimum each year of 22% of the University's fiscal year 2008 PERS covered payroll. Additional University contributions of $1.8M, $312K and $208K for Fiscal Years 2013, 2012 and 2011, respectively, were required to adhere to the minimum contribution levels per the statutes. Essentially, those additional contributions are "penalties" the University is paying because we do not have enough people selecting the PERS option. This is a UA item; not specific to only UAF.		
Cost Statistic:	The annual penalty if the ceiling is not met is $1.8M in FY13 for the UA system. Of the $1.8M, UAF's portion is $900K.	
Ability to Implement:	3-4 – Board of Regents' Action or External Action: Change in state or federal law (i.e. Borough, etc)	
Timeline:	Mid-to Long-Term	
Analysis (Pro/Con):	• Possible initial savings by maximizing current minimum commitment to PERS based on 2008 salary schedule • Balance between ORP and PERS is critical for optimal cost of each • Savings are UA-wide	• Savings will only be realized up to the ceiling after which University contributions rates will be at 22% and significantly higher than both TERS DC and ORP Tier 3 DC plans • Savings not UAF-specific • May require statutory changes •
Alternative Scenarios:	Incent new hires to select PERS in order to reduce the penalty amount or close ORP option for a selected time period – goal is to balance between ORP and PERS to avoid penalties in any area.	Negotiate with State to alter the minimum requirement in order to reduce the penalty
PBC Recommendation:	The PBC prefers a cautious approach to swaying or influencing new hires to choose one plan over another as it could result in liability issues in the future. <u>The committee recommends that UA closes ORP for a period of time and PERS is the available option in the interest of balancing participation. Due to the systemwide impact of this idea, the PBC recommends that HR representatives from Statewide, UAF, UAA and UAS join together on behalf of all campuses to communicate with the State of Alaska to negotiate options to reduce or eliminate this penalty.</u> It should be noted the Chancellor's office is generally supportive of working with Statewide to explore opportunities to work with the State of Alaska.	
Estimated Savings Target:	TBA, pending UA System approval/change	
Cabinet Decision:	**Implement (with approval) – UAF recommends this option, but this requires UA System Office changes, potentially affecting either Board of Regents policy and/or state law. UAF will request the System Office make modifications to retirement programs to reduce costs.**	

*Indicates PBC recommendation was derived from an expansion/variation of an idea noted originally in the Budget Options Group document.

Idea 10*: Reduce volume of internal/inter-campus printed mailings		
Description: Many departments continually receive internal or inter-campus mailings from other departments: brochures, newsletters, announcements, etc. Some departments claim to simply throw them away immediately; they are not useful. Suggestions for greater use of online bulletin board or use of campus list-serves were made.		
Cost Statistic:	Department magnitude varies – more research required	
Ability to Implement:	1 – Chancellor/Campus Level Decision	
Timeline:	Short-term	
Analysis (Pro/Con):	• Encourages internal policy/practice changes to "go green" • Reinforces UAF sustainability efforts • Increases online traffic in targeted areas	• Employee preference varies (printed paper vs. online viewing) • Many employees do not like receiving "more email"
Alternative Scenarios:	Outcomes: create online bulletin board; utilize list-serves; utilize Cornerstone or other online newsletters	
PBC Recommendation:	The PBC does not oppose this idea. <u>Rather, the PBC suggests this idea is encouraged as a "best practice" instead of a formal recommendation.</u> It is a difficult to quantify and a certain level of paper communication is unavoidable. In the event of an ATB cut, departments may reduce or eliminate this practice on their own; it is difficult to directly influence this practice externally. UAF may prefer to suggest ways in which online communication can be done more easily or for low cost, such as: revolving flyers and announcement banners on websites, television monitors installed in buildings with information, news and announcements (successfully used in Bunnell building, for example) or allow a range of alternatives for users to access information rather than printing paper.	
Cabinet Decision:	**Do not implement - As recommended by PBC.**	

Idea 11: Merge Kodiak facility and partner with NOAA and/or ADFG to share facilities		
Description: The NOAA facility is underutilized. Opportunities exist to partner with NOAA or ADFG.		
Cost Statistic:	Est. operating costs: $TBD	
Ability to Implement:	2-3 – President/UA System Decision or Board of Regents' Action	
Timeline:	Short to Long-term	
Analysis (Pro/Con):	• Maintain Kodiak presence • Potential revenue-generating opportunity • SFOS can offer specialized lab space in Kodiak	• Very new idea at this time • Dependent upon NOAA and/or AFDG cooperation/negotiation
PBC Recommendation:	NOAA is secured in a lease with the Kodiak Borough until 2018 so is not interested in relocating at this time. ADFG deferred also, indicating they did not think this is a viable option for them. Other options are not immediately clear. <u>The PBC recognizes this may not be a viable option at this time.</u>	
Cabinet Decision:	**Do not implement - As recommended by PBC.**	

Revenue Generating Options and FY16 Planning

Over the course of FY15, UAF will be making investments and reallocating funds to programs and projects with significant revenue producing potential. UAF intends to maintain a prudent amount of strategic funding that can be invested to target growth in key areas or seed revenue generating opportunities, even if budgetary conditions persist. The PBC is also preparing a budget request for FY16 funding that will be considered as part of next year's legislative request.

*Indicates PBC recommendation was derived from an expansion/variation of an idea noted originally in the Budget Options Group document.