

FY12 Cost Savings/Containment Efforts, Efficiencies, Sustainability Initiatives, Process Improvement and Revenue Ideas

August 2012

UAF has made increasing efforts to find opportunities for cost savings/containment, has maintained conservation and sustainability initiatives as a high priority, and is investing in process improvement efficiencies in FY12.

Imbedded in many of UAF's business decisions on a regular basis, campus leadership has ramped-up discussions of this nature as part of strategic planning activities over the past year, and as UAF approaches its' centennial. UAF is actively finding ways to promote use of more and better data in decision-making, encouraging transparency and accountability in regard to resource allocation, and is making strides to improve reporting at all levels.

There are several key areas in which UAF can categorize its cost savings and efficiency efforts in FY12

- Financial and Human Resource Efficiencies
- Utilities, Energy or Resource Conservation
- Outsource, Change in Service Model or Process Improvement

Understanding the fiscal climate and thoughtfully considering future plans, UAF is also making efforts to find innovative ways to generate new revenues to support its programmatic needs and optimize future growth.

Financial and Human Resource Efficiencies

- Schools are also making choices to **optimize faculty effort** and have made several choices to hire faculty with higher instruction workloads in order to teach more classes, or hire Professionally Qualified term and adjunct faculty in certain program areas to **increase offerings to students at a lower cost** than exclusively using PhD tenure track faculty without adversely impacting accreditation requirements or quality standards.
 - School of Management Faculty Position Management Savings: \$98,600
 - School of Education: \$32,300
 - School of Natural Resources & Agricultural Sciences (SNRAS): \$100,000
 - College of Liberal Arts: \$27,000
 - Cooperative Extension Service: reduced 0.4 FTE by simplifying the administration of two popular nutrition education programs
- UAF has combined the former Geophysical Institute Office of Human Resources with the UAF Central Human Resources Office. The merged business units now operate in two locations under one management team. This has resulted in a **West Ridge Human Resources Office** which has the ability to service a larger customer base with cost savings (to date) equivalent to one FTE, approximately \$70,000.
- Use of **technology to improve administrative efficiency and online instruction** has benefitted several departments and schools over the course of FY12.
 - The School of Management has **increased the number of online course offerings** 57% since FY11, and 150% since FY07, which generated over \$230,000 in tuition for the school in FY12. Considering 41% of these students were off campus and would not have

taken an in-class equivalent, this represents an **increase of approximately \$36,000 since last academic year in off-campus revenues produced by use of online courses.**

- The Office of Admissions and Registrar implemented use of **electronic transcript delivery services** (via Avow, Inc.) resulting in savings equivalent to 0.25 FTE, approximately \$13,000. This office also implemented an **online application process for graduation and eliminated the paper course offering schedule and replaced it with a smaller registration guide** which resulted in less handling of paper, reductions in FTE time, and other efficiencies.
- Institute of Arctic Biology redesigned administrative services to **utilize online forms** for mail and procurement resulting in savings equivalent to 1 FTE.
- The Office of Information Technology negotiated an **extended term contract for website content management** (Roxen) resulting in a savings of \$46,000.
- The Cooperative Extension Service (CES) utilized **online registration for many workshops and conferences** through the CES/SNRAS Business Office registration portal, which allows for secure use of credit card information. This simplifies registration at district offices and gives more options to registrants. CES has also put **several publications online, eliminating paper printing**, for added efficiencies.
- The Rasumson Library saved approximately \$21,600 by **canceling and consolidating** various low-use journals, **created a Google Site** (using existing technology) to track electronic resource subscriptions instead of maintaining a third-party vendor, and utilized more **competitive vendors** for microfilm.
- Facilities Services moved **daily work order reporting from a paper to electronic process**. This resulted in a reduction of printing costs and improved report distribution model, saving \$500 annually.
- Use of **OnBase document imaging** software on campus continues to grow. To date, Student Services has **reduced the time for student document processing in the Office of the Registrar and Admissions from four weeks to two**. Use of document imaging is also increased for Financial Aid and Human Resources.
 - Document imaging allows better document tracking and processing and has **eliminated the need to keep or transfer paper copies of student records and forms**. This has resulted in better service for students as well as allowing employees to better focus on actual student issues. OnBase is used by the Office of Admissions, Registrar, Financial Aid and Human Resources at all three MAUs.
 - Document imaging has made it **more efficient for Human Resource staff to review archived timesheets, tax forms, and other employee records**.
 - **Additional departments are migrating to document imaging** with plans to include more. These are UA Risk Services, Offices of Grant & Contract Administration (at each MAU) and Financial Services.
- UAF Procurement & Contract Services joined the University Spend Collaborative (USC) of the Education Advisory Board, a group of high education institutions seeking to achieve a **better understanding of our procurement practices and leverage that understanding both to save money and increase spending awareness** in our units. Over the last four months the information from USC has been used to establish informed negotiating positions for the purchase of scientific and technology products. It has also been used to **educate departments** regarding procurement expenditures during the spring budget preparation process.
 - During the next year Procurement will use information gathered from USC to enter into negotiations with some larger commodity vendors in order to **achieve savings by securing contracts with those vendors offering the best pricing and terms**. The first major commodity group is scientific equipment and new contracts are expected to be in place by the end of 2012.

- Over the last year Procurement has established a number of **indefinite delivery – indefinite quantity (IDIQ) contracts for technology equipment**. IDIQ contracts provide cost savings through the **competitive solicitation process coupled with the ability for departments to make purchases quickly and easily**. Information gathered from USC will identify areas where it would be appropriate to established additional IDIQ contracts in the future.
- **UAF Procurement has converted its formal solicitation process to completely online format, called E-solicitation**. The E-solicitation process includes online repositories of prescribed forms, templates for layouts of common solicitation types, and a central online repository for bid/proposal submission. It has greatly eased administrative and work processes tasks necessary to format and issue a formal solicitation. In addition, **E-solicitation has greatly reduced both issuing and submission times for formal solicitations, reducing shipping costs for the University and the public, and increasing the amount of time available for vendors to prepare their proposals**.
 - In FY13, Procurement will move the management of the E-solicitation process to a company call AE Plans. AE Plans will post solicitations, amendments and other notices on web for vendor download. UAFs Division of Design and Construction currently uses AE Plans for constructions solicitations meaning that there will be a central location for all Bid and Proposal request from UAF in the near future.
- UAF has made significant strides to train employees in safety standards and has made the remediation of safety hazards a priority in FY12. UAF expects to evaluate the outcomes of this safety initiative in FY13 and hopes to see a **reduction in associated claims**.
- Finance and Accounting worked with units to **improve financial management reporting and projections** in order to understand and maximize UAF resources at all levels of the organization.
- The Office of the Vice Chancellor for Research **discontinued publishing the *Last Frontier*** science magazine resulting in a savings of \$50,000 annually.
- The Cooperative Extension Service has **increased its use of UA Video Conferencing Services for program delivery and training**, examples include:
 - The Delta agriculture agent teaches a pesticide applicators certification class in several communities. Last year the two day class located in Delta Junction was offered via video in Soldotna, Homer, Kodiak, Fairbanks and Anchorage. **This optimized faculty time, and travel savings are estimated at \$4,000-\$5,000.**
 - **4-H agents offered a “Cyber Summit” training conference for volunteers, saving an estimated \$10,000 in travel costs.**
 - The food research technician coordinated a **specialty food workshop offered via video conferencing to potential entrepreneurs in Anchorage, Delta Junction and Sitka, saving an estimated \$4,000 in travel costs.**
- The UAF Office of Finance and Accounting has worked with each UAF department over the past year to improve and formalize tracking of vacant faculty and staff positions in order to **manage position vacancy**. Vacancies are reviewed by management at various levels prior to initiating a recruitment to determine if resources should be reallocated. Savings for reinvestment via improved Position Management include, but are not limited to:
 - Facilities Services: \$987,000
 - Rasmuson Library: \$202,700
 - Office of Information Technology: \$209,000
 - Office of the Provost: \$50,000

- Office of the Vice Chancellor for Research: \$175,000
- Office of Admissions/Registrar: \$60,000
- International Programs: \$150,000
- Chukchi Campus: \$112,000
- Northwest Campus: \$25,000
- Arctic Region Supercomputing Center: 3 FTE reduced to 1 FTE for administration
- Bristol Bay Campus: reduced 1 FTE and revised work schedules to maintain flexibility for student needs without incurred overtime wages

Utilities, Energy and Resource Conservation Efforts

Sustainability has been and continues to be a major initiative for UAF. Through the UAF Office of Sustainability, the Associated Students of UAF (ASUAF) student government organization and beyond, UAF has engaged in several actions in FY12 to **reduce waste and recycle, design green spaces, purchase wisely and shop local foods, educate people with regard to sustainability, and conserve energy.**

- UAF partnerships with student groups, the community, non-profit agencies, the private sector and the Cold Climate Housing Research Center have enabled UAF to **bring sustainable housing to the UAF campus. This Sustainable Village housing project, a product of a student design completion, will be available for student living in the Fall 2012.**
- The UAF Office of Sustainability, ASUAF, and Facilities Services managed recycling efforts on campus and within the community in FY12. **Between January and July 2012, UAF transported 84,169 pounds of cardboard and paper, 57,860 pounds of glass, 7,140 pounds of plastic, and 3,120 pounds of aluminum to K&K Recycling, Inc.**
- A **computer shutdown software program** (NightWatchman) funded by the Student Sustainability Fund and managed by the Office of Information Technology was installed in FY12. This program encompasses approximately 1600 Fairbanks Campus computers (66% of all UAF computers). Software shuts down these computers after a period of inactivity, scans for viruses, and wakes them up in prep for the next business day. The number of PCs under power management directly affects the overall reported electricity use and therefore cost and emissions. This saved an average of \$65 per computer in energy costs and also reduced the UAF carbon footprint. **Between August 2011 and July 2012, over \$90,000 in energy savings and 545,000 pounds of Carbon emissions savings was produced.** Estimating one tree sequesters 12g of Carbon Dioxide; this effort will dramatically assist UAF in becoming a more sustainable campus.
- **Water bottle filling stations**, set up in Summer 2011 in the Wood Center and Moore-Bartlett-Skarland student housing complex, **monitor how much water is used and how many plastic water bottles are saved due to the refill of existing bottles. In FY12, over 10,000 plastic water bottles were saved.**
- **Repair of the Patty Center pool control system corrected maintenance problems, saving between one and two gallons of water per minute** and stabilized the pool chemistry saving on purchased chemicals. Results will be seen in FY13, but UAF expects a **total savings of 485,000 gallons of water** this year.
- The **Institute of Northern Engineering vacated the UAF facility located at 3330 Industrial Avenue** in June 2012. An average of \$85K was spent annually to operate this facility. New costs associated with moving researchers to on-campus space are estimated at \$6,000 annually, resulting in **improvements in research relationships to foster new collaboration and \$79,000**

in savings. UAF plans to sell this facility in FY13, and reinvest the proceeds to help address engineering facility obligations.

- UA has been working to **increase energy efficiency of buildings across the system**. Over the last twelve months all three MAUs performed **energy audits** on many campuses across the state through a competitive RFP process. The audits constituted a thorough study of the existing lights, fans, motors, HVAC systems, building envelopes and cooling in the buildings selected for review. The result of each energy audit is a design and firm bid to implement a recommended list of Energy Efficiency Measures (EEMs) that address specific energy issues within the buildings. Should these measures be performed by the audit consultant, the consultant will guarantee the savings to the University. This project will take the recommendations from the audits and implement them.
 - This project will implement the **Energy Efficiency Measures (EEMs) identified in the Investment Grade Energy Audits performed by Siemens Building Technologies**. Services to be performed include the installation, modification, and commissioning of new and existing energy systems, and verification and reporting of energy savings in ten buildings on the UAF main campus, and at community campuses. **A project goal is to meet or exceed an aggregate 12 year payback for the combined EEMs.**
- The Arctic Region Supercomputing Center retired over 50 computers from its “Midnight” system and replaced them with higher efficiency equipment. **Utilizing roughly the same amount of power and cooling utilities, the Supercomputing Center is able to provide over eight times the computing capacity for UAF research and teaching.**
- The Bristol Bay Campus has engaged in several conservation efforts including **installation of computer power management software, motion sensing lighting or “delamping” in public use areas where possible, eliminating a vending machine, and installation of a solar photovoltaic (PV) system which converts direct light into electricity**. They are also engaged with Facilities Services to discuss reduced boiler usage during summer months, are renovating campus facilities using energy efficient upgrades, and are hosting a campus-wide workshop on energy savings.
- The Northwest Campus **Emily Ivanoff Brown Library Building received complete exterior enveloping** and the administrative Nagozruk Building was **converted from forced air furnace to baseboard boiler, resulting in an estimated utilities savings of \$5,000 annually**. Additionally, the renovation project which will build a new wing to house a flight simulator is nearing completion. This allows Northwest Campus to **discontinue paying rent to the Alaska Technical Center for the simulator, resulting in \$12,000 savings annually**.
- Facilities Services, the Institute of Arctic Biology, and the Chukchi Campus have each made improvements in vehicle and fuel use.
 - Facilities Services has down-sized its fleet of vehicles and **replaced seven full size work vans with smaller more fuel efficient Transit Connect vans resulting in fuel savings in FY12 of \$4,800**.
 - The Institute of Arctic Biology **eliminated centrally paid use of campus vehicles** and required all researchers rent vehicles through Facilities Services as part of research field work.
 - Chukchi Campus has also tracked a **25% decrease in fuel use via the purchase of a new hybrid vehicle** and the sale of an older less efficient vehicle.
- Rural Student Services contributed to conservation efforts by **donating over 35 pounds of subsistence meat/food to cultural student potlucks**, in addition to funding student travel and

sundry items. **In total over \$1,500 was donated by Rural Student Services staff for student outreach activities.**

Outsource, Change in Service Models and Process Improvement

In FY12, UAF made significant progress in its review of highly-used workflow processes, in an effort to make efficiency improvements in several key areas.

- UAF's administrative services **process improvement initiative began as part of the Administrative and Support Review** process that evolved from the 2010 Chancellor's Executive Leadership Workshop. One of the goals of the Administrative Support Review Committee was to **identify common processes to streamline that would improve overall administrative effectiveness.**
 - UAF made efforts in FY12 to **institutionalize campus-wide process improvement efforts by creating the UAF Office of Management and Budget.** To date, two high-priority projects have moved forward, each with its own campus-wide project team. Six staff members have also gone through extensive training to become **qualified process improvement facilitators** and are guiding these two project teams, with more efforts on the horizon.
 - **Grant Award Set-Up and Employee Recruitment** are the two primary high-priority projects in motion. An **executive level steering committee has also been created,** to assist in the event that policy, regulation and information system issues need to be addressed. Recommendations from these groups are expected by the end of the calendar year.

- **UAF lead the UAF/UAA testing and implementation for AiM, the new work order system for Facilities Services,** an upgrade from the Facility Focus system. This web-based system was designed to support supervisors and managers with better, more accurate information for scheduling work orders, planning tasks and compiling data on open projects, which should result in better service on the work orders submitted. This system also enables standard operating procedures and defined key performance indicators (KPIs) for management reporting and decision-making across the UA system.

- UAF has regularly published **classroom space utilization reports** since FY03. The space utilization reports document hour-by-hour and day-by-day usage of centrally-assigned classroom space on the Fairbanks Campus in terms of both scheduling and occupancy. Work is underway to streamline and expand the utility of the space utilization reports. Data extraction methods have been streamlined in order to **gain insight into which classrooms in terms of occupancy are most in demand and at which time of day.**
 - The next step is to develop **trend reporting by classroom size and time-of-day to give a sense of change in classroom utilization rates over time.** Long-term project objectives include analysis the historic pairing of course sections with classroom sizes in an effort to **seek out efficiencies in classroom space assignment** as increasing enrollment heightens the demand for specific classroom sizes, and the identification of classroom size need based on future enrollment trends.

- **To enable more efficient coordination of extensive climate studies, observations, and modeling analyses, UAF implemented an internal restructure of five research centers.** The Scenarios Network for Alaska & Arctic Planning (SNAP), the Alaska Center for Climate Assessment & Policy (ACCAP), the Alaska Fire Science Consortium (AFSC), the Climate Science Center (CSC) and the Geographic Information Network of Alaska (GINA) were administratively shifted into the International Arctic Research Center (IARC). Although no

positions were eliminated in this reorganization, all units feel that internal efficiencies have been achieved due to implementation of structured operational procedures. In addition, other tangible benefits have been (and will be) realized by all units through sharing of expertise and facilities in research as well as in education and outreach. Common promotion of capabilities and research capacity will lead to more funding opportunities and increased diversity and stability for all entities.

- **Web Time Entry (WTE) and efforts for non-exempt staff have streamlined timesheet collection processes.** Exempt staff transitions from paper/manual processes are expected by Spring of 2013. **Quarterly effort certification for exempt staff will result in savings when complete.**
- **The Arctic Region Supercomputing Center collaborated with the Office of Information Technology to store information in a centrally supported database (rather than creating a new database) and for managing user accounts and passwords.** This reduced ARSC staffing needs and is an example of cost avoidance to meet service needs.
- **The College of Liberal Arts and the School of Management completed a program restructure to better serve military veteran students and military intended students** via the transfer of the UAF Military Science minor degree program and the US Army ROTC program from the College of Liberal Arts to the School of Management. The military science minor (ROTC cadets), military studies minor-in-process (veterans), and US Army ROTC program fit well within the School of Management's Emergency Management and Homeland Security undergraduate and graduate programs. It is also well-aligned with the Northern Leadership Center. Moving the ROTC program fills a gap in emerging partnerships and is well supported.

Ideas for New Revenue and Efficiencies

- **Activate UPay/UStore online payment technology** in an effort to eliminate manual credit card payments, transmit credit card information, and facsimile. This online mechanism for payment is expected to improve business operations, to better institute PCI compliance and increase student and customer access to UA offerings.
- **UAF is engaging in a branding "make-over" that will be used to promote campus activities and the Centennial Celebrations 2015-2017.** External fundraising efforts will be in full-swing in conjunction with the updated campaign. Several schools/departments are working with the Development Office to find additional opportunities to expand gifts.
- **UAF plans to begin utilizing software for electronic faculty workload reporting (Faculty 180) in FY13.** This will facilitate preparation of accreditation reports and State performance reporting that requires information on faculty productivity and will be located within a single database for improved information management.
- **UAF Intensive Advising Initiatives has among its goals increasing the proportion of students that complete classes successfully and achieve Satisfactory Academic Progress (SAP).** UAF has adopted SAP as one of its performance indicators. Improving SAP will improve efficiency, as it should reduce the need for multiple sections of freshman-level courses (in particular) due to the reduction of students who may have to repeat courses, etc.
- **UAF has made efforts to reduce off-campus leased space in order to optimize physical space on campus and alleviate lease payments externally.** For example, IARC currently pays for

bond debt for UAF physical space that is not currently occupied. The SNAP program currently pays for lease space in the Denali Building. If SNAP were moved into the Akasofu Building (IARC), it may result in savings of \$150,000 annually in addition to process efficiencies.

- **Increase partnerships with external agencies in order to share program costs.** Partnerships with other organizations often allow for shared expenses in course delivery. For example, the Cooperative Extension Service partnered with the Southeast Alaska Regional Health Consortium twice last year, and split costs for food preservation programs delivered in Southeast.
- UAF created the **Department of Recreation, Adventure and Wellness**. This office is focused on offering new programs and recreational campus and facility space rental, which may result in new revenues.
- The Geophysical Institute (GI) received funds in FY12 to develop the Unmanned Aerial Systems Program. GI expects to **capitalize on these funds to develop further programs and public/private partnerships**. The Alaska Satellite Facility (ASF) is also looking for new ways to develop new revenue streams.
- **Increase the tuition rate by 5% or greater**, in line with UA trends or peer adjustments, to keep pace with rising costs to educate students. If an across-the board tuition increase is not permitted, an alternative would be to allow campuses to increase tuition for certain costly programs that are in high demand by students.
- **Increase enrollment via outreach efforts in rural Alaska.** The School of Education is working with the UAF Development Office to secure funds for rural practicum expenses, supervision costs, and scholarships for students completing year-long student teaching experiences. The Bristol Bay Campus also opened an outreach center in New Stuyahok which increases their outreach centers to three (King Salmon, Togiak). Bristol Bay has also established a career center to help students find employment which has resulted in the addition of several new courses and therefore increased student credit hour production.
- **Increase the cost recovery of existing programs by examining the fee structure.** Restructuring UAF general student fees or fees in lieu of tuition may be an opportunity to find efficiencies while optimizing this revenue stream. Programs may also benefit from an examination of student fees. For example, the Cooperative Extension Service handled the Master Gardener program differently and plans to increase fees for the 40-hour training by 2014 in order to better cover program costs. CES also plans to create an incentive for participants to complete the volunteer commitment. The training has also been standardized for more efficient program delivery.