



Date: February 26, 2021
To: Daniel M. White, Chancellor
From: Budget Options Task Force
RE: Budget reduction and revenue generation ideas

Charge:

The budget options task force was charged with identifying large and small budget reduction options and revenue generation ideas. The following highly-ranked recommendations are submitted for consideration. We utilized UAF’s mission and strategic planning documents, strategic enrollment planning, and accreditation goals and measures to guide the process.

A complete packet containing the total list of ideas, pros, cons, notes and rubric ranking is accessible via Google Drive:

https://drive.google.com/drive/folders/1wUqcMNgKhF-J_1cgPNH4HienWGlv0ml8

The committee included the following faculty and staff representatives:

- Jennifer Harris, Alaska Center for Energy and Power - Chair
- Bill Simpson, College of Natural Science and Mathematics
- LaVerne Demientieff, College of Liberal Arts
- Angie Schmidt, Rasmuson Library
- Kevin Illingworth, College of Rural and Community Development
- Jessica Larsen, Geophysical Institute
- Kellie Fritze, Facilities Services
- Andres Lopez, College of Fisheries and Ocean Sciences
- Sandra Wildfeuer, Community and Technical College
- Mat Wooller, Institute of Northern Engineering and College of Fisheries and Ocean Sciences
- Nona Letuligasenoa, Athletics
- Briana Walters, Office of Management & Budget - support role

Team Philosophy and Process:

The team embraced a general philosophy to explore ideas for revenue generation and innovation in addition to cuts. Years of funding decrements have taken a toll on morale, so we sought to look for positive ways to enhance UAF’s reputation and to leverage that reputation into future revenue generation and/or enrollment increases. These re-positioning ideas in some cases may require short-term investments that we feel have good return for the long run. For this reason, we had extensive discussions that led to a multi-faceted analysis described in the rubric method below.

The team began with brainstorming sessions and generated a list of >80 individual expenditure reduction and revenue generating ideas. The list was consolidated to combine similar concepts. During the process we discovered that several ideas are already currently under examination or underway; these ideas are generally supported by this team.

The remaining list of 38 ideas were ranked based on a rubric we generated collaboratively and specifically for the process, which consisted of five criteria. The criteria included timelines, financial impacts and initial investment, as well as how the idea aligns with UAF core themes and the UAF Strategic Plan. A broad indicator of the team’s support for each idea was derived from the average value across all five criteria across all responses from members of the task force. These indicators were then ranked to identify options with strongest and weakest support. Standard deviation, a measure of variation among responses, was low, indicating broad agreement among the team. In other words, the team generally agreed on their assessment of each idea. Complete results from the rubric process are included in the Google Drive in case further analysis is needed to identify ideas that ranked highest in serving a specific purpose (e.g. serving the UAF core themes).

Rubric			
Time of return	Long term (FY24+)	Mid term (FY23)	Short term (FY21-22)
Financial impact	Low	Medium	High
Initial investment	High	Medium	Low
UAF Core Themes	Low	Medium	High
UAF Strategic Plan (2019-2025)	Low	Medium	High

Collectively, the total list of 38 ideas offer an estimated range of savings of \$2.6 million to \$4.6 million, while revenue-generating ideas offer potential opportunities of \$2.4 million to more than \$50 million. The wide revenue range is primarily due to strong research potential with federal agencies.

Ultimately, the team voted and produced a list of the top 20 ideas using both objective and subjective methods.

Ideas listed in Table 1 and 2 reference the ID number in the master list of all 38 ideas which is contained in the Google Drive. The master list includes details about pros, cons and other considerations related to each item.

Rubric voting method:

Table 1. Top 10 ideas based on rubric ranking method

Category	Description	Estimated Revenue \$	Estimated Savings \$	Required Investment \$
Revenue Generation	★ Evaluate campus power production. Examples: increase the use of solar power on Fairbanks farm land (reduce utility expense, or sell power) and/or create biomass farm for solid fuel power production (ID 4)	TBD	TBD	TBD - potentially high
Revenue Generation	Establish UAF as a venue and destination for tourism, wedding and events space, conferences, hosting external groups. (ID 32)	TBD	\$0	TBD
Revenue Generation	Convert some on-campus housing into "guest house" space for short-to-medium term visitors. Example uses include: students taking distance lecture + in-person intensive lab structure classes; summer field courses; research experience for undergraduates (REU) programs. (ID 23)	\$15,000	\$0	TBD
Facilities & Land	Reduce on-campus faculty housing via repurposing or demolishing. (ID 18)	\$0	TBD	TBD
Facilities & Land	Consolidate research analytical facilities into one centralized facility. Aligns with Strategic Plan #3 and #4. (ID 19)	TBD	\$0	TBD - potentially high
Facilities & Land	Utilize campus greenhouses for seasonal flowers and plants. (ID 17)	\$0	\$25,000	\$0
Payroll & Personnel	Consolidate some public information officer (PIO) positions. (ID 12)	\$0	\$100,000 to \$150,000	\$0
Payroll & Personnel	Reduce faculty salary costs. Examples: offer voluntary faculty furloughs (leave without pay) up to a certain amount of time annually and/or offer flex employment options; offer early retirement incentives for TRS. (ID 10)	\$0	\$75,000 to \$100,000	\$0
Partnerships, Connection, Support	Transition a portion of state general funded public service activities (i.e. community service programs) to private or externally funded support. (ID 27)	\$0	\$200,000 to \$500,000	\$0
Non-Labor	Evaluate office equipment needs on an annual basis to determine maximum utilization and secure cost savings. (ID 34)	\$0	\$100,000 to \$200,000	\$0

★ This idea ranked highly on both assessments.

Highly ranked ideas based on our team’s level of enthusiasm:

The team also ranked ideas informally to capture their excitement. This ranking was subjective and did not follow the rubric format above. (Please note one item made both lists.) Members voted for ten ideas that sparked their excitement. (Items captured in the objective ranking are not duplicated below).

Table 2. Subjective Ranking (listed with the highest level of excitement first)

Category	Description	Estimated Revenue \$	Estimated Savings \$	Required Investment \$
Facilities & Land	Incentivize remote work in a post-Covid world. (Primarily facilities savings.) (ID 5)	\$0	\$500,000	\$0
Revenue Generation	Combine campus leasing manager position with the space planner position. (Enables revenue-generating actions.) (ID 9)	TBD	\$110,000	\$0
Academics & Enrollment	Explore partnerships with corporations, tribal organizations and tribal colleges for employee training programs. Example: corporations send their employees to UAF for certificates and degree programs. Aligns with UAF Core Theme: Engage. (ID 22)	TBD	\$0	TBD
Research	Enhance mentorship and support for research. Create pathways to promote research collaboration across disciplines. Increase external collaborations to increase proposal competitiveness. Strong return on investment (ROI) potential. Aligns with UAF Strategic Plan #3. (ID 30)	\$300,000	\$0	\$75,000
Personnel & Payroll	Pursue more privately endowed faculty chair positions. Aligns with UAF Strategic Plan #3. (ID 26)	\$0	TBD	TBD
Administration	Review list of vendor contracts. Ensure each is meeting the needs of the University and does not require any amendments. Strive to achieve savings. Example: Renegotiate custodial contracts and evaluate cleaning schedules. (ID 35)	\$0	\$150,000 to \$500,000	TBD
Revenue Generation	Expand Department of Defense (DOD) research connections: help fuel and support research proposals devoted to suicide prevention, military support, etc. Aligns with UAF Strategic Plan #3. (ID 29)	\$2M-\$50M	\$0	TBD
Academics & Enrollment	Create Alaska Native language massive open online courses (MOOC). Aligns with UAF Strategic Plan #1 and #2. Aligns with UAF Core Theme: Connect. (ID 16)	\$5,000 to \$15,000	\$0	TBD
Academics & Enrollment	Increase micro-credential opportunities with tribal and professional organizations. Partner with organizations for 1, 2 or 3-credit micro-credentials. Aligns with UAF Core Theme: Engage. (ID 21)	\$17,000 per 6-cr program	\$0	TBD

Reallocation	Reevaluate the current indirect cost recovery distribution to the UA System Office. (Reallocation across UA; not new revenue.) (ID 40)	\$100,000 to \$300,000	\$0	\$0
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Actions Underway:

The team recognized that other groups across campus (e.g. Strategic Enrollment Planning, others) have been working diligently on revenue-generating initiatives and/or budget reduction efforts. This team independently identified and generally supports the following concepts that are underway or currently in development, affecting areas of academics, enrollment, administration, facilities/grounds/land and revenue generation. These actions include:

- Increase online access
- Increase enrollment (e.g. military and veterans, Middle College, lifelong learning, eCampus)
- Automate financial transactions to minimize administrative paper processing (e.g. electronic journal vouchers)
- Monetize resources in areas of facilities, land and assets (e.g. sales, lease, surplus equipment, reduce vehicle fleet, etc.)
- Reduce facilities footprint while optimizing space utilization for existing and future programmatic needs
- Generate new revenue via sales of surplus power; explore mineral and materials sales

Impacts:

The team acknowledges that there are multi-level impacts on students, staff, faculty, and the larger Fairbanks and statewide community, both positive and negative, related to many of these ideas. Due to a limited time frame and purview of the request we did not fully assess what those impacts might be and we encourage and support a thorough impact assessment from the administration if ideas are employed.

REFERENCE

UAF Mission Statement

The University of Alaska Fairbanks is a Land, Sea, and Space Grant university and an international center for research, education, and the arts, emphasizing the circumpolar North and its diverse peoples. UAF integrates teaching, research, and public service as it educates students for active citizenship and prepares them for lifelong learning and careers.

UAF Core Themes

- Educate: Undergraduate and Graduate Students and Lifelong Learners
- Research: To Create and Disseminate New Knowledge, Insight, Technology, Artistic and Scholarly Works
- Prepare: Alaska's Career, Technical, and Professional Workforce
- Connect: Alaska Native, Rural, and Urban Communities by Sharing Knowledge and Ways of Knowing
- Engage: Alaskans through Outreach for Continuing Education and Community and Economic Development

UAF Strategic Plan 2019-2025

1. Modernize the student experience
2. Solidify our global leadership in Alaska Native and Indigenous programs
3. Achieve Tier 1 research status
4. Transform UAF's intellectual property development and commercialization enterprise
5. Embrace and grow a culture of respect, diversity, inclusion and caring
6. Revitalize key academic programs