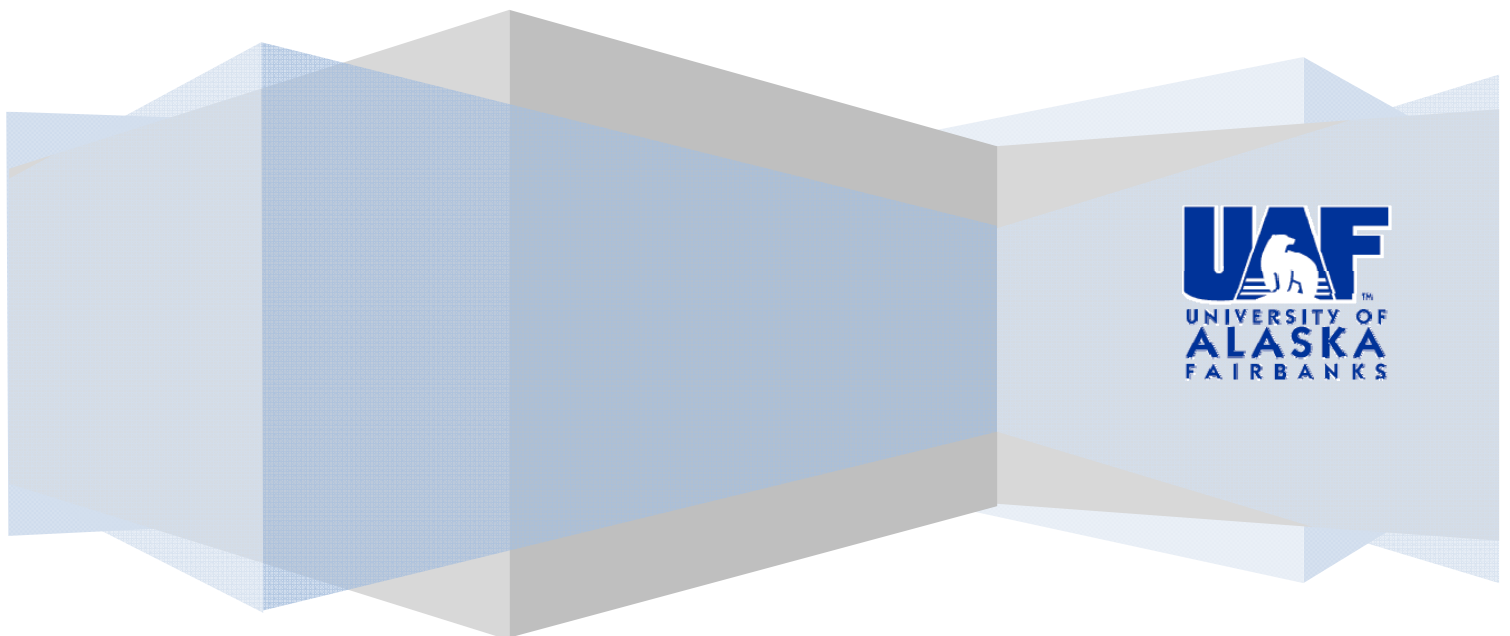


# **UAF Spring Management Report**

*Presented at Spring 2011 Management Meeting*

**April 6, 2011**



# Introduction

## *Significant Events and Efforts at UAF*

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### Phase 1 - Administrative & Support Review Process Completed

UAF's April 2010 Executive Leadership Workshop identified the need to conduct a review of the university's academic, research and administrative/support functions, in part to help inform future budget allocations. Committee members included participants from the ELW with a staff council and a faculty representative. Additionally, administrative services program leads and staff from unit business offices supported the process by attending most meetings.

Using salary and position data from Banner, an inventory of administrative and support positions was developed, identifying 903 FTEs with job titles that are administrative and support related and budgeted in administrative and support functions on unrestricted or recharge funding. This data can be manipulated to examine staffing and expenditures by year (2006 through Fall 2010), vice chancellor reporting, unit/school/college and 12 job categories. The A&S staffing increased 7% between Spring 2006 and Fall 2010, from 842 to 903 FTEs, but is reduced slightly from a high of 915 positions in Spring 2010.

From this inventory, a report was distributed to each of the units/schools for review and verification. While some issues were identified with individual departments, the inventory overall has been accepted as a useful and fairly accurate representation of the administrative and support staffing levels. A list of ratios to use as benchmarks and for comparisons has been developed; this information was distributed to departments in February 2011. Committee members agree that the inventory data and resulting ratios will provide context for questions and analyses of UAF's administrative and support staffing. However, the information alone cannot serve as the sole basis for decisions.

The concept of shared business centers will be explored further. The shared business center model appealed to many committee members as a way to leverage expertise between departments and central offices. In the continuous effort to improve and streamline processes, we will examine proposed changes under two organizational models: first, the existing structure (staff at units and central offices) and second, under a shared business center model (which would likely draw some staff from the units as well as from the central offices).

Four processes were selected to evaluate for process improvement: procurement, hiring and on-boarding, award processing and travel. Working groups with staff from the central offices and from the units will work to map the processes as they currently exist, identify best practices, and identify specific steps for improvement. The beginning of this effort was a business process mapping training February 4 and 7, with 48 participants confirmed. Interest in the workshop was high, and we expect to offer another workshop later in spring to accommodate those that could not attend the February workshop.

Over the next few months there will be regular communications with staff across units regarding processes under consideration. The communications will help identify necessary process

changes and build buy-in for the changes. In time, the communications will report the effectiveness of the changes based on agreed upon measures.

In August 2011, the administrative and support committee will review process changes to date and provide a status report to Chancellor Rogers.

The full Phase I report is included in the [Appendix](#). Phase I data is available at <http://www.uaf.edu/adminsvc/admin-review-process/admin-review-employee-report.xlsx>.

## Indirect Cost Recovery Revenue Distribution Review

Last October the Chancellor initiated a review of the methodology used by the UAF campus to distribute indirect cost recovery revenue (ICR). The effort was required for a number of reasons:

1. The current distribution has not changed in any significant way in many years. In that time, UAF has matured and changed leading to the thought that the existing distribution may no longer be appropriate or best meeting campus needs.
2. The current distribution methodology was neither transparent nor intuitive. A key initial goal was to fully understand how ICR was currently being done to inform discussions about how the model could be improved and to help limit the number of unintended consequences caused by changing the model.
3. Effective and vibrant research activity requires adequate facility support. One goal of reshaping the distribution was to investigate ways to fund new facilities dedicated to the research focus at UAF.

A committee of individuals with significant knowledge and interest in the subject was formed. In February the committee presented the Chancellor with their report. In summary the report states;

“This Committee recommends three options for ICR distribution consideration, listed in order of preference: 60/40 split, increase in current distribution dollars by 2.5%, and constant dollars. The pros and cons of each were discussed in this memo. In addition, the Committee has recommended the under-recovery penalty be revised to take into consideration mandated F&A reductions.

ICR is generated primarily through research-oriented activities. Reinvestment in the UAF Research mission stands out as the most important concept embraced by the Committee. It was the driving philosophy in the discussions of changing the ICR structure. The first two options represent compromises to add support for both buildings and student research while increasing dollars to the generating units. It is fundamental to the vitality of UAF as an RU/H institution to reinvest in the ICR generating units.”

The full report is included in the [Appendix](#). It is currently under consideration by the Chancellor.

## Housing/Dining Facilities Project

Considerable effort is currently devoted to analyzing the opportunities to move forward with a new dining facility and the next phase of on-campus housing. Both projects are fully supported by the UAF Master Plan and the Campus Life Master Plan. They are seen as critical to transforming the experience of students on the UAF campus. Particular effort is being made to keep all construction and financing options open. We believe opportunities for partnering with a private entity exist and may prove beneficial. Although we are early in the project, we are proceeding upon the assumption that debt associated with facility construction will be substantially, if not wholly, paid by auxiliary operations.

## Management Reporting Initiative

We are actively exploring improving the way management reporting is conducted on this campus. Our interest is to improve the efficiency and effectiveness of the process by:

- Focusing on the exceptional and material
- Reducing the time and effort required at all levels
- Increasing the opportunity for analysis both centrally and at the unit level
- Providing management with the information needed for decision making at a point in time where the impact of those decisions will be most effective

We believe recognizing and aligning authority and responsibility throughout the process together with focusing on data at a higher level can significantly improve the process without introducing any financial risk.

# Management Report Review

## *UAF Responses to Questions*

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### 1. FY11 Unreserved Fund Balance Analysis

UAF is currently projecting an unrestricted (F1) unreserved fund balance of \$8.7M and \$10.7M for service center/leasing funds (F7, FE, FL). The projected F1 UFB is within the expected range of \$6M to \$9M and represents 2.1% of our total projected revenues not including recharge centers (F7).

Cabinet	Projected F1 UFB
Chancellor	\$132.2
VC for Rural, Community & Native Education	\$1,143.4
Provost	\$2,745.4
VC for Students	\$362.3
VC for University Advancement	\$216.5
VC for Administrative Services	\$863.5
VC for Research	\$1,742.1
Central Obligations (Scholarships, Debt Service, Utilities, etc.)	\$1,478.0
<b>Total</b>	<b>\$8,683.4</b>

Currently there are no plans to draw funding from units to the centrally held accounts for the remainder of the fiscal year, except in cases where reallocated funds are not fully expended or a sweep is calculated based on our UFB guidelines. Any future pull backs will be based on the fiscal realities at the time and the need will be communicated clearly to the university community.

### 2. F1 UFB as a percent of projected Unrestricted and Restricted Revenues

F1 UFB (\$8,683.4) is 2.1% of total unrestricted and restricted revenues (\$408,087.1) not including recharge centers and leasing (F7, FE, FL).

### 3. Primary factors influencing projected UFB

The primary factors influencing unreserved fund balances at UAF are the maximum and minimum UFB guidelines which help departments quantify prudent UFB levels. Other factors include fixed cost increases not funded by the State, position vacancy levels, actual revenues keeping pace with projections and identifying high priority needs.

#### 4. Current fiscal year practice for distributing revenue within the campus

UAF intends to continue the established methodology driving distribution of tuition revenue. Tuition is distributed 60% to the delivering department and 40% to central at the point of registration. We believe this model maximizes the benefit of dollars received and there are no plans to change it. As stated elsewhere in this document, UAF is evaluating potential changes in how ICR is distributed.

#### 5. Current versus initial revenue projections

The following chart shows the dollar variance and percent variance between our original revenue projections and our January projections. The University Receipt projection is net of prior year unreserved fund balance (\$21.0M) and the tuition and fee revenue projection has been normalized for the tuition allowance offset (-\$4.7M) per GASB 34/35 requirement that states universities must report revenue net of discounts and allowances. The allowance is the difference between the stated charge for goods and services provided by UAF and the amount which is billed to students and/or third parties making payments on behalf of students. Tuition, Fees and Housing paid by scholarships or financial aid, which has already been recorded as revenue by the University will be excluded from the tuition, fee and housing revenue.

SBS Budget Title	FY11 Original Projected Revenue	FY11 January Projected Revenue	\$ VAR	% VAR
Federal Receipts	92,902.3	96,950.8	4,048.5	4.4%
General Fund - Match Appr	4,739.3	4,739.3	0.0	0.0%
General Fund - State Appr	153,153.8	153,153.8	0.0	0.0%
Inter-Agency Receipts	4,093.7	3,537.7	-556.0	-13.6%
Interest Income	0.0	-11.0	-11.0	
Dorm, Food & Auxil Serv	15,950.5	15,286.8	-663.7	-4.2%
Student Tuition/Fees/Serv	37,049.9	37,794.1	744.2	2.0%
Indirect Cost Recovery	25,313.9	26,140.3	826.4	3.3%
U of A Receipts	43,773.9	47,207.6	3,433.7	7.8%
CIP Receipts	3,458.9	7,303.0	3,844.1	111.1%
Mental Hlth Trust Auth Receipts	87.5	87.5	0.0	0.0%
Tech Voc Educ Progr Other	950.0	917.7	-32.3	-3.4%
UA Intra-Agency Transfers	31,126.7	29,188.5	-1,938.2	-6.2%
Federal Stimulus--ARRA2009	0.0	0.0	0.0	
	<b>412,600.4</b>	<b>422,296.1</b>	<b>9,695.7</b>	<b>2.4%</b>

Federal receipts show a large variance between our original projections and the current unit projections from the January Management Report. This 6.4% projected increase over last year is significantly higher than the original 2% increase we were anticipating. Current year-to-date revenues as of January were 8.5% (or \$4.5M) higher than last year's revenues at this time. This is due to a \$1.1M increase in Pell Grant activity; \$2.2M increase in research activity in the Alaska Center for Energy and Power ; and \$1.0M for the Phase III ARRV construction administration within SFOS.

CIP receipts revenue have been much higher than originally projected. The January projection reflects the increased activity in capital ARRA (Stimulus) funded projects. UAF has requested \$1.5M in additional CIP Receipt authority to accommodate the increase in activity.

University receipts is showing a large dollar variance between the original projection and the revised projection, this is due to the insurance rebate of \$2.2M and new lease/rent revenue from the State of Alaska for the Virology Lab (\$1.3M for FY10 and FY11).

## 6. Projected Revenue relative to receipt authority

The following chart shows projected revenue over/under budget for each revenue source. As above, the University Receipt projection is net of prior year unreserved fund balance (\$21.0M) and Tuition and fee revenue includes the projected tuition allowance offset (-\$4.7M).

SBS Budget Title	FY11 Budget	FY11 January Projected Revenue	Projected Revenue (Over) Under Budget
Federal Receipts	103,777.6	96,950.8	6,826.8
General Fund - Match Appr	4,739.3	4,739.3	0.0
General Fund - State Appr	153,153.8	153,153.8	0.0
Inter-Agency Receipts	5,649.6	3,537.7	2,111.9
Interest Income	474.9	-11.0	485.9
Dorm, Food & Auxil Serv	21,681.7	15,286.8	6,394.9
Student Tuition/Fees/Serv	38,732.0	37,794.1	937.9
Indirect Cost Recovery	26,094.9	26,140.3	-45.4
U of A Receipts	49,377.9	47,207.6	2,170.3
CIP Receipts	5,423.8	7,303.0	-1,879.2
Mental Hlth Trust Auth Receipts	87.5	87.5	0.0
Tech Voc Educ Progr Other	917.7	917.7	0.0
UA Intra-Agency Transfers	31,341.4	29,188.5	2,152.9
Federal Stimulus--ARRA2009	1,439.2	0.0	1,439.2
	<b>442,891.3</b>	<b>422,296.1</b>	<b>20,595.2</b>

CIP Receipts are projected to exceed authority by approximately \$1.9M. UAF has requested an additional \$1.5M in additional CIP receipt authority from Statewide Budget. We will continue to monitor this activity to ensure we receive the full authority needed.

Although projected Tuition and Fee revenue appears to be within the overall receipt authority, at the appropriation level, the UAF Community Campus tuition revenue is expected to exceed authority by \$2.9M. A request for additional receipt authority has been submitted to Statewide Budget; we have been told that sufficient receipt authority is available in the SYS-BRA appropriation.

The updated projection for Indirect Cost Recovery (\$26.1M) has UAF exceeding our receipt authority by \$45.4K. We will have enough university receipt authority to accommodate the projected 5.3% increase in Indirect Cost Recovery revenue (if realized) and will work with Statewide Budget to make the proper reallocations.

## 7. Significant unplanned or contingent expenditures

In December, UAF received a \$2.2M reimbursement due to a reduction to our risk liability account. These funds, in addition to \$2M from central reserve funding may be used to address identified needs such as:

<b>FY11 Identified Needs (not inclusive)</b>	<b>Max Amt</b>
High Performance Computing	350.0
VoIP Transition	1,000.0
Classroom Technology Refresh	1,000.0
Dysfunction Junction/Planning	800.0
Dillingham Facility/CRCO	450.0
Utilities cost shift (ARSC/AUX)	1,300.0
Identified Needs	4,900.0

## 8. Debt Strategies and Plans

See [Appendix](#) for chart “UAF Debt Payments FY10 to FY20.”

## 9. FY12 Initial Budget Analysis

At this point we do not foresee any new and significant budgetary issues in FY12. We anticipate continued erosion of net purchasing power due to unfunded increases in fixed costs. Costs will be covered through reallocation or absorption. To move forward, UAF will continue to reallocate funding to high priorities and critical needs.



We base our FY12 financial plan on the following assumptions:

- 2% salary increase
- 1% <decrease> in average staff benefit rates
- 9% tuition increase
- 3.5% increase in enrollment (pending increase in state financial aid)
- 3% ICR increase (over three years)
- 2.9% – 2.5% GF increase based on current actions in Senate & House Finance Sub-committees

## 10. Grants and Contracts Accounts Receivable (A/R) Analysis

Historically, total revenue from restricted grants and contracts has been greater during the first and second quarters, than during the third and fourth quarters. The size of the first two quarters is attributed primarily to increased expenditures during the summer research field season and an increase in funding tied to the start of the federal fiscal year on October 1.

The average Accounts Receivable balance decreased in FY10 and is projected to have an increase in FY11. The average balance of the receivables for FY11 is projected to be 9% less than FY09 and 8% higher than FY10. The reduction in FY10 was largely due to the Office of Grants and Contracts Administration (OGCA) ongoing collection and monitoring policy which was instituted the last two quarters of FY09. The increase in FY11 is primarily attributed to funding from pass-through ARRA (stimulus) awards from other universities including Harvard, University of Oklahoma, University of Mississippi and University of Colorado.

The average restricted revenue in relation to restricted receivables is projected to decrease by 3.8% from fiscal FY2009 and .5% from fiscal year 2010. The majority of outstanding Accounts Receivable is due to current uncollected revenue from private entities. The entities included other universities, native corporations, non-profits and corporations. Because of the UAF ongoing collection policy OGCA believes the outstanding balance will have a steady decrease.

OGCA is anticipating an increase of restricted revenues in FY11 due to the additional American Recovery and Reinvestment Act (ARRA) funding. This increase takes into account programs that are scheduled to end in FY11 including the Arctic Region Super Computer Contract funded by GSA's Federal Technology Service and the National Institute of Health (NIH) funded Specialized Neuroscience Research Program (SNRP) project. Because the accounts receivable generated from the ARRA funding is paid by electronic means the ratio of outstanding receivables to revenue is also anticipated to decrease in FY12.

See [Appendix](#) for graphs "Annual Revenue by Fiscal year" and "UAF-Accounts Receivable (Restricted Funds)."

## 11. Student Accounts Receivable (A/R) Analysis

### Overview

The purpose of this document is to provide an overview to the collections process within the UAF Business Office. In an attempt to collect student debt, the following process is utilized:

- 1) Collection Process
- 2) PFD garnishment (if PFD eligible)
- 3) Transfer to collection agency (PFD garnishment is still possible)

Over the past two years, the UAF Business Office has been actively focused on recovering money from past due accounts. Many procedural changes have been implemented to increase collection efforts. The initial focus of this effort has been both in receiving payment for delinquent accounts and analyzing accounts returned from a previously used collections agency. Beginning in December 2008, each student who had a balance with the University was mailed a student bill stamped “Remit to Avoid Further Collection Action”. In April 2010, UAF contracted with Cornerstone Credit to be the “outside” collection agency. Approximately \$22,544 in student account debt that had been unsuccessfully collected in the past was transferred to them for collection. As of March, 01, 2011, none of this debt had been successfully collected by Cornerstone.

It is a practice of the UAF Business Office to send student accounts that are three years delinquent to Cornerstone for collection. As a result, the UAF Business Office will be forwarding debt from 2007 to Cornerstone for collection within the next 90 days. Cornerstone accepts debt up to six years delinquent from the University.

### Collection Process

The day after the fee payment deadline an Accounts Receivable hold and late fees are applied to all delinquent accounts (account balance of \$100 or more and not enrolled in a payment plan) to include Tuition Management Systems (TMS) accounts that are delinquent or \$100 or more under budget.

Approximately one week after the fee payment deadline date, students who live on-campus and/or have meal plans and are delinquent, not in a payment plan or delinquent in their payment plan with TMS receive a letter advising them of this delinquent status and, if applicable, their meal plan and SRC access are suspended. This letter is delivered by Residence Life staff to each delinquent student’s dorm room. It is the University practice that meal plans are only suspended Monday – Wednesday and students are able to eat in the Lola Tily Commons in the evenings and on weekends. If the student fails to pay his/her account in full or enroll in a payment plan within one week, a second letter is delivered to their room and the meal plan and SRC access, if applicable, remains suspended. It is important to note that any delinquent students who do not live on-campus do not receive this letter. Suspension of meal plans and notices placed under the door of student dorm rooms has been a successful method of collecting delinquent money as 98% of these students either pay their bill in full or make payment arrangements immediately.

At the end of each semester student schedule bills are mailed to all students whose accounts have a balance. TMS cancels any unpaid accounts and schedule bills are also sent to those students from the Business Office. These schedule bills are stamped “past due”. Delinquent student schedule bills are then sent out again approximately six months later.

The Business Office works closely with the Departments at CTC (several programs are early/late start) to keep them informed of delinquent students and help with payment arrangements. These practices have helped with the reduction of debt at CTC.

In addition to these efforts, an electronic bill is generated on the 15th of each month and sent via email to each student who has a balance or has had activity on their account during that month.

#### PFD Garnishment

For students who are PFD eligible, the PFD garnishment process begins in March of each year for those who have a delinquent balance greater than \$50.00 in the previous year. The first PFD garnishment letter – Notice of Default – is mailed out in early May and the second letter – Intent to Claim – is sent (certified mail) in mid-June.

#### Transfer to Collection Agency

Student schedule bills are continuously sent out every six to 12 months until the debt is three years delinquent. At that point, a 30-day collection letter is sent to the student advising them to pay in full or make acceptable payment arrangements to UAF to avoid the account being forwarded to collections. If no response is received within 30 days, the student’s account is then forwarded to Cornerstone for collections. A student’s PFD can still be garnished while their account is at the collection agency.

#### Write Offs

Previous Business Office management wrote off debt on an annual basis. In 2008, the Business Office elected to attempt to collect on past debt so the practice of writing debt off was discontinued. As Cornerstone does not accept debt older than six years and PFDs cannot be garnished after seven, the Business Office will be writing off debt older than seven years prior to the end of fiscal year 2011.

#### Conclusion

Multiple attempts are made at the campus-level to collect on debt prior to referral to either a collection agency or PFD garnishment. The UAF Business Office contacts the student multiple times during the semester in an attempt to collect this debt. With the elimination of mailed monthly statements, the need to actively attempt to reach students about their debt is imperative. Between the suspensions of meal plans, notification under dorm room doors, and the six and 12 month mailings, the UAF Business Office potentially contacts the student as many as four times before beginning the PFD garnishment process or turning over to collections. All mailings and contacts are recorded in Banner for future reference.

Fiscal Year	Gross Tuition/Fees	Allowance (0291) Balance	*Actual FY End Balance	Current FY Balance	% to Gross Tuition/Fees
2010	39,078,200	322,076	2,890,333	1,994,550	5.10%
2009	34,940,500	299,764	2,792,214	1,669,920	4.78%
2008	32,130,800	171,598	2,166,586	1,472,836	4.58%
2007	29,689,300	138,850	2,518,183	1,034,775	3.49%
2006	28,337,100	175,483	2,170,675	947,392	3.34%

*\*This analysis is calculated with figures as reported at the end of each fiscal year.*

- \$793,387 for 1,669 students was at collections when the contract was cancelled in Feb. 2009 - these figures were written off when sent to collections.
- There is currently \$22,544 at collections (sent April 2010) and the debt is not written off when turned over.

## 12. Discussion regarding Renewal and Replacement (R&R) Funding

Progress is being made by the policy redraft effort. We are hopeful that we will end up with something that is compliant from an accounting standpoint and useful and effective in meeting campus needs. We recognize that there are risks associated with operating somewhat outside strict rules in this area. Our hope is that those risks can be weighed against the benefits of using this tool.

## 13. FY11 Maintenance and Repair (M&R) Targets

UAF expects to exceed its mandated FY11 investment in M&R by over \$1.4M. Please see the table in the [Appendix](#) for more information.

# APPENDIX

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The following documents appear in the order in which they are cited within the report:

Administrative and Support Review, Phase I Report – January 2011

ICR Recommendations to Chancellor

UAF Debt Payments FY10 to FY20 (*Table*)

Annual Revenue by Fiscal Year in Millions (*Graph*)

UAF – Accounts Receivable (Restricted Funds) – FY09-FY11 (*Graph*)

Projected Maintenance and Repair (M&R) (*Table*)



# Administrative and Support Review

## Phase I Report – January 2011

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### Committee Members & Project Staff

#### Committee Members

Michelle Bartlett, Summer Sessions  
Cathy Hanks, Petroleum Engineering  
(faculty representative)  
David Christie, Alaska SeaGrant  
Burns Cooper, College of Liberal Arts  
Tori Foote, CRCO  
*Alternate: Cecilia Chamberlain*  
Mike Sfraga, Student Services  
*Alternate: Ali Knabe*  
Jake Poole, Advancement  
*Alternates: Scott McCrea/Susan Gaudin*  
Maria Russell, IAB (staff representative)  
Roger Smith, Geophysical Institute  
*Alternate: Janet Daley*

#### Core Project Staff

Pat Pitney, Vice Chancellor for Admin. Services  
Wanda Bowen, OGCA  
Kerynn Fisher, VCAS Office  
Raaj Kurapati, SNRAS/CES  
Julie Larweth, OIT  
Einar Often, SOM graduate student  
Aron Vesper, VCAS student

#### Administrative Services Division Staff

Scott Bell, Facilities Services  
Maggie Griscavage, OGCA  
John Hebard, Procurement  
Bill Krause, EHSRM  
Greg Krier, VCAS Office  
Sean McGee, Police  
Kris Racina, Human Resources  
Stuart Roberts, Financial Services  
Doug Schrage, Fire  
Linda Zanazzo, Facilities Services

## **Executive Summary**

UAF's April 2010 Executive Leadership Workshop identified the need to conduct a review of the university's academic, research and administrative/support functions, in part to help inform future budget allocations. Committee members included participants from the ELW with a staff council and a faculty representative. Additionally, administrative services program leads and staff from unit business offices supported the process by attending most meetings.

Using salary and position data from Banner, an inventory of administrative and support positions was developed, identifying 903 FTEs with job titles that are administrative and support related and budgeted in administrative and support functions on unrestricted or recharge funding. This data can be manipulated to examine staffing and expenditures by year (2006 through Fall 2010), vice chancellor reporting, unit/school/college and 12 job categories. The A&S staffing increased 7% between Spring 2006 and Fall 2010, from 842 to 903 FTEs, but is reduced slightly from a high of 915 positions in Spring 2010.

From this inventory, a report was distributed to each of the units/schools for review and verification. While some issues were identified with individual departments, the inventory overall has been accepted as a useful and fairly accurate representation of the administrative and support staffing levels. A list of ratios to use as benchmarks and for comparisons has been developed; this information will be distributed to departments in February 2011. Committee members agree that the inventory data and resulting ratios will provide context for questions and analyses of UAF's administrative and support staffing. However, the information alone cannot serve as the sole basis for decisions.

The concept of shared business centers will be explored further. The shared business center model appealed to many committee members as a way to leverage expertise between departments and central offices. In the continuous effort to improve and streamline processes, we will examine proposed changes under two organizational models: first, the existing structure (staff at units and central offices) and second, under a shared business center model (which would likely draw some staff from the units as well as from the central offices).

Four processes were selected to evaluate for process improvement: procurement, hiring and on-boarding, award processing and travel. Working groups with staff from the central offices and from the units will work to map the processes as they currently exist, identify best practices, and identify specific steps for improvement. The beginning of this effort will be a business process mapping training February 4 and 7, with 48 participants confirmed. Interest in the workshop was high, and we expect to offer another workshop later in spring to accommodate those that could not attend the February workshop.

Over the next few months there will be regular communications with staff across units regarding processes under consideration. The communications will help identify necessary process changes and build buy-in for the changes. In time, the communications will report the effectiveness of the changes based on agreed upon measures.

In August 2011, the administrative and support committee will review process changes to date and provide a status report to Chancellor Rogers.

## Goals

The committee was charged with three primary goals:

1. Develop a mechanism to inventory UAF's administrative and support capacity that is robust enough to provide insight, but simple enough to replicate on an annual or semi-annual basis. Measures may include:
  - a. Current funding and staffing levels
  - b. Trend information
  - c. Key indicators and benchmarks
2. Develop criteria for rating importance, efficiency, and effectiveness among functions. These criteria will consider operational effectiveness in light of organization risk, compliance and safety efforts.
3. Identify common processes to streamline. Given the organization-wide involvement of this review, a byproduct will be the identification of key processes that, if streamlined, can improve overall administrative effectiveness. Achieving and documenting measurable costs savings or performance improvements is key to success on this goal.

*Note: The committee charge memo is attached as Appendix 1.*

## Scope

Discussion and data analysis focused on staffing for administrative and support functions in these general categories:

- Chancellor, vice chancellors, provost and deans, along with their respective personnel;
- Administrative functions such as procurement, financial services, grants and contracts, proposal office, and human resources, both in central offices and within operating units;
- Support functions in development, communications, marketing, OIT, recruitment, both in central offices and within operating units; and
- Areas such as registration, financial aid, advising, police, fire, risk management and facility services.

Auxiliary operations, athletics, and academic, research and service program staff were not included, though administrative and support staff to support those programs were included.

## Process

The initial membership for the administrative/support review committee was drawn from participants at the ELW, with additional representatives solicited to represent Faculty Senate and Staff Council.

From August 2010 through January 2011, the full committee met seven times to review staffing trend information and to discuss various processes/functions at UAF and guiding principles for future process changes. One meeting focused on presentations by consultants from the Education Advisory Board focusing on their research on procurement and shared services at other universities.

An inventory of administrative and support positions based on full-time equivalent employees on April 1 of each year from 2005 to 2010, with an update in October 2010 was developed. Financial data was used for administrative and support staff expenditures during the same period. The staff trend analysis categorized employees in 12 categories based on employee job title, including:



- |   |                                    |
|---|------------------------------------|
| 1. Administrative Generalists and Specialists     | 7. Fiscal Technicians              |
| 2. Administrative Managers and Professionals      | 8. Human Resources                 |
| 3. Chancellor, Vice Chancellors, Deans, Directors | 9. Information Services            |
| 4. Communications and Development                 | 10. Police, Fire, Risk Management, |
| 5. Facilities                                     | 11. Procurement                    |
| 6. Fiscal Managers and Professionals              | 12. Student Services               |

A complete list of job titles associated with each job category is included in the appendices.

After the initial review of data for UAF, charts were developed to reflect administrative and support staffing by vice chancellor level and for two test units represented on the committee: the Geophysical Institute and the College of Liberal Arts. GI and CLA were selected units that are primarily focused on research and academics, respectively. The director/dean and business manager met with the project staff to review data for their unit to confirm the validity of the data and to identify any issues with the data that might arise with other units.

After this initial review, data summaries were sent to all other UAF schools, colleges and administrative units in mid-December for their review. Preliminary data was also included in the fall financial review data provided to departments. An Excel spreadsheet with FTE data used in the inventory will be posted on the VCAS website (<http://www.uaf.edu/adminsvc/admin-review-process/>) for departments that would like examine the data for their department.

In conjunction with this review process, the Administrative Services Division workshop in October 2010 focused on process improvements for administrative services functions. This workshop identified several processes to be mapped as the first step in streamlining those functions.

## **Values**

UAF recognizes that continuous process improvement is critically important to ensuring that operations are executed as efficiently as possible. While all functions should be reviewed, UAF will focus on those process changes that are expected to have the greatest overall positive impact with particular emphases on maintaining or improving quality of service. Changes in process resulting from these efforts will be implemented in a way that minimizes adverse impact to students, faculty, researchers, and staff during the transition.

The committee recognizes that there are unit-based administrative and support staff at UAF who have exceptional understanding of the unit's unique needs and operational requirements. Process changes will accommodate decisions best made at the department level while maximizing collaboration among units to support large, high-volume and/or complex business areas.

Given that process changes often face significant resistance, support from deans/directors will be critical to implementing process changes, particularly at the department level. Recommendation for structured incentives will be developed during the second phase of this committee's work (February 2011 to July 2011). In the meantime, UAF leaders are asked to collectively promote involvement and open-mindedness to administrative process changes.

To evaluate proposed administrative process changes, the committee developed a five-point “test”:

1. Does the process support UAF’s core mission themes of educate, discover, prepare, connect and engage?
2. Does the change improve service to students, faculty, researchers, staff, partners, or constituents?
3. Is the overall process time or cost reduced from the time the need is identified to when it is fulfilled (for the entire process beginning to end)?
4. Have you re-examined to assure only appropriate and necessary<sup>1</sup> compliance and accountability steps are included?
5. Have you balanced process intensiveness with potential risk<sup>2</sup> and have you accommodated anticipated adverse impacts resulting from the change?

A “no” answer to any of the questions would require a re-evaluation of the proposed change.

A very similar “test” was developed to guide individuals in their daily administrative and support practices:

1. Are your actions supporting UAF’s core mission themes of educate, discover, prepare, connect and engage?
2. Do you understand the process from beginning to end, including the role others have in the process and how your piece affects the entire process?
3. Are you providing timely and respectful customer service?
4. Have you identified best practices for the process and shared them with others involved?

In an effort to support best practice sharing, an overarching effort among central administrative and support offices will be to *identify* best practices for different functions, *document* the process, *disseminate* them to staff and to periodically *examine* the best practices to ensure that they continue to meet UAF’s needs in the most efficient manner. When consistent deviations from the identified best practices occur, the process should be examined to determine whether it still meets the end user’s need. Standardization is encouraged for efficiencies, with the recognition that flexibility and judgment are exercised to accommodate unexpected, unusual, or unique opportunities.

## Administrative & Support Capacity

A primary goal of this project was to establish an inventory or baseline information regarding administrative and support capacity at UAF. This effort focused primarily on the number full-time equivalent employees. Administrative and support staff were defined by job title and program code, a budget code that defines the type of work. Staff with job titles denoting administrative or support were classified into 12 categories (see process section above). Additionally, staff were categorized using their budgeted program codes. The program codes identified as administrative include institutional support, academic support, and departmental administration; support includes student services, and facilities operations and maintenance. A complete list of program codes and job titles is included in the appendix.

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<sup>1</sup> Understand the hierarchy of applicable laws, policies, rules, and practices. Federal and state laws and federal agency policies are the primary compliance drivers. Additionally, university BOR and MAU policies, regulations, rules, and practices guide process requirements. Remember, the university level policies, regulations, rules, and practices are all within our collective ability to change and can be revised with reasonable justification.

<sup>2</sup> The lower the institutional risk (financial, safety, reputational, etc.) the less intensive the process needs to be. The higher the risk, the more intensive the process will be. Be risk aware, not risk adverse, and manage potential risks appropriately.

The administrative program code subset corresponds to the administrative cost analysis that establishes UAF's F&A rate. Over the past four F&A rate cycles (FY02-FY04, FY05-FY07, FY08-FY10, FY11-FY13) UAF's administrative cost relative to program related costs has been increasing, with the largest increase in departmental administration as shown in the table below. Although UAF's calculated administrative cost rate exceeds 30%, the federal government caps the administrative component at 26%.<sup>3</sup>

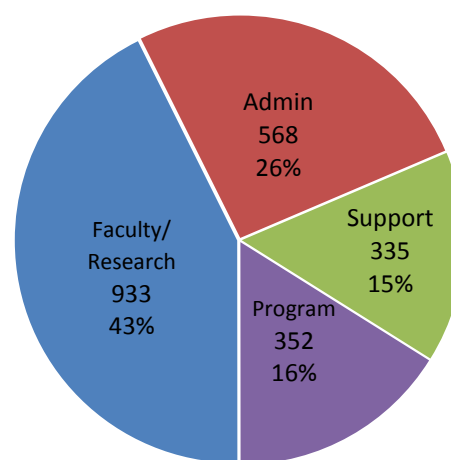
Table 1. UAF's Administrative Rate Trend

F&A Rate Cycle	FY02-FY04	FY05-FY07	FY08-FY10	FY11-FY13
Rate Calculation Base Yr.	FY01	FY04	FY07	FY09
<b>Admin Total</b>	<b>30.7%</b>	<b>32.2%</b>	<b>35.9%</b>	<b>37.5%</b>
<i>Gen &amp; Admin</i>	<i>12.2%</i>	<i>11.7%</i>	<i>14.7%</i>	<i>12.0%</i>
<i>Dept. Admin</i>	<i>17.6%</i>	<i>19.3%</i>	<i>20.0%</i>	<i>24.1%</i>
<i>Spon. Program Admin</i>	<i>0.9%</i>	<i>1.2%</i>	<i>1.2%</i>	<i>1.4%</i>

The primary driver of the administrative and support cost is the number of staff. Prior to providing the administrative and support staffing analysis, a brief explanation of the definitions used in this analysis is necessary to put the information in context. When looking at how UAF reports for national surveys, there are 4,089 total employees counting students and temporary as well as regular employees. Of the total, there are 2,269 regular employees (includes all benefit eligible positions term and regular) with 677 faculty and 1,604 non-faculty or staff. Although consistent with federal survey definitions, this categorization isn't sufficient to address the goal of this analysis, administrative and support capacity by functional area. Thus, the following figures are more refined using job title categories and funding source. Also, rather than reporting headcount of employee, the figures are represented in full-time equivalent which allows differentiation for part-time employees and those employees that are funded through multiple funding sources or units.

In Fall 2010, UAF had a total of 2,188 full-time equivalent employees (Figure 1). Of those, 933 FTEs were faculty, research associates, librarians, library technicians, research technicians, and coaches; the remaining 1,255 FTEs have job titles that are administrative and support related. Because many of these positions (352 FTEs) are directly employed in an academic, research, museum, library, athletics or public service program code or on restricted funds, this number is further refined to the 903 FTEs with job titles that are administrative (568 FTEs) and support (335 FTEs) related and budgeted in administrative and support functions on unrestricted or recharge funding.

Figure 1: UAF Fall 2010 Staffing

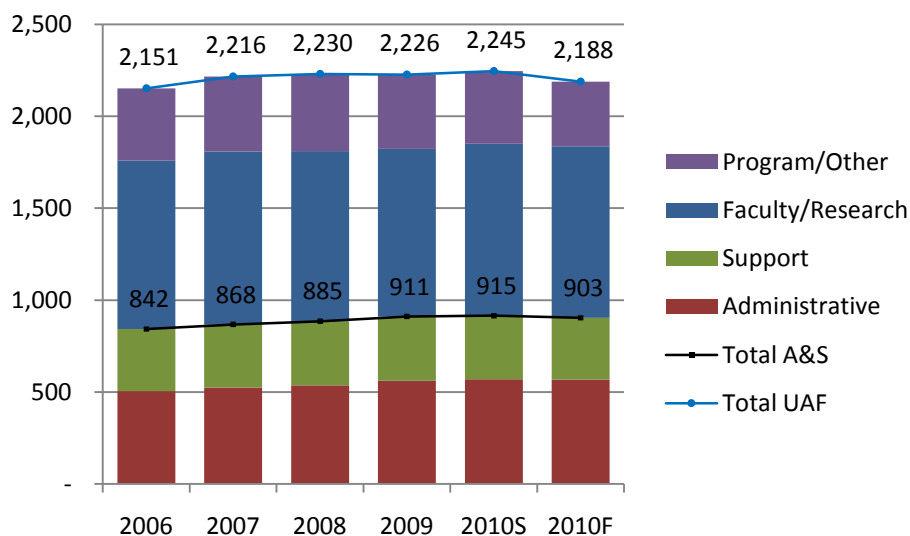


<sup>3</sup> A search of research universities shows that all exceed the federal cap on the administrative component. The amount of compliance and accountability expectations in federal grants and contracts continues to increase. Examples include mandated animal control and risk management measures and the most recent stimulus funding quarterly progress reporting requirement, which includes quantifying and reporting job creation statistics within and outside the institution. Although UAF is similar to other institutions in exceeding the cap and there are valid reasons for many cost increases, it is critical to consciously work to limit administrative costs.

These 903 administrative and support (A&S) FTEs include all central functions, departmental administration, student services, police, fire, risk management and academic support. This more refined category does not include the IS staff on restricted funds for areas such the supercomputing center and the Alaska Satellite Facility, or program managers in public service programs. Additional refinement on the definition may be necessary; however, it is very representative of UAF's administrative and support capacity. Among the 903 A&S FTE, 568 are administrative, including HR, IT, finance, administrative assistants, managers, executives; and 335 are support, including student services, communications, and facilities.

This capacity (903 A&S FTEs) does not include staff with administrative and support job titles if they are grant-funded; these positions are viewed as direct program resources. These staff members may have similar responsibilities to those included in the inventory, such as fiscal technicians and administrative generalists. While not included in the inventory, these positions will be viewed as part of UAF's capacity when process efficiencies are being developed. Additionally, as we examine A&S capacity by unit (particularly in ratio analysis, details below), if a unit has several grant funded administrative and support resources, that information can help explain differences in observed ratios across units.

Figure 2: UAF Staffing Trends, 2006-2010



Between Spring 2006 and Fall 2010, the number of A&S FTE increased by 7%, compared to the total UAF FTE increase of 2%.

The following graphs focus on the A&S employees.

Figure 3: A&S Staffing by Vice Chancellor, with growth from 2006 to 2010

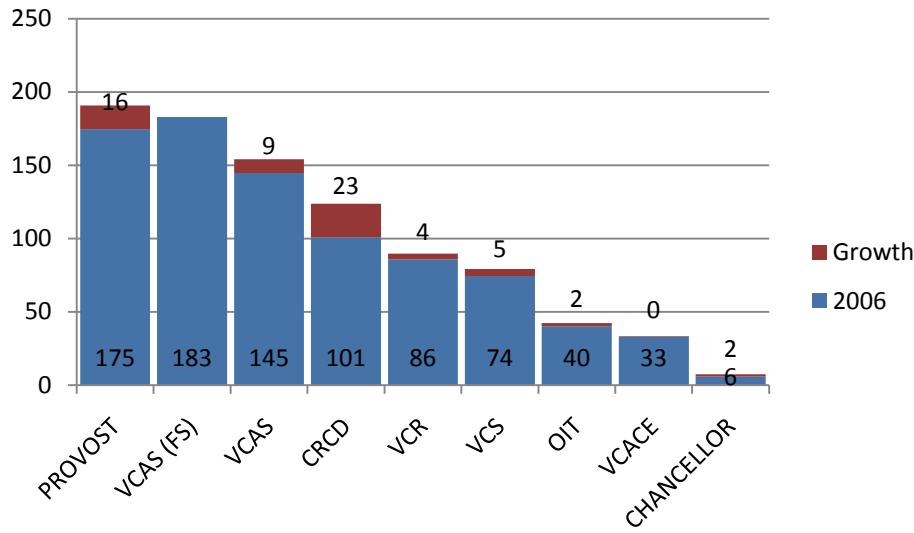


Figure 2 shows the growth of A&S FTE by vice chancellor area. The areas of largest growth of A&S FTE since 2006 were the College of Community and Rural Development (23%) and Provost (9%). The growth in CRCDD comes from the addition of student service positions (9) at each campus and at the Center for Distance Education. The student service staff additions at the CRCDD campuses started on federal funds then shifted to unrestricted funds through PBB reallocations. CRCDD also added administrative generalists (9) and information service staff (3). CRCDD did have an increase in administrative managers and professionals; however, this was offset by a reduction of fiscal and HR staff.

Three units drove the growth in the Provost area, the College of Engineering (including the Institute of Northern Engineering), the School of Education, and the College of Liberal Arts. The College of Engineering increase was due largely to the state-funded increases for increasing the number the baccalaureate degree graduates and the Alaska Center for Energy and Power.

The A&S FTE increase in the VCAS area is from risk management, police and fire (5) and the leasing and vehicle recharge departments. The leasing and vehicle recharge departments are organizationally in Facility Services, but are reported here in VCAS [rather than VCAS (FS)]. This reporting roll-up discrepancy is the type of refinement needed in the next phase.

Figure 4: A&S Staffing by Job Category, with growth from 2006 to 2010

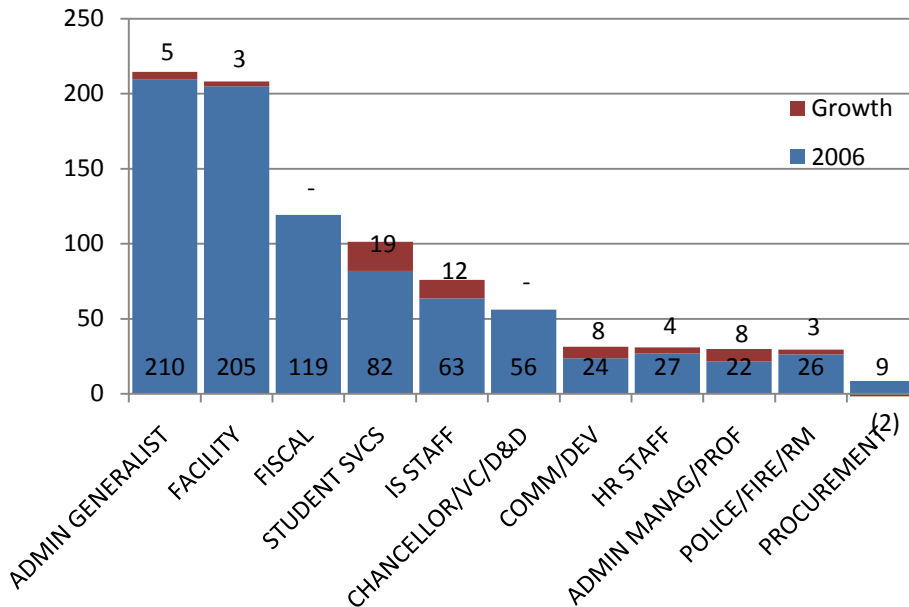
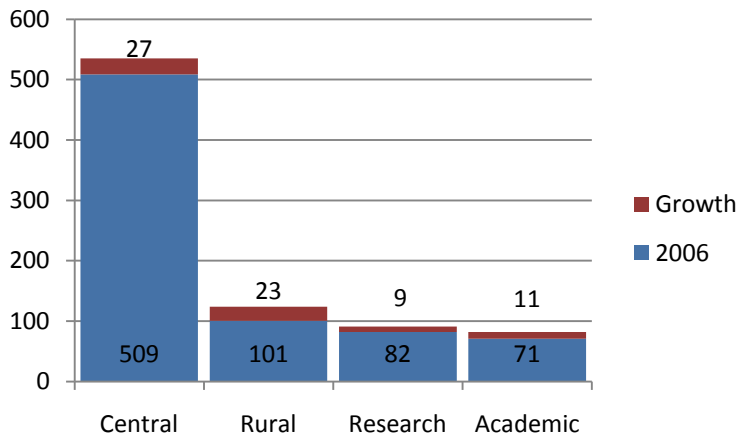


Figure 3 shows the growth of A&S FTE by job category. In percentage terms, administrative managers/professionals (38%), communications/development (32%), student services (24%), and information services (20%) had the most growth. CRCD and VCAS units accounted for the increase in administrative managers and professionals. VCACE accounted for half of the increase in communications/ development FTE, followed by units under the VCR and the Provost. CRCD accounted for half of the Student Service increase, with enrollment management, CEM, SOE and SFOS accounting for the rest. Units under the VCR accounted for one-third of the information services staff increase, followed by Provost and CRCD units; OIT accounted for only one of the 12 additional IS staff. There was not an overall increase in the fiscal category; however; there was a shift from the lower level fiscal technician to the fiscal professional/manager. A similar shift from technical categories may explain some of the increase in the administrative manager/professional category. Reclassification of positions was not part of this analysis, but as specific categories are studied in the future, it should be included.

Figure 5: Staffing, Central vs Units, with growth from 2006



Using the unit classification described below (see Ratios, Benchmarking & Analysis), the growth in A&S FTE by unit types shows that central offices including (Chancellor/VC offices, student services operations, facilities, and OIT) grew by 5% between Spring 2006 and Fall 2010. Primarily instructional units grew by 15%, research units by 11%. CRCD units (include the five rural campuses, the Community and Technical College, the Center for Distance Education and the associated administration under the Vice Chancellor for Rural, Community and Native Education) were combined as a separate category; A&S FTE increased by 23%. SFOS, SNRAS, and CES are classified as Hybrid units (not pictured on this graph); their A&S FTE decreased slightly.

## **Turnover**

Through a cursory analysis of staff movement within and among job categories, a few observations stood out and reinforced the need to improve hiring and on-boarding processes. In any given year of the staff in selected administrative and support job categories<sup>4</sup>, approximately 15% of the staff are new to their job families each year (either transfers within UAF or new to UAF). Specifically, in the administrative generalist/specialists category, there were 55 employee replacements each year on average. Among the employees leaving the administrative generalist and specialist categories, an average of 17 moved within UAF and 38 left the university. The number leaving the university is analogous to a turnover rate. Given all employees in this category (regardless of funding source, term or regular position), it translates to 12.5% turnover. This group has a higher rate than UAF as a whole, which has been between 5-7%. Additional analysis is needed; however, just focusing on the administrative generalist/specialist category alone, the potential for improved efficiency through a more robust on-boarding and mentoring process is significant.

## **Ratio, Benchmarking, and Trend Analysis**

As part of the effort to establish the overall administrative and support capacity at UAF and have that data be useful for analysis of trends, distribution among units, equity, etc., it is necessary to use measures such as ratios and benchmarks. Two factors will be used for establishing ratios: budget/expenditure data and A&S FTE.

During discussions on how best to measure capacity at the unit level, a major observation was the need to classify units based on primary function. This recognizes that administrative needs and structures at a primarily research unit differ from those of a primarily instructional unit. For benchmarking among similar operations, units were classified into the following categories:

- Central Administration (Financial Services, Enrollment Services, Chancellor/VC offices, OIT, etc.)
- Research Units (i.e. Geophysical Institute, Institute of Northern Engineering)
- Academic Units (i.e. College of Liberal Arts, College of Engineering and Mines)
- Hybrid Units (i.e. School of Natural Resources and Agricultural Sciences, Cooperative Extension Service & School of Fisheries and Oceanic Sciences)
- Rural Campuses (Including all CRCD units)
- Other (Library, Museum)

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<sup>4</sup> Admin generalist, communication, facilities, fiscal tech HR, IS, student services, including term-funded positions.

Recommended ratios are listed below. These will be developed over next few months, both for UAF overall and for individual units. These ratios will provide for benchmarking and trend comparisons. Preliminary data is being worked on; this will be provided to the departments for review and further input before any ratios are adopted for benchmarking purposes.

Overall UAF and all units:

1. Administrative/Support Expenditures vs. Unit Expenditures
2. Administrative/Support Expenditures vs. Unit Restricted Expenditures
3. Administrative/Support Expenditures vs. Unit Unrestricted Expenditures
4. Administrative Support Personnel vs. Unit Personnel
5. Administrative Support Personnel vs. Unit Faculty and Programmatic Personnel
6. Administrative Support Personnel vs. Unit Faculty

Additional measures for academic units:

1. Administrative/Support Staff vs. Number of Students
2. Administrative/Support Staff vs. Number of Student Credit Hours Generated

Additional measures for research units:

1. Administrative/Support Staff vs. # of Active Grants
2. Administrative/Support Staff vs. Total Grant Activity

Additional measures for hybrid units:

1. Administrative/Support Staff vs. Number of Locations

In addition to these ratios, as functions such as human resources and procurement are being analyzed, functional specific information will be collected and analyzed (i.e. new hires, position reclassifications, resignations, procurement transactions by unit size, etc...).

## **Next Steps**

### **1. Explore options for shared business centers**

The shared services center, a model explained by the Education Advisory Board consultants during their visit, was intriguing to several committee members. A conceptual model for shared business centers at UAF will be explored as a possible structure for improved and more efficient service. This model will be explored in conjunction with process improvements (below), with proposed process improvements examined both under the current administrative structure as well as with the shared services model to see which structure provides the best service to faculty, students, and staff.

### **2. Evaluate ratios for inventory analysis.**

Now that a baseline inventory of UAF's administrative and support capacity has been developed, we need to further explore the use of ratios and measures for benchmarking and trend analysis at the unit level. Several ratios have been suggested. The ratios will be distributed to the units in February for review, analysis, and comparisons.

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### **3. Evaluate process improvements Procurement, Hiring/On-Boarding, Award Processing and Travel**

#### ***Procurement***

Efficiencies may be gained by increasing the use of contracts for best pricing and leveraging large volume purchasing. An analysis of procurement spend for 20-25 UAF vendors will help compare UAF spending to other institutions and will also identify when UAF pays multiple prices for the same products. A procurement technician program is being explored to allow qualified department fiscal employees to receive delegations to make purchases up to \$25,000, which would help streamline certain purchases.

#### ***Hiring Process & On-Boarding***

Current recruitment processes for student and temporary employees have already been significantly streamlined for quick hiring and on-boarding. However, faculty and staff recruiting is typically more complicated and time consuming, with multiple groups involved at the department level and at the vice chancellor level. Additionally, while improvements have been made to the UAKJobs interface, it was noted at the committee meetings that significant improvements can be made through training at the department level for the preliminary stages of the hiring process – when the need for a new faculty member or employee is first identified at the department level, but before the position is created in the UAKJobs system.

Additionally, on-boarding improvements will help ensure that new employees have the tools they need as soon as possible. One area identified for improvement is access to email, Banner and network servers. Mentoring and training across departments will ensure that employees in similar job functions have the same training so that their skills can be applied to other departments if they change jobs within UAF.

#### ***Award Processing***

Post award set-up processes encompass the receipt, acceptance and financial establishment of a sponsored project. To accomplish this, certain documentation is required: the authorized proposal, the accepted award document, and the Banner budget setup forms. The set-up of the restricted fund is accomplished by review and coding, appropriate for the University's Banner Finance System, of the trio of documents from which all the governing factors, such as start date, end date, billing frequency, type of billing, and other special conditions, are gleaned. The factors must be translated into Banner fields, which is why the budget forms are all-important. This set-up process takes the cooperation of the OSP, OGCA and departmental individuals involved for each of their areas of responsibility.

#### ***Travel***

Travel touches virtually every aspect of the university's operations, with expenditures exceeding \$21 million dollars annually in approximately 15,000 trips, both foreign and domestic. Process improvements can save significant staff time in travel-related planning, purchasing and reporting functions. A task force consisting of staff from the central administration offices (including grants & contracts) and departmental users will examine the current process, including current travel forms (TAs and TERs), the travel approval process, transmittal of documents and receipts, and the availability and effectiveness of travel-related documents and forms. Options for the use of electronic processing for all elements of the travel process will also be explored and evaluated. This will be done in conjunction with the evaluation and expected implementation of the Banner Travel Module which is focused on web based TA and TERs linked to Banner Finance.

#### **4. Develop communication plan**

Communication with all UAF staff will be critical to any process change, both to identify specific areas for improvement and to communicate changes in processes and new best practices when they are implemented. Expect to see regular updates, requests for participation, and requests for input via surveys, forums, and transaction reports. Communications will be structured based on the process being addressed and the stakeholder groups involved (faculty, researchers, program staff, A&S staff). The goal of the communication is to assure broad involvement and input to ensure improved processes are developed with broad awareness and acceptance of changes. .

## Appendix 1: Committee Charge Memo



Administrative Services

University of Alaska Fairbanks, P.O. Box 757900, Fairbanks, Alaska 99775-7900

Pat Pitney, Vice Chancellor  
(907) 474-7907  
(907) 474-5850 fax  
pat.pitney@alaska.edu  
www.uaf.edu/adminsvc/

### MEMORANDUM

DATE July 29, 2010

TO Administrative and Support Review Team Members  
Michelle Bartlett, Summer Sessions  
Cathy Cahill, Faculty Senate  
David Christie, Alaska Sea Grant  
Burns Cooper, CLA  
Torie Foote, CRCD  
Mike Sfraga, Student Services  
Jake Poole, Advancement & Community Engagement  
Maria Russell, Staff Council  
Roger Smith, GI

CC Susan Henrichs, Provost  
Ian Olson, PAIR  
Brian Rogers, Chancellor  
Bob Shefchik, Executive Office  
Jonathan Dehn, Faculty Senate  
Project Support Staff  
Wanda Bowen, Raaj Kurapati, Julie Larweth, Michelle Littell, Einar Often  
Administrative Services Leads  
Maggie Griscavage, John Hebard, Kris Racina, Stuart Roberts, Linda Zanazzo, Bill Krause, Sean McGee, Jim Styers

FROM Pat Pitney, Vice Chancellor for Administrative Services

RE Administrative and Support Review Process and Timeline  
First Meeting – August 3, 2010

The April 30 Executive Leadership Workshop identified the need to review the process for future budget allocations. This summer and fall, two teams will examine the university's current processes and recommend criteria for future decisions: one team for academics and research and a second team for administrative and support functions.

Each of you volunteered or was recommended to be a member of the Administrative and Support Review Team. The first meeting of this group will be August 3 at 10 a.m. in the Chancellor's Conference Room. At this meeting, we will refine the goals for the process (listed below) and develop a timeline for the review, with the intent to have an initial report completed by December 15, 2010.

– continued next page

### Scope

Our scope of work will be defined by the processes. Below is an initial list of areas classified as administrative and support:

- Administrative functions such as procurement, financial services, grants and contracts, proposal office and human resources, both in central offices and within operating units;
- Deans, provost, chancellor, vice chancellors and respective support personnel;
- Support functions in development, marketing, OIT, and recruitment, both in central offices and within operating units; and
- Areas such as registration, financial aid, advising, police, fire, risk management, and facility services.

This list is not exhaustive and may be refined as the process evolves. Auxiliary operations, athletics, and academic, public service and research programs are not included in the scope of our discussions, though their administrative and support functions are.

### Review Process Goals

**1. Develop a mechanism to understand the current status for various functions.**

This may include current funding and staffing levels, trend information, status of key activity indicators and ratios, benchmarking (both over time and across units), and other methods suggested by team members and functional area leads. The mechanism needs to be robust enough to provide valuable insight, but simple enough to continue on an annual or semi-annual basis.

**2. Develop criteria for rating importance, efficiency, and effectiveness among functions.**

The criteria developed will be used to inform future resource allocation decisions. These criteria will consider operational effectiveness in light of organization risk, and compliance, and safety requirements.

**3. Identify common processes to implement streamline.**

Given the organization-wide involvement of this review process, a byproduct will be the identification of key processes that if streamlined can improve overall administrative effectiveness. One or more focused sub-committees will be assigned to systematically streamline those processes. Achieving and documenting measureable cost savings or performance improvements is key to success on this goal.

### Project Staff & Committee Members

Wanda Bowen, Raaj Kurapati, Julie Larweth, Michelle Littell, and Einar Often will serve as the project staff. The directors from the administrative and support functions will also participate throughout the process.

Coordination with Susan Henrichs and Ian Olson will ensure alignment with the academic and research review process. Additional members and subcommittees may be required as the process moves forward. All meetings will be open, and anyone interested in the process is encouraged to attend. Details on upcoming meetings will be posted online at <http://www.uaf.edu/adminsvc>.

Feel free to contact me if you have any questions or if you have guidance in advance of our first meeting. Thank you in advance for your participation in this critical project. I look forward to working with you over the next few months.

PP/kf

## Appendix 2: Program Codes

The table below shows the programs code categories used in the inventory. The grayed out codes were not included in the Administrative and Support FTE figures.

AC	Academic Support - Central Level	Admin
AL	Library	Program/Other
AM	Museum	Program/Other
AP	Academic Support - O&M	Support
AS	Other Academic Support - College Level	Admin
AY	Academic Support - Recharge	Support
AZ	Academic Support - Unallowable Activities	Program/Other
OS	Debt Service	Admin
FA	Financial Aid	Support
GA	General and Administrative (G&A)	Admin
GB	Staff Benefits	Not on Budget
GM	General and Administrative - O&M	Admin
GP	G&A - Pre-award and post-award functions (campus-wide level)	Admin
GS	G&A related to Student Services (specific graduation activities)	Admin
GY	General and Administrative - Recharge	Admin
GZ	General and Administrative - Unallowable Activities	Admin
1D	Instruction Support / Department Administration	Admin
1M	Academic Unit O&M	Support
IN	Instruction	Program/Other
IR	Academic Unit Department Research	Program/Other
IY	Instruction - Recharge	Program/Other
IZ	Instruction - Unallowable Activities	Program/Other
OM	Operations & Maintenance (O&M)	Support
OY	Operations & Maintenance - Recharge	Support
OZ	Operations & Maintenance - Unallowable Activities	Support
PD	Public Service Support / Department Administration	Admin
PM	Public Service Unit O&M	Support
PS	Public Service	Program/Other
PY	Public Service - Recharge	Program/Other
PZ	Public Service - Unallowable Activities	Program/Other
RD	Research Support / Department Administration	Admin
RM	Organized Research Unit O&M	Support
RO	Organized Research - Non-Organized Research Unit	Program/Other
RR	Organized Research - Organized Research Unit	Program/Other
RT	Organized Research - Training	Program/Other
RY	Organized Research - Recharge	Support
RZ	Organized Research - Unallowable Activities	Program/Other
SA	Intercollegiate Athletics	Program/Other
SS	Student Services	Support
SY	Student Services - Recharge	Support
SZ	Student Services - Unallowable Activities	Support
UM	Auxiliary Operations - Maintenance	Support
UR	Auxiliary Operations Renewal and Replacement	Support
UX	Auxiliary Operations	Support
UZ	Auxiliary Operations - Unallowable Activities	Support

## Appendix 3: Job Titles by Job Category

The chart below represents the job titles used in Banner for positions at UAF, including those in the 12 job categories included in this review. Staffing levels for 2006-10 are shown for each job title and each job category.

JOB TITLES & CATEGORIES	2006	2007	2008	2009	2010
ADMIN GENERALIST 1	15	13	13	8	8
ADMIN GENERALIST 2	85	72	64	62	45
ADMIN GENERALIST 3	96	105	109	103	109
ADMIN GENERALIST 4	38	42	51	48	44
ADMIN GENERALIST 4 (EXEMPT)		1	1	1	1
ADMIN GENERALIST 4	1				
ADMIN SPECIALIST 1	12	14	20	22	26
ADMIN SPECIALIST 1 (EXEMPT)			1	1	1
ADMIN SPECIALIST 2	28	30	28	27	30
ADMIN SPECIALIST 2 (EXEMPT)		2	3	2	3
ADMIN SPECIALIST 3	22	31	36	34	40
ADMIN SPECIALIST 3 (NONEXEMPT)		1	2	4	4
ADMIN SPECIALIST 4	16	18	19	16	12
ADMIN SPECIALIST 2	2	1	1		
ADMIN SPECIALIST 1	1	1	1	1	1
ADMINISTRATIVE ASSISTANT	5	4	1		
ADMINISTRATIVE GENERALIST 3	1	1	1	1	1
ADMINISTRATIVE SPECIALIST 1			1	1	1
ASSISTANT TO	3	1			
ASSISTANT TO (NONEXEMPT)	3	4	1		
OFFICE MANAGER (NONEXEMPT)	1				
PROGRAM ASSISTANT	2	1			
PROGRAM ASSISTANT (NONEXEMPT)	5	6			
RECEPTIONIST			1		
<b>ADMIN GENERALIST TOTAL</b>	<b>335</b>	<b>346</b>	<b>353</b>	<b>328</b>	<b>325</b>
ADMIN MANAGEMENT 2					1
ADMIN MANAGER 1		3	1		
ADMIN MANAGER 3		4	3	1	1
ADMIN MANAGER 4		5	5	5	5
ADMIN PROFESSIONAL 3					1
ADMINISTRATIVE MANAGEMENT		1			
ADMINISTRATIVE MANAGEMENT 1		6	11	15	14
ADMINISTRATIVE MANAGEMENT 2		6	6	8	8
ADMINISTRATIVE MANAGEMENT 3		7	13	14	13
ADMINISTRATIVE PROFESSIONAL 1		1	1	3	4
ADMINISTRATIVE PROFESSIONAL 2		1	4	6	5
ADMINISTRATIVE PROFESSIONAL 3		1	2	4	4
ASSISTANT MANAGER		2			
ASSISTANT MANAGER (NONEXEMPT)		2			
MANAGER	30	16			
MANAGER (EXEMPT)	2	1			
MANAGER (NONEXEMPT)	6	3			
OFFICE MANAGER (NONEXEMPT)		1			
PROGRAM MANAGER	4	3	1		
<b>ADMIN MANAG&amp;PROF TOTAL</b>	<b>42</b>	<b>62</b>	<b>47</b>	<b>56</b>	<b>56</b>
ACTING DEAN/PROFESSOR	1				

JOB TITLES & CATEGORIES	2006	2007	2008	2009	2010
ACTING DIRECTOR (ADM/NON EXEC)				1	
ACTING DIRECTOR/ADMIN					1
ADMINISTRATIVE MANAGEMENT 4		3	7	8	7
ADMINISTRATIVE MANAGEMENT 5		1	3	4	4
ASSISTANT DIRECTOR	6	1			
ASSISTANT DIRECTOR(ADMIN)	1				
ASSOC VC FOR ACAD AFFAIRS					1
ASSOCIATE DEAN			1	1	1
ASSOCIATE DEAN (ACADEMIC)				1	
ASSOCIATE DEAN (ADMIN)	2	3	3	3	3
ASSOCIATE DEAN/FACULTY			1		1
ASSOCIATE DIRECTOR (ADMIN)	3	3	3	3	3
ASSOCIATE DIRECTOR/FACULTY					1
ASSOCIATE VICE CHANCELLOR	3	4	5	5	4
ASST VP/CHIEF FINANCE OFFICER	0	0			
CHANCELLOR	1	1	1	1	1
DEAN (ACADEMIC)	10	8	7	7	6
DIRECTOR	4				
DIRECTOR (ACAD)	1				1
DIRECTOR (ACADEMIC)	13	13	14	13	10
DIRECTOR (ACADEMIC-NON-UNION)	1	1			
DIRECTOR (ACADEMIC-UNION)	1	1			
DIRECTOR (ADMIN)	18	16	18	14	13
DIRECTOR (ADMIN)-ACTING	1	1	1	1	1
DIRECTOR (ADMIN/NON EXECUTIVE)	14	9	1	1	1
DIRECTOR (ADMIN/NONACADEMIC)	1				
DIRECTOR (ADMIN/NONEXEC)	1	1			
DIRECTOR (ADMIN/NON-EXECUTIVE)	1	1			
DIRECTOR ACADEMIC	1	1	1	1	1
EXEC DIRECTOR	1				
EXECUTIVE DEAN	1				
EXECUTIVE DIRECTOR	1			3	4
EXECUTIVE DIRECTOR-USER SVCS			1	1	1
EXECUTIVE OFFICER	12	4	1	1	1
INTERIM DEAN		1	2	1	2
INTERIM DEAN (ADMIN)				1	1
INTERIM DIRECTOR (ACADEMIC)					1
INTERIMVICE CHANCELLOR (ADMIN)	1				
PROFESSOR/ASSOC DEAN	1	1	1	1	1
PROFESSOR-DIRECTOR	1				
PROFESSOR-INTERIM DIRECTOR	1				
PROGRAM DIRECTOR	4	2	1	1	1
PROVOST	1	1	1	1	1
TERM ASSOCIATE DEAN		1			
TERM VICE-PROVOST				1	
VICE CHANCELLOR (ACADEMIC)		1	1	2	1
VICE CHANCELLOR (ADMIN)	1	4	4	4	4
VICE-PROV OF EXTENS & OUTREACH					1
<b>CHANCELLOR VC D&amp;D TOTAL</b>	<b>108</b>	<b>84</b>	<b>77</b>	<b>80</b>	<b>79</b>
COMM SPECIALIST 3			1	1	1
COMM SPECIALIST 3 (E)			5	6	5
COMM SPECIALIST 4 (NE)			1	1	1

JOB TITLES & CATEGORIES	2006	2007	2008	2009	2010
COMMUNICATION SPECIALIST 3			1	1	1
COMMUNICATION SPECIALIST 5			1	1	1
COMMUNICATIONS MANAGER 1			3	2	2
COMMUNICATIONS MANAGER 2			1	4	4
COMMUNICATIONS MANAGER 3			2	1	1
COMMUNICATIONS SPECIALIST 1			1	4	1
COMMUNICATIONS SPECIALIST 2			4	9	8
COMMUNICATIONS SPECIALIST 3			19	19	25
COMMUNICATIONS SPECIALIST 4			6	5	4
COMMUNICATIONS SPECIALIST 5			1	1	2
COORDINATOR	6	5			
COORDINATOR (EXEMPT)	18	12			
COORDINATOR (NONEXEMPT)	24	16			
COORDINATOR (NON-EXEMPT)	1				
DEVELOPMENT 1				1	
DEVELOPMENT 2				3	2
DEVELOPMENT 3				2	3
DEVELOPMENT 4				4	3
DEVELOPMENT 5				2	1
EDITOR	1	1			
EDITOR (NONEXEMPT)	3	4			
EDITORIAL SPECIALIST	1	1			
INFORMATION OFFICER	2	2			
INFORMATION OFFICER (NONEXMPT)	3	4			
INFORMATION OFFICER(NONEXEMPT)	1	1			
NUTRITION AIDE	4	5			
PROGRAM AIDE	2	1			
PROGRAM LEADER	2	2			
PUBLICATION ASSISTANT	5	4			
PUBLICATIONS MANAGER/EDITOR				1	1
TRAINING & DEVELOPMENT 1			5	6	6
TRAINING & DEVELOPMENT 2			3	4	4
TRAINING & DEVELOPMENT 3			1	2	2
TRAINING & DEVELOPMENT 4					1
TRAINING & DEVELOPMENT 4 (NE)				1	
TRAINING & DEVELOPMENT 5					1
TRAINING AND DEVELOPMENT 4(NE)				1	1
TRANSLATOR/INTERPRETER	1	1			
WRITER/DEVELOPER (NONEXEMPT)	1	4			
<b>COMMUN PUBLIC&amp;DEVELOPM TOTAL</b>	<b>75</b>	<b>62</b>	<b>53</b>	<b>78</b>	<b>79</b>
6501 CRAFTS/TRADES III (CT3)	1	1	1	1	1
ACTING UTILITIES MANAGER	1				
ATHLETIC EQUIP MAINT REPAIRER	1	1			
ATHLETICS FACS, OPS & PGMS 1			1	1	1
ATHLETICS FACS, OPS & PGMS 2			5	6	5
ATHLETICS FACS, OPS & PGMS 3			2	1	1
ATHLETICS FACS, OPS & PGMS 4				1	1
BOOKSTORE CLERK	2	3			
BUILDING & EQUIPMENT SUP		1			
BUILDING & EQUIPMENT SUPERVIS	1	1			
BUILDING & EQUIPMT SUPERVISOR	2	2			
CAMPUS SERVICES GENERALIST 1			1	1	1



JOB TITLES & CATEGORIES	2006	2007	2008	2009	2010
CAMPUS SERVICES GENERALIST 2			1	1	1
CAMPUS SERVICES GENERALIST 3			5	5	4
CAMPUS SERVICES GENERALIST 4			1	3	3
CAMPUS SERVICES GENERALSIT 3			1		
CAMPUS SERVICES PRINTING 2				2	2
CAMPUS SERVICES PRINTING 3			1	1	1
CAMPUS SERVICES PRINTING 4			3	3	3
CAMPUS SERVICES PRINTING 5				1	1
CAMPUS SERVICES RETAIL 1			2	2	2
CAMPUS SERVICES RETAIL 2			3	2	2
CAMPUS SERVICES RETAIL 3 (NE)			1		
CAMPUS SERVICES RETAIL 4 (NE)			2	4	3
CAMPUS SERVICES RETAIL 5			1	1	1
CASHIER	1	4	6		
COOK	2	2		1	1
CRAFTS & TRADES 1 (CT1)	2	3	3	6	6
CRAFTS & TRADES 1(CT1)					1
CRAFTS & TRADES 3 (CT3)			1	1	1
CRAFTS & TRADES I (CT1)	18	20	20	23	26
CRAFTS & TRADES I (CTI)	2	2	1	1	1
CRAFTS & TRADES II (CT2)	34	31	38	37	33
CRAFTS & TRADES II (CT3)	2	2			
CRAFTS & TRADES II(CT2)	3	2	1	1	1
CRAFTS & TRADES II(CT3)	1	1	1	1	
CRAFTS & TRADES III		1	1	1	1
CRAFTS & TRADES III (CT3)	1	1	1	1	1
CRAFTS & TRADES III (CT3)	32	33	33	31	35
CRAFTS & TRADES III(CT3)	4	4	2	2	2
CRAFTS & TRADESII (CT2)	1				
CRAFTS AND TRADES (CT1)	1	1	1	1	1
CRAFTS AND TRADES 1 (CT1)	1	1			
CRAFTS AND TRADES 2 (CT2)			1	1	1
CRAFTS AND TRADES I (CT1)					1
CRAFTS/TRADES (CT1)	1	1	1	1	1
CT1 WATER TREATMENT TRAINEE		1			
CT2 CRAFTS & TRADES II	1	1			
CTI - BOILER FIRER TRAINEE		1			
CUSTODIAL SUPERVISOR	3				
CUSTODIAN (CUST)	12	8	1	1	1
FAC ENGINEERING 1	1		1	1	1
FAC ENGINEERING 2	4	6	4	3	3
FAC ENGINEERING 3	1	1	2	2	2
FAC ENGINEERING 4	4	2	1		
FAC ENGINEERING 5	2	3	5	3	3
FAC ENGINEERING 6	9	8	6	7	7
FAC ENGINEERING 7	1		1	1	1
FAC SVCS DRAFTING 2			2	2	2
FAC SVCS DRAFTING 3	1	1	1		
FAC SVCS-MO&U SUPERVISOR 1		3	4	4	4
FAC SVCS-MO&U SUPERVISOR 2		4	2	3	3
FAC SVCS-MO&U SUPERVISOR 3		7	5	6	6
FAC SVCS-MO&U SUPERVISOR 4		7	8	7	5

JOB TITLES & CATEGORIES	2006	2007	2008	2009	2010
FAC SVCS-MO&U SUPERVISOR 5		2	5	5	5
FAC SVCS-MO&U SUPERVISOR 6		3	2	2	2
FAC SVCS-MO&U SUPERVSR 3 (NE)		2	3	4	4
FAC SVCS-MO&U SUPERVSR 4 (NE)			1	1	1
FACILITY ENGINEER 3			1	1	1
GRAPHIC ARTIST	1	1			
ICE ARENA SUPERVISOR	1	1			
LABORER/EXPEDITOR				1	1
MAIL CLERK	5	5			
MAINT SERVICE WORKER 1 (MSW1)			2		
MAINT SERVICE WORKER II (MSW2)	9	12	11	12	11
MAINT SERVICE WORKER IV (MSW4)	16	17	17	12	11
MAINT SERVICE WORKER1 (MSW1)			3	3	3
MAINT SERVICE WORKR III (MSW3)	7	9	8	11	8
MAINT SERVICE WORKR IV (MSW4)	3	1	1	1	
MAINTENANCE SERV WORKER (MSW1)	1	6	12	13	12
MARINE ENGINEER FIRST ASST	1				
OFFEST PRESS OPERATOR	3	3			
PRODUCTION TECHNICIAN	2	2	1		
PROPERTY SPECIALIST		1	1		
REAL PROPERTY SPECIALIST 1				2	1
REAL PROPERTY SPECIALIST 2		1	1	1	1
SHIFT ENGINEER SUPERVISOR	1	1			
SUPERINTENDENT	1				
SUPERVISOR		2			
SUPERVISOR (EXEMPT)	11	4	1	1	1
SUPERVISOR(NONEXEMPT)		1			
SUPPORT SERVICES SPECIALIST	1	1			
SUPPORT SERVICES TECHNICIAN	1				
WATER PLANT OPERATOR	1				
WATER TREATMENT TRAINEE	1				
<b>FACILITY TOTAL</b>	<b>215</b>	<b>244</b>	<b>252</b>	<b>252</b>	<b>242</b>
FISCAL MANAGER 1	2	2	2	3	2
FISCAL MANAGER 2	5	6	6	7	7
FISCAL MANAGER 3	4	3	5	7	6
FISCAL MANAGER 4					1
FISCAL PROFESSIONAL 1	19	17	17	14	12
FISCAL PROFESSIONAL 2	18	20	16	21	19
FISCAL PROFESSIONAL 3	6	9	13	13	17
FISCAL PROFESSIONAL I	1				
<b>FISCAL MANAG&amp;PROF TOTAL</b>	<b>54</b>	<b>56</b>	<b>58</b>	<b>64</b>	<b>63</b>
FISCAL TECHNICIAN 1	9	5	7	5	3
FISCAL TECHNICIAN 2	47	47	47	40	34
FISCAL TECHNICIAN 3	21	30	33	35	33
FISCAL TECHNICIAN 4	9	9	6	6	7
<b>FISCAL TECH TOTAL</b>	<b>85</b>	<b>90</b>	<b>93</b>	<b>86</b>	<b>77</b>
HR PROFESSIONAL 2 (EXEMPT)		1			
HUMAN RESOURCES MANAGER 1	1	1	1	2	2
HUMAN RESOURCES MANAGER 2	1		1	1	1
HUMAN RESOURCES PROFESSIONAL 1		1	1	2	1
HUMAN RESOURCES PROFESSIONAL 2	2		1	3	5

JOB TITLES & CATEGORIES	2006	2007	2008	2009	2010
HUMAN RESOURCES PROFESSIONAL 3	6	7	6	3	2
HUMAN RESOURCES PROFESSIONAL 4					1
HUMAN RESOURCES TECHNICIAN 1		1		1	
HUMAN RESOURCES TECHNICIAN 2	9	10	7	7	7
HUMAN RESOURCES TECHNICIAN 3	4	6	7	10	12
HUMAN RESOURCES TECHNICIAN 4	1	1	2	2	1
PERSONNEL/PAYROLL CLERK	1	1			
<b>HR STAFF TOTAL</b>	<b>25</b>	<b>29</b>	<b>26</b>	<b>31</b>	<b>32</b>
IS CONSULTANT 2	3	5	5	4	4
IS CONSULTANT 3	5	4	5	5	5
IS MANAGER 1	1	2	2	2	
IS MANAGER 2	2	1	1	1	2
IS MANAGER 3	6	7	7	10	6
IS MANAGER 4	3	3	3	3	5
IS NET TECH 7	1				
IS NET TECHICIAN 6	1	1	1	1	1
IS NET TECHNICIAN 5	1	1	2	2	2
IS NET TECHNICIAN 6	15	13	15	14	14
IS NET TECHNICIAN 7	13	12	10	13	14
IS NET TECHNICIAN 8	1		1	1	1
IS OPS TECHNICIAN 1	2	2	2	2	1
IS OPS TECHNICIAN 2	4	2	3	3	3
IS OPS TECHNICIAN 3	15	16	9	9	7
IS OPS TECHNICIAN 4	2	1	5	5	4
IS PROFESSIONAL 1	4	10	5	4	2
IS PROFESSIONAL 2	13	17	18	16	22
IS PROFESSIONAL 3	44	42	48	55	54
IS PROFESSIONAL 4	35	36	38	35	36
IS PROFESSIONAL 5	3	4	5	5	7
IS TECHNICIAN 2		1	1		
IS TECHNICIAN 6	1	1	1	1	1
<b>IS STAFF TOTAL</b>	<b>174</b>	<b>179</b>	<b>186</b>	<b>188</b>	<b>189</b>
LIBRARY TECHNICIAN 3			1	1	1
PROFESSOR				2	2
ACTING CHIEF SCIENTIST	1				
ADMINISTRATIVE CLERK	1				
ADVISOR		1			
APPLICATIONS SPECIALIST	1				
ASSISTANT COACH	7	7	1	1	1
ASSISTANT MANAGER	3				
ASSISTANT PROFESSOR	144	143	144	133	138
ASSOCIATE PROFESSOR	130	137	134	146	143
ATHLETIC TRAINER	2	2			
ATHLETICS ADMINISTRATOR 1					1
ATHLETICS ADMINISTRATOR 2			1	1	1
ATHLETICS ADMINISTRATOR 3			1		
ATHLETICS COACH 2			6	6	6
ATHLETICS COACH 3			5	6	6
ATHLETICS TRAINING 2			1	1	1
ATHLETICS TRAINING 3			1	1	1
BROADCAST & MEDIA TECHNICIAN 2			1	1	1
BROADCAST TECHNICIAN	4	4			

JOB TITLES & CATEGORIES	2006	2007	2008	2009	2010
BROADCAST/MEDIA PROFESSIONAL 1				1	1
BROADCAST/MEDIA PROFESSIONAL 3			7	7	6
BROADCAST/MEDIA PROFESSIONAL 4			1	1	
BROADCAST/MEDIA TECHNICIAN 2			1		
BROADCAST/MEDIA TECHNICIAN 3			2	2	1
BROADCAST/MEDIA TECHNICIAN 4			2	2	2
CASUAL LABOR		1			
CHIEF ENGINEER		1			
CHIEF SCIENTIST		1			
CLINICAL ASSOC PROFESSOR					1
CLINICAL ASST PROFESSOR	4	6	6	5	4
COACH	7	7	2	1	1
COLLECTIONS MANAGER		1			
COMPOSITER	1	1			
COORDINATOR (EXEMPT)				1	
COORDINATOR (NONEXEMPT)			3	1	
COUNSELOR	4				
DISTINGUISHED VISITING PROFESS					1
DOCTOR	1				
EDITOR (NONEXEMPT)			1	1	1
EDITORIAL ASSISTANT		1			
ENGINEER	5	2			
EXT TEMPORARY CLERICAL			1	1	
EXT TEMPORARY TECHNICAL				6	7
FIELD CREW LEADER		1	1		
FIELD OPERATIONS ASST		1			
GRAPHIC ARTIST (EXEMPT)	2	2			
GRAPHIC ARTIST (NONEXEMPT)	2	2			
INSTRUCTIONAL DESIGNER 2		2	1		3
INSTRUCTIONAL DESIGNER 3		5	4	3	3
INSTRUCTIONAL DESIGNER 4		2	2	2	2
INSTRUCTIONAL TECHNICIAN	1				
INSTRUCTOR	13	13	12	13	10
LAB ASSISTANT	1	2			
LAB TECHNICIAN	1	1			
LANGUAGE SPECIALIST	1	1			
LIBRARY AIDE	1	1			
LIBRARY ASSISTANT	5	4			
LIBRARY ASST	14	13		1	
LIBRARY CLERK	1	1			
LIBRARY PROFESSIONAL 1			4	6	7
LIBRARY PROFESSIONAL 1 (E)					2
LIBRARY PROFESSIONAL 2			3	3	5
LIBRARY PROFESSIONAL 3			8	6	6
LIBRARY PROFESSIONAL 4			1	1	1
LIBRARY TECHNICIAN	16	15	1	1	1
LIBRARY TECHNICIAN 1			4	3	2
LIBRARY TECHNICIAN 2			12	13	15
LIBRARY TECHNICIAN 3			9	8	6
LIBRARY TECHNICIAN 4			6	7	8
MANAGER			1		
MASTER (SHIP)	1	1			

JOB TITLES & CATEGORIES	2006	2007	2008	2009	2010
MEDIA SERVICES TECHNICIAN	1	1			
MENTAL HEALTH PROVIDER 2		1			
MENTAL HEALTH PROVIDER 3		1	2	1	1
MENTAL HEALTH PROVIDER 4		1	1	1	2
MENTAL HEALTH PROVIDER 5		1	1	1	1
MICROFILM EQUIPMENT OPERATOR	1	1			
MUSEUM TECHNICIAN	1	1			
NURSE	2				
PHYSICAL HEALTH PROVIDER 1		1	1	1	1
PHYSICAL HEALTH PROVIDER 2		1	1	1	1
PHYSICAL HEALTH PROVIDER 3		1			
PHYSICAL HEALTH PROVIDER 4		1	2	3	3
PHYSICAL HEALTH PROVIDER 5		1	1		
POST DOCTORAL FELLOW	51	62	53	42	47
PRESIDENTIAL POST DOC FELLOW		2	1	1	
PRESIDENT'S PROFESSOR	2	1	1	1	1
PRESIDENT'S TERM PROFESSOR			1		
PRODUCER	6	6			
PRODUCTION ASSISTANT	1				
PROFESSOR	126	131	134	133	137
PROGRAM ASSISTANT (NONEXMPT)			2		
PROGRAM DEVELOP SPECIALIST	2	2			
PROGRAMMER ANALYST	1				
PUBLICATION TECHNICIAN	2	1			
RESEARCH AIDE	1	1			
RESEARCH ASSISTANT PROFESSOR					2
RESEARCH ASSOC PROFESSOR	13	11	11	12	13
RESEARCH ASSOCIATE	3	3			
RESEARCH ASSOCIATE (ACADEMIC)	12	11	7	5	2
RESEARCH ASSOCIATE ACADEMIC					2
RESEARCH ASSOCIATE PROFESSOR	3	2	5	5	7
RESEARCH ASST PROFESSOR	25	23	25	25	24
RESEARCH PORFESSIONAL 4	1	1			
RESEARCH PROFESS 2 (NONEXEMPT)	1	2	2	1	1
RESEARCH PROFESSIONAL	1	1	1	1	1
RESEARCH PROFESSIONAL 1	14	16	14	15	17
RESEARCH PROFESSIONAL 2	31	24	26	23	24
RESEARCH PROFESSIONAL 3	18	18	20	18	19
RESEARCH PROFESSIONAL 4	13	12	14	15	18
RESEARCH PROFESSIONAL 5	10	10	7	7	9
RESEARCH PROFESSOR	10	13	12	12	10
RESEARCH SCHOLAR				1	1
RESEARCH TECH 4 (EXEMPT)			5	4	4
RESEARCH TECHNICIAN	3	1	3		
RESEARCH TECHNICIAN 1	8	5	3	4	4
RESEARCH TECHNICIAN 2	29	33	29	25	21
RESEARCH TECHNICIAN 3	18	22	27	25	25
RESEARCH TECHNICIAN 4	20	18	21	21	20
RSEARCH PROFESSIONAL 2	1	1	1	1	1
STOREKEEPER	1	1			
SUPERVISOR	9		1		
SUPERVISOR (NONEXEMPT)	1				

JOB TITLES & CATEGORIES	2006	2007	2008	2009	2010
SUPERVISOR(NONEXEMPT)	1				
SUPPORT SVCS SPECIALIST(EXPT)	1	1			
SYSTEMS TECHNICIAN	1	1			
TECHNICIAN	11	4	1	1	1
TERM ASSISTANT PROFESSOR	1	2	1	2	3
TERM ASSOC PROFESSOR	2	2	2	3	3
TERM ASSOCIATE DEAN	1		1		
TERM ASST PROFESSOR	59	66	74	80	77
TERM ASST PROFESSOR-DEAN	1				
TERM ASST. PROFESSOR	1				
TERM CLINICAL ASSOC PROFESSOR				1	1
TERM INSTRUCTOR	21	24	26	24	28
TERM PROFESSOR	2	1	1		
TERM RES ASST PROFESSOR					1
TERM RESEARCH ASSOC PROFESSOR				1	2
TERM RESEARCH ASST PROF				1	1
TERM RESEARCH ASST PROFESSOR			2	5	5
TERM RESEARCH PROFESSOR				1	1
TERM RESEARCH SCHOLAR		1			
VISITING PROFESSOR		1			
VISITING RESEARCH SCHOLAR	2	2		1	1
WRITER/DEVELOPER	1	1			
<b>OTHER TOTAL</b>	<b>916</b>	<b>927</b>	<b>930</b>	<b>914</b>	<b>936</b>
ASSISTANT FIRE CHIEF	3				
EMERGENCY DISPATCHER	5				
ENVIRON HEALTH/SAFETY 2 (NE)					1
ENVIRONMENTAL HEALTH/SAFETY 2		2	2	1	2
ENVIRONMENTAL HEALTH/SAFETY 3		6	6	5	5
ENVIRONMENTAL HEALTH/SAFETY 4				1	1
FIRE CAPTAIN	6				
FIRE CHIEF	1				
POLICE OFFICER	8				
RISK MANAGEMENT 4		1			
RISK MANAGEMENT 5			1	1	1
SAFETY SVCS - FIRE 3		1	1	1	1
SAFETY SVCS-EMERG DISPATCHER 1			1	1	1
SAFETY SVCS-EMERG DISPATCHER 2		5	3	2	3
SAFETY SVCS-EMERG DISPATCHER 3		1			
SAFETY SVCS-EMERG DISPATCHER 4		1	1	1	1
SAFETY SVCS-FIRE 1		6	6	5	6
SAFETY SVCS-FIRE 2		3	4	3	3
SAFETY SVCS-FIRE 4		1	1	1	1
SAFETY SVCS-PARKING 1			3	2	2
SAFETY SVCS-PARKING 2			1	1	1
SAFETY SVCS-POLICE 1		2	2	1	
SAFETY SVCS-POLICE 2		2	2	3	2
SAFETY SVCS-POLICE 3		2	3	3	6
SAFETY SVCS-POLICE 4		3	3	3	2
SAFETY SVCS-POLICE 5		1	1	1	1
<b>POLICE,FIRE &amp; RM TOTAL</b>	<b>23</b>	<b>37</b>	<b>41</b>	<b>36</b>	<b>40</b>
CONTRACTING OFFICER		1			
PROC/ CONT SVCS PROFESSIONAL 1	3	3	5	4	4

JOB TITLES & CATEGORIES	2006	2007	2008	2009	2010
PROC/ CONT SVCS PROFESSIONAL 2	1			1	1
PROC/ CONT SVCS PROFESSIONAL 3	2	2	1		
PROC/ CONT SVCS TECHNICIAN 1			1	1	
PROC/ CONT SVCS TECHNICIAN 2	1	1			1
PROC/CONT SVCS PROFESSIONAL 1	1	1			
PROC/CONTSVCS PROF 2			1	1	1
<b>PROCUREMENT TOTAL</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>7</b>
STU SVCS PROFESS 1 (EXEMPT)		1			
STU SVCS PROFESS 2 (EXEMPT)	3	6	9	9	10
STUDENT SERVICES TECHNICIAN 1	1	1	1	1	1
STUDENT SERVICES TECHNICIAN 2					1
STUDENT SERVICES TECHNICIAN 3		1	1		
STUDENT SVCS MANAGER 1	5	8	8	6	7
STUDENT SVCS MANAGER 2	8	6	9	11	13
STUDENT SVCS MANAGER 3	6	4	4	4	5
STUDENT SVCS PROFESSIONAL 1	5	5	6	6	5
STUDENT SVCS PROFESSIONAL 2	34	26	24	26	30
STUDENT SVCS PROFESSIONAL 3	7	12	17	17	21
STUDENT SVCS PROFESSIONAL 4	4	3	5	3	1
STUDENT SVCS TECHNICIAN 1	4	4	5	6	7
STUDENT SVCS TECHNICIAN 2	13	13	14	14	13
STUDENT SVCS TECHNICIAN 3	4	5	5	7	9
STUDENT SVS MANAGER 2			1		
<b>STUDENT SVCS TOTAL</b>	<b>93</b>	<b>94</b>	<b>107</b>	<b>108</b>	<b>123</b>

DATE: 18 February 2011  
TO: Brian Rogers, Chancellor, UAF  
FROM: Indirect Cost Recovery (ICR) Distribution Review Committee:  
Nettie La Belle-Hamer, Chair  
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SUBJECT: ICR Allocation Methodology Recommendations

In October 2010, the ICR Distribution Review Committee was created at your request to analyze the collection and distribution of indirect cost recovery (ICR) revenue across UAF. ICR currently provides approximately \$28 million per year in revenue to UAF. The allocation of that indirect funding, using a methodology established decades ago, is frequently identified as a practice in need of review or revision. This ICR Review Committee has reviewed the information, policies, and practices that are currently in place and this memo contains the recommendations on ICR allocations in the near future.

The current method of allocating ICR is neither transparent nor intuitive and before embarking on building a new allocation model the Committee first needed to understand it. The Committee's initial focus was to understand the rate calculations and the allocation model as well as the reasoning behind them. To this end, the Committee brought in experts from UAF Administration and UA Statewide, as well as other UAF Institute leaders. The time and effort put into the presentations and discussions by the UAF Administrative, UA Statewide, and unit-level Administrative staff is greatly appreciated by the Committee.

A research-focused University should make research a top priority at the Chancellor's Cabinet and in the research units. The Committee recommends the Vice Chancellor of Research (VCR) be given a stronger role in the ICR allocation. Any deviation from the current distribution should support UAF's research-centric ideals.

This Committee recommends three options for ICR distribution consideration, listed in order of preference: 60/40 split, increase in current distribution dollars by 2.5%, and constant dollars. In each case, additional break-outs for building debt and student research support are included in the solution. The assumptions that went into this recommendation and the pros and cons of each proposal are outlined in this memo. In addition, the Committee recommends revising the under-recovery penalty to encourage grant applications to funding sources that mandate lower than 9% F&A rates.



## Assumptions

As the Committee deliberated over the task of offering alternative approaches to the current distribution policy on ICR, some baseline assumptions were necessary for the purposes of projection and analysis. The following are the underlying key assumptions for the proposed alternatives:

*1. Increase in the negotiated rate for UAF Research from 45.1% to 49.5%:*

When this Committee was first convened by the Chancellor, a new Indirect Cost Agreement was under negotiation. Since then, the indirect cost agreement has been approved and the new negotiated rate was increased to 49.5%. The increased return as a result of the rate increase plays heavily into the alternative distribution proposals offered by the Committee.

*2. Phase in of benefits from the F&A rate change:*

In addition to the recommended options, the Committee agreed that a phase-in plan was a critical component of any change in allocation rates. Since all recommended options were based on utilization of the new negotiated rates, it is recommended that the new allocation be phased in with the application of the new negotiate rate structure.

Awards received and accepted under the 45.1% F&A rate, or other standard rates for the 2007-2010 time period, would continue on the current distribution model. Awards received and accepted under the new 49.5% F&A rate would use the revised distribution model as chosen by the Chancellor. This means that it will take about three years to transition fully into the new distribution rates, due to current and expected grant life cycles. Such a phase-in would allow units to transition onto the new distribution without being penalized for awards accepted under the older, lower rate. It also allows for a ramp up of the building fund in advance of incurring debt for the Life Sciences Building.

*3. Research (Grant) Dollars to Remain Constant:*

Along with the negotiated research rate increase, a key assumption for calculating the effect of distribution changes is that research dollars and activity level will remain approximately constant going forward. Should there be significant swings (upward or downward) in the amount of research or grant dollars generated, the calculated projections in the proposed alternatives will need to be revisited and adjusted accordingly. It is noted, however, that although the Committee recognizes that the ICR generated by current grants supporting the ARSC will no longer be a factor, the loss has not been factored in by the committee.

*4. Holding ICR generating units harmless:*

The Committee agrees that a clear and desirable strength of UAF's current ICR distribution policy is the fact that the generating units receive back a significant portion of the ICR to support research within the unit's strategic departmental investments. Prior to FY2002, the ICR collected by UAF was distributed with 56.0% returning to the originating unit. Since that time the ICR distributed back to the originating unit has been reduced to 55.0% in FY02-03 and again to the current 53.4% in FY04. No other line items in the distribution schedule have suffered losses. In order to meet debt service

obligations of UAF it is likely the percentage distribution to the originating unit will again be reduced.

The Committee understands that the distributed ICR within the units contributes significantly to the financial health and flexibility of the ICR generating units. Given this, the Committee concluded that any adjustment in the current ICR distribution policy should, to the fullest extent practicable, retain the current dollar amount of ICR returned to the generating units.

#### *5. Debt Service Support:*

While the Chancellor's memo creating this Committee laid out several factors to be considered as part of the deliberations, subsequent discussions of the Committee members brought to light other potential line items to be included in the ICR distribution policy. Of these, two items rose to the top as being of immediate concern or priority during the Committee deliberations: Debt Service for new buildings and Student Research Support.

Debt Service is an inevitable expense that needs to be funded due to both recent and near future building costs. It can be viewed as an expense to the whole research community rather than to one unit or group of units. As such, dedicating a portion of ICR revenues for current and future Debt Service became a key goal for the Committee. In the options presented, the WRRB and IARC costs that are currently paid by central are incorporated directly. The Committee suggests alleviating the affected units of their rent and paying the Debt Service centrally. This would require a higher amount for this line item than the options presented, hence this remains a problem to be resolved.

#### *6. Student Research:*

The MacTaggart Report of August 2009 offered many valuable recommendations to UAF leadership. One key recommendation, reiterated in the Chancellor's memorandum to this Committee, was the need to better support student research. The Committee agrees that this is a valuable and important investment for UAF. The Committee sees investment in student research as a UAF-wide obligation, not one restricted to the unit level. Therefore, the Committee recommends dedicating a portion of ICR for student research support focused on, but not exclusively for, undergraduate research.

#### *7. Starting point for calculations:*

In order to coherently compare the options, the starting point used for the calculations herein is the rounded value of the FY10 Modified Total Direct Costs (MTDC) that generated roughly \$28,000,000 for redistribution at the old F&A rate of 45.1%. Using this value, the new F&A rate of 49.5% will generate \$30,731,707 for redistribution assuming zero change in the MTDC.

	percentages	dollars
Buildings	0.00%	\$0
G&A Statewide	12.80%	\$3,584,000
G&A VCAS	12.40%	\$3,472,000
Department	53.40%	\$14,952,000
G&A VCR	1.00%	\$280,000
WRRB	2.00%	\$560,000
Facilities	13.70%	\$3,836,000
Library	4.70%	\$1,316,000
Student Research	0.00%	\$0
	100.00%	\$28,000,000

**Table 1: Current ICR Distribution Schedule**

### Recommendations for a New ICR Distribution Schedule

Below are three options, presented in order of preference by the Committee, for consideration by the Chancellor. This Committee does not consider keeping the existing distribution as a viable option as it does not account for UAF Research's substantially increased building needs or for investment in students. The options are described below along with their respective pros and cons. The first two options are favored about equally with Option #2 a close second to Option #1. Option #3 only addresses the perceived need of debt service on new buildings and is not favored by the committee.

#### OPTION #1: 60/40 SPLIT

A departure from the existing line items in the distribution schedule allows us to look at the distribution of ICR in a new way. By separating the distribution into Research Reinvestment and Research Support, with 60% in the former and 40% in the latter, the distribution schedule looks very different with clear lines to both reinvesting in the UAF research engine and supporting it. Building Debt, Student Research, Office of Sponsored Programs (OSP), and Center for Research Services (CRS) match dollars are earmarked in the Research Reinvestment while UA Statewide support is designated within Support. UAF Supporting Units includes the following line items: G&A VCAS, Facilities, and Library. The percentage to go to UA Statewide would be negotiated by the Chancellor and the President with the remainder allocated to UAF Support.

Research Reinvestment	60%	\$18,439,024
Generating Unit	50.00%	\$15,365,854
OSP and CRS Match	1.50%	\$460,976
Student Research	1.00%	\$307,317
Buildings	7.50%	\$2,304,878
Support	40%	\$12,292,683
UAF Supporting Units	28%	\$8,604,878
UA Statewide	12%	\$3,687,805

**Table 2: 60/40 Split Distribution Schedule**

**Pros:** Conceptually, this model is the most transparent as it distinguishes between funds that are directly reinvested into research versus those that are not. Increasing the funds reinvested in research has the potential to generate a positive feedback loop. By allocating a fixed percentage to Support Services, but not specifying the exact distribution within that category, it leaves open the option of adjusting funds at the Chancellor's Cabinet level without modifying the entire scheme. Also, it eliminates a false sense of accuracy with the detailed percentages currently used or proposed in Options #2 and #3.

**Cons:** This model provides enough funding in the Building Debt category to support debt payment for WRRB (\$0.5M) and Life Sciences (\$1.6M), but only a small amount (\$0.2M) for support of future buildings (e.g., Energy). Each current entity's relative share of ICR is reduced to accommodate the new allocation lines. This approach does not specifically specify the distribution between support units. A distribution that approximates the current distribution model for support units should be considered a starting point for the new allocation.

#### **OPTION #2: 2.5% INCREASE IN LINE ITEMS DOLLARS**

The current distribution dollar amounts were modified to create a 2.5% increase in the original line item dollars across the board. This accounts for most of the increase in salary costs projected for next year. The dollars remaining after the increased F&A rate funded the 2.5% increase were used to fund the new line items. Student research support is funded at 1% and the remainder goes to Building Debt, with the WRRB cost incorporated in the Buildings line item. In this case, the percentage going to each line item is calculated from the dollar amount.

	percentages	dollars
Buildings	7.49%	\$2,301,805
G&A Statewide	11.95%	\$3,672,439
G&A VCAS	11.58%	\$3,558,732
Department	49.87%	\$15,325,902
G&A VCR	0.93%	\$285,805
WRRB	0.00%	\$0
Facilities	12.79%	\$3,930,585
Library	4.39%	\$1,349,122
Student Research	1.00%	\$307,317
	100.00%	\$30,731,707

**Table 3: Increase in Line Item Dollars by 2.5%, with remaining increase from F&A change distributed to Building Debt and Student Research**

**Pro:** This results in an increase in dollars that is the same across units and therefore easy to implement and to explain. It mitigates some of the increase in labor dollars and expenses expected in future years.

**Cons:** This model provides enough funding in the Building Debt category to support debt payment for WRRB (\$0.5M) and Life Sciences (\$1.6M), but only a small amount (\$0.2M) for support of future buildings (e.g., Energy). Each current entity's relative share of ICR is reduced to accommodate the new allocation lines. Option 2 is

conceptually more complex than Option 1, while achieving about the same balance between units.

### OPTION #3: CONSTANT DOLLAR

In this option, the current distribution percentages were modified to keep the dollar amounts for each line item constant across the board. The remaining dollars resulting from the increased F&A rate were used to fund the new line items, with 1% of the ICR going to student research support and the remainder going to Building Debt.

	percentages	dollars
Buildings	7.89%	\$2,424,390
G&A Statewide	11.66%	\$3,584,000
G&A VCAS	11.30%	\$3,472,000
Department	48.65%	\$14,952,000
G&A VCR	0.91%	\$280,000
WRRB	1.82%	\$560,000
Facilities	12.48%	\$3,836,000
Library	4.28%	\$1,316,000
Student Research	1.00%	\$307,317
	100.00%	\$30,731,707

**Table 4: Constant dollar distribution schedule**

**Pro:** The Building Debt funds (\$2.4M under fixed grant income) would be sufficient to support WRRB (\$0.5M) and Life Sciences (\$1.6M), and would provide slightly more support (\$0.3M) for the planned Energy building and other future building projects.

**Con:** There is no reinvestment of increase in ICR in the units that generate the funding. Units will most likely have increased costs and, therefore, will experience a cut in the buying power of their returned ICR directly hampering research growth.

### OPTION COMPARISON

As a way to communicate the impact, the change in distribution schedule that would impact the generating unit, we include here an explicit example of a unit receiving a grant with a \$100,000 MTDC basis under each of the options presented above.

	MTDC	F&A rate	generating unit	distribution to unit
Current	\$100,000	45.10%	53.40%	\$24,083
Option #1: 60/40 Split	\$100,000	49.50%	50.00%	\$24,750
Option #2: 2.5% increase in dollar	\$100,000	49.50%	49.87%	\$24,686
Option #3: Constant Dollar	\$100,000	49.50%	48.65%	\$24,083

**Table 5: Example of ICR distributed to the generating unit under the three proposed options**

## Additional Issues Discussed by the Committee

The Committee considered a number of additional issues related to ICR allocation rates and uses of ICR to meet known funding needs. Those issues are outlined below, with a summary of the issue and some narrative discussion of why these items were or were not included in the recommendations.

### *1. Recommended change to the Under-Recovery Penalty*

During the committee's education about current F&A and ICR rates, one policy that the committee thinks is in need of change is the under-recovery penalty. The Committee recommends that no under-recovery penalty be assessed to the generating unit when a reduced F&A rate is mandated by the sponsoring agency. At the very least, the assessment threshold bar should be lowered from 9% to 8%. The proposed 8% threshold is tied to the F&A rate ceiling set by some federal agencies as discussed in further detail below. Under-recovery waiver requests take a long time for approval under the current administrative process, too long to systematically expect to decision on the waiver request prior to a proposal submission deadline. Since waivers are not guaranteed, units need to decide to either go forward at risk of penalties or not apply for funding mandated at a lower F&A rate by the Federal government sponsor.

The 8% cap is set by Code of Federal Regulations: 34-CFR-75.562, also known as EDGAR 75.562, which applies to sponsored education and training programs funded primarily by U.S. Department of Education. The 8% cap is also set by HRSA (Health Resources and Services Administration, <http://www.hrsa.gov/about/index.html>) an agency of the U.S. Department of Health and Human Services that is the primary Federal agency for improving access to health care services for people who are uninsured, isolated, or medically vulnerable.

Lastly, foundations are a largely untapped source of support for many sponsored projects, including research that UAF's Principal Investigators (PIs) could propose, however, foundations typically do not provide for indirect costs. Although foundation grants do carry a real cost to facilities and administration, they typically remove some PI time from Fund 1 and often support students. The Committee views this situation as no less desirable than the accepted practice of offering match to some agencies.

The mere threat-by-policy of financial penalties is itself an effective and major barrier against departments preparing and submitting proposals that are otherwise in the interest of UAF for meeting needs of the State of Alaska, or shifting Fund-1 costs onto a sponsored project. Such practice is not a good way to encourage proposals for research of importance to Alaska nor to build the research portfolio of UAF.

### *2. Distribution exceptions granted by VCAS*

There are a number of exceptions to the standard distribution rates considered in this report. Some programs have special allocation rates for activities off campus. Others have special rates based upon exceptional payment of utilities or space by a third party. Still others have special rates based upon commitments toward institutional support at the time of proposal.

The committee consensus was that exceptions to the standard rule should be determined by the VCAS and the requesting unit or program. Each special arrangement seemed to be based on unique circumstances and collectively they were beyond the scope of the charge to this Committee.

### *3. Funding for other infrastructure or program needs*

There were a number of possible additional recipients of ICR monies discussed. These included High Performance Computing; increased maintenance and operations at Life Sciences and other new buildings; research match; and graduate school support.

The Committee placed the highest priority for reallocation of ICR on debt service and student research support. One option included increased funding (0.5%) for research match. The Committee came to the conclusion that any further distribution, regardless of merit or value to UAF as an institution, should not be paid from the increase in the negotiated rate, but would have to come from a reduction from status quo dollars. Once that conclusion was reached, the Committee consensus was that ICR return to the unit needed to be preserved rather than moved to new or different programs.

### *4. Rent in new space versus differential ICR allocations*

WRRB occupants currently pay rent for the space used in that building. IARC makes an annual debt payment of \$250,000 toward the debt service on that building. Significant Committee discussion occurred surrounding the issues of unit-based rent payments in WRRB and debt payments, relative to potential charges to Life Sciences of Energy Building occupants.

The Committee did not reach consensus, or even majority agreement, on how to handle charges to building occupants. It was widely recognized that rent and debt service payments are a huge burden on individual units. It was also obvious that there was not enough funding generated by the negotiated rate increase to eliminate the “occupant pay” model. It seemed beyond the charge and ability of the Committee to fully develop alternative space charge models, though some focused examination of that issue is likely in order.

### *5. Distribution within generating units*

The Committee spent time exploring how the ICR returned to units was allocated within those units. The Committee found that generating units make unit-specific strategic investments with distributed ICR according to the specific research mission, goals, and opportunities of that unit. Allocation within the unit and between units was outside of the charge of the Committee.

### *6. Redistribution of Excess from Buildings*

The consensus of the committee was that, based on the options presented, there was little likelihood that an excess would accrue in the building allocation. There was general agreement that if an excess did accrue, it should be returned to the generating units.

### *7. The Fisher Report*

The Committee acknowledges that the Fisher Report has made recommendations for a reorganization that may change the ICR distribution needs. However, it is not clear to

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what extent any of those recommendations will be pursued, and therefore they were not explicitly taken into consideration.

## **Summary and Conclusions**

This Committee recommends three options for ICR distribution consideration, listed in order of preference: 60/40 split, increase in current distribution dollars by 2.5%, and constant dollars. The pros and cons of each were discussed in this memo. In addition, the Committee has recommended the under-recovery penalty be revised to take into consideration mandated F&A reductions.

ICR is generated primarily through research-oriented activities. Reinvestment in the UAF Research mission stands out as the most important concept embraced by the Committee. It was the driving philosophy in the discussions of changing the ICR structure. The first two options represent compromises to add support for both buildings and student research while increasing dollars to the generating units. It is fundamental to the vitality of UAF as an RU/H institution to reinvest in the ICR generating units.



**UAF Debt Payments FY10 to FY20**  
(All amounts in thousands)

Category / Description	Debt Amount	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
<b>Current Debt</b>												
SERIES H - CCD Project Diesel Engine Generator		\$ 647	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SERIES J - Refinance A & B (SRC)		432	-	-	-	-	-	-	-	-	-	-
SERIES K - WRRB, Refinance C & I		1,044	1,042	1,042	1,041	656	653	654	654	657	655	656
SERIES L - WRRB, Athletics, CRA, Electric Line		538	540	542	538	534	406	405	404	403	671	672
SERIES M - Hutchison Upgrade, IAB (Reallocated)		63	63	63	63	63	63	63	63	63	323	321
SERIES N - Intertie, Chiller, BiRD, Patty Ice, Aurora, Elvey		1,618	1,613	1,617	1,609	1,614	1,613	1,722	1,671	1,668	1,341	1,340
SERIES O - Lena Point, Museum, Arctic Health, Virology		949	947	935	942	948	948	952	945	951	278	281
SERIES P - Refinancing Series H & J		117	1,248	1,242	1,251	1,249	1,248	1,246	1,244	1,245	779	775
<b>Sub-Total: Debt Service on Current Debt Issues</b>		<b>\$ 5,408</b>	<b>\$ 5,453</b>	<b>\$ 5,441</b>	<b>\$ 5,444</b>	<b>\$ 5,064</b>	<b>\$ 4,931</b>	<b>\$ 5,042</b>	<b>\$ 4,982</b>	<b>\$ 4,988</b>	<b>\$ 4,046</b>	<b>\$ 4,044</b>
Percent of Unrestricted Revenue		2.1%	2.0%	1.9%	1.9%	1.6%	1.5%	1.5%	1.4%	1.3%	1.0%	0.9%
<b>Projects with Planned Debt Funding</b>												
Life Science Classroom and Lab Facility (Project Cost \$	\$20,600	\$ -	\$ -	\$ -	\$ -	\$ 815	\$ 1,630	\$ 1,630	\$ 1,630	\$ 1,630	\$ 1,630	\$ 1,630
Combined Percent of Unrestricted Revenue		2.1%	2.0%	1.9%	1.9%	1.9%	2.0%	2.0%	1.8%	1.8%	1.4%	1.3%
<b>Projects with Anticipated Debt Funding</b>												
Energy Technology Facility (Project Cost \$24.9M)**	\$13,600	-	-	-	-	-	529	1,059	1,059	1,059	1,059	1,059
Combined Percent of Unrestricted Revenue		2.1%	2.0%	1.9%	1.9%	1.9%	2.2%	2.3%	2.1%	2.0%	1.7%	1.5%
<b>Total Unrestricted Revenue (Forecast )</b>		<b>\$ 254,160</b>	<b>\$ 266,868</b>	<b>\$ 280,211</b>	<b>\$ 294,222</b>	<b>\$ 308,933</b>	<b>\$ 324,380</b>	<b>\$ 340,599</b>	<b>\$ 357,629</b>	<b>\$ 375,510</b>	<b>\$ 394,285</b>	<b>\$ 434,700</b>
<b>Internal Debt Arrangements</b>												
UA Museum Settlement	\$ 2,650	\$ 265	\$ 265	\$ 265	\$ 265	\$ 265	\$ 265	\$ 265	\$ 265	\$ 265	\$ -	\$ -
Bookstore/Tech Center Deficit Repayment	\$ 2,165	365	450	450	450	450	-	-	-	-	-	-
Energy Technology - High Bay Test Facilities	\$ 1,700	-	340	340	340	340	340	-	-	-	-	-
Signers' Hall One-Stop Renovation	\$ 700	200	200	200	100	-	-	-	-	-	-	-
Digital TV Equipment	\$ 400	100	100	100	100	-	-	-	-	-	-	-
<b>Sub-Total: Internal Debt Arrangements</b>		<b>\$ 930</b>	<b>\$ 1,355</b>	<b>\$ 1,355</b>	<b>\$ 1,255</b>	<b>\$ 1,055</b>	<b>\$ 605</b>	<b>\$ 265</b>	<b>\$ 265</b>	<b>\$ 265</b>	<b>\$ -</b>	<b>\$ -</b>
Percent of Unrestricted Revenue		0.4%	0.5%	0.5%	0.4%	0.3%	0.2%	0.1%	0.1%	0.1%	0.0%	0.0%

Notes:

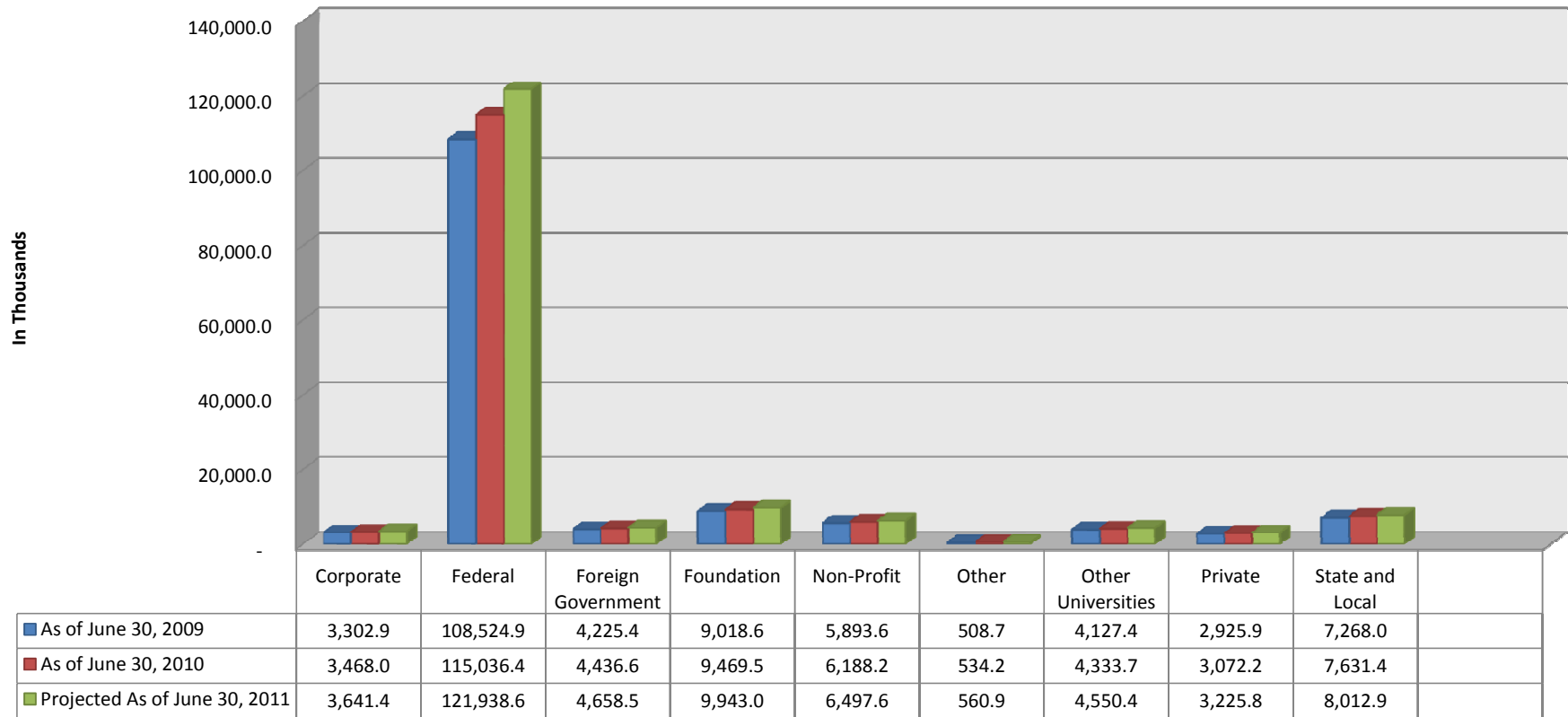
The Energy Technology Facility is on hold while the university focuses capital spending requests on deferred maintenance

Assumes 5% annualized growth in unrestricted revenues

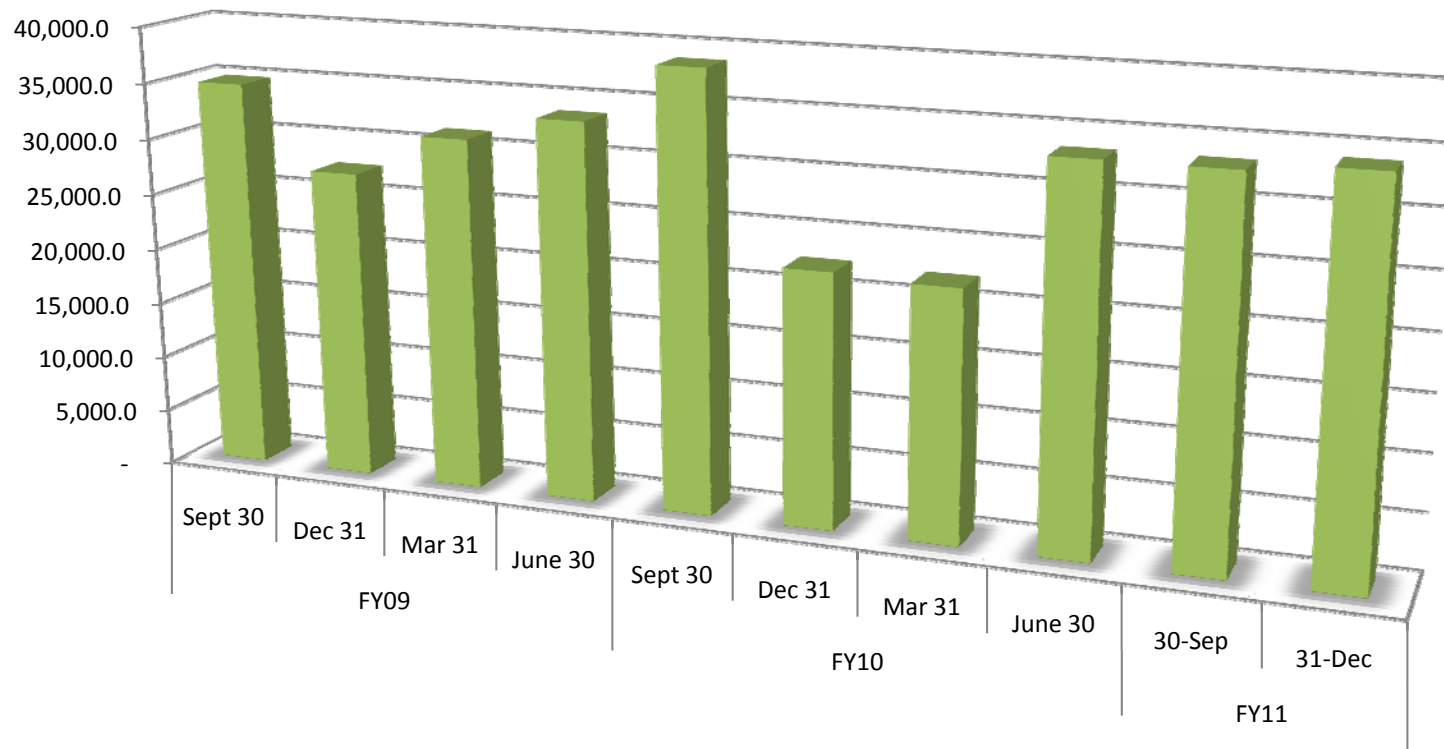
\* Debt service based on a bond issue of \$21.8M to net \$20.6M; interest rate at 4.2% for 20 years

\*\* Debt service based on a bond issue of \$14.4M to net \$13.6M; interest rate at 4.2% for 20 years

## Annual Revenue by Fiscal Year in Millions



**University of Alaska**  
**UAF-Accounts Receivable (Restricted Funds)**  
**FY 09-FY11 (as of 12/31/10) in Millions**



	FY09				FY10				FY11	
	Sept 30	Dec 31	Mar 31	June 30	Sept 30	Dec 31	Mar 31	June 30	30-Sep	31-Dec
■ Accounts Receivable	34,790.3	27,495.1	31,297.9	33,558.0	38,696.4	22,451.1	22,074.4	33,334.0	33,278.8	33,943.3

<b>Projected Maintenance and Repair (M&amp;R)</b>	<b>Routine Mtc</b>	<b>Reinvestment</b>	<b>Scheduled Mtc</b>	<b>Response Mtc</b>	<b>FY11 Total Projected Mtc Expenditures</b>
Fairbanks Campus Research/Academic/Admin	\$9,594,489	\$3,509,947	\$958,714	\$711,546	\$14,774,696
Fairbanks Campus Residence Life	1,873,000	834,000	162,000	144,000	3,013,000
Total Fairbanks Campus (Note 1)	11,467,489	4,343,947	1,120,714	855,546	17,787,696
FY11 M&R Target Fairbanks Campus					16,607,300
Over/(under) Target					1,180,396
UAF CRCD Total (Note 2)					\$1,174,949
FY11 M&R Target CRCD					926,400
Over/(under) Target					248,549
Total UAF FY11 Projected Maintenance and Repair					\$18,962,645
Total UAF FY11 Target					\$17,533,700
Total UAF FY11 Over/ (Under) Target					1,428,945

Note-1. Maintenance expenditures that are recorded in the Facilities Services (FS) work order system are coded by to the above categories. Those maintenance expenditures that are managed by other departements or that are performed by contractors may not be recorded in the FS work order system and therefore will not be coded by category. Much of those costs have been caregorized in this report to the greatest extent possible.

Note- 2. Maintenance and repair for the CRCD sites is not managed in the Facilities Services work order system and therefore cannot be accurately allocated among the different M&R categories for FY11. A system is being put into place that will allow management to more accurately categorize these costs beginning in FY12.