FY14 Cost Savings, Efficiency Efforts & Service Reductions – Revised with FY15 Items Appended
October 2014

During FY14, UAF increased efforts to identify cost savings and cost containment measures, maintained conservation and sustainability initiatives as a high priority, implemented process improvements, and continued to explore new revenue opportunities. In addition to these regular management practices, UAF continued momentum on priority programs in alignment with the UAF Strategic Plan and UA Shaping Alaska's Future initiatives.

This report will address:
- The FY14 budget gap
- Vertical reductions & strategic investments
- Major impacts
- Unit reported savings in staffing & operations
- Business process improvements
- Shared service models
- Academic programs, research & administrative services reviews
- Utilities, energy & resource conservation efforts
- FY15 expectations & planning actions
- FY15 actions appended, as many additional items are currently in progress or under review

The FY14 budget gap was projected at $8.5 million; UAF created a plan to strategically and prudently reduce expenses to manage this gap beginning in early 2013. Generating new revenue and leveraging every state invested general fund dollar are key components to this management, and there are some areas where revenue potential is increasing.

Tuition revenues in FY14 were relatively flat as enrollment dropped slightly and that was compounded by a low rate increase. Tuition is the most important source of non-general fund revenue for most academic units and instruction is their largest expense.

Table 1. Summary Table – FY14 UAF Budget Actions Completed or In Progress

FY14 Cost Savings, Efficiencies & Service Reductions			
	Base	Vertical Reductions by VC Level	$ 1,660,000
	Base	Reduced Off-Campus Leases - Target (in progress)	$ 300,000
	Base	Energy Management - Target (in progress)	$ 500,000
	Base	Unit Reported Savings	$ 4,589,300
Subtotal Base Reductions			*$ 7,049,300*
	One Time	90-Day Vacancy Holds	$ 3,000,000
	One Time	Staff Benefit Savings	$ 2,700,000
Subtotal One Time Actions Used for Reinvestment			*$ 5,700,000*
Total FY14 Cost Saving Actions - Completed or In Progress*			**$ 12,749,300**
*Some items represent FY14 targets; savings will continue to accrue as leasing agreements are ended, or energy efficiencies are implemented and time is necessary to recoup savings. One time savings were used to shore-up increasing debt service obligations and other strategic investements. This list does not include all FY15 items; FY15 actions are appended to this document in summary format.			

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Guidance from the Provost (Henrichs) to the academic units began in February 2013:
http://www.uaf.edu/finserv/omb/budget-planning/Provost-Henrichs-Memo-to-Faculty-on-FY14-Budget-Challenges.pdf

This message and status was followed by updates from the Chancellor (Rogers) in April 2013:
http://www.uaf.edu/finserv/omb/budget-planning/Chancellor-Memo-Planning-to-Address-FY15-Budget-Challenges-BOG-20Dec13.pdf

Details of the FY14 gap (Table 1) were shared with the UAF community via a guidance memo from the Vice Chancellor for Administrative Services (Pitney) in May 2013:
http://www.uaf.edu/finserv/omb/budget-planning/vcas-fy14-budget-memo-may14.pdf.

Table 2. UAF FY14 Budget Gap Projections (May 2013)

Increasing Expense			Increasing Revenue	
$7.4	Compensation		Compensation (GF)	$3.7
$2.4	Murie Operating		Murie Operating (GF)	$2.3
$0.6	Programs		Programs (GF)	$0.6
$2.5	Utilities		Tuition	$0.8
$3.2	Debt Service		Federal/ICR	$0.5
$1.5	Other Obligations		Other Revenue	$1.2
$17.6	Expense		Revenue	$9.1
	Budget Gap	$8.5	Million	

Instead of imposing a university-wide department pullback, the following actions were employed to create long-term savings to address the gap, numbers listed are targets:

- Delayed employee hires for 90 days to maximize vacancy savings: $3.0M
- Reduced off-campus lease obligations: $0.3M
- Reduced expenses through energy management: $0.5M
- Implemented specific reductions to programs and services: $1.5-1.9M
- Utilized staff benefit savings: $3.0M
- Managed year-end and central reserves to pay debt: $1.2-$1.7M

Actions taken in FY14 are yielding one-time and continuing savings that address the gap and provided a small amount for reinvestment into UAF's highest priority programs. Reallocation and reinvestment are critical and ongoing functions as part of annual budget management activities at UAF.

As many of these changes take time to implement, some of these savings will only be fully realized in future years. Similar actions are already in motion for FY15 and FY16, as there was a substantial decrease in the operating budget appropriation for FY15 and there is potential for further reductions in FY16.

Vertical Reductions & Strategic Investments

UAF leadership made a decision in FY14 to apply variable reductions, rather than utilizing an across-the-board (ATB) approach to gather funds for the internal reinvestment pool.

Table 3. FY14 Targeted Variable Reductions by VC Level

Reductions Target as a % of Unrestricted Revenue	
Chancellor	1.5 to 2.0%
VCAS/Facilities	1.5 to 2.5%
OIT	1.0 to 1.5%
Provost	0.5 to .75%
VC Research	.75 to 1.5%
VC USA	1.0 to 2.0%
VC RCNE	0.5 to 1.0%
Savings Required	**$1.5M to $1.9M**

The FY14 vertical reductions totaled approximately $1.66 million. Several organizational changes resulted from the FY14 vertical reductions, including:

- Administrative Services
  - Reorganized Dining & Polar Express; eliminated vacant positions
- Office of Information Technology
  - Service consolidation & downsized support
- University & Student Advancement
  - Downsized Career Services
  - Merged Alumni Relations & Development
  - Eliminated Athletics administrative position; reduced travel
- Provost's Office & academic programs
  - Eliminated administrative, support & faculty positions
  - Merged SNRAS & CES into School of Natural Resources & Extension (SNRE)
- Rural Community & Native Education
  - Reduced all community campus budgets by 0.7 percent
- Research
  - Eliminated VCR administrative position
  - Discontinued ARSC reallocation; GI merger

Base funding investments were made in economic development, arctic research and high priority areas, including: the Office of Intellectual Property & Commercialization, high performance computing, polar studies arctic analysis initiatives, library electronic subscriptions, development, branding and alumni support, an InfoEd electronic pre and post award system (a recommendation made for increased efficiency for grant processing) and to jumpstart STEM success in general chemistry with faculty support.

One base investment was made for West Ridge Research Building (WRRB) rent, to alleviate charges to units on an annual basis for occupancy of this West Ridge space. A one-time investment was additionally made to support student sustainability initiatives as part of the Chancellor's commitment to renewable energy (via SIREN – the Student Initiative for Renewable Energy Now).

Major Impacts

Based on the budgetary conditions, listed below are some examples of major management themes or areas impacted from a fiscal perspective in FY14. Business process improvement and other efficiencies are addressed later in this report, as those have been ongoing.

Personnel, Vacancy Management & Reallocation
- Starting in May 2013, UAF employed a 90-day vacancy hiring delay for all staff positions. UAF deans, directors and executive leadership have been carefully reviewing each position prior to refill. Where opportunities to restructure exist, deans and directors were encouraged to implement them or consider shared service models via collaboration with other units. Many units are actively pursuing optimization efforts and in some cases are choosing not to refill vacant positions in order to meet other programmatic or service needs. Units are also choosing to reduce services where appropriate.

- Most of the expenditure reductions in FY14 were due to reductions in personnel; savings were reallocated through the 90-day vacancy holds to help close the UAF budget gap.

- Some layoffs have been necessary due to the funding reductions, however the majority of employee reductions were due to resignation or retirement, or where adjunct faculty or term appointments that were not renewed.

- Vacancy savings are expected in FY15 as additional resignations, retirements and layoffs in some areas occur - reallocation when vacancy exists is a regular practice for funding other critical one-time priorities or areas of UAF need, but is not necessarily a long-term solution unless positions are eliminated in the process.

- Staff reductions have increased the work responsibilities of those remaining, making business process improvements extremely critical to preserve quality customer services; in some cases, services are being reduced.

- Full-time tenure line faculty have been replaced with term or adjunct faculty in some cases; this reduces the cost of instruction but also reduces the research capacity of affected units. The consequences of faculty reductions include fewer course offerings, which in the long term can make it more difficult for students to complete degrees on time.

Faculty & Academics
- Schools and colleges are making choices to optimize faculty effort and have elected to hire faculty with higher instruction workloads in order to teach more classes, or hire term and adjunct faculty in certain program areas to increase offerings to students at a lower cost than using tenure track faculty. These changes do not adversely impact accreditation or academic program quality standards. These decisions, however, do reduce UAF research capacity slightly.

- The inability to refill some vacant faculty positions or hire adjuncts is increasing some faculty teaching loads and decreasing research workload, which also reduces research capacity.

- Schools and colleges are increasing revenue through adding course sections, mainly in online instruction.

- Schools and colleges are cancelling more courses with low enrollments, if possible, or offering directed study (vs. the standard lecture format) instead.

Changes in Service & Operational Reductions
- A popular summer outreach program, the Alaska Summer Research Academy (ASRA), for high school students, was reduced.

- Hours in some facilities (e.g. the Library, Museum and Wood Center) are shorter, reducing service to students and the public.

- A reduction in purchases of supplies and equipment is typical in many units; however, it is uncertain at this time if these reductions will result in long-term sustainable savings. Some purchases can be deferred but not avoided entirely.

Reduction in Off Campus Leases & Space Optimization
- A reduction in off-campus leases with greater effort to move units onto the Fairbanks Campus is producing savings; however, there is some cost of renovation/co-location as part of a push to optimize use of space.

- An in-depth space survey and use analysis is underway in FY15.

New Revenue Opportunities
- Starting with the reorganization of technology transfer efforts at UAF in 2011, the Office of Intellectual Property and Commercialization (OIPC) has begun a vigorous intellectual property identification and commercialization effort. The effort led to over 180 invention disclosures and 43 licenses over the past three years. There were 75 invention disclosures in FY14 alone, with seven patents filed by UAF and two awarded. Over 90 percent were licensed to local or Alaskan businesses and two new companies were created, contributing to Alaska's economic development. Disclosures and licenses are currently at rates at or above those of peers.

- Academic and extension programs have secured an additional $280,000 in revenue through changes to faculty workload to increase teaching, providing non-credit contract education and shifting academic-year faculty salaries to grant-funded sources where appropriate.

Unit Reported Savings in Staffing & Operations

As a result of, and in addition to, the vertical targets, units were encouraged to manage the gap strategically. Many unit leaders reduced spending by delivering services more efficiently; in some cases, services have been reduced or eliminated. Shared service models were also explored and are addressed specifically later in this report. Efficiency is not the sole objective. Effectiveness and quality of service are also considerations as part of this organizational change.

Many units self-reported an impact to staffing (via full-time equivalency, FTE) and reductions to fixed costs or operations in FY14. Excluding the FY14 vacancy hold impact, the following table is an overview of some of the savings generated in the various units. Some of the FTE impact is due to unfilled positions after retirements or resignations. In FY14, there are few cases where employee layoffs were necessary; however, layoffs are expected to increase in FY15 as state revenue declined and costs continue to increase.

Table 4. FY14 Unit-Reported Savings Used for Reallocation

FY14 Unit Reported* Savings	FTE	Salary & Benefit Savings	Operating Efficiencies	Total
UAF Summary	53.23	$ 4,015,900	$ 573,400	$ 4,589,300
*Excludes FY14 90-day vacancy hold savings/reallocation; not all units reported for FY14 as many are experiencing full results of reductions in FY15 and savings fall outside the scope of this report.				
**Excludes use of central reserves to pay FY14 debt service and mitigate gap.				

Business Process Improvements

One of the goals of the Administrative & Support Review was to identify common processes to streamline that would improve overall administrative effectiveness. Since 2010, a full-scale process improvement methodology has been adopted and a growing team of UAF facilitators has worked to lead several institutional movements promoting change. Major projects and outcomes as a result of this effort are listed below.

The Process Improvement & Training (PIT) Crew creates a workflow diagram for an identified inefficient business process with a team of experts in applicable areas. The PIT Crew facilitator(s) then helps the work team develop and manage an implementation plan to achieve improved processing results. These efforts represent bottom-up change developed by the process owners, supported at the highest levels of the organization.

This framework has been extremely successful at UAF thus far. UAF can be more successful in these efforts with increased support and response from the UA System Offices. UAF alone can make changes where it has influence over the process, but often cannot make necessary changes to the technology tools or enterprise systems unilaterally. Greater partnership and improved governance in this area are expected in FY15.

Accountability & Continuous Improvement
UAF, in partnership with UAA and UAS, submitted two memos in June and July 2014 to the UA System Office asking for greater accountability and collaboration for large-scale automation projects. These memos challenge UA leaders to work with campus leaders to improve efficiency, effectiveness and quality of service with respect to enterprise systems, technology tools, governance and access to UA systems in order to get work done faster within a culture of continuous improvement. Reducing cost in this environment will become easier and the change aligns with Shaping Alaska's Future initiatives. In early FY15, this call for improved collaboration received the support of President Gamble. Implementation plans and work teams will likely be formed in the fall/winter of FY15.

Grant Award Set-Up
- Paper budget forms for grant set-up were eliminated and department grant techs are empowered to enter grant budgets directly into Banner. UAF will continue to refine this solution with greater unit level access to Banner or enterprise systems for data entry. This eliminated a paper submission process and several approval layers which commonly took between 30-60 days.
  - Working to reduce this time to within one to two business weeks will result in the ability for a researcher or Principal Investigator (PI) to spend sponsored award dollars (restricted funds) as fast as possible after the award documents are received. This

enables faster hiring before the summer field season, timely equipment purchases and faster indirect cost recovery generation.

- Pre and post-award offices were merged in January 2014 under new leadership; this organizational change is creating more transparency (and fewer independent touch points) in the transition from proposal submission to award management.

- An electronic system creating a single point of entry and submission for proposals is being implemented. InfoEd, an electronic pre-award module, allows researchers and pre-award technicians to enter information into one system that, after review by compliance experts, can be submitted directly to the applicable agency or sponsor without going to through any separate or unique external submission websites (such as grants.gov). This eliminates several process touch points, ensures transparency in proposal submission, uses standard formats and results in a higher degree of accuracy in submitted information. As a result of this tool, reporting will also be improved.

Recruitment
- To increase consistency in the recruitment process, Vice Chancellors (VC) and units were asked to complete a standardized delegation template indicating which positions within each unit require review. To date, unit templates are available and each VC and Provost have completed these delegations. HR has also developed standardized memos and scoring templates for PPA use.

- To alleviate complaints of losing entered information upon being "timed-out" of the UAKJobs recruiting system, the time-out period has been extended from 30 minutes to one hour for data entry. Regular "saves" while entering data are still advised to prevent loss of information in the event of a time-out.

- In an effort to eliminate multiple levels of approval for some recruitments, the process for direct appointments has been streamlined. This improvement has reduced time for hiring a position via direct appointment from an average of several weeks to an average of three days and cut the cost of processing a direct appointment in half (an effort savings of more than $200 per direct appointment). HR is examining other positions to eliminate redundant approvals where they exist.

- Recruitment references for PPAs have been improved online and a PPA Training Academy is in development. The goal of improved and specific HR training will include a shift of recruitment responsibility (and access to complete the work) from the central UAF Human Resources Office to the departments.

Procurement
- UAF implemented a procurement technician (P/T) training program in FY13 that was expanded to a new group of fiscal employees in FY14. The course provides in-depth procurement training to select staff (typically in high volume or specialized departments) across campus. When training is complete, the member "graduates" and is granted increased procurement accesses within Banner so high volume units can complete more of the work as a first line of support rather than funneling work through the central office. This saves both time and effort at the department and in the central processing office. It also allows for a higher degree of customer service with researchers, faculty and staff at the unit level.

- At UAF's request, notification emails were enabled in Banner to better track purchasing and payment workflows from the requisition stage - to purchase order - to vendor payment. This process improvement automation has been employed across the UA System and allows fiscal technicians in departments to get automatic information, which enables faster communication and department self-service with existing UA tools.

- Additional results are expected as this team is currently drafting a business case with recommendations for further improvement. The business case is targeted for fall 2014.

Travel
- Travel teams are exploring opportunities for volume discounts (or strategic sourcing) for frequently used travel related expenses (airfare/hotels/car rental).

- UAF is exploring a "one card" procurement credit card to mitigate inefficiency between procurement and travel processes; moving to a one card would also allow for additional revenues received in rebates, administration efficiencies for card management and improved reporting.

- UAF has recommended improvements to the Travel Expense Management (TEM) system administered by Statewide Financial Systems. Integration between TEM and the UA records management software (OnBase), so travelers can upload receipts electronically into the system, is a request currently in progress at the UA System Office with expected results in fall 2014. Improved access to TEM for those that manage travel workflows and ease of use for UAF travelers will be determining factors in whether continued improvement with this tool is possible.

- Additional results are expected as this team is currently drafting a business case with recommendations for further improvement. The business case is targeted for fall 2014.

Campus-wide Training
- In late FY14, a campus-wide committee was created with representatives across all administrative and service areas. The committee will inventory all of the UAF-based administrative training, coordinate a centralized location for all training material, will evaluate and recommend how to integrate required training and developmental training into employee career development plans and position descriptions, will evaluate delivery tools and will submit recommendations for an improved and sustainable training model with a tracking system for the UAF campus. As training is consistently identified by employees as an area that needs improvement, UAF expects to see results from the project team take shape in FY15.

Shared Service Models

In FY14, UAF made significant progress in its review of highly-used workflow processes, in an effort to improve efficiency in several key areas. Shared services are a goal UAF and were implemented in a few locations. Shared service models offer consolidated business operations that are used by multiple parts of the same organization. The goal of a shared service model is to allow each business unit/department to focus its limited resources on activities that support the UAF mission. Shared service models also support process improvements through use of best practices, highly trained staff specialized in service delivery and backups for critical functions.

- The UAF Proposal Development Office is a newly formed service center focused on research support for Principal Investigators (PIs) and research related staff. A consolidated service

hub built from voluntary collaborations in several research institutes (e.g. Geophysical Institute, School of Fisheries & Ocean Sciences and College of Natural Science & Mathematics) will allow for improved expertise with sponsors/funding agency requirements, staff cross training, workload balancing, professional proposal preparation and budget development, and a higher level of customer service. Improvement in this area is expected to help increase the volume of outgoing high-quality research proposals, which in turn, will assist with revenue generation and funded awards.

- UAF Housing and Dining operations were reorganized. As a result of consolidating the two offices, the Polar Express student ID services were moved under the Office of the Bursar and one position eliminated. Parking Services was also moved under the Office of Bursar, realizing additional cost savings and process efficiencies. The goal of this consolidation was to make headway in creating a "one-stop-shop" for all student-related support services i.e. billing/payments, parking services, polar express ID services, dining, etc.

- The PIT Crew in collaboration with the UAF Office of Management and Budget (OMB) created a shared services guidance document to help UAF Deans & Directors explore possible ways to implement these partnerships, service hubs or centers as most appropriate for the business in UAF locations: http://www.uaf.edu/finserv/omb/process-improvement/shared-services/.

Academic Program, Research & Administrative Service Reviews

Academic Programs
In accordance with BOR policy (P10.06.010 Academic Program Review), the Office of the Provost conducts assessment of all instructional programs with respect to quality, efficiency and contribution to mission and goals. This regularly occurring five-year cycle is the most established review process at UAF and serves as a model for other reviews.

- In FY15 an accelerated and special program review will be conducted as an outcome of the PBC and Chancellor's Cabinet recommendations. This review will focus on lower enrollment programs, cost for delivery, centrality to mission, importance to research, and employer demand. These accelerated reviews are slated to begin in fall 2014.

Research
In the fall of 2013 and in response to the Board of Regents, Chancellor Rogers charged the Vice Chancellor for Research to develop and implement a framework for regular and ongoing research program reviews, similar to the academic program review process that occurs under the direction of the Office of the Provost. While research units were included in such past reviews as "Missions and Measures", and "Annual Unit Planning", a formal research program review had not been previously conducted.

- In the months leading to November, a set of guidance documents were developed based generally on academic program review for consideration by a task force. In November 2013, a research review task force produced revised versions of instructions for program review for research units (e.g., institutes) and research support units (e.g., Office of Research Integrity). Both of these documents, along with guidelines for reviewers were posted on the VCR's UAF website and advertised for public comment for the month of February 2014. Comments and suggestions were incorporated into the documents and were then reviewed by Chancellor's Cabinet members in March.

- In May 2014, a new research program review task force was appointed by nomination and was designed to include representatives of staff council, faculty senate, financial services, the Chancellor's office, research institutes and programs, facilities services and the Planning, Analysis, and Institutional Research (PAIR) office.

- Each of the research and research support units reviewed were provided with copies of the program review guidelines as appropriate for their function. All of the units were reviewed based on their performance over the FY 09-13 period.

- One of the goals of the research review is to establish a sustainable process and five-year review cycle, similar to the academic program review.

- The first report is slated for September 2014 and will inform future review criteria and processes for evaluation of research and research support programs.

Administrative Services

Administrative & Support (A/S) Reviews are a regular and ongoing annual activity. Using baseline data from 2008 through 2014, UAF conducted an analysis of administrative and support staffing levels and trends in August 2014. Review of administrative and support capacity has three primary goals: 1) to inventory UAF FTEs in these job categories, 2) to develop criteria to rate importance, efficiency and effectiveness among functions, and 3) to identify common processes to streamline.

- To date, UAF has reduced FTEs in traditional administrative and support areas such as: administrative generalists/specialists, fiscal managers/technicians, human resources, procurement, police, fire, environmental health & safety and facilities staff.

- UAF has made several targeted investments, however, in student services (advising and student services), marketing and communications (outreach/branding), and development staff (fundraising efforts) as part of UAF strategic initiatives.

- Expanding this review for functional position analysis and using the data set to further explore shared service models is targeted in FY15.

Utilities, Energy and Resource Conservation Efforts

Sustainability and energy conservation has been and continues to be a major initiative for UAF. UAF consistently seeks input from the Fairbanks community and rural campus areas, and works with Facilities Services, schools/colleges and student groups to implement as many reasonable ideas as possible. A few examples of FY14 efforts include:

- The Murie Building is a zero-waste facility and uses 40 percent less energy than other buildings on campus. The Wood Center is targeted to be the next zero-waste building. Murie, the Wood Center addition and the Engineering Building have extremely energy efficient, modular thermal envelopes (walls and roof). They employ a curtain wall system that is very efficient and is designed and assembled in Fairbanks.

- The UAF Office of Sustainability funded a project to convert the high-pressure sodium light fixtures in the CTC Parking Garage to energy-efficient LED fixtures. This replacement will result in a decrease in maintenance needs of the lighting and up to 50 percent reduction in power consumption. The expected payback time is between five to six years, with an annual savings of $25,000.

- Utilities installed a new ash mixer at the UAF Cogen Heating & Power Plant (CHP). This new equipment mixes in a batch mode, which means it fills with ash then adds water, mixes and then dumps for transport. While the mixer fills with ash, the expelled air is captured, reducing fugitive ash and dust problems. This new equipment allows for improved air quality. Other significant improvements are expected as the CHP upgrades move forward with FY15 funding.

- An UltraViolet (UV) light water disinfecting system was installed at the Patty Pool resulting in cost savings and reducing the use of pool chemicals.

- As a pilot program, the custodial cleaning schedule for a block of campus buildings was changed from nighttime to daytime cleaning. This will result in energy savings on the Fairbanks Campus as fewer building lights will be on at night and employees will be able to build relationships with custodial staff.

FY15 Expectations & Planning Actions

All FY15 reports produced as a result of the extensive process used for generating reduction actions and revenue ideas are posted online: http://www.uaf.edu/finserv/omb/budget-planning/

A summary list of FY15 actions in progress or under review is appended to this document.

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

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

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

Travel Reductions
To meet specified Legislative intent in FY15, UAF has reduced 20 percent of budgeted unrestricted travel (approximately $520,000) in all units except in instructional expenditure categories and intercollegiate athletics. For instructional expenditures and intercollegiate athletics, travel will be reduced by five percent of budgeted unrestricted levels. Revenue and expense will be reduced in

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

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

Table 5. FY15 Targeted Variable Reductions by VC Level

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

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

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

UAF Budget Actions to Address FY15 Shortfalls – Summary List

Full report/detail is posted online: http://www.uaf.edu/finserv/omb/budget-planning/

Personnel and Payroll Options

Brief Description	Range of Savings May Accrue to Unit or Central Budgets
1. Reduce regulatory burden; improve process efficiency **Implement:** Savings will accrue to units.	TBA - varies
2. Consolidate the Office of Faculty Development with other similar areas to reduce operational costs while preserving the function **Do not implement:** Provost will consider reductions as part of the overall spending reductions.	$0
3. Utilize 11-month employee contracts on a voluntary basis where service areas permit a reduced or seasonal schedule. **Implement with modifications:** UAF units may offer 11- or 11.5-month contracts, reduced summer work schedules, or alternative work schedules to employees who are interested, with supervisor approval. HR will provide a guide to choices, listing effect on retirement and other benefits. UAF leadership will seek a regulation change to allow use of leave without pay prior to exhausting annual leave. Savings will accrue to units.	$100,000
4. Implement shared service models for administration, e.g. service partnerships between departments with a reduction in employees over time where service capacity exists. **Implement:** Each vice chancellor to document shared service models implemented in FY14 or in process and will identify new opportunities for shared services. Savings accrue to units.	$250,000 in FY15 and $250,000 in FY16
5. Extend winter break or other closure periods; savings dependent on how many days are chosen as hard/soft closure assuming partial employee participation. **Do not implement:** Held for further discussion.	$0
6. Reduce the number of senior level administrators **Implement with modifications:** The Chancellor's Cabinet will review all vacancies at range 82 and above. Half of the savings will accrue to units; half of savings will accrue toward the central budget target. The provost or vice chancellor for research, as appropriate, will review faculty workload assignments to associate dean or associate director and similar positions. Potential savings are minimal, primarily as we avoid potential reductions in faculty member research or teaching assignments with consequent reduction in revenue	$250,000 annual goal

7.	Continue vacancy holds for 90 days; this option is short term and should either be modified to include a cap for each unit or be done as part of the ATB reduction - consider an attrition-based employee reduction for longer-term savings. **Implement with modifications:** Yes, but the method used in FY14 will be modified for FY15. Savings will accrue to units. No position will be required to have vacancy hold more than once in a year. The 90-day hold will be reduced to 45 days if hiring from layoff pool or former term employee pool.	$2,000,000
8.	Reduce annual leave cash out options for employees from 40 hrs/yr to 20 hrs/yr; promote wellness and encourage employees to take leave earned. **Implement with modifications:** Will be forwarded as a recommendation to the president. The proposal is to eliminate the cash-out option for range 79 and above for employees and senior administrators with a to-be-defined hardship provision, but keep this option in place for range 78 and below and for those whose bargaining unit contract requires the provision. Savings, if approved by the president, will accrue to units.	$275,000
9.	Move to 37.5 hr work week (similar to State of AK employees); this option has several labor union nuances that may be complex and may translate as a reduction in pay for similar work although that is not a preference of the PBC. **Do not implement.**	$0

Program and Service Options

Brief Description	Range of Savings May Accrue to Unit or Central Budgets
1. Conduct a special program review of eLearning to evaluate operational models and structure, including revenue distribution and/or subsidies. **Implement**	TBA
2. Conduct a special program review of Summer Sessions/Lifelong Learning to evaluate operational models and structure, including revenue distribution and/or subsidies. **Implement**	TBA
3. Conduct special program review of all lower enrollment UAF academic programs. This will focus on enrollment trends and graduates; cost for delivery; centrality to mission; importance to research (graduate programs) and other academic programs; employer demand; and other TBD criteria. **Implement with modifications:** Include more than only lower enrollment programs. The focus will expand to include delivery cost, centrality to mission, importance to research and employer demand. Savings TBA, but expected to exceed $1 million annually when fully implemented in FY16 and FY17.	$1 million or more annually in FY16-FY17

4. Monitor the recent merger of the Arctic Region Supercomputing Center (ARSC) and Geophysical Institute (GI); allow GI leadership to streamline and integrate operations within two-year timeframe. **Implement with modifications:** Conduct a special program review of ARSC-GINA-ASF-OIT synergies.	TBA
5. Move CRCD bookstore into Fairbanks Campus space; vacate off-campus lease and optimize use of print-on-demand equipment/services. **Implement:** Savings accrue to Rural and Native Education.	$70,000
6. Combine/streamline management and maintenance support for LARS and the Fairbanks Farm; utilize Facilities Services vehicle and maintenance pools where applicable. **Implement with modifications:** Conduct a special program review of LARS Fairbanks farm/Palmer farm looking for shared personnel, size of herds, reduction of facilities and equipment.	TBA
7. Find School of Natural Resources and Extension (SNRE) and Marine Advisory Program (MAP) staffing efficiencies; implement shared services. **Implement:** This includes special review of shared services and staffing efficiencies, particularly in communities where both units are present (particularly Anchorage and Fairbanks).	TBA
8. Move Printing Services to Aurora Warehouse on Marika Ave; move off-campus lease occupants into Fairbanks Campus space; preserve printing operations. **Implement with modifications:** Because the operation is not able to cover the cost of its operations, and the space is required for savings on leased facilities, and functions can be accommodated by outside vendors, the VCAS is tasked with closure of Printing Services and copy pool as well as outsourcing printing to private providers. VCAS will calculate savings to be included in central savings.	TBA
9. Evaluate, streamline and unify marketing and communications efforts campus-wide. **Implement with modifications:** Conduct a special program review of central and unit communications and public information offices.	$100,000 in FY15 and another $250,000 in FY16
10. Reduce travel; Alaska legislative mandate in FY15 - UAF will focus on administrative travel. **Implement:** Reduced from each unit.	Up to $600,000
11. Reduce UAF shuttle operation costs; reduce under-utilized services or shuttle routes/vehicles **Implement:** Saving accrue to central budget.	$200,000
12. Transition UA Press toward self-support based on sales revenue, sponsored publications, philanthropy, and other TBA funding sources. **Do not implement:** Hold pending system office decision on Natural Resource Funds (NRF) reduction.	TBA

13. A. Maintain flexible Unreserved Fund Balance (UFB) principles and evaluate options for higher-value procurement. **Implement.** B. Explore strategic sourcing; evaluate options for higher-value procurement such as bulk purchasing and standards. Savings will accrue to units. **Implement.**	No savings but additional flexibility at the unit level. $200,000
14. Consolidate administrative operations to find efficiencies in CRCD with focus on Fairbanks campus. **Implement:** CRCD will accomplish as part of percentage reduction in CRCD. Savings will accrue to unit.	$75,000
15. Generate Athletics Program savings and increase student fees (in line with Athletics Business Plan) and corporate sponsorships – maintain NCAA min. standards/requirements. **Implement:** The target $50,000 increased corporate support, with a corresponding reduction to general fund, in addition to revenue percentage reduction.	$50,000 increase in corporate sponsorships plus a corresponding reduction in addition to the percentage budget reductions in FY15
16. Streamline Library administration or technical support across campus through shared services or space efficiencies. **Implement:** Some savings will accrue in FY15, with complete savings in FY16.	$75,000
17. Transition KUAC outreach and broadcasting services to model that is fully funded via external public support. **Implement with modifications:** KUAC is charged with increasing corporate and individual support by $100,000 (approximately 10 percent), with a corresponding reduction of GF (in addition to the percentage reduction applied throughout UAF). A special program review will be conducted of KUAC interaction with academic programs, marketing and communications, and athletics, with an external review to address staffing and other expenses.	$100,000 in increased corporate and individual support; internal and external review TBA
18. Explore 501 (c)(3) opportunities for student housing or other auxiliary functions. **Implement with modifications:** The recommendation was modified to consider a university service organization (subsidiary, nonprofit, or other). There will be a special program review of auxiliary business models.	TBA; based on details/service specific to each function
19. Explore feasible options for partnership or consolidation between CRCD and UAF bookstore (upon contract renegotiation) where specific rural student services can be maintained. **Implement**: Changes will be implemented in conjunction with next bid for bookstore outsourcing, with full consideration of special circumstances for students outside Fairbanks. Any savings will be realized in FY16.	TBA
20. Consider moving Cooperative Extension Service and Marine Advisory Program staff from Anchorage to rural and Fairbanks locations. **Do not implement.**	TBA

	Brief Description		
21.	Consolidate rural campuses or convert rural campuses to Learning Centers; this puts CRCD campuses at risk to lose specific and significant ANSI or Title III funding **Do not implement.**		$0
22.	Change Athletics program from Division II to Division III; does not reduce program costs and eliminates student aid/recruitment opportunities. **Do not implement.**		$0
23.	Eliminate or outsource postal services; USPS will not provide delivery services on campus. Increase service/ability to utilize credit/debit card payment options. **Do not implement.**		$0
24.	Move from 60-minute to 50-minute lecture hour; this reduces academic quality and may produce no savings. **Do not implement.**		$0
25.	Eliminate or reduce the veterinary medicine program; this program was recently funded in partnership with Colorado State University; enrollment expected fall 2015. **Do not implement.**		$0

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

	Brief Description	Range of Savings May Accrue to Unit or Central Budgets
1.	Increase energy-efficiency audits in buildings; make upgrades in cost-effective manner. **Implement:** Facilities will identify specific facilities, investment and return model.	TBA
2.	Move off-campus departments out of leased space to create savings. **Implement:** eLearning will move to Fairbanks campus by May 2015. No savings in FY15; savings accrue centrally.	$150,000 as leases expire in FY16
3.	Optimize use of on-campus classroom, office and laboratory space. **Implement:** We have a study in progress, and will devote a substantial effort to improved classroom, laboratory and office space utilization during FY15.	TBA
4.	Consolidate Anchorage leases (MAP/CES) into less expensive space. **Do not implement:** Not at this time, but this will be considered as part of the shared services review. The two units are encouraged to continue collaboration and, where appropriate, share joint positions.	TBA

5. Apply power management software to computers; UAF currently manages the Nightwatchman software program which can be expanded to increase savings. **Implement:** OIT is tasked to identify investment and savings model. Savings taken from utilities toward central budget.	$70,000 FY15 and another $100,000 in FY16
6. Sell or lease Kodiak property; preserve program and relocate some occupants to other SFOS sites. **Implement with modifications:** There will be a special program review of space user options, including establishment of a broader technology center at the Kodiak facility, use by other UAF, Kodiak Campus or private users.	$100,000 in increased revenue or decreased costs
7. Streamline System Office functions and/or provide identified operations from the Fairbanks campus to avoid duplication of services with Statewide, e.g., Procurement, Labor Relations, Risk Management. **Implement:** With concurrence of System Office. UAF will propose initial work on payroll and labor relations; e-procurement would be the next initiative. Savings TBA and require agreement with system office.	TBA with agreement from UA system office
8. Encourage timely retirements for eligible employees; cost for incentives may outweigh the savings in first year. **Implement with modifications:** Not adopted, but modified as suggested by the PBC - during open enrollment, HR will remind employees to review their retirement plans and options.	TBA
9. Reduce PERS penalty that UA System pays to State of Alaska for lack of minimum number of participants in PERS. **Implement:** This requires System Office changes, potentially affecting either Board of Regents policy or state law. UAF will request the system office to make modifications to retirement programs to reduce costs.	TBA with UA system office changes
10. Reduce volume of inter-department mailings/printing **Do not implement.**	$0
11. Merge Kodiak property and partner with NOAA and/or AK Dept. of Fish and Game to share facilities **Do not implement.**	$0