

FY13 Cost Savings & Efficiency Efforts

September 2013

In FY13 UAF made increasing efforts to identify cost savings and cost containment measures, maintained conservation and sustainability initiatives as a high priority, made process improvement efficiencies, and continued to explore new revenue opportunities. In addition to these regular management practices, UAF implemented several strategic tuition offsets, vertical reductions and organizational changes that will continue to show results in FY14 and beyond.

In FY13, UAF projected a fairly flat revenue picture for FY14. The State maintained a “hold the line” budgetary approach. Tuition revenue streams and federal sources (including indirect cost recovery) would be reduced slightly or maintained, but were not expected to increase at the level of projected cost increases. These conditions made it very clear that without managed change UAF would face a budget deficit before FY15.

To address these budget issues, UAF took proactive steps in FY13 to understand the fiscal climate and conditions that impact the campuses, schools, colleges and institutes. UAF made significant and strategic management adjustments to better align with budgetary constraints and optimize resources.

There are several major categories of cost savings and efficiency efforts in FY13:

- x Financial and Human Resource Efficiencies
- x Utilities, Energy or Resource Conservation
- x Outsource, Change in Service Model or Process Improvement
- x Tuition Offset, Strategic Vertical Reduction or Reorganization
- x Revenue Generating Actions

Actions taken in FY13 and FY14 are yielding one-time and continuing savings that can be strategically reinvested into UAF’s highest priority programs or growth areas in future years.

Financial and Human Resources Efficiencies

- x Announced in FY12, but effective in FY13 UAF consolidated two major units, Student Services and University Advancement, and established University and Student Advancement (USA). This programmatic and administrative change resulted in savings due to consolidation of HR, travel, procurement, and budget management across the previously independent areas. This translates to a more integrated approach to student related programs and services.
- x Based on opportunities for improved performance, including increased revenue from grants, tuition, and student fees, Provost Henrichs decided to merge SNRAS, the Cooperative

- x UAF units are actively reviewing use of space including leased space in off -campus locations. Where units can be moved to campus and leases ended, it will result in a cost savings for UAF in FY13 and FY14. Some examples include:
 - o School of Fisheries and Ocean Sciences (SFOS) facilitated a reduction in leased Alaska Sea Grant Space \$73.5K (three months in FY14)
 - o CES will move its district office from leased space in downtown Palmer to the Matanuska Experiment Farm. This move will integrate agricultural research with Extension outreach and will save UAF \$48K annually in lease costs.
 - o UAF Marketing & Communications and the UA Press have moved from the Wells Fargo building into more campus- centric space allowing for improved coordination with campus groups and effective space for book publication, sales and community outreach.

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x UAF Facilities Services has implemented various efficiency and sustainable improvements

services were moved under the Office of the Bursar and one position eliminated. Additionally, all administrative functions i.e. accounting, HR, travel, etc. for the two units were combined under a joint business office led by an executive officer. 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. Currently UAF is reviewing other business functions within Administrative Services to determine which like operations can also be moved under the joint business office.

- x UAF's administrative services process improvement initiative began as part of the Administrative and Support Review process that evolved from the 2010 Chancellor's Executive Leadership Workshop. One of the goals of the Administrative Support Review Committee was to identify common processes to streamline that would improve overall administrative effectiveness. Since then a full scale process improvement methodology has been adopted and a growing team of facilitators has worked to lead several institutional movements promoting change. These efforts represent bottom-up change developed by the process owners, supported at the highest levels of the organization.

Project details and recommendations from the process improvement teams can be found online: <http://www.uaf.edu/finserv/omb/process-improvement/current-projects/>

- o In FY13, the Grant Award Set-Up (GPS) team presented recommendations (via a business case) to the executive level steering committee. Several recommendations were accepted including the expansion of InfoEd, an online proposal and award management software package and an exploration of higher signature thresholds on certain awards (to eliminate delays in set-up). A training plan is in development.
 - o The Employee Pre-Recruitment (HIRED) team also presented its recommendations (via a business case) to the steering committee. Several recommendations will be completed within UAF HR, while others will require System Office collaboration. Work teams have been formed to explore feasibility of the existing UAKJobs system vs. a new system. Additionally, work teams focused on streamlining positions descriptions (PDs) and developing best practices for UAF departments are underway.
 - o The Procurement and Travel project teams began in FY13. Teams were formed, the current processes were mapped and "rubs" have been identified in each process. Each team is working through an implementation plan to gather data and feedback from each area in order to propose recommendations for an optimal process. Results from these teams are expected throughout the year.
- x UAF implemented a procurement technician (P/T) training program in FY13 that provides in-depth procurement training to select (typically high volume or specialized department) staff members 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.
 - x Several units made organizational changes to streamline service provision. UAF Human Resources (HR) combined with the Geophysical Institute (GI) HR office to form a more unified HR presence on the UAF campus. This allowed the large office suite complex in the

Elvey Building to be repurposed (contributing to UAF's ongoing efforts to reduce off-campus leased space) and improved purchasing arrangements associated with maintaining multiple offices, staff coordination, HR consistency and response.

- x eLearning & Distance Education examined the printing, facing and mailing processes related to faculty and student support. Based on the review, the department eliminated and streamlined processes, reducing costs by 50-75%. eLearning now sends all Faculty Resource Guides electronically; posts all faculty welcome letters to Blackboard rather than mailing them; eliminated all printing and mailing associated with student incomplete registration notifications as this is now all done via telephone or online and has increased communications and student intervention; stopped mailing the Student Success Guides as this is now only mailed to new students; and ended all paper-based courses.

eLearning additionally recognized the database used for student and faculty management was outdated and in need of upgrade. eLearning used internal technical expertise to build a

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- x A tuition surcharge for the School of Management was recently approved by the President. UAF will continue to explore whether a tuition surcharge should be implemented for other high-cost programs that have high student demand.
- x Activate UPay/UStore online payment technology in an effort to eliminate manual credit card payments, transmit credit card information, and facsimile. This online mechanism for payment is expected to improve business operations, to better institute PCI compliance and increase student and customer access to UA offerings.