UNIVERSITY OF ALASKA FAIRBANKS

Spring Management Report Meeting

April 1

2013

As part of a larger vision for a one-stop student support services concept, UAF launched a review of various operations that have high touch points with students. The two primary drivers/objectives were:

- Determine how best to organize functions/offices to allow students to conduct business with UAF efficiently
- Optimally manage related financial resources generated by auxiliary and contract operations to allow for reinvestment into campus facilities

In September 2011, UAF Vice Chancellor for Administrative Services, Pat Pitney and UAF Vice Chancellor for University and Student Advancement, Mike Sfraga, charged a committee chaired by the AVC for Financial Services, Raaj Kurapati, to take on the [illegible]

In FY12, UAF made significant progress in its review of highly used workflow processes, in an effort to make efficiency improvements in several key areas. In FY13, UAF continues to expand the process review and improvement efforts as detailed below.

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eliminated. Per diem reimbursements for travel less than 12 hours will be eliminated to comply with IRS regulations.

- The Alaska (Urban) per diem rate for Anchorage, Fairbanks and Juneau will be set by the UA President. The per diem rate for Alaska locations specifically identified in the federal per diem tables will use the maximum allowable per diem rate for that location or closest comparable location. This will help with the financial burden that is put on travelers going to remote locations.
- The approval process will be streamlined to require onlyre5 BDC 034-0.7(u)--BC /Lt1Tw 1 [r72 0 Td[o)-za-x D43(a

- Discussing, proposing changes to and implementing financial policies and procedures
- Overseeing implementation of

The UA Board of Regents expressed conce8(e)2.7()1.7( )]TJ10.004 Tc50.028 r(c)3ao3(in3.6(1a)02(o) UA)(O)'.1(ue).7(1 Tf0

As resource allocation decisions require the examination of both administrative and academic priorities and programs, in addition to process efficiencies, this data will help UAF leadership best understand the impact of staffing changes within this fiscal environment.

a) UAF is currently projecting an unrestricted (F1) unreserved fund balance of $6.2M and $17.7M for service center/leasing funds (F7, FE, FL). The projected F1 UFB falls within the target range of $6M to $8M and represents 1.5% of our total projected unrestricted and restricted revenues, not including recharge centers or UA Intra-Agency Transfers ($408.1M).

Cabinet	Projected F1 UFB
Chancellor	$55.2
OIT	$44.8f

As in the prior years, ICR revenue is distributed on 60/40 basis with 60% of the ICR dedicated to research investment. Implemented in FY12, this distribution model recognizes the need for reinvesting a portion

FY13 January revenue projections are 1.9% less than our original estimates. The General Fund variance of $3M is due to the anticipated trigger funding not included in the original projection. Projected Student Tuition/Fees/Serv are 4.7% lower than originally projected due to reduced enrollments. Inter-Agency Receipts are currently projected to be 16.7% ($669K) lower than originally planned due to several State funded research projects that ended in FY12. UA Intra-Agency Transfers are down over $2M from this time last year, however, we may see this

Due to changes in staff benefit rates during the FY13 budget process, UAF was required to reserve the $797.0K difference ($456.4K FC and $340.6K UACC). These funds will be uset(s)-4.3 u re (s)6.5(e)-593(r)
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The Governor's strategy over the past few fiscal years, which continues in FY14, has been to "hold-the-line" on budget requests from state entities, including the University. UAF ended FY12 in good fiscal standing and expects fiscal stability for the remainder of FY13. Given the general fiscal climate both locally and nationally, FY14 is expected to be a bit more challenging.

UAF expects a decline in Federal funding as ARRA projects come to an end, and will be compounded by Federal sequestration. Sequestration will impact and be interpreted by each agency differently, but UAF may see as much as a 5-8% decline in new Federal awards. UAF is anticipating flat Federal funding in FY14 as a best-case scenario and a 5% decline in Federal funding in FY14 as a worst-case scepas

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 FY12 and is projected to decrease in FY13 as well. The average monthly balance of the receivables for FY13 is projected to be 12% less than FY11 and 3% less than FY12. The continued reduction in receivables is largely due to the Office of Grants and Contracts Administration (OGCA) ongoing collection and monitoring policy which was instituted in FY09.

As a result of active management measures instituted by OGCA, the average outstanding grant and contracts receivable balance has decreased significantly since FY11. In FY11 the outstanding receivable balance was $27.3M vs. total grant and contracts revenue of $196.7M, a ratio of 13.84%. In FY12 the average receivable balance was $29.2K, while the average grants and contracts revenue was $229.8M, a ratio of 10.22%. We are proj

We have seen an increase in outstanding receivables this year. Some reasons for the increase include:

- A steady increase in the number of students withdrawing or dropping from courses after receiving refunds. This results in their grants/loans being sent back to the lenders, which in return we must collect on.
- Parking citations, health center fees, judicial charges, etc. are now added to a student's account.
- As of June 30, 2012 there are balances for past due travel accounts in the amount of $41.7K. Two of these accounts have been in garnishment for the last several years and one is at the collection agency. We will be transferring the remaining accounts to collections and none are employed with the university at this time.

When comparing total receivables to 91+ day receivables the Fairbanks campus delinquency rate is 38% and the outlying campus rate is 70%. As of June 30, 2012 there was $240.6K in third party receivables. Included in third party receivables are VA accounts, which account for $186.1K of the amount. Each fiscal year, approximately 1,500 students are certified for VA funding and the VA can take up to 180 days to send payment.

In November 2011, we contracted with Williams and Fudge Collection Agency because they specialize in higher education collections and are licensed to collect in all 50 states and internationally. Approximately $229.2K in student account receivables balances was transferred to them. As of June 30, 2012 they have successfully collected $16.2K and $12.4K has been cleared (appeal/bankruptcy/write off/deceased). The rate of return as of June 30, 2012 is 5%, however, by February 29, 2013 that has increased to 10%. The accounts that have been turned over to a collection agency are 3-7 years old. Williams and Fudge allows a student 45 days to pay before they report to credit bureaus. When a student pays their account in full, the reporting is permanently removed from their account.

It has been a practice of the UAF Business Office to send student accounts that are three years delinquent to an outside collection agency for collection. We have changed this practice and will begin sending two year old receivables to an outside collection agency this year.

The business day after the fee payment deadline an Accounts Receivable hold and late fee is applied to all delinquent accounts (account balance of $100 or more and not enrolled in a payment plan). As of Fall 2012 we are no longer using Tuition Management System (TMS) and we now have an in house payment plan in place. We will be utilizing TouchNet payment plans beginning Summer 2013.

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, receive a letter advising them of their delinquent status and, if applicable, their meal plan and SRC access are suspended. Residence Life staff deliver this notice to each delinquent student's dorm room. If the student fails to pay his/her account in full or enroll in a payment plan within one week of letter delivery, a second letter is delivered to their room and the meal plan and SRC access, if applicable, remain suspended. It is important to note that 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

As of June 30, 2012 $200.6K for 147 students was at collections. Debt is not written off when accounts are referred to the collection agency.

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Category / Description	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	
Current Debt													
SERIES K WRRB, Refinance C & I	$ 1,042	$ 694	$	$ r	$ r	$ r	$ r	$ r	$ r	$ r	$ r	$ r	
SERIES L WRRB, Athletics, CRA, Electric Line	542	296	291	164	163		r	r	r	r	r	r	
SERIES M Hutchison Upgrade, IAB (Reallocated)	63		r	r	r	r	r	r	r	r	r	r	
SERIES N Intertie, Chiller, BiRD, Patty Ice, Aurora, Elvey	1,617	1,609	1,614	1,613	1,722	1,671	1,668	1,341	1,340	1,354	1,230	1,236	
SERIES O Lena Point, Museum, Arctic Health 1,230 1,236 Life Sciences and Deferred Maintenance I					721	2,794	3,484	3,482	3,485	3,485	3,484	3,485	3
SERIES R Refinance Series K, L, and M					r	552	838	835	835	992	993	1,462	1
Sub Total: Debt Service on Current Debt													
Issues	$ 6,162	$ 8,137	$ 8,425	$ 8,289	$ 8,402	$ 8,338	$ 8,342	$ 7,344	$ 7,337	$ 7,347	$ 7,269	$ 7,276	
SERIES S Deferred Maintenance II		r	937	938	941	938	941	937	937	941	940	939	
Total Debt Service		$ 8,137	$ 9,361	$ 9,227	$ 9,344	$ 9,276	$ 9,283	$ 8,281	$ 8,274	$ 8,287	$ 8,208	$ 8,215	
Non Central Debt Service Funding													
WRRB / Life Sciences		$ 1,725	$ 2,389	$ 2,393	$ 2,391	$ 2,388	$ 2,389	$ 2,404	$ 2,403	$ 2,404	$ 2,402	$ 2,399	
Patty Ice, Elvey, and Athletics Reserve Funds		196	200	194	197	86	84	3,184Sg1î3'!184		3,184	3,184	3,184	3,18
Reallocated Working Capital Funds						350	1,050	1,400	1,400	1,400	1,400	1,400	1,40
IARC Collections						540	541	541	540	540	541	540	54
UFB Reserved for CRCD Pre Paid Debt Service						41	41		r				
						r	r	r	r	r	r	r	
Deferred Maintenance Reserve 603347		1,369	355		r	r	r	r	r	r	r	r	
Budget Adjustments (CRCD DM168 $ 168 $ 168 $ 168													

195 195 195 195 195 195 195

$ 363 $ 363

	FY19	FY20	FY21	FY22	FY23
	$ 363	$ 363	$ 363	$ 363	$ 363

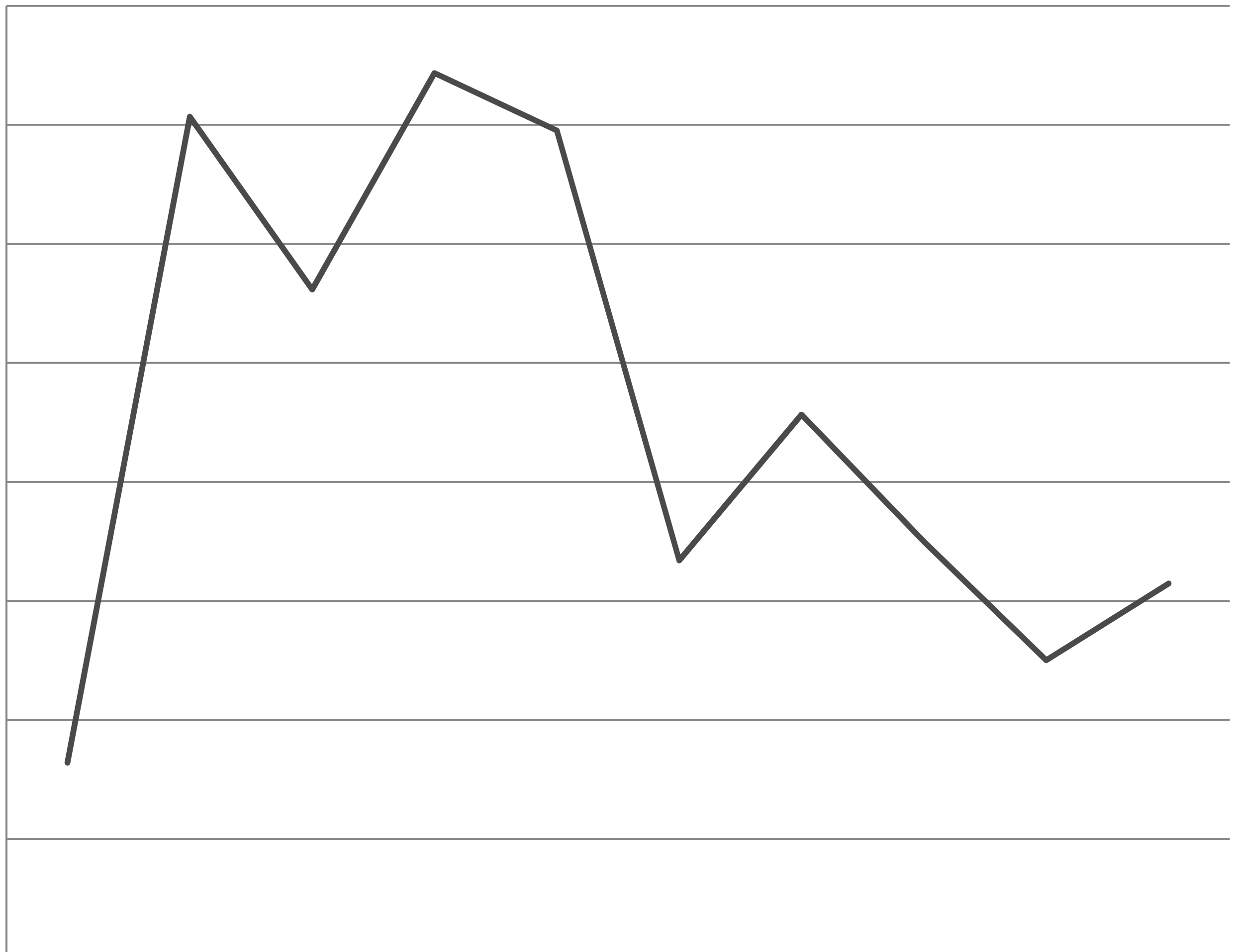
Note [1]: Any excess funding in FY13 can be deposited into the DM reserve debt service fund

Attachment A

UAF Debt Service Schedule

3/29/2013

Delinquent Receivable vs. Reserve for



	30 Sep 2010	31 Dec 2010	31 Mar 2011	30 Jun 2011	30 Sep 2011	31 Dec 2011	31 Mar 2012	30 Jun 2012	30 Sep 2012	31 Dec 2012
Delinquent Receivable	$1,641.6	$7,069.0	$5,617.0	$7,435.6	$6,952.0	$3,340.7	$4,566.2	$3,499.4	$2,503.3	$3,147.0
Reserve of Doubtful Accounts	$934.0	$997.0	$915.0	$737.0	$609.0	$771.	$1,365.0	$789.0	$213.0	$314.0

$8,000.0

Projected Maintenance and Repair (M&R)	Routine Mtc	Scheduled Mtc	Reinvestment	Response Mtc	FY13 Total Projected Mtc Expenditures
Fairbanks Campus Research/Academic/Admin	$10,366,745	$1,221,528	$3,081,363	$501,865	$15,171,502
Fairbanks Campus Residence Life	$1,055,964	$148,918	$141,512	$67,690	1,414,084
Total Fairbanks Campus (Note 1)	11,422,709	1,370,446	3,222,875	569,555	16,585,586
FY13 M&R Target Fairbanks Campus					16,388,300
Over/(under) Target					197,286
UAF CRCD Total	$765,521	$158,555	$104,423	$54,132	$1,082,631
FY13 M&R Target CRCD					1,049,700
Over/(under) Target					32,931
Total UAF FY13 Projected Maintenance and Repair					$17,668,216
Total UAF FY13 Target					$17,438,000
Total UAF FY13 Over/ (Under) Target					230,216

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 categorized in this report to the greatest extent possible.

Attachment C

Projected FY13 M&R (UAF)