

UAF Budget Options Task Force (BOTF)

FY21

Ideas Brainstorm - Master List

| ID # | BOTF Team Voting Results | Theme | Category | Sub category (elimination, reduction, expansion, consolidation) | Description | Timeline | Pros | Cons | Notes/assumptions | Estimated Annual Range of Savings \$ | Estimated Annual Range of Revenue Potential \$ | Estimated Investment Required \$ |
|------|---------------------------------|-------------------------------|---------------------|---|---|----------|---|---|---|--------------------------------------|--|----------------------------------|
| 42 | Not highlighted in final report | Renegotiation or Reallocation | Personnel & Payroll | Reallocation | Renegotiate the fringe benefit rate for employees who opt out of health care. | Mid-term | Reduce the fringe benefit rate for employees who do not elect UA health care. | Administrative time/effort to renegotiate the rate with our cognizant agency. Level of complexity to make this change may be significant. | This is a moot point. Since the fringe benefit rates are fixed with carryforward rates that are negotiated each year, the university is already doing that. For instance, rates are set based on projected costs (including projected employee healthcare enrollment). After the close of the fiscal year, the "actual" rates are calculated to determine the costs based on what actually happened. The actual rate calculations results in a carryforward which is an over or under-recovery of fringe benefit costs. This is rolled into future rate calculations, therefore increasing or decreasing the rates that are charged to various funding sources as appropriate. From the employee perspective, employees are not charged for health care if they do not enroll in health care. | None | None | None |