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Date: October 19, 2018

To: Chris Fallen, Chair, Faculty Alliance

From: Myron Dosch, Chief Finance Officer 

Subject: Response to Faculty Alliance feedback on proposed revisions to UA travel regulations and processes

Thank you for taking the time to review the proposed travel regulations and offer feedback. The support of the faculty is essential in realizing the benefits of an improved travel system.

At the outset, I think it would be helpful to articulate my mindset and philosophy as it applies to your concerns regarding the travel regulations and the new travel system.

First, the proposed regulation and process changes are designed to benefit the traveler and the university. A good traveler experience is vitally important. Second, we have not been using the word "mandate"; it's truly not the way we think. Rather, for the Travel Card and the Booking Tool, we view these tools as part of the standard travel process, and we are hopeful that travelers and administrators will see the benefits for themselves and the university. Third, we are all stewards of public funds, whether it be state general funds or a federal grant, and therefore we approach our work with this responsibility in mind.

Significant effort has been made to ease traveler burden and provide the best travel system for the university. We know that there has been frustration with the travel rules and application thereof, and have attempted to either remove rules or revise them for clarity. To this end, in May 2017, our consultant met with over 150 faculty and staff to obtain feedback and input in the travel process. Over the last year, the regulation and process changes have been worked through a Focus Group, comprised of faculty and administrators. Additionally, the State of Alaska Legislative Audit Division has made recommendations to UA to establish a managed travel program. We have also learned from many other universities who have implemented similar travel programs. The collective input has been tremendous, and we believe the process has yielded the best outcome.

Finally, I wish to clear up any misconceptions about where savings will accrue. Savings will not accrue to the Statewide Administration or the UA Travel Offices (except for their respective travelers), but to each university department and restricted grant. Savings in terms of airfare discounts, lodging tax avoidance, reduced traveler burden and expense report processing time

accrue to the traveler's department, thus providing more resources for direct grant expenditures or academic pursuits.

Below, I respond to your specific points in bold:

**Faculty Alliance requests that payment and reimbursement of travel expenses be made as flexible as possible, leaving choice of payment method to the traveler.**

The standard payment mechanism for regular travelers will be the UA Travel Card. However, if the UA Travel Card is accidentally (e.g., forget card, pull wrong card out of wallet) not used for travel, or a location does not accept MasterCard, we will not require justification for non-use. In addition, there may be cases where it is impractical (e.g., rushed travel) to use, or obtain a card.

Use of the UA Travel Card has many benefits: 1) travelers are not out of pocket for travel costs, 2) departments and grants will save money on lodging taxes, 3) travel expense reporting will be more efficient, 4) departments and grants will receive airfare discounts, and 5) UA obtains travel management data through a consistent and standard system. Other than the concern you've raised regarding the potential extra burden in justifying non-use, we do not know of any reasons not to use the card. Thus, when we weigh the positive benefits against the negatives, we conclude that it is not feasible for the traveler to use a non-standard payment method, as these benefits will not be realized.

**Faculty Alliance is still not clear on mandated use of a travel agency portal for arrangements in a number of situations**

The booking tool (travel agency portal) will be the standard place to purchase airfare. To answer your question, no, combined personal and business travel will not require the use of two separate booking tools, however, that is an option if the traveler chooses. As a general rule and principle, the university's standard process will be to book the business portion of travel through the booking tool, so that discounts are realized and a record of the travel is recorded. Another option to book business/personal travel is for UA to book the business itinerary with the booking tool, then the traveler contacts the travel agency to change the ticket for personal purposes.

Corporate Travel Management, UA's travel agency, is a full service, world-wide travel agency and they are available with a 24/7 toll free contact. It is our hope and expectation that they will not only be able to meet all your needs, but exceed the service you currently receive. They can help with complicated travel, such as international travel, or coordination with external collaborators. Corporate Travel Management has served the State of Alaska for over 10 years and are familiar with Alaska and complicated travel arrangements. They have 14 agents in Alaska, two of which are dedicated to UA. They are intimately familiar with rural travel. We

expect that 90% of travel would be handled via the on-line booking tool, but the travel agency may be contacted directly. At this time, we do not know of any reason why a different portal or agency would need to be used.

**Will students traveling with or without faculty also be issued travel cards?**

We have not yet fully resolved the preferred payment method and process for students. We are looking at several options, and hope to learn more from the pilot phase of the travel project.

**The proposed regulations appear to have a contradiction in the definition of travel status**

The 50 mile radius is the IRS standard for defining where a person's residence is. We are adding it now to the regulations for clarity. The concept behind the rule is to set a reasonable mileage boundary for when an overnight stay is allowable. For example, if a traveler went from Fairbanks to Eielson (25 miles), it's not far enough to warrant staying overnight. However, commuting mileage would be reimbursed. If travel is from Fairbanks to Delta (100 miles), then it is deemed sufficiently far from home to allow an overnight stay.

Regarding the situation you mention about being stuck at the airport all day and never going anywhere because of flight cancellations, yes, I consider this to be travel status as the intent and plan to travel was in play. The university would make it right to the employee in terms of cost reimbursement, as these circumstances were out of the traveler's control. This is described in the Per Diem section 9. 12.

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Again, thank you for your time and feedback. We will still be refining the travel system as the pilot phase provides important experience. We welcome your concerns and recommendations at any time.