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June 1, 1992

Dr. Jerome Komisar
President
University of Alaska Statewide System
of Higher Education
910 Yukon Drive
Fairbanks, Alaska 99775

Dear Dr. Komisar:

Enclosed please find the final report to the University of Alaska for Phase I of the work done by George Kaludis Associates (GKA) under RFP No. SW 92-01. The document reflects GKA's judgment about areas where additional work may produce results for improved effectiveness and efficiency. We do not find that the resources dedicated to support services are out of line with the complexity and geographic spread of the University, but there are opportunities for present and future cost moderation.

Among the most material areas where long term gain may be secured are the following:

1.   Management of employee benefit and related programs;
2.   Shifts in information technology strategy; and
3.   Academic program coordination.

In addition, we recommend that significant changes in the resource allocation system for the University can and should be made to support continuing assessment of the relationships between direct academic and support costs and to recognize an institutional financial future that depends more on funds other than State general funds. Another objective for resource allocation changes is to emphasize the service orientation of administrative functions for both internal and external constituencies.

The report also presents the conclusion that the University of Alaska, while rationally organized as a Statewide Administration and three universities, also operates in a fourth dimension. This fourth dimension relates to both academic and administrative functions and to relationships with external constituencies. The management structure must support this fourth dimension.

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The report includes an outline for the scope of the Phase II work. In reality, because of the institution's need and GKA's operating philosophy, initiatives have already begun in support of change in human resources, information technology and resource allocation.

We thank you and the more than 120 individuals who participated in this study and look forward to pursuing the next steps that the University decides will bring an effective return for energy expended.

Sincerely,

George Kaludis
President

Enclosure

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University of Alaska

Phase I Report

(RFP No. SW 92-01)

June 1, 1992

University of Alaska
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University of Alaska
Management Study

I. OVERVIEW

The reorganization of the University of Alaska in 1987 created an overarching Statewide Administration and three "mini-systems" by attaching all of the extended sites to one of the principal campuses at Fairbanks, Anchorage or Juneau and by creating Statewide service and delivery programs such as the School of Fisheries and Ocean Sciences. The character of these three campuses is distinct, but they all play a role in delivering basic higher education services. The number of educational delivery locations, main campuses, extended sites, rural sites, extension and research stations, military base sites, the Yukon and correspondence delivery make the University complex beyond its enrollment size and introduce educational and administrative management requirements not found in much larger institutions.

As presently organized, the University of Alaska (the University) consists of two principal academic centers at Fairbanks and Anchorage, the smaller campus at Juneau and the extended sites related to all three. One of the differences between 1987 and today is the large and growing presence of the Anchorage campus, mainly serving undergraduate and beginning graduate student needs.

In terms of enrollment, the University of Alaska System with 15,000 FTE students is a relatively small system of public higher education that covers all parts of the spectrum of academic programming: high school equivalency; technology-supported distance learning; professional development short courses; vocational education; traditional undergraduate and graduate instruction; degree and non-degree offerings for working adults; applied research and service roles of its Land, Sea and Space Grant missions; support for Alaska's economic development; and world class basic research focused on circumpolar activity.

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Because of the size of the State and structure of the institution, none of the University's main campuses is large enough, nor is there the demand for the full range of academic programs. There is no medical school; there is no law school; and the principal research activities are performed through organized research and service units, mainly at Fairbanks, but with some limited activity at Anchorage in policy research, biomedical science and education.

The demography and geography of the state dictate that much of the University's educational program demand is site bound. That is, students look for basic educational programming where they live.

In addition to the wide range of academic programming, the University faces the continual challenge of providing higher education throughout the Alaskan subcontinent to a culturally diverse population, and, beyond that, is positioned strategically to participate in the economic awakening of Russia and former Soviet Republics in Asia and with other Asian and Canadian interests.

Another complicating factor is the youth of the institution, especially in its management infrastructure, as a result of the still relatively new reorganization of 1987 and the constant turnover in senior management leadership. Management direction, in the past, has been left to the more stable middle management cadre. This condition has promoted a highly regulatory mindset as middle managers, in the absence of a definition of the whole, protected their own areas. Further, this environment led to skewed priorities such as the previous decisions that have left the Fairbanks facilities in less than desirable condition. The management infrastructure was not conceived as a whole and still suffers for it.

The 1987 reorganization still lingers in several ways. The division of responsibility and authority between and among the Statewide Administration and the campuses for some academic and administrative activities is not fully settled. Consequently, the shape of the ultimate Statewide Administration unit is still developing. Campus administrative organizations are still in flux from the 1987 residue, from increased demand, and from campus-based reviews (e.g., program review at Fairbanks).

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A major continuing legacy from 1987 is the faculty labor relations issue. The lack of resolution of the litigation and other labor-related issues had cast a shadow over all planning and management activities and is a major drain of executive energy. This price has been very expensive to the University of Alaska, given its nature and given its relatively thin and dispersed executive capacity. The recent settlement sets the stage for a more productive use of executive time.

The University will be faced with new costs in contract preparation, negotiation and administration. These ongoing costs should not be confused with actual contract provisions and will manifest themselves both at the State Administration and campus levels. Experience at other institutions indicates that these costs are not trivial and cannot be avoided. In the negotiation of a first contract and in its early administration, the costs will be higher.

Demand is increasing for higher education services from the citizens of the State of Alaska across the spectrum presented above, with the greatest pressure being from students seeking undergraduate programs. There are more traditional college age students in the State; more traditional students are staying in Alaska for their higher education; more adults recognize educational attainment as a career advantage; the State's business sector and State government are reaching out for help in diversifying the economy; and Alaska desires and deserves to get its share of federal research and service dollars.

The increased demand for University services occurs at the moment when pressures on the State's budget discourage investments in new capacities to meet the demand. Budget pressures also mitigate against cooperative efforts, pushing campus, school and program leaders (and related political interests) to turf protecting behavior. The ultimate success of the University of Alaska in serving the needs of the State rests on an integrated view of the needs and the programs to meet those needs. The parts need to form a sensible whole.

The University of Alaska must still make fundamental investments in planning and management capacities and should expect a productive return on those investments. It is time to settle on a management philosophy and structure.

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A.   The Present Setting

The responsibility of the Board of Regents and the executive management of the University of Alaska is to provide a strong sense of stewardship to the State, and to ensure that its public monies are being invested and managed wisely by the University. There is an opportunity to seize the moment and put in place a managerial approach for the University that both makes educational and administrative sense and moderates present and future costs.

The leadership and managerial dilemmas for the University of Alaska entail harnessing and resolving all of the diverse and often conflicting energies and interests into a rational whole. Most higher education institutions are designed inherently to fly apart because their work is purposefully organized on a decentralized basis. The University of Alaska pushes the extreme with the characteristics noted above because of the geographic, programmatic and cultural complexities it must manage.

The citizens of Alaska sought to rationalize the complexity by creating a comprehensive higher education entity that is called the University of Alaska. The State could not possibly afford three or four separate institutional mechanisms that would build in rigidities, unproductive competition and would foster uneconomic and inefficient activities. Within this concept of a single University entity, however, there are some political and geographic constraints inhibiting full advantage of efficiencies of operation. The political and economic interests of the State include a desire for the geographic distribution of State supported activities. As a result, proposals for change must consider this "filter." Those evaluating the University from the outside need to recognize that the exercise of such interests has resource consequences for the University.

Making the University of Alaska work requires an operating style that promotes flexibility, cooperation, clear aims, and open and understandable decision processes.

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B. Project Scope

As one point for beginning to think about the "rational whole," the Board of Regents and the President of the University commissioned a review (RFP No. SW 92-01) of a set of administrative functions across the institution to seek opportunities for change that would increase effectiveness and efficiency. George Kaludis Associates (GKA), an experienced higher education management consulting firm, was selected through a competitive procurement process to provide discipline, knowledge and ideas in concert with the University. The objective for the first phase of this effort was to discover opportunities for material improvement that would then be followed up in detail for validation and planning in a second phase. The clear intention of the University is to consider changes in a careful, measured way, understanding the organizational, financial and human consequences.

The Request for Proposals identified the following specific areas for review in Phase I:

Finance
Risk Management
Facilities
Administrative Computing
Auxiliary Enterprises
Academic and Student Affairs
Human Resources

As identified in the Proposal, the expected outcomes in Phase I for these areas are:

1. "A report analyzing the current organization and functional responsibilities of the university's system and campus offices."

2. "Recommendations to the president on (a) administrative functions carried on within the university that might beneficially be reduced or eliminated; (b) administrative functions now not being effectively performed and how they might be improved; (c) any changes in functional organization which would reduce costs and increase functional efficiency and effectiveness."

3. "A recommended scope of work for detailed review and recommendations."

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In its proposal, GKA identified three principal functions of University system central offices as a conceptual framework for viewing the University of Alaska: Executive/fiduciary; specialized consulting; and centrally organized campus services. Our work with the University has caused us to add a fourth area: facilitation, management and coordination of multi-campus/statewide academic and administrative programs. It is in this fourth area where the University of Alaska may find considerable advantage in effectiveness and economy.

While the University's present condition and long-term objectives and aspirations for the future must be taken into account, this project is not the development of a strategic plan for the University. The focus of GKA's effort was to create conditions that would assist the University in:

1.   Working together across constituency lines in a spirit of partnership;

2.   Moving the organizational emphasis from regulation to management; and

3.   Breaking down barriers to provide optimal use of University resources.

The current, mainly self-imposed, regulatory environment is the opposite climate required within the University to foster productivity, promote administrative efficiencies or serve the needs of Alaska effectively. Nevertheless, especially during the last five years, the coping capacity of many of the individuals in management positions has been enormous. These kinds of reviews have the tendency to focus on the negative because the intent is to seek opportunities for improvement. What is developed in this report is not aimed at indictment of the past, but at creating a more productive and effective administrative environment for the future.

As the work was done, other areas of interest were identified by the University and are given some attention in the report. A separate project on University relations and communications planning was approved. Also, GKA provided advice on ongoing administrative matters while Phase I was underway (most notably in management systems implementation, but also in human resources and budgeting).

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The review did not uncover major administrative areas for elimination, but focuses on changes in style and approach that could improve effectiveness and moderate future costs. There are some areas where immediate revenue improvement or cost relief are possible, and they are noted in the report. In addition, there are areas that need additional investment that must be included in the mix for priority setting.

The possibility of a major Retirement Incentive Program (RIP) is an important element in future planning for administrative activity. Knowledge of the potential areas for staff retirements will be critical in redesigning the management infrastructure of the University of Alaska.

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C. The Current State Budget Environment

It should be noted that our review and campus visits commenced prior to legislative discussions about the University budget for fiscal year 1993. This initial phase of our work was intended by design to be one of "discovery" in identifying areas for a more detailed analysis in a subsequent phase by the University.

On March 18, 1992, the President appeared before the House and Senate Finance Committees to discuss the proposal to restrict the University budget to about $157 million--a decline of more than $12 million from the FY 92 funding level. It is regrettable that a reduction of this magnitude looms at a time when the University continues to recover from previous budget reductions. Nevertheless, the University initiative to determine whether additional realignments of functions between the campuses and Statewide are advisable is still valid and may prove prescient.

Certainly, the University must respond to dictated budget deficiencies if it is to survive, and it has outlined preliminary impacts of this reduction as this report is being prepared. Our report, while cognizant of these reductions, should not be viewed solely in context of the immediate budget reductions. Many of our recommendations and observations should have a significant "bottom line" impact, but will require intensive investigation and implementation, and, in some cases, investments.

It was not the intent of our work to provide the University with methods to cut programs or services massively, but rather to make suggestions on how the current operations could be delivered more efficiently and productively. The extent to which our recommendations ultimately contribute to the ability of the University to meet its budget reduction target will depend on the energy and time available to address specific suggestions for improvement.

We believe that, regardless of the budget situation, our recommendations warrant additional investigation by the University. In many cases, they represent and underscore the institutional long-term commitment to constant improvement. In the short-run, they have the opportunity to minimize expenditures, rationalize administrative organizations, or improve processes which can ultimately reduce costs.

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In the end, administrative functions must be put into context with broader strategic considerations, requiring a realistic balance between available resources and targeted delivery of educational services to the people of Alaska. Hard choices need to be made. Our work, in the specific areas we have been asked to address, is only one component for University focus. Stretching executive energy, maintaining employee morale, providing educational access, and ensuring adequate cooperation within the University require that competing priorities be addressed definitively. We are confident that our work can assist the University by providing guidance for this difficult task.

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II. STATEWIDE ADMINISTRATION

The review of the several functional administrative areas outlined for Phase I cannot really be accomplished without assuming an operating philosophy for the University of Alaska. This study has been conducted under the basic assumption that the reorganization of 1987, which established the three campus centers under a Statewide executive, is the foundation for evaluating potential improvements.

There are other possible modes of organization for the University of Alaska:

1. Unitary System - a single comprehensive administration for all activities where campus and site management are integrated directly into the whole (that is, campuses would not have general executives, only the University as a whole would; academic programs could be integrated on a Statewide basis; there would be definite accreditation ramifications to this approach for the University);

2. Lead Campus System - the Statewide administration is merged with the central administration of one of the campuses (there are arguments that could be presented for any one of the three campuses) where campus services may or may not be delivered on a centralized basis to the field (most university systems started out this way as an outgrowth of the "flagship" campus and then moved to separate a systemwide administration);

3. A Number of Mini-Systems - two, three or more standalone autonomous units reporting to the Board with or without a Statewide executive or coordinating function; the campus chancellors would have more influence in this model.

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GKA was not asked to review the fundamental structure of the University of Alaska in Phase I, but we develop a position below on the rationale for maintaining a system that marries central leadership and campus integrity with sensible coordination of programs and services. The geographic spreads and different institutional missions argue for an on-site campus general executive to articulate mission and "smooth" resources across primary and support programs and across program and infrastructure priorities. The alternative would require a much bigger central administration.

We were not able to deal extensively with the management of the extended sites in Phase I, but know that some attention should be given to their unique needs so that there is some consistency of service and treatment (a suggestion is made in the Academic Affairs section). Whether the extended sites should reflect the character of the regional campuses is a question. There may be some merit to consideration of academic and administrative service standards for the extended sites, especially in anticipation of a collective bargaining settlement.

Under the Constitution and Statutes of the State of Alaska, the Board of Regents has been assigned the responsibility for all public higher education in Alaska. Given that beginning point, the need is created for providing central executive resolution for planning, resource acquisition and allocation, preservation of assets, evaluation of academic and administrative activities, building and maintaining relationships with the State's executive and legislative branches, and meeting compliance requirements.

For a public university system, the practical consequences of these requirements are Board appointment of a chief executive who comprehends the whole and, minimally, executive and/or staff resources in academic and student programs, budget, finance, human resources, government relations, public relations, legal affairs and audit functions. Implied are systems of policies and procedures that govern the operations of the institution in its several campuses and a delegation of responsibility and authority to campus executives and administrators.

For the University of Alaska, with its size and scale, the central executive complement can and should be relatively compact to perform planning, evaluation and policy functions with the understanding that academic and administrative operations are functions of the campuses. The minimum set of executives/senior staff, then, is likely the following:

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1. A chief executive;
2. A chief academic officer who also coordinates student policies and possibly information technology;
3. A chief financial and business officer;
4. A government and public relations officer;
5. Legal counsel; and
6. Internal Auditor.

Planning, resource allocation and evaluation functions can be spread among the officers. Staff and management information support for these officers/staff are necessary, and the level of support is dependent upon the degree to which operating responsibilities are assigned. For example, the chief financial officer must have access to accounting staff to develop policies and procedures if a consolidated university financial statement is to be produced. Similarly, serious academic program review requires Statewide staff resources to design and perform such reviews. Central officers are the principal "owners" of the policy, procedural and management systems for their respective functions.

The issue of what other officer/staff resources are necessary at Statewide is joined when moving to the provision of support to campus operations and to the planning and evaluation of academic programs that have a Statewide character (e.g., Fisheries, Institute for Social and Economic Research, military base education). We are assuming that no academic programs (instruction, research and public service) will be directly delivered through Statewide because faculty and faculty support resources are deployed within the campus structures. Those programs, however, that are designed to use resources from more than one campus or have unique Statewide responsibility require special treatment because their missions transcend campus interests. The complexity introduced by this requirement is delicate but manageable. The programs will need to be managed on a day-to-day basis by the assigned campus, but their planning and evaluation require a University-wide oversight through the Statewide Academic Affairs function.

Models for administrative services, however, do include support units serving all campuses managed by the Statewide Administration or by a "lead agent" campus. Such service units, regardless of the location, have to be planned, managed and evaluated in a service as opposed to an executive mode, calling for coordinative and consultative styles. The University is gaining some beginning experience in this approach (e.g., Risk Management), but is at the embryonic stage of development.

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Connecting resource decisions to the assignment of responsibility is also a critical consideration in the delivery of administrative services. Responsibility should not be distributed without assessing the resource impact on Statewide and the campuses. This issue is discussed in more detail in the following section.

Both academic and administrative program integration suggest more formal roles for the chancellors, in particular, as Statewide officers. The chancellors should be appropriately accountable on a Statewide basis for the University-wide programs they manage. Chancellors should be considered general officers of the University System as well as the executives of their campuses. The general officer role for the chancellors, to be effective, must have an economic dimension. Programs that have Statewide program responsibility or provide University-wide service and are assigned to a campus need University-wide economic commitment and evaluation on that basis.

The "matrixed" or integrated approach to the deployment of academic and administrative resources is a permanent condition for the University of Alaska. The management consequences of the matrix are an executive concept that reaches to the chancellor and likely the vice-chancellor levels (and perhaps in some instances, deans). Underpinning this concept are planning, communication, consultation, financial and evaluation structures that emphasize the interdependence of the various players.

Matrix management also shapes part of the major rationale for a Statewide executive authority to define, coordinate, mediate and evaluate Statewide programs operated by campuses. The alternative to strong Statewide leadership is potential chaos.

No plan for effective matrix/integrated management of the University of Alaska can be offered without a heavy emphasis on the use of information technology as a platform for transaction processing, communications and management information. For this reason, and because of the materiality of the dollars involved, special emphasis has been given to this function in Phase I of the review. Without a firm idea of the problems and opportunities in information technology support, management system designs could be useless. The project scope included a review of "administrative computing and related telecommunications." The report includes these issues, but develops a broader treatment of the information technology question.

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As each functional area is presented below, questions of the possibilities for organizing services through the Statewide Administration, centrally through a campus or on a decentralized basis to the campus will be considered. The choices of style of deployment and location will determine the ultimate size and shape of the Statewide and campus administrations.

We do not believe that the University is overstaffed administratively, but, even if we did, the present financial and organizational arrangements do not promote effective decisions about the size and scope of administrative investments.

Structures and policy vehicles for promoting University-wide interests are necessary to give life to the operating philosophy. One possibility is discussed in the following section of the report.

RECOMMENDATIONS

1. Recognize the permanent matrixed/integrated character of UA academic and administrative programs by including both Statewide and campus executives in the formal design of the Statewide Administration;

2. Within the matrix concept, continue the 1987 reorganization thrust to make the campuses management and financial centers;

3. Emphasize and promote the planning, resource allocation, coordination and evaluation roles of the Statewide Administration; minimize activities that duplicate campus day-to-day management or which address specifically campus as opposed to Statewide questions of policy;

4. Maintain a lean, core executive function of the Statewide Administration; separate executive and service functions financially;

5. Treat the financial aspects of campus-managed Statewide programs as Statewide commitments in budget preparation and resource allocation processes;

6. Review academic and administrative programs at the extended sites with the intent of standardizing practice;

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III. CHANGING THE CULTURE OF ADMINISTRATIVE SERVICES

While administrative reviews may bring specific recommendations to the table, a larger issue may be creating the climate for continual assessment of whether services should be organized on a centralized or decentralized basis and where central services are assigned (to Statewide or to a campus). With the advent of the single appropriation, the University has the opportunity to adopt more flexible and managerially oriented resource allocation approaches. The single, functionally based, appropriation allows the integrated University philosophy to operate, and the ongoing efforts in this regard should be encouraged. The recommendation is to take advantage of this flexibility and support more modes of performing Statewide and campus service functions.

The University of Alaska needs to make a fundamental change in how it plans, pays for, manages and evaluates administrative operations. Present decision-making approaches encourage compartmentalization and looking at services as "free goods." Long-term planning, prudent risk-taking and managerial leadership are thwarted by the current methods of operation.

Consistent with the conceptual basis presented on the functions of the Statewide Administration, an alternative budgeting approach would be funding "off the top" for the fundamental executive, fiduciary and "treaty making and management" functions in the Statewide Administration, with the remainder of Systemwide consultative and service programs operated on an allocation basis to the campus budgets. A model for this approach is the current campus tax budgetary style for the Risk Management program. Until and unless the impacts of the placement of administrative capacities become real budgetarily, there will not be serious attention to these matters and the tradeoffs will not be visible. Accountability will continue to be difficult to identify and evaluate.

Among the areas that could be treated on an allocation basis are the following that now have some Statewide service presence:

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1. Accounting and financial services including ASCO;
2. Benefits administration;
3. Procurement services;
4. Portions of UACN;
5. Risk Management;
6. Legal services;
7. Facilities consultation services; and
8. Academic Program Review.

Similarly, some areas not now looked at as central resources might be included (to be managed by Statewide Administration or a "lead agent" campus):

1. Applications and admissions processing;
2. Student records processing
3. Alumni records processing; and
4. Research support.

In the latter set (and in some of the former), the concept is to continue to have campus professionals in the areas noted, but the "back room" services would be a common resource located wherever it made most sense to do so, be it at Statewide or on a campus. The multi-campus aspects of the service would be financed by an allocation on all campus budgets (and perhaps the Statewide Administration budget as appropriate) and managed/coordinated by a Statewide Officer through a compact developed on a service-by-service basis and overseen by the President and Chancellors. Budgets would be negotiated on an annual basis, but the allocation would need to be stable for planning purposes.

Broadening this approach to a full responsibility center resource allocation and budgeting system is covered in the Finance section.

RECOMMENDATIONS

1. Design and implement a new budgetary method and model incorporating an allocation for budgets for selected central service operations to be operated by Statewide or a lead agent campus.

2. Evaluate the feasibility of establishing a common "back room" for selected University-wide processes and operations starting with admissions processing.

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IV. FUNCTIONAL AREAS

A. Academic Affairs, Research Administration & Student Affairs

The Academic Affairs function of the Statewide Administration is one of those areas where significant "institution building" is required in recognition of the present and future demands for academic planning and management. Since the incumbent in the academic vice presidency, who was an interim appointee, will be leaving this June, it is timely to take a careful look at the capacities needed in Statewide Academic Affairs and the related campus capacities. This section of the report will also speak to research administration, student affairs and statewide institutional research.

Campus academic affairs are organized differently at each of the campuses, to some degree reflecting the differentiation of mission.

At Fairbanks, there are two vice chancellors in the academic affairs area: the Vice Chancellor for Academic Affairs who oversees undergraduate academic programs and the Vice Chancellor for Research and Dean of the Graduate School who oversees research units and the graduate programs. The academic units include colleges and schools and organized research and service institutes. The extended sites report through the College of Rural Alaska which separates those programs from the regular baccalaureate programs. The 1987 restructuring had major implications for UAF in the organization of the Fisheries unit and the College of Rural Alaska among others. The recent program review has resulted in major recommendations to create fewer, larger academic units, to alter the structure of the College of Rural Alaska and to consider the consolidation of research support and research administration functions. The organized research and service units, because of their non-general fund revenue operate with considerable autonomy (discussed in more detail below). Creating larger academic units will allow a more rational resource allocation process to operate at UAF. The existence of two "chief academic officers" inhibits the development of academic priorities.

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At Anchorage, the Provost and Vice Chancellor for Academic Affairs oversees school deans. During the past 5 years the major agenda item has been the integration of programs and responding to the heavy increase in student demand (especially in the move to a larger proportion of upper division and beginning graduate students). As noted below there is a targeted research operation with a new, small research support operation in place. The role of the academic deans as managers of their respective pro-grams is still developing and requires more development. Similarly, the array of faculty committees that normally carries part of the academic business agenda has not matured, requiring more "administration." The settlement of the faculty labor relations issue will affect UAA significantly and may require a strategic reassessment of the management of academic affairs there. Different from UAF, two-year and non-degree programs are woven into the normal organization (although many such programs are delivered through Voc-Tech), and the extended sites do not have a separate academic reporting unit.

At Southeast, the scale and scope of the institution have produced a flatter, less hierarchical organization with a Dean of Academic Affairs and Graduate Studies managing with the President the Deans of the respective academic units. The extended sites blend more easily with the UAS campus because they are closer in size and scope to it and the academic program of the main campus has more of a "2-year" nature itself. UAS, by its makeup, can be and is more flexible and opportunistic in its academic delivery. UAS does not have responsibility for any programs that have a Statewide character.

The wide differences among the campuses in the style of academic management are testimony to the variety of mission, the extent to which funds other than general fund and student tuition and fees support the academic program and the longevity of operation. UAA and UAS are growing in academic stature as time passes and will press previous understandings of relative academic strength within the University.

As noted in the Overview, the University as a whole touches most parts of the academic spectrum, but no single campus has the full range of academic offerings. The several operations are by no means homogeneous, illustrated by the struggle to achieve transfer student articulation. It is the apparent inability to deal with such issues that confounds external constituencies and promotes continual inter-campus tensions. The University cannot afford to be viewed by the public as unable to deal with such issues, reinforcing the need for a strong Statewide academic executive function. No single campus does now or will meet all the State's needs--the integrated resources of the whole University do.

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While other Statewide officers may have diplomat/convener/evaluator roles as part of their functions, the most significant opportunities lie with Academic Affairs where the locus of "matrix management" can occur for teaching, research and service programs. In fact, without an active and effective Academic Affairs officer with some influence on academic policy and resource allocation, there is not much hope for developing cooperative programs across the campuses, especially where operating responsibility for a Statewide or multi-campus program is lodged within one campus (or as noted above bringing order to student transfers). There is no utility in hands-on academic program management from the Statewide Administration, because the faculty and other resources will be part of a campus structure. If barriers are to be broken down among campuses, the Vice President for Academic Affairs must provide strong coordination and leadership.

One of the longer-term concerns for the Statewide Administration is being interpreted and perceived as leading the assessment of Alaska's higher education needs and promoting the academic development of the University to meet those needs (academic planning), and not as merely a bureaucratic way station. The recent history of the University has skewed the balance of interest in Statewide toward crisis financial control rather than a more global educational stewardship.

That legacy continues today, but there are glimmers of change including plans for initiating program review, developing financial models that reflect academic demand, and the President's expression of the emerging strategic agenda for the University.

Planning, coordination and evaluation of internal "consortia" are likely the more productive modes for changing the tone of Statewide Administration to an academic emphasis. The "treaties" for the consortia, would define the participation of Statewide Administration and the campuses including budget, intercampus faculty participation, external relations and ongoing evaluation. The assignment of the educational delivery responsibility for military bases to the University of Alaska Anchorage is an example of an activity that should have continued coordination from the Vice President for Academic Affairs. Other examples are Fisheries, the Land, Sea and Space Grant areas, and Distance Education. A mechanism is required to bring the Statewide interest to bear on these programs while allowing management integrity at the responsible campus.

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There are two principal attributes that place an academic program (instruction, research or service) into the sphere of statewide interest:

1.   The involvement of multi-campus resources; and

2.   Program delivery on a statewide basis.

The Vice President for Academic Affairs is the logical leader for this effort, but the President needs some way to relate to these programs as he is constantly in touch with the relevant constituencies. By formalizing the Statewide Administration's relationship to these programs of Statewide character (in planning, resource allocation, and evaluation), the Statewide Administration's temptation to "micro-manage" should be minimized.

At least one additional area, vocational technical education, deserves to be considered for campus-based management. With the large majority of the vocational technical activity occurring at UAA, adopting a model whereby UAA would be responsible for all University activities in this area may be reasonable. Options for assignment for the management of Voc Tech should be included in the upcoming program review (organizational deployment for academic programs should be included as a feature of all program reviews).

The Statewide Academic Officer can also lead planning and evaluation efforts that cut across regional University boundaries. One example would be periodic convening of academic vice chancellors and the extended site directors to discuss common needs and policy for the extended sites.

In the case of program review (Vocational Education is slated to be the first candidate and will be a difficult first step because the vocational education discipline scope is very broad), an important concern is that sufficient resources are committed for this process to be effective. The procedures for program review that have been developed do not build in a University-wide look at the disciplines. As presently constructed, the procedure would not bring together discipline groups throughout the System at any point in the process, but would depend on campus-by-campus review. One possibility would be to name one dean to lead an additional step in the process that would develop a system-wide analysis of the area being reviewed.

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While a large staff is not necessary, the Statewide Academic Affairs Office needs a cadre of experienced people supported by access to analytical and data resources and a high level advisory/consultative structured "Academic Policy Council." One staffing approach that is used in other university systems is to rotate faculty through the central academic affairs office on one- or two-year appointments to staff program review and other related activities. A second possibility for strengthening the Academic Affairs Office is to retool Statewide Institutional Research into more support for resource allocation and academic planning (some of this change is occurring already).

Especially in the new single appropriation budget environment, the Vice President for Academic Affairs must be a serious participant in resource planning and resource allocation, including the possibility that the University's resource allocation function report to Academic Affairs (to be discussed further in the Finance section).

Oversight of faculty collective bargaining parameters may become a significant part of the Vice President's role in the near term, as the officer who can cut across campus interests and represent the academic and resource interests of the University as a whole.

With the appropriate emphasis on Academic Affairs in the Statewide Administration, the chief academic officer could also be productive in the executive/legislative relations process.

In order to keep the Statewide Administration as lean and as simple as possible, it is suggested that the Vice President for Academic Affairs also take charge of the interests of the Statewide Administration for research and for student affairs, each of which will be discussed below. Similarly, consideration should be given to chartering this office with responsibility for information technology planning and performance across the University.

The weight of the recommendations in Academic Affairs (and related areas) supports a change in title to Provost and Vice President for Academic Affairs and designation as the clear second in command of the University.

In summary, the chief academic officer would, at a minimum:

1.   Create and oversee the planning and evaluation processes for campus-based programs that have a Statewide character (internal consortium management);

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2. Chair a high-level academic planning/policy council;

3. Play a significant role in resource planning and resource allocation;

4. Oversee faculty collective bargaining parameters and assist in the State executive/legislative liaison process;

5. Provide University-wide coordination for research and student affairs; and

6. Manage the academic program review process.

The shape of the responsibilities of the Statewide Academic Affairs Office and its staffing are matters that should be developed quickly in order that a search can be undertaken.

RECOMMENDATIONS

1. Include a strong (Provost and) Vice President for Academic Affairs in the senior officer set for the University of Alaska with responsibility for academic planning, faculty collective bargaining, academic quality control, internal consortia, research coordination and student affairs policy; commission a new design for the office in advance of a search for a new Vice President;

2. Create an "Academic Policy Council" chaired by the Vice President for Academic Affairs and including Chancellors and Academic Vice Chancellors;

3. Consider retooling Statewide Institutional Research to support academic planning, resource allocation, and program review;

4. Study the assignment of Statewide Vocational Technical responsibilities to the UAA Chancellor as part of the Voc Tech program review.

5. Begin the process of creating or reaffirming operating agreements for each of the campus-managed statewide academic programs;

6. Staff Academic Affairs appropriately to support academic planning, program review, internal consortium oversight and resource allocation and, if required, collective bargaining.

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Research Development and Administration

The University of Alaska has successfully focused on an important array of targeted research areas, mainly stemming from its arctic location or from support for the State's major industries (mining, petroleum, natural gas, forestry and fisheries). State funds support this role as well as funds from the federal government and private sources. As a University managed program in the campuses, research support is relatively new, and most of this work is concentrated in organized research and service units at the Fairbanks campus with a limited role at Anchorage and an even more limited role at Southeast. Fairbanks has a small central research leadership and support operation (the Vice President for Research {who is also Dean of the Graduate School}, two professionals and support staff) with research accounting being performed within the campus finance function.

In order to survive, the organized units in Fairbanks have developed standalone administrative capacities and are currently one of the subjects of the campus program review. That is, the campus is considering consolidating some of these resources into central campus administrative units or into a campus research support function.

A proposal for a Research Foundation has been developed by the UAF Vice Chancellor for Research as one approach for research support. The creation of a Research Foundation must be balanced against other interests such as the economic integrity of UAF and the possibilities of using the existing University of Alaska Foundation. No decision should be made until a University-wide research development and support strategy is developed.

The Fairbanks research and service units also have the character of being statewide in nature (agriculture, forestry, mining, fisheries and marine science). At Anchorage, a new position has been created and filled in the Office of the Vice Chancellor for Academic Affairs to support research development (a half-time position from the library is dedicated to developing information on research grant availability). The areas for organized research emphasis at Anchorage appear to be through the Institute for Social and Economic Research (ISER), biomedical science (the WAMI program), Education (particularly Special Education) and perhaps in international business (ACIB). UAS has no one specifically dedicated to research development, and the research program there could be expected to be limited to possibly public policy and educational delivery. Other than the

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general interests of the President and the Vice President for Academic Affairs and the preparation and negotiation of federal indirect cost recovery, the Statewide Administration has no dedicated research leadership/support personnel. The University has coordinated the engagement of a Washington representative (J.R. Kirkland) to serve all campuses, and some beginning Statewide coordination is occurring through that approach through the development of a research agenda.

The University correctly portrays research as an industry in itself in the sense that federal government and corporate dollars (in addition to those invested by the State) are attracted to Alaska for focused research and to build a critical mass of research capacity that is then available to serve specific State needs. Further, the continued designation of Land, Sea and Space Grant status requires a minimum level of dedicated investment in those areas.

Organizing to lead, develop, perform, manage, support and evaluate research presents a real challenge to the University of Alaska, especially in times of constrained State tax revenues. There will be more pressure on the value of the research investment and the relationship of research activities to the mission of the University.

The issue captures many of the complexities represented by the various facets of the University. In order to achieve recognized research status, institutions typically have to invest seed money for faculty and support personnel, space and equipment. In public universities, the seed money usually comes from offsets to state funded programs, from the ability to create reserves from indirect cost recovery, from margins on private research or from institutional shares of returns on intellectual properties. The pace and rhythm of funded research activities differ from that of the teaching program and the State's and the University's budget calendars. Response times for proposals, procurement, personnel actions, grant reports and the like must have prompt timely, professional attention so as to move the projects expeditiously. One would want all University administrative transactions to have that same character, but in the case of the funded research program, real money is at stake from the possibility of disallowances of expenditures already committed or from restrictions of future funding. The allocation of indirect cost recovery dollars could be used to reinforce the service aspects for research support (some changes are in progress). The area may also be a good candidate for a Total Quality Management approach, especially in the relationships between Statewide and UAF support staff.

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The recent national press coverage and federal government attention to University research management issues at other institutions add more pressure for high quality research management. The University of Alaska has multiple partners in its research enterprise, both from the standpoint of private and governmental sponsors and from subcontractors or subgrantees that it engages to get research work done.

Conceptually, there is a core of research management expertise that could be consolidated to provide broad support. Practically, a centralized alternative to present practices of allowing organized research and service units (especially at UAF) to have standalone administrative resources must be well planned, crystal clear and protected for the long run in order for such a change to be made. There is absolutely no doubt that, for reasons of location (circumpolar research) and because of faculty critical mass, the locus of funded research for the University of Alaska will be the Fairbanks campus (including most research and service activities that take place across the State), and, further, that the bulk of the funded research at Fairbanks will occur within the areas now active in the current research and service units. These units have revenue generating responsibilities and, for that reason, must be assured of high quality management and services. The model for consolidation of services, then, would be more along the lines of a staff service unit than a research "management" unit. A complete view of integrated service responsibilities cannot be effected without understanding how the UAF campus will operate administratively.

Primary mission and resources will limit the roles that UAA and UAS play in funded research. As the UAA research support program is just developing, the University has the opportunity to think through possibilities for coordination.

Certainly research leadership and oversight are appropriate roles for the Statewide Administration. Both externally funded and internally funded research must be supported. The questions, then, are: How are statewide research development initiatives to be managed? (Supercomputer? Poker Flat?) What are the costs and administrative impacts of research initiatives? Should there be a University-wide research support unit? What role does the organized research and service program play in the academic, administrative and financial synergies of UAF? Can UAA and UAS funded research programs be served by resources located in Fairbanks? Is the basic University and/or campus administrative infrastructure adequate to serve an emerging research program? What are the real direct and indirect costs of research?

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There are several distinct University interests in the answers to these questions: assuring the optimum revenue stream for funded research that supports the University's mission and mandated responsibilities; organizing in the most effective manner in order to attract and retain a critical mass of researchers and research support professionals; and efficient use of research support resources. The most material aspect is making the University of Alaska a productive place for competent researchers to do their work, and thereby protect the revenue stream.

UAF has not done the background work to undergird the research administration consolidation included in its program review recommendations. However, the time is right for the creation and implementation of a definitive research development, management and support plan. The University cannot afford to leave this area unattended.

RECOMMENDATIONS

1. Consider the creation of a University task force on research development and management under the Vice President for Academic Affairs charged to produce a coordinated University research management plan; include the feasibility for a Research Foundation in this plan;

2. Encourage UAF to complete its work on its on-campus research support infrastructure as part of the University-wide plan; and

3. Develop full plans and reviews including staff, financial and physical impact for major research initiatives such as the Supercomputer.

4. Review the philosophy of the allocation of federal indirect cost recovery.

5. Review the policy, practice and responsiveness of requirements for federal direct and indirect costs reimbursement and related reporting.

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Student Affairs

Student Affairs operations vary throughout the University in direct proportion to the character of the campus, but the interests of the University in policy consistency are significant, especially as some of the issues relate to federal and State statute compliance. The chief student affairs officers of the campuses can take (and often do take) leadership in policy development. That model can continue, but a convening authority for Statewide Administration is recommended. That authority could be the Vice President for Academic Affairs as noted above. In the present arrangement with no formal student affairs assignment at Statewide, the practical "convener" on student affairs issues is the Vice President and General Counsel. While campus student affairs officers need access to legal counsel, the unintended consequence of the practice is to view student affairs through a legal lens.

As noted in one of the Overview sections, consolidation of "back room" activities in some student affairs areas is a high priority item for detailed review. Among the reasons for considering admission and perhaps student records processing centers are economies of scale, especially in the cost of technology. In addition, the consolidation of such services could contribute to integrated thinking about student flow and campus comparability where comparability is reasonable.

Financial aid is a significant financial issue for the University in terms of dollars coming from governmental and private sources. The matters discussed below are critical and demand immediate attention.

The Office of Financial Aid at the University of Alaska Fairbanks campus processes approximately 3500 applications for financial aid each year with five staff--the Director, two professionals, and two clerks--and student help. Until very recently all these applications were processed manually. Currently, the staff is implementing the financial aid package of the Student Information System (SIS) of Information Associates (IA).

The UAF Financial Aid Office has three key problems. First, it is understaffed for an institution of UAF's size. Second, and to a large degree because it is understaffed and has not been using an information system, the Financial Aid Office has not calculated financial need for its applicants since 1982, when a decision was made to end the processing of Perkins Loans, Student Educational Opportunities Grants, and College Work Study.

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In 1987, a decision was made to participate again in the SEOG and Perkins programs, but because UAF withdrew from these programs in 1982, the University's funding is lower than it should be now. Also, because financial need is not calculated, significant federal matching funds for the College Work Study Program are not being accessed. We estimate, based upon our discussions with the UAF Director of Financial Aid, that about $500,000 in federal matching funds are foregone each year by not participating in the College Work Study Program. This problem may exist elsewhere as well.

RECOMMENDATIONS

1. The information system now being implemented by the UAF Financial Aid Office should contain an annually upgradable financial need calculation component. Additional staff resources at the campuses are needed to handle financial need calculations and provide better counseling to aid applicants and recipients;

   Once financial need is being calculated at UAF, the University should again begin participation in the College Work Study program. This would provide significant federal funds (about $500,000) to offset the current student employment expense of the University or to increase the hours of student work.

2. The University should consult with representatives of the Office of Education and the University's congressional delegation regarding increasing federal funding that was reduced as a result of non-participation in certain programs from 1982 to 1987.

3. The feasibility for a consolidated admissions processing center should be studied.

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B.   Facilities Planning and Construction/Plant Management

The organization of the Statewide Office of Facilities Planning and Construction (FPC) was a forerunner to the regional nature of the 1987 reorganization and reflected the different construction requirements for the several regions. With the central office and the Northern Region Office located in the Butrovich Building in Fairbanks and the South Central (Anchorage) and the Southeast (Juneau) offices, FPC reflects the way business was done before the Statewide Administration-plus-3 hub system was adopted. In terms of day-to-day business at Anchorage and Juneau, the regional FPC units have blended into the campus facilities administrations and are regarded as part of the campus management fabric. At Fairbanks, this blending is not as evident.

The most critical issue is the recognition of the long-term professional management needs of the plants and whether the present organization (FPC plus campus plant units) supports that management. The most significant issue resides at UAF, but a full understanding of the ongoing plant management needs at UAA is also an issue, now clouded by the South Central FPC/campus plant blending noted above. Complicating the issue at Fairbanks is the fact that the plant function is not consolidated—it is split into two independent units (power plant and maintenance). As they sit, both of the main campus units are short on professional engineering capacity. What is the most effective way to improve professional plant management?

A second important issue, connected to the first, is the long-term expectation for major construction volume for UA. That is, what is the core level of internal professional capacity that will be necessary to support a base level of planning and construction oversight? Additionally, where should that capacity be located and where should it report?

A third issue relates to capital budgeting (assessing and projecting needs for new facilities, for replacement and renovation, for deferred maintenance, for utilities production and distribution systems, for roads and parking, for land acquisition). Should capital budgeting be the responsibility of a facilities planning unit or should it reside in a broader based resource allocation function?

Conceptually, the capital budgeting, facilities planning, construction and physical plant maintenance function can be divided into the following major pieces (the Statewide Administration has a policy development and evaluation interest in all of the areas mentioned):

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Clear Statewide interest:
Capital budgeting;

Preservation of physical assets;

Risk Management;

Proper use of capital funds; and

Procurement practices.

Mixed Statewide/campus interest:
Facilities programming: pre-architectural needs requirements;

Facilities design: schematic, preliminary, and working plans;

Construction and renovation; and

Deferred maintenance.

Clear campus interest:
Daily maintenance operations;

Preventive maintenance;

Utilities production,maintenance and distribution;

Custodial;

Grounds, road and parking maintenance;

Special events/logistical support;

Special educational support requirements (scientific equipment maintenance, waste removal, etc.);

Life and safety code compliance; and

Documentation of facilities (as-built drawings, space inventories).

Space Assignment

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The University also has two offices (Educational Real Estate within FPC and Land Management) that deal with University real property issues. Exploiting the University's land assets whether they be campus or investment property can reasonably be performed within one office.

In most higher education institutions, this work is performed by a combination of in-house talent and external planning, design, engineering, construction, specialized maintenance (e.g., elevator maintenance) and facilities management resources (e.g., custodial contractors). In higher education systems, one can find specialized central units that deal with capital budgeting, campus master planning, facilities and utilities planning and design, construction oversight and standard setting for maintenance of facilities. The funding for units such as these usually skews heavily to levies on planning and construction projects. Producing the most cost effective division of work between internal resources and external contracted resources is a constant question that requires general executive oversight.

For the University of Alaska, in the near term, the economic picture dictates that:

1.   There will not be a steady new construction program for the University; there will be funds for new construction and renovation, but the stream will be volatile; and

2.   Attention will be focused on maintaining, renewal and renovation of the existing plant, reducing the practicality of funding facilities planning and construction oversight resources from taxes on projects.

Even with the most professional organization in place, recent UA history indicates that the proper care was not taken of the plant at UAF, leaving a dubious legacy for current Statewide and UAF officers. While there is no guarantee against such a reoccurrence, organizational and financial policies and structures are needed to provide insurance for the future. The Phase I work did not allow GKA to get a full sense of facilities issues at the extended sites, but their needs must be factored into the ultimate approach.

For the Statewide Administration, capacities in campus planning, capital budgeting, design architect, engineer and contractor services selection and procurement, risk management, maintenance standards and facilities management systems are the core requirements from a combination of in-house, campus and private resources. Quality control of the campus facilities development and maintenance programs is an essential Statewide Administration interest. Resources for these capacities should be (and in the main are now) part of the ongoing Statewide Administration Operating Budget.

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For the campuses, capacities in facilities programming (pre-architectural), assessing capital needs, plant engineering and maintenance, utilities engineering and maintenance, renovation project management, life and safety code compliance, risk management, documentation and logistical support are the core requirements from a combination of campus and private resources.

Given the current operating budget conditions, it will not be easy to develop new resources for improved plant management. And, as noted above, the expected focus for construction activity in the intermediate term is volatile, renovation and deferred maintenance-oriented work, the priority will be to develop the plant management capacity. The shortest and most effective route to meet that priority is to extend the evolution that has already occurred in the blending of FPC and campus plant units and to integrate the two. The immediate problem will be at UAF where the blending has not occurred and where the internal plant management organization is not consolidated. Now and in the long-run, the campus executive must be held responsible for proper maintenance of the plant under her or his responsibility and for the following of University policy in that regard. Unless this principle is developed, plant management will continue to be one of those areas where it is difficult to place clear responsibility and where plant upkeep may be a convenient place for illusory savings.

In the case of the Statewide Administration, capital budgeting and risk management can be performed by general management units with support from Statewide and campus facilities expertise.

The recommendations that appear below are not an invitation for the facilities development and maintenance programs to be decentralized to units below the regional University level. Facilities development and plant maintenance areas are classic objects for complaint about timeliness and cost. Building and maintaining an institutional facility have different characteristics than commercial building in infrastructure impact, in terms of special educational needs, and in life and safety code requirements. The campuses require a coordinated discipline to assure the proper pursuit of these special requirements.

There may be operational savings involved, but the principal interest is in creating the most effective approach for proper management and preservation of the University's physical assets and stronger on-campus advocacy for the needs of the plant. The balance lies with greater campus control of the day-to-day construction, renovation, and maintenance activities.

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Much of the FPC budget is supported by levies on projects (i.e., a tax on the capital budget), so a reduction in staffing will not have a direct impact on operating requirements. The recommendation may actually move more cost to the operating budget, but the support of correctly scoped and sized plant development and maintenance may be one of the best investments that the University could make.

RECOMMENDATIONS

1. Design a core Statewide Administration facilities planning and construction unit to develop and maintain Regents policy, oversee campus planning, support professional services procurement and maintenance and documentation standard setting to be funded by the general budget (some of the maintenance standards function could be handled through coordination of campus resources); place this unit within the Statewide Finance organization.

2. Merge regional FPC offices with campus physical plant organizations with the residual organization having appropriate level of in-house engineering talent for the respective plant. Under oversight of the Statewide unit, delegate construction oversight through the campus chancellors to campus physical plant organizations; and other aspects of the construction management process (e.g., construction accounting) to the campuses (UAS construction accounting could be handled by another campus); examine increased use of private resources for support of construction oversight;

3. Assign capital budgeting to the resource allocation function of the Statewide Finance unit (or wherever the proposed resource allocation unit reports).

4. Consolidate Educational Real Estate function with Land Management within the Statewide Finance unit.

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C. Finance and Business Operations

The financial operations of the University of Alaska have evolved into an amalgam of Statewide, campus and academic and administrative unit resources. Beginning with the financial rescue operation of the late 1970s and continuing into the present, an aura of control and regulation exists on the surface of financial management. The financial policy and transaction systems are patchworks that require good will and regular crisis management to keep the lid on. One of the consequences of the evolution is a disjointed operation that leaves managers and staff unsure of where the locus of responsibility is on any given matter. Purposeful transfers of responsibility from Statewide Administration have occurred (e.g., regional payroll), but these transfers do not yet reside in a full understanding of administrative direction for the institution.

If the University of Alaska desires to improve management at all levels, then the stream of financial activity from budget making to financial reporting requires clear articulation and the application of appropriate professional talent and management tools. The financial management system should be a reflection of the management philosophy of the institution augmented by fiduciary requirements.

In addition to general accounting policy and systems, specialized accounting (e.g., research accounting) and payroll and benefits administration, the finance-related areas in which the University requires competence include the following:

1. Budgetary/resource allocation and operating and capital budgets;
2. Treasury/Debt Management;
3. Financial/Human Resource Systems;
4. Student and other accounts receivable;
5. Internal Audit;
6. Risk Management (included here as it is in part a financial operation);
7. Procurement; and
8. Auxiliaries.

The shift by the Legislature to a single appropriation has accelerated the University's requirement to build a different kind of general and financial management system. That is, the rationale for resource allocation and the accountability for resources takes on a very different light from a line item approach. The appropriation style shift (and the reduced level of support that it represents) is connected with the University's need to diversify its resource base (research and service, philanthropy, tuition increases). The two dynamics together push the University to a structure that creates and supports management capacity throughout the System as opposed to one of second guessing and line item control. Making that jump is extremely difficult, and the shift cannot be effected without solid management tools in place and without a major attitudinal change by managers and staff throughout the University. Dealing with resource allocations as a narrow, solely financial activity is no longer viable for the University.

Resource allocation and budgeting (operating and capital) have been elevated to a major decision process by the times. Resource allocation and budgeting can no longer be considered a mechanical process of accumulating line item requests. Most importantly, in the future, effective resource allocation and budgeting are fundamentally tied to including all sources of University revenue and all expense into a full dynamic system and building the structures and understanding to support such a system. The principal issue in this regard to date has been making projections for non-state appropriation revenue high enough so as not to require mid-year budget amendments.

Further, the relationship between operating and capital requirements will be heightened in the future. Determination of capital needs will be more than developing a list of building projects. All of these demands add up to more capacity and skill for academic program and support services planning, for resource allocation and for management structures, tools and incentives that allow decision and action at the appropriate level.

A beginning has been made in the building of financial models that brings out basic resource allocation questions and deals with rough notions of institutional capacity. At present, the models are staff products. These models need to become vehicles of consensus building with agreement sought on parameters and methodology.

Both the Statewide Administration and the campuses need planning, resource allocation and analytical skills. As noted in the Overview section and the section on Academic Affairs, there are several specific beginnings that can be made that will move the University toward a management oriented resource allocation system that will complement the required State executive/legislative process that dominates current budgeting:

1. Separate the Statewide Administration budget into executive and service categories and treat the service category as an allocation to the campus budgets;

2. Develop budgets for academic programs with a Statewide character through internal consortium agreements; and

3. Use the allocation of federal indirect cost recovery to reflect research development and support accountability.

The shift to the NCHEMS functional categories as the basis for the general fund appropriation allows sufficient flexibility to develop University resource allocation approaches that promote University-wide integration where it is appropriate. The functional approach allows the display of the relationships among the principal program and support areas without having to worry about balancing to the penny various objects of expenditure. In the end, the expenditures need to resolve themselves to a specific operating budget for management and accountability (and recognition of where in the State the money is being spent), but the budget face to the state, where it is possible, should move toward broader representations. A properly managed budget means shifting of resources to meet changing needs, revenue shifts, etc.

Whether the University of Alaska can or should move to a full responsibility-center resource allocation model is a question, but movement in that direction is definitely recommended. The strategic changes inherent in responsibility center budgeting are a more visible accountability for revenue generation and a more direct relationship between primary and support activities. The University of Alaska's situation adds the handling of matrix management which requires a responsibility-center approach and where "revenues" are the allocations to campus budgets.

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There have been attempts to provide budget flexibility to the campuses. This move, however, has been dampened by continuing line-item oriented reporting requirements from the State. The development of a robust and effective internal resource allocation process could be the vehicle to convince the State to relax some of the detailed reporting. At present, a mixed message is being delivered to campus and unit managers.

As a start, the Statewide Administration should reconsider its planning and resource allocation executive and staff structure. Increased involvement, formally and informally, of the Vice President for Academic Affairs in resource allocation is necessary to balance the historical "control" aura of budget making and budget administration. Resource allocation is not solely a financial activity.

Capital budgeting needs to be related more closely to operating requirements and become more than a listing of capital projects, especially in consideration of physical infrastructure needs and also capital for information technology. The combination of the general resource allocation changes recommended and a new perspective for capital requirements suggests a new resource allocation staff organization at Statewide, probably, but not necessarily, located under the Vice President for Finance.

RECOMMENDATIONS
1. Make the shift from a "budgetary" to a "resource allocation" mode by a redesign of resource allocation processes/models and staffing; begin with specific areas such as centralized service budgeting and indirect cost recovery allocation;

2. Encourage the State to recognize the management-oriented resource allocation approach as it is developed by relaxing detailed reporting requirements other than annual financial statements;

3. Move to include revenue and expenditures from all sources into the University's budgetary economy;

4. Continue movements toward budget flexibility for the campuses;

5. Revamp capital budgeting and assign to a new Statewide resource allocation unit; and

6. Transform the current staff produced budget forecast models to focal points for broader financial planning decisions.

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Treasury/Debt Management

Given the institution's size, the treasury function (long-term investments, cash management and banking relationships, disbursements) is better suited to a consolidated central operation. What may be needed, however, is a more complete system of incentives to the campuses that motivate campus administrations to do better jobs of collecting revenues and disbursement management (responsibility center budgeting would support such incentives). The planning for the financial reporting systems (FRS) cited below can also sharpen the thinking about this area. There may be staff additions in the investment area that could bring a profitable return to the University.

Related to investments is the management of debt. Again, there is no need for more than one resource for this purpose, and that resource should be located at the Statewide Administration. In the future, the appropriate use of debt (especially for capital requirements) may fit better with a University economy that is oriented more heavily to more than the general fund. Oversight of investment managers for The Foundation fits here.

Organizationally, these two functions can fit together in a unit within Statewide Finance.

RECOMMENDATIONS

1. Review policies and practices on distribution of short-term investment earnings to increase incentives to the campuses for improved collections and disbursement management.

2. Create a treasury/debt service management unit within Statewide Finance in order to enhance investment return and support the prudent use of debt.

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Financial Services and Related Systems

The Controller's Office in the Statewide Finance organization is one of those places where unsung work is done day after day and where the campuses look for help when they can't handle a problem. The combination of trouble shooting, budget making and budget administration responsibilities, management of administrative systems developments, general accounting, indirect cost studies and negotiations, benefits administration, investment management, and other duties within the Controller's operation suggests strongly that this area is the catchall for problems and functions not handled well elsewhere. Underdeveloped Statewide functions in human resource management, narrow views of budgeting and resource allocation, and emerging campus financial functions add up to a great deal of pressure for this unit to pick up slack for areas that are not able to do the work.

In the long run, the underlying catchall philosophy will not work, and unbundling of some of this responsibility needs to begin. The University has put the people operating these functions in an untenable position, and has created a vulnerability for itself in terms of coverage of required functional competencies.

The reformation of resource allocation, capital budgeting and the possibility of responsibility center budgeting and the recommended organizational and staff developments would leave budget administration to the Controller's Office, but general fund requests, general budget guidelines, and the development of partial or full responsibility center budgeting would be shifted to another unit.

Another transfer of responsibility can be in benefits administration with the rejuvenation of the Statewide Human Resources area. Early discussions should be held to consider movement of that function and, similarly, pension administration could be moved to Human Resources. Both transfers would build up the critical mass of that function.

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A more major step can be taken in the administrative systems area for systems other than financial systems. The Controller's Office can and should continue to be the institutional owner of financial systems and policies, but the more general role of ASCO (Administrative Systems Coordinating Office) needs to be changed to articulate more clearly the Controller's responsibility and to place responsibility for other management systems where it belongs.

Our understanding of the origins of this division is that it was born from a dispute between the financial users community and the computer center, i.e. a lack of service. Our interviews indicated that the Office has been crucial for the implementation of the Human Resource System and is considered so for FRS and FPR. Nevertheless, the criticism, which appears to be well founded, was basically structural, and somewhat independent of performance.

The primary concern was that ASCO blocked communication between the users and the computer center staff, and we received such complaints from both sides. To a great extent, this was the mission of ASCO, to filter user requests for prioritization and translate those requests into intelligible instructions to the programming staff. ASCO has probably done a credible job of performing this mission, without thanks. However, ASCO appears to be a manifestation of a larger problem which was not addressed, and, as such, appears to be out of place in a new environment of cooperation between the UACN, the "sponsors" of administrative systems (such as the Controller's Office, the Human Resources Office, SWOIR, Procurement, the campuses, etc.), and the ultimate on-campus users of administrative software systems. ASCO staff admitted to us that the HRS implementation was distinctly skewed toward the financial (payroll and labor distribution) side and probably did not attend sufficiently to the personnel aspects.

We caution the University that it should be very careful in addressing any restructuring of the personnel in ASCO while there are very large system implementation issues looming, but, in fact, ASCO carries more responsibilities than should be entrusted to a division of the Controller's Office in the long run. ASCO seems to do at least three major things.

1.   It serves as the data quality filter and security office for the administrative applications under the Controller. These are valid needs and functions for the Controller's Office and should likely remain there.

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2. It serves as the systems analysis staff for Statewide financial applications, working with users to determine their needs, then converting these into instructions to UACN programming staff. While it is desirable to have well-informed and articulate users, it appears that the Controller's Office has gone overboard here. We believe the University will be served better over time if this function is materially transferred to Statewide administrative computing and made available to all types of users, not just those in the financial realm.

3. It performs ad hoc inquiry and general reporting in the financial area, including the ability to write programs in the Culprit inquiry program which is rare and coveted in the University. Again, this is a valid need for the Controller's Office, but is just as valid in Personnel, Academic Affairs, Development, and the like.

Several of our clients have ended up with haphazard, uncoordinated, and expensive approaches to ad hoc reporting. We believe that the University will best be served if it has a central repository of skilled staff in this area, and recommend that the University consider transferring this function to Statewide Institutional Research or perhaps the Statewide administrative computing staff.

HRS has been implemented multiple times over the past five years at a very large cost in time, energy, and dollars, with the only result being that the University is able to produce paychecks, which it could do before HRS. We made sense of this comment by understanding that ASCO had steered the implementation toward payroll and labor distribution, not surprising for a division of the accounting and payroll offices. ASCO did not insist that data, procedures, and reporting for human relations be markedly improved in the process. So, from a human resources standpoint, it is possible to understand that other users believe they have received no benefit from all of the time and energy (however, new leadership in human relations is changing this quickly). One of our informal suggestions during the field work was that ASCO use its Culprit talent to develop quickly a capacity to extract the top 100 (an arbitrary number) data elements of interest to human resources, by campus, and download these to campus VAXes or file servers or PCs for manipulation by campus personnel. Such an action might pay off quickly for all concerned.

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The residual Controller's function would be financial systems and financial policy oriented, possibly including Treasury/Debt Management, but would remove the catchall impression. The temptation to recreate a similar grouping will be great, and, in the short run, would look cost effective. The University of Alaska needs are outstripping this sort of solution.

The matter of campus resources in finance and budgeting relates to the changes made at Statewide. The matter of decentralized resources at UAF was introduced above, and our impressions are that the financial functions are operating satisfactorily at UAA and UAS (at UAS there is often difficulty in meeting financial policies that relate to separation of duties because of the relatively small staff). UAA must deal with issues of scale of the operation.

A large part of the financial management question is wrapped up in the current work on the implementation of a new automated financial reporting system (FRS), the functionality it will bring and to what levels the functionality will be distributed. To the University's credit, this process has from the outset been participatory, but the process is operating at a loss because a clear management approach is not being articulated (management and resource allocation systems as noted earlier in the report).

An assessment of financial management needs from all levels of the University has been produced, but is as yet unanalyzed. When this assessment is evaluated, it could be the basis for a review of financial policy, responsibility and authority, but it will be incomplete without a broader philosophical template on which it can draw. This process should have occurred before the selection of software in 1983, but it is healthy that it is happening now.

A practical starting point may be closer liaison among the Vice President for Finance and the campus chief administrative/financial officers on executive management requirements in financial management/reporting. A second step lies within the UAF program review in terms of determining the level of decentralized resources. In the end, there may be some savings in the financial management area. The thread is too tenuous at this time to make any definitive recommendation, except that the FRS implementation be viewed first as a setting of financial management and reporting responsibility and secondly as creating the tools to support to fulfill the responsibility.

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RECOMMENDATIONS

1. Refocus the Statewide Controller's Office on financial systems and policy by transferring unrelated responsibilities to other units (principally HR, but also Resource Allocation and Administrative Computing);

2. Create a Treasury/Debt Service Management Office within Statewide Finance reporting to the Vice President or to the Controller;

3. Transform the FRS implementation process to first creating a financial management architecture for the University of Alaska;

4. Bring the Vice President for Finance and the campus administrative/financial officers together to provide leadership for determining the financial management architecture and to begin to rebuild credibility in financial reporting;

5. Defer major changes in Statewide/Campus financial responsibilities until such time as the architecture and the tools to support it are fully understood.

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Internal Auditing

As the University considers moving to supporting more management at the campus and unit level, the issue of auditing comes to the fore for at least six reasons:

1. Philosophically, evaluation moves from checks of transactions before they are allowed to assess the effectiveness of management and control systems after the fact;

2. More dependence on information technology is inevitable and understanding of the workings of automated systems as they are implemented and when they are amended is mandatory for evaluation (the University's current internal audit staff does not have EDP auditing capacity);

3. The University's academic and administrative business will become more complex in the future in terms of multi-campus and contractual arrangements;

4. The University's managers will need help in adapting to a new environment of managerial responsibility;

5. The University's legacy of management problems dictates special care and support when moving on to new ground;

6. The Board will need more involvement in audit issues and should consider establishing an Audit Committee to meet current practice in higher education.

Institutional executives (Statewide and campus) will need to be involved in the development of audit objectives and in the preparation and adoption of an audit plan as part of their own accountability systems.

Auditing as it is contemplated in the future will require a broader stance than detailing what could be done better. The auditing function will need to match the managerial design and the institution's complexities.

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RECOMMENDATIONS

1. Design Board involvement in auditing with the possibility of establishing a Board Audit Committee.

2. Examine the shifting role and determine appropriate staffing for the future; and

3. Acquire EDP auditing skills;

4. Develop an annual audit plan.

Risk Management

At the Statewide level, the Office of Risk Management is responsible for University-wide functions including:

1. Consultation to the campuses on environmental health and safety, property/casualty insurance, etc.;

2. Tracking and monitoring of workers' compensation and unemployment compensation payments;

3. Records management (for Statewide and UAF);

4. Charge-back policies to campuses for risk management services including outside legal counsel fees and appropriate deductibles; and

5. Providing a source for risk management professional development funds to the campuses.

The risk management function seems misunderstood, especially in the method and communication of charge back fees to the campuses. The principal problem (most times a high grade problem) was the return of funds to the campuses from years where claims experience was favorable). We are aware of increased efforts by the Vice President for Finance to provide forums for discussion of these charges. In general, we believe that risk management must be considered as a normal "cost of doing business." On the other hand, the campuses must be kept informed in a timely manner of changes in charges.

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There is strong evidence to suggest that there is a clear-cut delineation of the organization and management of Risk Management with minimal and/or no overlap of responsibility among Statewide and the campuses. At the System level, Risk Management reports directly to the Vice President for Finance, and at the regional campus level, Risk Management reports directly to the chief business officer. Additionally, it is worth noting that the assessments to the major administrative units have been held at $1.9 million annually for some time, with workers' compensation held at 9/10ths of 1% of payroll, and the loss prevention budget at $285,000 annually. As the risk management function matures, loss prevention might be reassigned to the campuses as part of a more comprehensive responsibility center approach.

Radiation safety programs are presently conducted outside of Risk Management with some degree of coordination. A contemplated vacancy provides the opportunity to merge radiation safety into Risk Management. Consideration should be given to taking advantage of this opportunity to develop a more cohesive organization. Claims activities for UAF are handled by the Statewide offices.

RECOMMENDATIONS

1. The necessity of maintaining a central storage records management function should be evaluated. Currently (for Statewide and UAF) more than 1400 boxes of information are stored, but there has been some recent decentralization of those records back to their "owners." While the microfiche back-up to personnel/payroll master computer tapes must continue, the paper storage of records centrally should be reconsidered by the Vice President for Finance and his campus counterparts; new technologies (e.g., CD-ROM) should be considered to replace microfiche (this effort could possibly be coordinated with one of the other central processing centers recommended above);

2. A review of the claims processing procedures for Workers' compensation claims throughout the University should be considered. Currently each campus unit submits individual claims directly to the State. Ensuring that employees who lose time from their jobs due to injury are handled with a personal touch deserves additional study. Centralized reporting by Statewide to the State should be considered in this admittedly complicated and technical area.

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3. Linkages should be established between Risk Management and State-wide Human Resources especially in the area of workers' compensation claims and individual attention to claimants, and in unemployment compensation procedures to coordinate possible "return to work" offers of individuals drawing Unemployment Compensation benefits. Potential cost savings in both areas appear possible.

4. For major capital planning projects, Risk Management should have a staff advice role in the initial capital planning stages.

5. A dotted line relationship should be established with the Vice President for Academic Affairs for environmental health/safety issues involving faculty.

6. There is some evidence of overlapping jurisdiction in investigating environmental concerns among Risk Management, Physical Plant and Facilities Planning and Construction. Apparently calls are inconsistently directed to one of the three offices which, at times, results in the expenditures of duplicative effort. One unit should be identifies as the primary source of environmental complaint/problem referral.

Procurement

In the area of Procurement, or purchasing and contracting, we recommend substantial decentralization to the campuses that would likely require statutory changes. In a system as small as the University of Alaska, yet with very diverse and geographically dispersed campuses, we can make no argument for the creation or maintenance of a large central office staff to do procuring for the campuses. Quite the contrary, we believe that procurement functions need to be carried out close to the actual activity, albeit within the framework of Statewide guidelines. Remoteness from that activity tends to breed the worst kind of bureaucracy, where there is no trade-off between performance and the letter of the regulations. The University already recognizes this need in operations such as the Geophysical Institute, where responsiveness at locations across the globe is reflected in relative autonomy from normal procurement channels. They should be viewed as a model rather than as an exception.

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The Statewide Chief Procurement Officer (CPO) contends that the University has a duplication of effort at each campus to write contracts for the same types of procurement, such as custodial services, long distance phone service, software licenses, certain library purchases, automobiles, fuel, copiers, and fax machines. She believes that this duplication could be reduced if all such procurement were put under one office. She also believes the campuses do not have the expertise to carry out the contracting function appropriately and that some contracts could be managed better with more attention to the post award phase. We do not disagree.

Current levels of delegated procurement authority vary from $200,000 at UAA to $100,000 at UAS and $100,000 to the UAF Contracting Office plus delegations to Library Directors, to Facilities Planning and Construction, etc. However, there was a general admission that there are areas of expertise and knowledge in contracting where the campus personnel do depend on the staff of the CPO. There were also reported incidences where the staff of the CPO seem to have overstepped their boundaries greatly.

Our experience leads us to conclude that all purchasing and contracting authority should reside on the campuses under the primary responsibility of the chancellors. By pulling together the staffing and expertise of campus personnel, locally stationed FP&C, and locally stationed CPOs, we believe that the campuses will have the critical mass for effective procurement and sufficient staff for purchasing and contracting. Recognition of special academic-related procurement needs will also be effective at the campus and the temptation to substitute for competent academic judgment would be reduced. However, we recommend that Statewide consider assigning aspects of procurement specialties among the various campus offices to gain the benefits of specialization and to avoid the duplication of effort raised by the current CPO.

For example, it seems perfectly clear that expertise in contracting with the federal government for the performance of research is mandatory at UAF, and much less so at the other campuses, so that the University would benefit most if the necessary expertise is located at UAF, but available for consultation Systemwide.

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Other specialties, such as construction expertise, might be located at UAA, or there might be a decision to locate all major contracting and all "coordinated purchasing" at one campus along the lines of a "first among equals model," with the Statewide budget paying that campus specifically for this service, to ensure that the capacity is maintained in the face of local budget pressures and that the capacity specifically meets the service needs of the other universities. Likewise, Statewide may need to "pay" UAF to carry out procurement for Statewide.

Additionally, we believe that technological developments will make it easier for the campuses to share expertise and experiences in procurement. It makes good sense for every campus to avail itself of the opportunity to secure the best goods and services at the lowest price, and to be efficient and economical in the operation of its procurement activities. With the expansion of System-wide electronic mail, it is relatively simple for each campus to place its major contracts in a special file accessible by all of the procurement personnel. The appropriate paperwork for any particular type of contract could be downloaded and used locally. Likewise, the purchasing component of the IA FRS/FPR software package should allow campus procurement officers to see what recent commodity bids and purchases have looked like on other campuses (the commodity tracking and bid tracking modules). So long as the campuses have an economic incentive to use the same suppliers, combine bids, etc. they should do so; there should not have to be a separate Statewide office to make them do so.

However, it is appropriate for some Statewide officer to be assigned "programmatic authority" over the purchasing and contracting function to "convene" the campus personnel on a regular basis to discuss trends, problems, opportunities, technological support, and the sharing of workload, and to help ensure that the campuses are taking the appropriate responsibility for procurement. A Statewide authority would likely be needed to handle vendor appeals. Beyond this, there is the audit function, currently carried out by the Internal Audit Office, the State Legislative Audit staff, the University's external auditors, and audit staff from the federal government, all of which should be enough to assure less worry about improper purchasing.

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In summary, GKA believes that:

1. Additional decentralization of purchasing/procurement authority should be given to the Chancellors; absent a change in the statutes, increase coordination through assignment of purchasing specialties to the campuses on behalf of the whole University;

2. Enhancement of computer technology and sharing among campuses should be promoted;

3. Some "programmatic authority," vendor appeals and coordination should be maintained at the Statewide level; and

4. The University should attempt to get itself exempted from the Procurement Act.

Auxiliaries

For purposes of this discussion, auxiliaries include areas of the administration that generate or can be expected to generate their own revenue, including:

> Housing
> Food Service
> Student Centers
> Bookstores
> Vending Operations
> Printing
> Parking
> Telephone Service

In order to provide for efficient management, the campuses should retain daily operations of their auxiliaries. Statewide should maintain broad fiscal oversight in a consultative mode where appropriate. Some recommendations we would make in this area are:

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RECOMMENDATIONS

1. The campuses, wherever possible, should consider administratively placing supervision of their auxiliary operations through their chief finance/administrative officer. While auxiliaries are there to provide support and service, attempts to generate self-supporting revenue should not be overlooked. Careful fiscal oversight, coupled with a customer-service orientation, can result in a productive auxiliary service balance.

2. The Vice President for Finance should take the University-wide coordination role of bringing together auxiliary directors by area (bookstore, housing, etc.) on a periodic basis to promote sharing of ideas and professional development. Statewide should take the coordinating role in determining whether University-wide contracts in areas such as food or telephone service would be cost effective and efficient.

3. The campuses should review all auxiliary operations to determine whether individual units are self-supporting and examine the need for on-campus service versus utilizing community resources. (For example, if printing services are available in the community at equal or less than costs available on campus, then consideration should be given to moving to off-campus vendors for services.)

D. Human Resources

As is the case with all institutions of higher education, the University of Alaska spends the majority of its institutional expenditures (more than 65%) on its people—the faculty and staff who provide the instruction, public service and research in support of its educational mission. Managing its most important asset presents the University with challenges due to geographical diversity and the necessity to provide competitive and cost-effective compensation programs encased in a positive working environment.

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With more than 5000 employees, the University is a major employer within the State and must, at the same time, compete for faculty and senior administrators on a national basis. Nothing during our review would alter the statement made in the FY 93 President's Proposed Budget: "The University faculty and staff compensation package continues to be nationally non-competitive, thus creating enormous difficulty in acquiring and retaining adequate staff and faculty." In a tightening economic climate, careful and prudent management of human resources and the resultant policies take on a heightened significance.

Whether it be a large international employer or a small private college, the management of human resources in most organizations can be divided into six main areas:

1.   Wage and Salary Administration
2.   Benefits--Programs and Administration
3.   Labor Relations
4.   Employment
5.   Faculty and Staff Relations
6.   Training and Professional Development

Whether these functions are carried out by one individual or by separate departments geographically dispersed, all must be accomplished as effectively and productively as possible. There is no one model that is necessarily better than another to carry out all of these functions and the University, therefore, should adopt or amend its current structure as necessary.

It is our judgment that Statewide needs to have overall University responsibility for four primary functions in the human resource area:

1.   Benefit programs and benefits administration;

2.   Compensation policies and University-wide salary schedules;

3.   Labor relations; and

4.   University-wide personnel and affirmative action policies due to regulation/law or to maintain equity across the System.

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Each campus has adopted its own method of human resource management delivery with Statewide attempting to retain some sense of policy oversight without wanting to "control." The results are that the whole is not the sum of its parts and the parts are not providing equivalent service to the campuses. This imbalance is an issue for Statewide concern.

UAA, for example, has developed a centralized human resources office offering "one-stop" assistance to departments and external applicants. UAF, on the other hand, has completely decentralized the employment function and operates more as a central processing office. Because of its size, UAS has been able to combine its human resource operation in one person who manages other functions in addition. Statewide (with its own group of more than 200 employees) not only manages its own personnel operations, but also has oversight of the Human Resource Information System (HRIS), compensation schedules and policies for the system, and all benefit programs.

It would be inappropriate to suggest that one style at a particular campus location is better than another as long as it "works." Regretfully, the HRIS is not producing management reports that are useful to the campuses and the campuses have an extremely difficult time in accessing the data via CULPRIT in HRS for their purposes. This creates frustration, needless requests for centralized information, "back-up" campus files to run quick internal reports, and mistrust of the central data function.

Promoting continued decentralization of campus personnel operations (to school, institute or major administrative divisions) will necessitate strong campus personnel operations responsible for day-to-day personnel activities on the individual campus and their extended sites. UAF has recognized that improvement is needed in the area and has recently established, in conjunction with Statewide Human Resources, a joint committee to improve delivery of services.

Statewide itself is a personnel unit with employees and therefore has its own "in-house" personnel director similar to each campus. Not only does the Statewide/UAF joint approach offer timely opportunities for reevaluation of the necessity to have two personnel operations in Fairbanks, but it also could demonstrate the ideal cooperation possible between a campus and its Statewide "human resources."

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There is acknowledged effort at the Statewide level to bring together the top Human Resource individuals to discuss matters of mutual concern. Even though there was an Acting Executive Director of Human Resources at the time of our review, efforts were underway at the Statewide level to address some long-standing issues in the classification and benefits areas drawing on the expertise of those on the campuses for guidance and assistance.

The necessity for the University to reevaluate its benefit costs, especially in light of salary competitiveness problems and huge cost increases (especially in health insurance now approaching $14 million annually) cannot be over-emphasized if the University is to prosper and become competitive. Most major institutions of higher education have addressed the benefits question within the last decade, and have adopted benefit cost-sharing with employees. Current efforts at Statewide in this regard should be continued even though any change in the "cradle to grave" benefit coverage now offered by the University is sure to meet resistance unless the University community understands what they now have, how much it costs, and available alternatives to cost-share in the future.

The University does not have a centralized professional development/training department. Management training is non-existent on a Statewide coordinated level. Tomorrow's leaders are today's supervisors. Providing no training is shortsighted and bad decisions, especially where people are concerned, cost hard dollars. One can only assume the budget situation has prevented the establishment of even the most rudimentary professional development courses. On the other hand, especially in times of institutional change, as managers and supervisors are asked to stretch themselves and find new ways of being even more efficient and productive, training assumes new importance. Providing a core training function would undoubtedly assist in employee relations matters and complement the University's need for managers who are knowledgeable and sensitive to today's contemporary work force.

As we mentioned in the introduction to this Report, the labor relations situation carried over from restructuring continues to strain the creation of a positive working environment, especially in Anchorage. Currently, due to its long history, the labor relations function is the responsibility of the General Counsel. We would hope once the labor relations situation from restructuring is finalized that on-going responsibility for labor relations policy should become a function of Statewide Human Resources in consultation with the General Counsel.

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Understanding, evaluating, and managing the impact of the recently enacted early retirement options for University faculty and staff will be critical. Should large numbers of senior administrators retire, there will be opportunities not now available to reevaluate position responsibilities. The concern will be that individuals with significant institutional memory will not be replaceable and therefore may need to be augmented with additional personnel rather than a one-for-one replacement.

RECOMMENDATIONS

With these comments in mind, and based on our interviews and analysis, we are able to make specific recommendations and observations concerning the management of the University's human resources:

1. Consideration should be given to the merging to the UAF/Statewide personnel day-to-day activities into one unit given responsibility to operate both.

2. Statewide should maintain clear centralization of wage/salary schedules with appropriate updating of salary minimums to maintain competitiveness as budgets permit. Campus decentralization of individual classification assignments within an understood compensation system should be encouraged.

3. Statewide oversight of benefits should be maintained and strengthened. Cost-sharing alternatives of the current benefits program must be investigated. Consideration should be given to moving Benefits Administration and Pension Administration from the Statewide Controller's Office to Statewide Human Resources to promote accountability and effectiveness, especially as benefit programs come under increased scrutiny.

4. A University-wide benefits committee should be established. This area often is extremely complicated and, therefore, a smaller group of well-respected faculty and staff will improve communication with the campus constituencies and provide an additional informed source for information.

5. The Executive Director of Human Resources should consider establishing an overall "Human Resources Support Group" or mechanism to receive broad-based input and feedback on personnel issues (especially in the staff area) prior to implementation (excluding items covered by the Benefits Committee noted above).

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6. Consideration should be given to the development of a first-line and middle manager training program for University staff, taught either by faculty or current administrators so delivery costs can be kept at a minimum.

7. A general review of Statewide personnel policies impacting the campuses should be undertaken by Statewide and determinations made as to their efficacy and necessity. If the policies do not "add value" or are not legally required, they should be reconsidered.

8. Mechanisms to communicate with all University employees by Statewide Human Resources on a regular basis should be examined. Here again, the importance of E-mail access emerges.

9. HRS needs to produce useful management reports for campus use in the management of their daily operations while providing appropriate management information to Statewide.

10. The University should use the retirement window to fashion succession plans for critical areas to ensure coverage, operational effectiveness, and replacement hiring with minimum interruption.

While we were not specifically asked to review affirmative action on the campuses or Statewide, we found that the University has intricately woven the hiring process with affirmative action representatives "sign-off." We have two observations:

1. There is a need for the clarification of the Statewide/campus role and interface. There may not be a need for a full-time Statewide Affirmative Action Office.

2. Campuses should consider identification of "special effort" searches for attention of selected openings rather than attempt to spread affirmative action energies among all available job postings. Success should be measured by hires, not by paperwork. While it is important to have an affirmative action component in every search, narrowing and targeting specific positions for "special effort" may enhance successful outcomes.

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E. Administrative Computing/Information Technology

While Information Technology was not an explicit charge within the scope of the University of Alaska System's RFP, a meaningful discussion about Administrative Computing is only possible within the context of the institution's and campuses' technology infrastructures. In addition, the state of information technology is often the critical factor for many organizational and economic considerations.

Activities and Expectations

As the application of technology to computing, communications and information storage, access, archival has evolved, so has our understanding of the essential information technology activities that allow the organization to maximize its effectiveness. At a minimum, information technology in the educational institution must today address:

1. Execution of timely, cost effective, and automated business management systems. For a university this includes software addressing:

   a. Finance and Budgeting
   b. Investment
   c. Purchasing, Bidding, and Payables
   d. Personnel and Payroll
   e. Alumni Tracking and Development
   f. Student Records
   g. Class Scheduling, Registration, and Receivables
   h. Grants Management
   i. Property and Asset Management
   j. Operation of auxiliary enterprises
   k. Maintenance and operations including trouble tickets and work orders.
   l. Environmental control
   m. Security

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2. Provision of foundation systems to support instruction and research, including:

   a. Library Cataloging, Circulation, and Acquisition

   b. Statistical, numerical, simulation, data base and graphic tool libraries

   c. Intracampus telephone and data network communications linking faculty, administration, and students with the library, computing center and other campus resources (including Email, Voice Mail, Bulletin Boards, Video, etc.)

   d. Electronic gateways to external computation and information resources

   e. Programming Tools

3. Maintenance of an open and universal information transfer and archival framework including:

   a. Telephone service for faculty, students, and administration
   b. Computer resources, systems programming, and security to support 1. and 2. above
   c. Video downlink, recording, distribution, and interconnection service
   d. Image capture, access, and transmission
   e. Multimedia access and transmission
   f. Electronic connectivity for all faculty, students, and administration

With a product life cycle that varies between three and five years for most of the hardware and less for much of the software, information technology has a formidable organizational and planning requirement to ensure that the institution is able to execute its mission flexibly, competitively, economically, and effectively. The strategic vision for information technology at UA needs to comprehend library, Distance Learning, instructional, research and administrative uses in order to take best advantage of the major networking and computing investment that the University will make as a matter of necessity.

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Management Information Systems

The area of automated management systems is an important case for understanding the relationship between investments to achieve a management improvement and the resultant return on the investment. The critical intent of any management improvement is who the beneficiary is to be. For there to be meaningful contributions to overall institutional functionality, the system must benefit the users who make the day-to-day decisions. The University of Alaska has not had good success with this objective for many of the automated management systems appear to the users as not having been implemented for improvement of services to them, but more as top down control and reporting instruments for central administrative offices. The deployment of Information technology has therefore not been successful in significantly improving management productivity or the working relationships between campus and central administration. Part of the proof of this statement lies in five observable consequences:

1. The major administrative systems, excepting the Student Information System, are "owned" (in the sense of handling reports, security, parameter decisions, corrections, etc.) by one office in the Statewide Administration, and that office (ASCO) has established itself as the broker of user needs vis-a-vis the operation of those systems;

2. There is a heavy demand beyond the official administrative systems for departmental systems to do their "real" work and to ensure timely information for this purpose;

3. Reports from central systems are seen as reports to be corrected on the basis of local systems rather than vice versa;

4. The University's use of information technology has not yet dented the required central administration's procedural requirement for use of paper systems;

5. Far too much time and money are spent extending, creating reports for, and modifying software to create systems that implement and enforce current procedures and policies rather than focusing on adapting procedures and approaches so long as the software records institutional activities accurately and in a timely fashion. In spite of extended selection and implementation processes, campus users still perceive the end result as relatively non-responsive to their real needs.

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While it would be easy to lay the resulting problems at the feet of the "administrative and computing" types, the real issue derives more from the informal management philosophy, operating style and resource allocation systems of the University. The fact that there is no discernable declaration of user requirements nor campus management capabilities for the development of management systems mirrors the fact that the University's management "architecture" and mechanics have historically been poorly or incompletely articulated, This may be attributed to the fact that all too often the articulation has been done by people inexperienced in the management of either university or campus systems. The resulting systems typically do not provide effective and locally consistent information across the spectrum of users and interested parties. Nor, as we will note, has a consistent set of economics been put in place to reflect and achieve the desired managerial objectives.

In the best of all possible worlds, before major investments are made in administrative systems, effective and appropriate managerial and service requirements need to be clearly specified and explained to the functional and technical staff assigned to plan and implement the systems. The development of these requirements needs to flow first from a common understanding of the institution's goals and component responsibilities. The reorganization of 1987, the pre 1987 operating style, inexperience, growth, technological overreach and executive turnover all have contributed to the creation of an administrative "no man's land" that continues to retard improvements in productivity and confounds the potential benefits of new tools. In both the broadest sense and very specifically in areas like information technology, a comprehensive statement of the University's charter, responsibilities, long and short term objectives, and policies needs to be both restated and recirculated lest staff be expected to make their own guesses about direction and policy, or be left to draw on their own experience and vision, which may not be appropriate to this university.

Within the University of Alaska as elsewhere, administrative computing and its networking have traditionally been a centralized function, providing management support foremost to the central system administrators and then to all campuses and to all other sites of the system. Here, as elsewhere, documents have been forwarded from office to office to arrive finally at the mainframe, in a review-and-approval process before data entry captures information as part of the administrative systems. When funding and management decision-making were largely centralized at the central system level, this arrangement, its mainframe computer basis, and its posting cycle proved viable. However, as budgets grew, grants and contracts increased,

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and administrative staffs became leaner, more and more decisions were expected from the campus and its departments, the time constraints of the traditional document-flow-and-approval processes resulted in the current administrative systems whose management information content and access capabilities seriously lag the resultant need for campus departmental and college officers to make decisions. With no alternative, campus administrators developed their own local and decentralized management systems. With the advent of microcomputers, this trend has continued with deans and department chairs creating personalized management systems on PCs. Within departmental areas, the PCs of key participants have been linked together in local area networks to allow rapid sharing and coordination of documents, work tasks, etc., the central system having failed to introduce tools and practices accomplish this.

Alaska's current administrative application systems are based on an expiring and resource consumptive technology. With the evolution of the industry infrastructure supporting institutional applications (from mainframe to PCs, LANs, and servers), the viability of most mainframe applications (particularly for remote locations like those in Alaska) is changing as well. Today, Alaska's central administration are deeply committed to the database management system (DBMS) generation of centralized mainframe administrative systems. Several factors have affected the viability of such systems since their adoption by Alaska. Vendors have found themselves unable to sustain the economics of developing, marketing and maintaining a variety of different DBMS systems. The database marketplace, as a result, has consolidated and most of the remaining products now enjoy much more limited support. This is the case with IDMS.

As a result, institutions using IDMS have had to turn to other parties for support or have had to hire their own specialized support staff. The normally difficult Alaska hiring process is therefore further aggravated by having to hire these personnel from a shrinking pool of IDMS experienced labor. Running installed applications under IDMS or most of the other mainframe database systems has always been relatively demanding of resources and of major mainframe investments in ongoing license, maintenance, and upgrade payments (compared to the standard system file architecture or "flat" files). The extraordinary performance growth for micro- and minicomputers has, in the meantime, created a new framework for administrative management support with a substantially lower economic

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rubric. The moral of the story is that this is no longer the time to implement mainframe database systems, rather it is time to be migrating away from them. This is particularly true for databases like IDMS whose popularity and vendor support are both faded.

The problems with the approach chosen by the University are further complicated by the fact that for campus users to realize satisfactory benefits from even the currently installed major IDMS administrative packages (HRS and FRS), further expenditures are required to provide adequate local access to data and reports and to provide the mainframe performance necessary to accommodate the increased user and data volumes. The University of Alaska is therefore not well positioned to accomplish and sustain its stated administrative applications direction without additional expenditures of staff, funds, and time. There is an ever increasing risk of being stranded by the vendors. The University's administrative systems' infrastructure could, in fact, be left adrift with little warning. While the University originally viewed these implementations to be short term (3+ year), interim solutions, the indications now are that the kind of well tested and refined vendor client server packages needed to address the University's multicampus environment may not be suited for implementation until near the end of the century. Thus the applications currently being implemented should not be regarded as a short term, interim arrangement. Rather, they should be considered the sustaining instruments for a critical and extended period (the next 6+ years).

These factors all argue for a reexamination of the IDMS approach to administrative systems for the University of Alaska. As an alternative, the University should seriously consider the advantages of moving to the more enhanced and better supported Information Associates flat file versions for SIS, HRS and FRS. The user interfaces to these systems are very similar. The databases for them are independent and stand alone, making it possible to migrate each application independent of the others. For FRS, users will only see the additional features provided by the flat file release. The implementation and processing involved being very similar. For HRS the conversion of the existing DBMS files to flat files should not require user involvement directly, except to explain additional features and functionality, if it is true that the currently running version of HRS has not been significantly customized (or extended).

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The current implementation of SIS has been highly customized. So much so that it is not supported by IA. There has been discussion of returning to a supportable configuration. IA's flat file version provides much new functionality beyond the features of the original IDMS version. The uncertainty about the exact nature and functionality of the Alaska customization of the SIS system makes a discussion of migration difficulties and options less clear cut, but the accompanying decrease in licensing fees, the ability to run on other (and less costly) platforms, and the more ready access to support resources than would be gained from migrating away from IDMS has direct and near term financial advantages. The more applications that can be off-loaded from the 3090 mainframe to run on micro- and minicomputers, the better the business case. A large VAX minicomputer (which will run IA software) is less expensive than the 3090 upgrade. Transition to the flat-file IA software can allow the University to return to the mainstream of IA support and enhancement. It will provide greater functionality, more features, and more bug free code in packages whose operation and internal programming are both less resource intensive. In addition a complete migration away from the 3090 would simplify the internal UACN staffing and support requirements and provide a much more readily networked environment.

The most costly approach to any campus-wide technology is a random one. Almost as costly, even if initially well planned, is a long implementation since this inevitably leads to midstream course corrections. A transition from IDMS to flat files is no different. The maximum benefits and fewest disruptions will be achieved by quick stepping the transition.

Communications Infrastructure

Background
The University of Alaska Computing Network (UACN) had been the focal point for all networking and computing support. With the emergence of the present three campuses, academic computing was removed from the UACN purview and left to the campuses, in the form of hardware and some staff positions. Telephone services and intra-campus communications stayed on the campuses, and video transmission responsibility was primarily vested in UAA. Inter-site networking and support for the major University administrative systems remained at UACN. However, a broadly accepted vision for either the University or campus communications evolution did not accompany this generalized reorganization.

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Today, telephone service at Fairbanks and Anchorage is provided through campus managed Northern Telcom SL-1 PBXs. Juneau has an aging PBX manufactured by Fujitsu. In general, this service has been extended only for faculty, staff, and administration with the telecommunications staffing and the operation funded entirely by user charge backs. The campuses do not typically provide (and charge back) the residential student for local or long distance calls at any of the three campuses. Tie lines connect the three campuses and a number of the remote sites, but no universal dialing plan is in place between these campuses or between the University and State government. Newer voice technologies such as voice mail or automated attendant have not been viewed as capable of recovering their implementation costs.

On the data communications side, a mixture of very low speed voice grade (analog) lines link the off campus extended site computer users to the administrative main-frames located in Fairbanks. Users at the three campuses have the ability to utilize the State's high speed SNA network to connect to the IBM 3090 in Fairbanks. This framework (even though it extends into campus offices) is considered part of the intercampus networking by UACN. More recently, UACN has put the framework for an Ethernet wide area network in place in Fairbanks and Juneau. Turf issues between UACN and Anchorage, as to the proper responsibility for any local area networking, have inhibited the evolution of a communications infrastructure at UAA and thereby the implementation of connectivity across the major University sites to allow access between local servers and resources on all campuses and their sites which are similarly connected. However, at the present time, all of these services exhibit outages and transmission problems far beyond the level of the norm in other U.S. locales.

These facts highlight the needs for a clarification of the operating relationships between UACN and the campuses and for a more robust (and preferably digital) system-wide network infrastructure. There is a particular need for higher speed, error corrected data linkages. These could be achieved with as upgraded dial-up connections or perhaps through a leased line with multiplexed and compressed voice and data. Connectivity other than the Fairbanks to Anchorage to Juneau linkage is now typically accomplished by a mixture of digital radio, microwave, and satellite links. Most of these are leased from Alascom. While most states will be able to turn to in-ground optical fiber connections in the near future, the University of Alaska can only look forward to a satellite network to achieve comparable state-wide coverage. Recent price decreases and performance improvements may now make it feasible for the University and State together to initiate

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their own satellite linkages using very small aperture satellites (VSAT) to provide both more economical transport and more band-width. Encouraging a consortium with other state and public agencies has the potential to provide better both better data and video connectivity as well as improving telephone performance and reliability.

Satellite video uplinks for academic programming are in place at Anchorage. Materials are produced in studios at both Fairbanks and Anchorage. In addition to standard broadcasts, Anchorage has been a pioneer in video distance learning, having early on developed (and continually refined) the capability to do one-way video, two-way audio presentations. To support the audio portion of these efforts and the even larger number of audio-only educational and public service conferences to outlying areas, UACN supports an Anchorage-based, audio conference bridging service, the Alaska Teleconferencing Network.

Video conferencing, on the other hand, is not utilized by the University or campuses even though the required bandwidth (and hence transmission costs) is several fold less than full motion video. In a related effort, UACN has been testing the effectiveness of utilizing a bridged, digital graphics service (developed by Bell Northern Research) which links users with audio and links the display screens of their PCs using a standard telephone grade line to each. Good resolution pictorial and diagram materials may be shared, annotated and discussed in this fashion which provides a sort of mutual electronic "blackboard" in color. Potential administrative, instructional, staff training, and medical uses of this and more recent related interactive computer, video, and multimedia technologies should be explored.

Interbuilding and Intercampus Networking
As noted, a fiber optic communications backbone is at least partially in place in Fairbanks and Juneau where utility tunnel architectures facilitated installation. The objective of the backbone is to interconnect all campus users by linking local area data networks, but this awaits departmental monies to fund the connections on an "as able" basis. UACN has taken the lead role at Fairbanks and Juneau with the campus LAN implementations. In Anchorage, a campus committee is studying the more formidable logistics for installing a similar backbone there.

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The campuses are, in principle, also linked together to form one logical wide area Alaska Ethernet. At present UACN does not anticipate a near-term introduction of FDDI (the standard, highspeed protocol generally deployed, today, for backbones on most other campuses). While UACN has espoused the adoption of a uniform standard across the campuses of the University, they have been perceived as trying to impose their own standard and thereby unilaterally assume control over the campus' interbuilding cable plant.

Since many departments have not been able to fund connectivity to the fiber backbone even where it has been installed, the connectivity of the Fairbanks and Anchorage campus still depends heavily on the traditional and formidable array of point-to-point wiring and dial-up connections. A data switch provides both a veil of password security and a selector for access to the desired computers or to the UACN sponsored gateways and linkages to national scientific and educational networks (NSFNET, BITNET, GNOSIS, etc.). This technology is outdated for the needs of the University and its campuses. Increased and more varied demands for network access such as enhanced on-line library services, activation of on-line accounting system entries and inquiries, greater student/faculty use of EMail, electronic bulletin boards, etc., can not be adequately serviced through the existing traditional connectivity model, hence the need for greater focus on fully effecting the campus Ethernets.

Office Automation, Electronic Access and Local Area Networking

Today, there is little consistency in the nature of the hardware, software, or wiring used to support administrative or academic applications within and among the campus offices. Intrabuilding and office networking has evolved to meet local needs, not as part of the implementation of a global University of Alaska strategic plan. The fragmented results do not always make an effective modern campus network, occurring as they have, in the absence of an overall campus or statewide system communications strategy. The existence and execution of such a plan is critical to achieving the implementation of new workplace and management tools to reduce paperwork and streamline administrative and staff organization and support tasks.

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An electronic Library catalog is in use and each campus has (or will shortly have) access to the other's library holdings. However, the lack of comprehensive campus connectivity often limits this access for practical purposes. Electronic circulation is in place and a formidable array of CD-ROM resident resource materials will soon be accessible to faculty and staff connected to the Ethernet wide area network. However, at the same time, this resource is not uniformly available to students in dormitories through Ethernet access nor is access to generally available University or campus-wide Email, calendaring, bulletin board, workgroup, instructional, or advisory facilitating network applications. This, again, points out the lack of an overall guiding plan or vision.

Local-area-networking environments and their capabilities are now widely accepted as necessary for the conduct of a modern educational institution's business, both administratively and academically. The need for consistent and reliable communication between all users, the increasing requirements for security, the difficulties and cost of troubleshooting many different technologies, and the costs of uncoordinated projects and planning have driven more and more institutions to treat voice, data, and video as common components of the institution's larger need to move, access, manipulate, and archive information.

Almost without exception, there are no solely administrative or solely academic campus-wide communications networks. Networks have become a fundamental institutional resource, enhancing all functions and activities. However, Statewide and the campuses have not officially adopted a common set of local area data networking and office automation standards or objectives. Nor have they formalized the status or support responsibilities for these activities which cut across administrative and academic interests to serve the statewide and the campuses. UACN has unilaterally endeavored to establish local-area-networking standards in a process that is at least subject to criticism because of the lack of overall campus participation in their establishment.

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Information Technology Resources and Infrastructure

Anchorage hopes to install a campus backbone similar to Fairbanks and Juneau, but has only begun definitive planning. Juneau hopes to replace its aging telephone switch, but the planning is not based on the merits of a common system wide approach (such as installing a unit similar to those already in place in Fairbanks and Anchorage. Some of the extended sites are also candidates for new telephone equipment. Fairbanks would like to expand its switch to accommodate new telephone service to dormitory residents. At present the planning for these changes is treated as a campus issue, separate from all other System technologies and communications needs and plans.

Mainframe and minicomputer computing resources are a mixture of Statewide and campuses. UACN operates an IBM 3090 to support some of the central administrative business applications. They also operate Wang and HP equipment which supports additional central and Fairbanks campus administrative applications. In addition, the UACN supports the Fairbanks VAX 8800 for academic applications. Fairbanks has a small computer staff to support all campus administrative and academic needs while the Library has a its own, similarly sized computer staff for GNOSIS and the School of Management supports its own IBM 9370 (both for instructional and academic research purposes). Anchorage and Juneau also have VAX 8xxx series computers for academic computing.

The Fairbanks VAX 8800 has over time proven inadequate to meet that campus's academic computing needs and many jobs are downloaded to run on the Anchorage machine (making up 60% or more of the overall utilization there). However, both Anchorage and Juneau are currently seeking to replace their VAX computers with new units to combat escalating maintenance costs. Action on their part could have a significant impact on Fairbanks since it may eliminate the excess capacity that the Fairbanks campus has enjoyed. This is but one example where coordinated planning is vital if resources are to be distributed.

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The IBM 3090 is exhibiting overload even as additional new applications (and larger numbers of users) are added. As a result, the plan is to upgrade the unit as much as possible within the limited computing center space). An examination of the near term applications which might be installed suggests that such an upgrade may be swallowed up with no improvement in response time, etc. Widespread on-line activity with FRS (which is part of the implementation philosophy) could easily yield a several fold increase in transaction volumes. In addition, there is an intended migration of applications off the Wang and HP (where there are usage fees) to the 3090 (where there is none). These changes and the aging of existing equipment will require the addition of some 35 to 40 gigabytes of new disk drives. A realistic economic framework should treat administrative use of different platforms in an equivalent manner. The use of real dollars, which could be spent inside or out to achieve objectives has the advantage that there is a penalty/reward for the delivery of efficiency and support. If the real costs are not charged back to users, the only measure of effectiveness is an administrative review at a level removed from the service.

Both system wide and campus management clearly depend on the technology infrastructure for their effectiveness, reliability, and economics. The University must coordinate the ongoing implementation of technology with its institutional goals in a consistent and comprehensive fashion or the infrastructure will not achieve its objectives.

Formal, but small organizations exist on each campus to support academic computing and office automation (e.g. PCIS in Fairbanks, CATS in Anchorage). Fairbanks and Anchorage also has some information systems resources in their institutional research offices. In all cases, Statewide and campus, the available space for hardware systems is severely limited. The importance of statewide administration versus campus administration and academic support is not well represented by the present imbalance between Statewide and campus resources (nearly seventy personnel in UACN compared to less than a dozen staff members in the largest campus unit). Some units like ASCO would be more effectively reorganized (data control to the Controller's Office, analysis and programming to UACN, ad hoc reporting to Institutional Research).

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Most institutions, recognizing the strategic value of communications and the difficulties of maintaining priorities and synergy between separate voice, data, and video organizations, have or are moving to bring oversight, planning, and management for their campus and building cable plant under one information technology organization. This often includes bringing voice, data and video transmission under a common reporting structure with other aspects of information technology. Where talented resources are scarce, this has even brought the Library, Institutional Research, campus academic and administrative computing, telecommunications, and video transmission together in order that a critical mass for technology support be achieved.

Campus benefits rapidly accrue only after a critical mass of information technology is present and an adequate support platform is in place. None of the campuses currently enjoys such support either for its administrative or academic uses. On one hand, the University needs to ensure that a coordinated vision and shared goals are in place and their pursuit coordinated. Most of the scarce campus information technology resources need to be consolidated into two or three common, campus-based support units. Only in this manner, can the use of the overall limited resources be maximized. Staffing at the statewide level cannot be substituted for inadequate campus level staffing. Conversely, campus planning cannot be substituted for appropriate coordinated statewide planning. This applies to telephone, video, and library equipment as surely as it does computer systems.

The responsibility for campus information technology needs to be placed at the Chancellor level. A State wide organization like UACN cannot provide the necessary responsiveness and insight to meet local administrative and academic needs. The responsibilities for UACN appropriately include operation and maintenance of statewide administrative applications, transport contracts for inter- and off-campus communications, and supplementary support for campus endeavors. Campus staffs should carry out local activities including operation of on-campus academic and administrative computing, maintenance and monitoring of inter- and intrabuilding cabling and communications, and office automation support.

UACN and the campus staffs must jointly participate in development and planning of the University's information strategies, policies, and overall procedures. The economic system supporting both campus and statewide information technology needs to be consistent and structured to reflect service to the user. De facto practices are in place, but the processes which

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led to these were not part of a mutually developed institutional networking and communications consensus or strategy. Failure to achieve this type of institution-wide consensus virtually guarantees suboptimal practices, economic penalties, and continued divisiveness. UACN needs to act more as a convener and supporter of all the parties with a vested interest in information technology rather than the determining agency for universal information technology. Beginnings have been made in bringing various constituencies together, but it is clear that common understandings have not been reached.

Finally, with its budgetary constraints, the University certainly also needs to reconsider the economics of its use of technology. The University of Alaska is planning to have a supercomputer installed. This project is still in its early planning stages with definitive guidelines not firmly established for type of user, charge back framework, communications requirements, or the economics of operation. Current plans are to locate this unit in the presently unfinished portion of the Butrovich Building in Fairbanks. Over time the operation of this resource depends on the continuation of federal support or other outside sources of revenue (although there is a surfeit of academic supercomputer time available nationwide at this time). While the venture appears to provide prestige and certainly could be beneficial to the Alaska research community, the overall business case merits prudent review.

Most of the University's computing hardware and staffing is centralized in Fairbanks. There is good reason to believe that operations and vendor maintenance would be less costly in Anchorage. With proper networking, user access to Anchorage-sited (not necessarily UAA sited) applications and resources can be transparent. Without such a locus of major equipment on the UAA campus, the current UACN staff in Anchorage would better be consolidated into the campus support organization.

RECOMMENDATIONS

1. Develop a Statewide sponsored position or process to develop and maintain an ongoing information technology vision consensus for the University of Alaska and a planning and support process committed to achieving the steps toward this ever changing vision.

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2. Articulate a statement of technology and systems responsibilities which clearly distinguishes system-wide and inter-campus responsibilities for reporting, coordination, and tracking from on-campus and interbuilding administrative, academic, and research responsibilities.

3. Promptly, evaluate the economics and feasibility of shifting from the Information Associates' IDMS technology to their more current, enhanced functionality flat file technology with all or part of this transition to a minicomputer (VAX) platform rather than an upgrade of the IBM 3090.

4. Formalize and a migration over time to an administrative systems' environment which is focused on networked, client-server, micro- and minicomputer hardware.

5. Reorganize the various campus information technology support resources into campus based and funded units with the critical mass of expertise to support applications, users, and an technology environment which will become increasingly more integrated.

6. Adopt a system implementation philosophy which recognizes the resource consequences of strictly minimizing customization, sharply shortening implementation cycles, and focusing systems on decision making and procedure changes rather than review activities and programming changes.

7. Connect the economics of system development, implementation and maintenance with the user functions so that Statewide Administration, Campus and functional operating and capital investments are understood and known. In light of the general recommendation on the economics of central services, alter the economics of administrative computing (staff, hardware and software) to reflect their service orientation.

8. Consider the merits of "nationalizing" a standard departmental management system with feeds to central systems rather than ignoring the existence of departmental business systems.

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9. Distribute the resources of ASCO between the Controller, UACN, and IR.

10. Establish inter-campus and inter-site communications as a system-wide initiative of the highest priority. Provide support for a robust LAN networking initiative and establish an on-going reexamination of the communications infrastructure which links sites in the University with the objective of increasing bandwidth, reliability, and economic advantage.

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F. Other

There are at least four areas (University Relations, Governance, Board of Regents, and General Counsel) not specifically detailed in the proposal where GKA comments may prove helpful.

University Relations

University Relations was not among the areas initially identified for study. Subsequently, the Vice President for University Relations determined that there were, in fact, questions that needed to be explored regarding communications and the range of functional units involved in internal and external communication. The Vice President for University Relations is now developing a communications plan that:

1. Establishes communications priorities;

2. Describes the strategies and tactics to accomplish those priorities; and

3. Defines the appropriate division of responsibility between State University Relations and University Relations (and related functional units) and the major administrative units (MAU) in implementing the plan.

We believe the results of this communication plan have important long-range consequences for the University.

Governance

GKA was not asked specifically to examine the governance structure and its relationships with the Administration. It is obvious, however, that restructuring created a complicated constituency representative system that inherently has large indirect time and effort "costs." A partnership is to be encouraged in keeping the University focused. It is reasonable to assume that governance should be more than another bureaucratic obstacle to overcome, and instead can be viewed as an existing mechanism to foster communication and feedback. We have some suggestions in this area as a result of our work:

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1. The Administration should utilize the governance communication mechanisms as a way to communicate and obtain feedback on appropriate matters, just as governance should work with the Administration to avoid actions going to the President for decision, without discussion with the administrative unit responsible for implementation.

2. Consideration should be given to conducting a review of the governance system. Understanding what the current system "costs" in lost productivity and actual expenditures versus "added value" is as important as defining clearly what matters are appropriate for the governance review mechanism. We were provided with a number of examples of how one individual in the current process can limit consideration of an important policy. Consideration should be given to the establishment of time lines for consideration of categories for review and advice for both the administration and governance process. If the time limits are exceeded, then the item under review would move to the next step.

3. Statewide should designate a specific individual as the primary liaison and interface with the formal governance system.

General Counsel

While not included in the GKA review, the interactions of General Counsel into all facets of University life deserve mention. In some cases, decisions that normally might be considered within a manager's purview are directed to the Counsel's Office for "decision" rather than for "advice." While certainly we live in a litigious society, it appears that it is easier for some units to "let Statewide decide" than it is to make a decision after asking for legal input. The General Counsel's Office, like other parts of the Statewide Administration, has operated as a backstop for a wide variety of administrative issues.

We were impressed by the volume of activities handled by the Counsel's Office though there were comments made about the amount of time it takes to "get an answer." We believe that the Office understands its role, but has let itself be drawn into making decisions, especially during times of senior management turnover.

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Legal counsel activities are, and, in our opinion, should continue to be a Statewide function. We support the placement of an Associate General Counsel located in Anchorage, and would encourage the attorney assigned to work directly with UAF to be relocated to the UAF campus.

All litigation is handled by outside attorneys at fluctuating, but not insignificant costs, based on the caseload for any particular year. Fees for these services are allocated and charged back to the campuses through the risk management pool. Our observations include:

1. Evaluation of the cost effectiveness of handling all litigation by outside attorneys should be continued. When warranted, the University may wish to consider the full-time employment of an internal litigator to keep costs to a minimum.

2. Utilization of the General Counsel by individual departments should not be discouraged, but campuses may wish to consider restricting who should request legal advice directly from the Office of General Counsel (e.g., a campus may wish to delegate contact to the senior officers for their respective units). By understanding the role of the Office of General Counsel, some of the more routine non-legal concerns might be handled at the campus level rather than by Statewide.

3. The financing of legal services should be included in a new administrative services resource allocation approach.

4. The General Counsel should continue to emphasize that Counsel is there for legal support and advice and not to substitute for decision-making by managers.

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Board of Regents

GKA had the opportunity to meet the Board of Regents early in the engagement, but did not spend significant time with individual Board members or on Board/University interactions. We did, however, have three observations that may prove helpful to the Board:

1. Consider rotating attendance at external governing Board meetings/workshops and interactions with other governing board members of higher education institutions.

2. Receive, as information items on a periodic basis, the resumes of faculty being promoted to full professor and those granted tenure by chancellors. The granting of tenure is often a million dollar plus decision to the institution, warranting Board knowledge.

3. In light of actions contained in this report, it may be appropriate to examine the charge of existing Board standing committees.

4. As noted above, consider the creation of an audit committee.

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V. For Additional Investigation - Phase II

The original proposal also asked GKA to recommend a "scope of work for detailed review and recommendations" that might be considered in a second phase (Phase II) of the Management Study. While additional discussions with the University are anticipated to refine the scope and targets of opportunity, GKA is able to suggest the following for additional and intensive review, based on the recommendations made in this Report.

The following areas appear to offer effectiveness, efficiency and cost/benefit enhancements that should be investigated, designed, and/or implemented by the University in Phase II. It is suggested that the President, senior Statewide officers, and the chancellors meet periodically to discuss implementation progress and provide coordination and oversight to the activities. In some cases, the University may wish to establish special "Coordinating Councils" for some of the areas on Phase II to foster free discussion of the issues, and to promote a partnership for implementation.

Invigorate Academic Affairs Matrix Management

A number of recommendations in the Academic Affairs area will need Phase II guidance. Among those areas that should receive priority are:

Define the Role of the Vice President for Academic Affairs

1. With the vacancy being created on June 30, 1992, the timing is appropriate to re-evaluate this position. Consideration should be given to titling this position as "Provost." In addition to current responsibilities, the report suggests that the Vice President have dotted line (matrix) responsibility for student affairs, academic collective bargaining, academic risk management, campus-based units with Statewide programs, internal "consortia," research, academic quality control and academic planning. The University should redesign this position and its support staff prior to refilling the position.

Establish Interim Management—Office of the Vice President for Academic Affairs

2. The University is aware of the vacancy, but has yet to announce interim or transitional leadership publicly. A transition plan should be developed while the position is being redesigned and while the position is vacant. The plan might include establishing temporary mechanisms (such as an "Academic Policy Council") to ensure coordination and communication among campuses and appropriate reporting relationships for individual now reporting to the Vice President.

Begin the Search

3. After determining the position responsibilities, it will be appropriate to begin a search for a new chief academic officer for the University.

Remove Barriers to Academic Cooperation

4. It is suggested that the University examine in detail areas where barriers currently exist in the academic arena for campus-to-campus cooperation or where policies/procedures may need adjustment. Areas for review could include, but should not be limited to:

    a. the creation of a University Dean for selected schools operating on more than one campus.

    b. the capability to appoint faculty members jointly among campuses;

    c. establishment of special internal "consortia" to ensure State-wide delivery of campus based programs;

    d. creation of a pool of resources/support for special Statewide academic initiatives;

    e. review of current mechanisms for review and feedback on major academic program/policy changes and addressing them as appropriate; and

    f. enhancement of management reports to the President and chancellors.

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Research Support/Development
5. Evaluate options for integrated research management support.

6. Review current policy and practice on federal direct and indirect cost reimbursement and related reporting.

Merge Regional Facilities Planning and Construction Offices with Campus Plant Management
7. To facilitate the merger of regional FPC offices with campus physical plant operations, it is suggested that the University identify appropriate individuals to design, coordinate and eventually implement the recommendations.

Consolidate the Real Estate Functions
8. The Educational Real Estate Office should be merged with Land Management into one office. The University will want to design an implementation plan which should include the appropriate location(s) for the functions after they have been consolidated.

Maximizing Financial Aid
9. The University should support UAF in designing and developing a plan to maximize financial aid from previous years. This effort may be an opportunity to capture large additional resources with some minimal initial investment.

Financial Management
10. Reorganize Statewide Controller's Office, transfer unrelated functions.

11. Develop financial management architecture.

Human Resources/Affirmative Action
12. Establishing linkages with Risk Management for unemployment and worker's compensation claims and issues can produce potential economic benefits and should be explored in Phase II.

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13. Continuation of the examination of the benefit package and the cost/benefit and cost-sharing concepts is anticipated. Phase II should detail a strategic outline of major events/timelines to ensure maximum cost effectiveness.

14. There should be a thorough, yet timely, review of all University human resource policies. A plan for adjustments, community involvement in changes, etc. should be outlined in Phase II.

15. The results of the Statewide/UAF joint investigation of UAF human resources should be completed shortly. Merging UAF and Statewide personnel operations should be considered. The role and necessity of the Statewide Affirmative Action Office should be evaluated at the same time.

16. Should the labor relations situation be resolved, the impact on the Human Resource Office should be determined and handled as appropriate.

Risk and Records Management
17. Phase II should determine whether the records management function at Statewide is required.

18. Linkages as noted above with the Human Resources section should be established in worker's and unemployment compensation and claims processing procedures should be reviewed.

19. Develop an action plan, and implement a change in the investigation of environmental concerns.

Procurement/Purchasing
20. Within the current legal restrictions, a major review of this area with an eye toward decentralization whenever possible should be undertaken.

21. A more detailed review should be made of the current legal restrictions and a long-rage strategy should be developed to identify and then ultimately attempt to get changes to the relevant statutes and regulations.

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Investigation of Centralized Processing

22. A feasibility study by the University is recommended in Phase II to determine if centralized processing of selected "back room" operations is desired. We would suggest that "admissions processing" might be the initial candidate for this activity. Depending on the outcome, it may be desirable to consider other areas for this same review.

Develop a New Economic System

23. The report recommendations indicate the desirability for a new budget method and model for selected central service operations. It is anticipated that during Phase II, a specific design and model would be constructed with appropriate input and feedback from affected units. If successful, the model should be implemented in FY94.

Information Technology

24. Evaluate the feasibility of moving to a flat-file/VAX platform approach to administrative computing to reduce costs and to reduce vulnerability to external support sources.

25. Reorient the FRS implementation with a financial management architecture.

26. Review departmental management requirements with the intent of creating a standard supported departmental system;

27. Clarify responsibilities, economics and organization of information technology as between Statewide and campuses.

28. Develop a comprehensive information technology strategy for the campuses.

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Support to the Chancellors

Many of the recommendations in the report, if implemented, impact the operations or organization of the campuses. It is our belief that the University should provide support with internal resources or external support as appropriate in three main areas:

29. Provide campus support for Phase I implementations (for example, campus-based resource allocation systems);

30. Assist the campuses in an auxiliary cost/benefit analysis starting with a determination of which units should be examined and then assisting the chancellors with a coordinated review; and

31. While not directly discussed in this Report, the efforts by the campuses to produce individual strategic plans may be altered by some of the recommendations contained in this report. Additional support to assist them with the production of campus strategic plans should be considered.

Certainly this list is not meant to be inclusive, but it is representative of the areas that the University should pursue in Phase II.

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VI. SUMMARY

George Kaludis Associates (GKA) has been privileged to work with the University of Alaska during the last few months. The individuals we had the pleasure to meet were candid and cooperative in providing their perspective and insights. We would be remiss if we did not thank each of them for their generous donation of time, candor and energy.

Our review encompassed a greater investigation and wider range of interviews (almost 120) than had been anticipated initially. In part, this comes from the unique composition of the University structure. In part, it was a result of the desire of the President and Chancellors to give their staffs the benefit of direct involvement. In either case, GKA has absorbed tremendous amounts of information, some of which has been summarized and synthesized into this Report. The document, however, would be hundreds of pages long if we were to capture all that we have learned. Rather we have chosen to extrapolate those critical areas that we believe can be addressed best as "areas of opportunity" for the University in the next phase.

We also recognize that not all our suggestions, recommendations, and observations will be met with universal acceptance. To the extent we have overlooked significant items or misinterpreted what we heard, GKA takes the full and sole responsibility for the contents of this Report.

In spite of current budget difficulties, the University of Alaska has an opportunity to capture the initiative which brought us to Alaska. The people we met in the course of our work demonstrated resiliency and determination. Their cooperative will remains undaunted if the objectives are made clear and the leadership is strong. Our work with more than 100 institutions of higher education convinces us that the University can position itself, not only to deliver quality education and service to the people of Alaska, but also can accomplish its mission in a constituency partnership where the working environment is conducive to constant improvement.

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VII. SUMMARY OF RECOMMENDATIONS - PHASE I

GKA Major Recommendations

We have assembled the major recommendations from this Report in summary fashion below, noting the section of the report where the recommendation first appears. The reader is encouraged to read the entire report and not to take this executive summary out of context.

Statewide Administration

1. Recognize the permanent matrixed/integrated character of UA academic and administrative programs by including both Statewide and campus executives in the formal design of the Statewide administration.

2. Within the matrix concept, continue the 1987 reorganization thrust to make the campuses management and financial centers.

3. Emphasize and promote the planning, resource allocation, coordination and evaluation roles of the Statewide Administration.

4. Maintain a lean, core executive function of the Statewide Administration—separate executive and service functions financially.

5. Treat the financial aspects of campus-manages Statewide programs as Statewide commitments in budget preparation and resource allocation processes.

6. Review academic and administrative programs at the extended sites with the intent of standardizing practice.

Changing the Culture of Administrative Services

1. Design and implement a new budgetary method and model incorporating an allocation for budgets for selected central service operations to be operated by Statewide or a lead agent campus.

2. Evaluate the feasibility of establishing a common "back room" resource for selected University-wide processes and operations—starting with admissions processing.

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Statewide Academic Affairs

1. Redesign the position of the (Provost and) Vice President for Academic Affairs.

2. Create a University Academic Policy Council.

3. Consider retooling Statewide Institutional Research to support academic planning, resource allocation, and program review.

4. Study the assignment of Statewide Vocational Technical responsibilities to the UAA Chancellor.

5. Begin the process of creating or reaffirming operating agreements for each of the campus-managed Statewide academic programs.

6. Staff the Academic Affairs area appropriately.

Research Development and Administration

1. Consider a University task force on research development and management to produce a coordinated University research management plan.

2. Encourage UAF to complete its work on its on-campus research support infrastructure as part of the University-wide plan.

3. Develop a full plan including staff, financial and physical impact for major research initiatives such as the Supercomputer.

4. Review the philosophy of the allocation of federal indirect cost recovery.

5. Review federal direct and indirect cost reimbursement and related reporting.

Student Affairs

1. The financial aid information system at UAF should contain an annually upgradable financial need calculation component.

2. The University should consult with representatives of the Office of Education and the University's congressional delegation regarding increasing federal funding.

3. The feasibility for a consolidated admissions processing center should be studied.

Facilities Planning and Construction\Plant Management

1. Design a core Statewide Administration facilities planning and construction unit.

2. Merge regional FPC offices with campus physical plant organizations.

3. Assign capital budgeting to a Statewide resource allocation function.

4. Consolidate Educational Real Estate and Land Management into one Statewide unit.

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Resource Allocation

1. Make the shift from a "budgetary" to a "resource allocation" mode by a redesign of resource allocation processes/models and staffing.

2. Encourage the State to recognize the management-oriented resource allocation approach.

3. Include revenue and expenditures from all sources into the University's budgetary economy.

4. Continue movements toward budget flexibility for the campuses.

5. Revamp capital budgeting and assign to a new Statewide resource allocation unit.

6. Transform the current staff-produced budget forecast models to focal points for broader financial planning decisions.

Treasury

1. Review policies and practices on distribution of short-term investment earnings to increase incentives to the campuses.

2. Create a treasury/debt service management unit within Statewide Finance to enhance investment report and support the prudent use of debt.

Financial Services and Related Systems

1. Refocus the Statewide Controller's Office on financial systems and policy.

2. Create a Treasury/Debt Service Management Office within Statewide Finance.

3. Transform the FRS implementation process to create a financial management architecture.

4. Bring the Vice President for Finance and the campus administrative/financial officers together to provide leadership for the financial management architecture.

5. Defer major changes in Statewide/campus financial responsibilities.

Internal Audit

1. Design Board involvement with the possibility of establishing a Board Audit Committee.

2. Examine the shifting role and determine appropriate staffing for the future.

3. Acquire EDP auditing skills.

4. Develop an annual audit plan.

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Risk Management

1. Re-evaluate central records management.

2. Consider centralized reporting to the State for Workers' Compensation claims.

3. Establish linkage between Risk Management and Statewide Human Resources.

4. Provide Risk Management with input to major capital projects.

5. Strengthen ties with the Vice President for Academic Affairs.

6. Identify a single office for complaint/problem resolution.

Procurement

1. Additional decentralization of purchasing/procurement authority should be given to the Chancellors; consideration should be given to having a particular campus become a "procurement specialist" in specific areas.

2. Enhancement of computer technology and sharing among campuses should be promoted.

3. Some procurement "programmatic authority" and coordination should be maintained at the Statewide level.

4. The University should attempt to get itself exempted from the Procurement Act.

Auxiliaries

1. Placement of the auxiliaries on the campuses should reside in the campus financial/administrative officer;

2. The Vice President for Finance should assume a University-wide coordination role.

3. Campus review each auxiliary to determine cost/benefit.

Human Resources

1. Consideration should be given to the merging of the UAF/Statewide personnel daily activities.

2. Statewide should maintain clear centralization of wage/salary administration.

3. Statewide oversight of benefits should be strengthened; investigate cost/benefit/savings areas and cost-sharing.

4. A University-wide benefits committee should be established.

5. Consider a mechanism for Statewide to receive input on policies prior to implementation.

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6.   Encourage professional development of supervisors.

7.   Review all Statewide personnel policies to determine their efficacy and necessity.

8.   Examine communication methods from Human Resources to faculty and staff.

9.   Bring HRIS up to an acceptable level of information for campus administration.

10.   Utilize the early retirement window to fashion succession plans for critical areas.

11.   Clarify role of the Statewide Affirmative Action Office.

12.   Consider identification of "special effort" searches.

Administrative Computing/Information Technology

1.   Develop a Statewide sponsored process to develop and maintain an Ongoing information technology vision consensus.

2.   Articulate a statement of technology and systems responsibilities which clearly distinguishes system-wide, inter-campus responsibilities.

3.   Promptly evaluate the feasibility of shifting from IA's IDMS technology to IA's current, enhanced functionality flat file technology on a minicomputer (VAX) platform.

4.   Formalize a migration which leads to an administrative systems' environment based on networked, distributed, micro- and minicomputer hardware.

5.   Reorganize the various campus information technology support resources into campus based and funded units.

6.   Adopt a system implementation philosophy which recognizes the resource consequences of strictly minimizing customization, sharply shortening implementation cycles, and focusing systems on decision making and procedure changes.

7.   Connect the economics of system development, implementation and maintenance with the user functions. Alter the economics of administrative computing (staff, hardware and software) to reflect their service orientation.

8.   Consider the merits of "nationalizing" a standard departmental management system.

9.   Distribute the resources of ASCO between the Controller, UACN, and IR.

10.   Establish inter-campus and inter-site communications as a system-wide initiative of the highest priority. Provide support for a robust LAN networking initiative and establish an on-going reexamination of the communications infrastructure.

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Governance

1. The Administration/Governance should utilize the current structure more fully to enhance mutual communication.

2. Consideration should be given to a review of the entire governance system.

3. Statewide should designate a specific individual as primary governance liaison.

General Counsel

1. Monitor desirability of employment of in-house litigation attorney.

2. Encourage proper campus utilization of General Counsel.

3. The financing of legal services should be included in a new administrative services resource allocation approach.

4. Emphasize that Counsel is there for legal support and advice and not to substitute for decision-making by managers.

Board of Regents

1. Consider attendance at external governing Board meetings/ workshops.

2. See selected faculty promotion materials as information items.

3. Examine the charge of Board standing committees.

4. Consider the creation of an audit committee.

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UNIVERSITY OF ALASKA
Master Interview List

GKA wishes to express its appreciation to the following individuals who met with us during the course of our work.

STATEWIDE

Baecker, Julie	Claims Manager, Risk Management
Burrell, Helen	Assistant Controller
Charlton, Ike	Director, Risk and Records Management
Christensen, George	Vice President for Academic Affairs
Dickenson, John	Director, Educational Real Estate
Epstein, Martin	Director, Land Management
Fica, Jerry	Database Administrator, UACN
Frank, Tom	Acting Director, Institutional Research
Freeman, Jeanne	Director, Compensation and Benefits
Healy, Tom	Director, Computing Center
Highsmith, Raymond	President, General Assembly
Hill, Chuck	Deputy Chief Procurement Officer
Hills, Alex	Executive Director, UACN
Hubbard, Marsha	Director, Statewide Budget
Ivey, Pat	Executive Director, General Assembly
Kastelic, Patty	Acting Executive Director, Human Resources
Kauffman, William	Vice President and General Counsel
Komisar, Jerome	President
Leone, David	Director, Admin. Computing, UACN
Lynch, Jim	Assoc. Vice President Finance and Controller
MacGregor, Bill	Network Operations Mgr., UACN
Moll, David	Manager Environmental Health and Safety, Risk Mgt.
Moore, Greg	Project Leader, Digital Graphics, UACN
Myers, Nanne	Assistant Vice President for Academic Affairs
Neubert, Jerry	Exec. Dir., Facilities Planning & Construction
Nickles, John	Contracting Officer, Facilities Planning and Construction
Peterson, Alice	Chief Procurement Officer
Pikarski, Dennis	UACN (general architectures)
Redman, Wendy	Vice President for University Relations
Robinson, Raye Ann	Director, Administrative Systems Coordinator
Rogers, Brian	Vice President for Finance
Rohwer, David	Operations Manager, UACN
Schedler, Kathleen	Director, FPC Northern Region
Schlegel, Jim	Assistant Vice President, Voc Tech
Smith, Ed	Director, Affirmative Action
Ulich, Bill	Director, FPC SC Region
Weaver, Randy	Director, Internal Audit/Spec. Asst. to President
Willis, Barry	Director, Distance Education
Wolever, Jack	Director, FPC SE Region

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VIII. APPENDIX

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