

University of Alaska  
Board of Regents

Report on Preliminary Review  
of  
Options for University Transformation

June 4-5, 2020

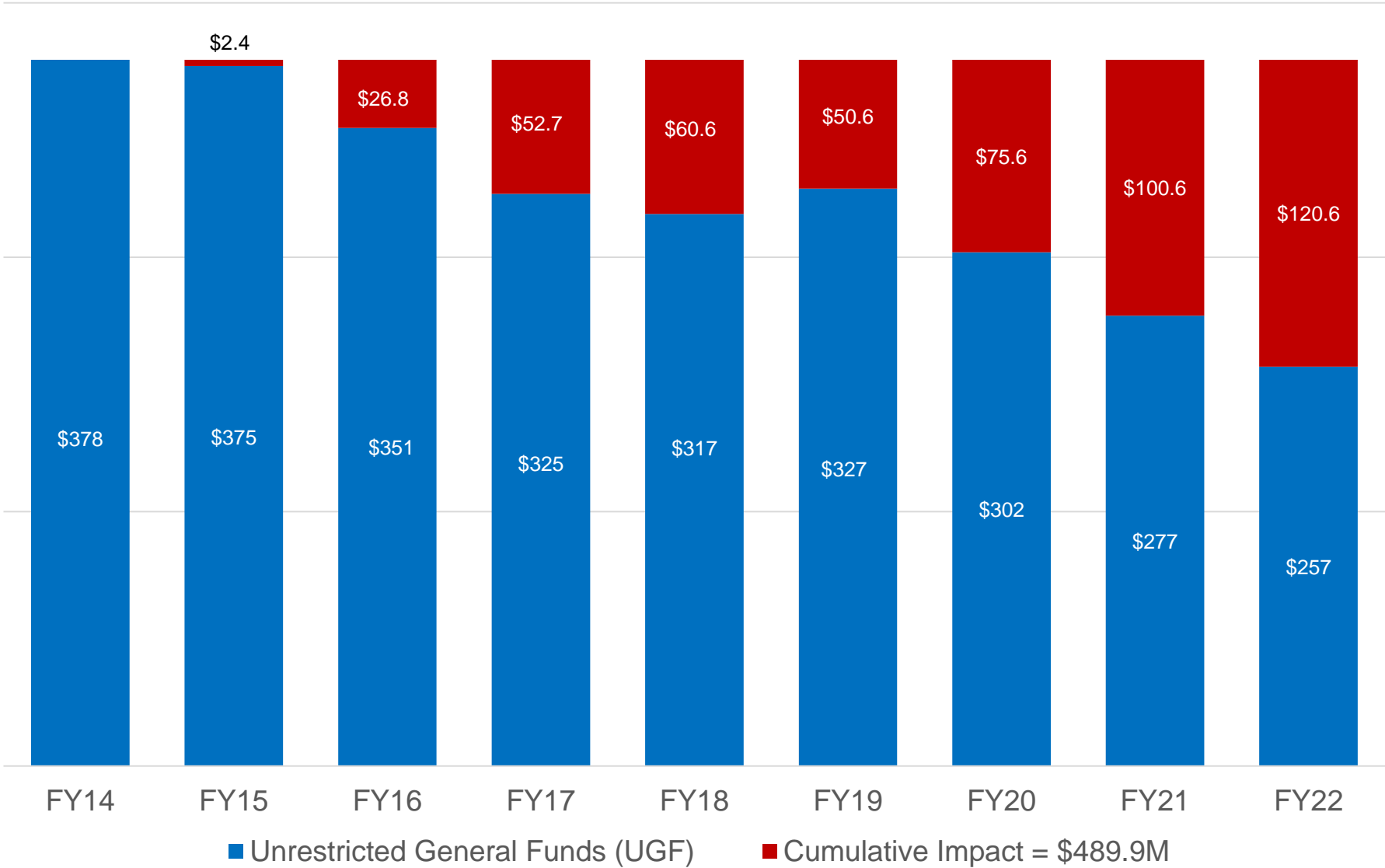
# Overview

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2. In response, the BOR Audit Committee directed the president to oversee an expedited, consultative review process of options for university transformation, for consideration by the Board June 4
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# State funding is down through FY22 and could fall even more



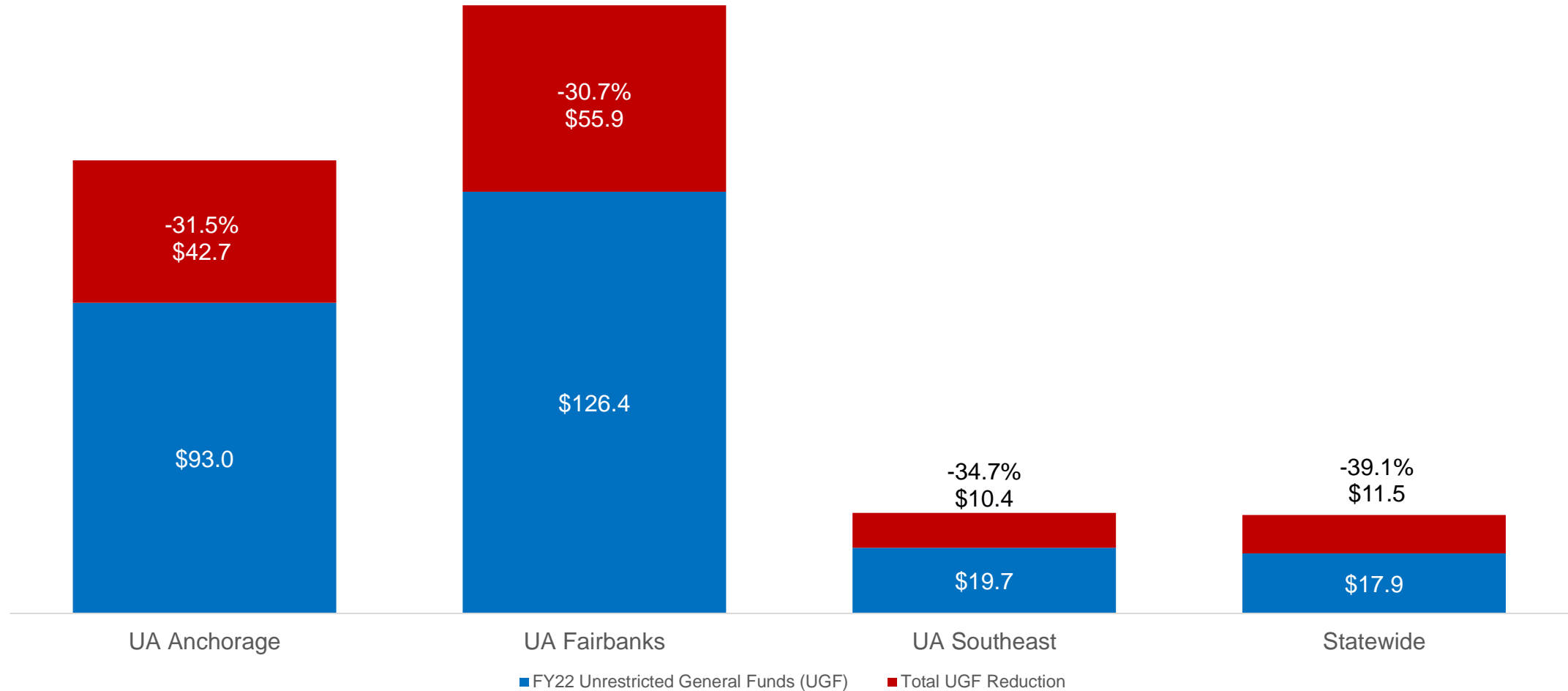
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## FUTURE

- State economy in decline
- State revenues in decline
- State funding at risk
- COVID impact

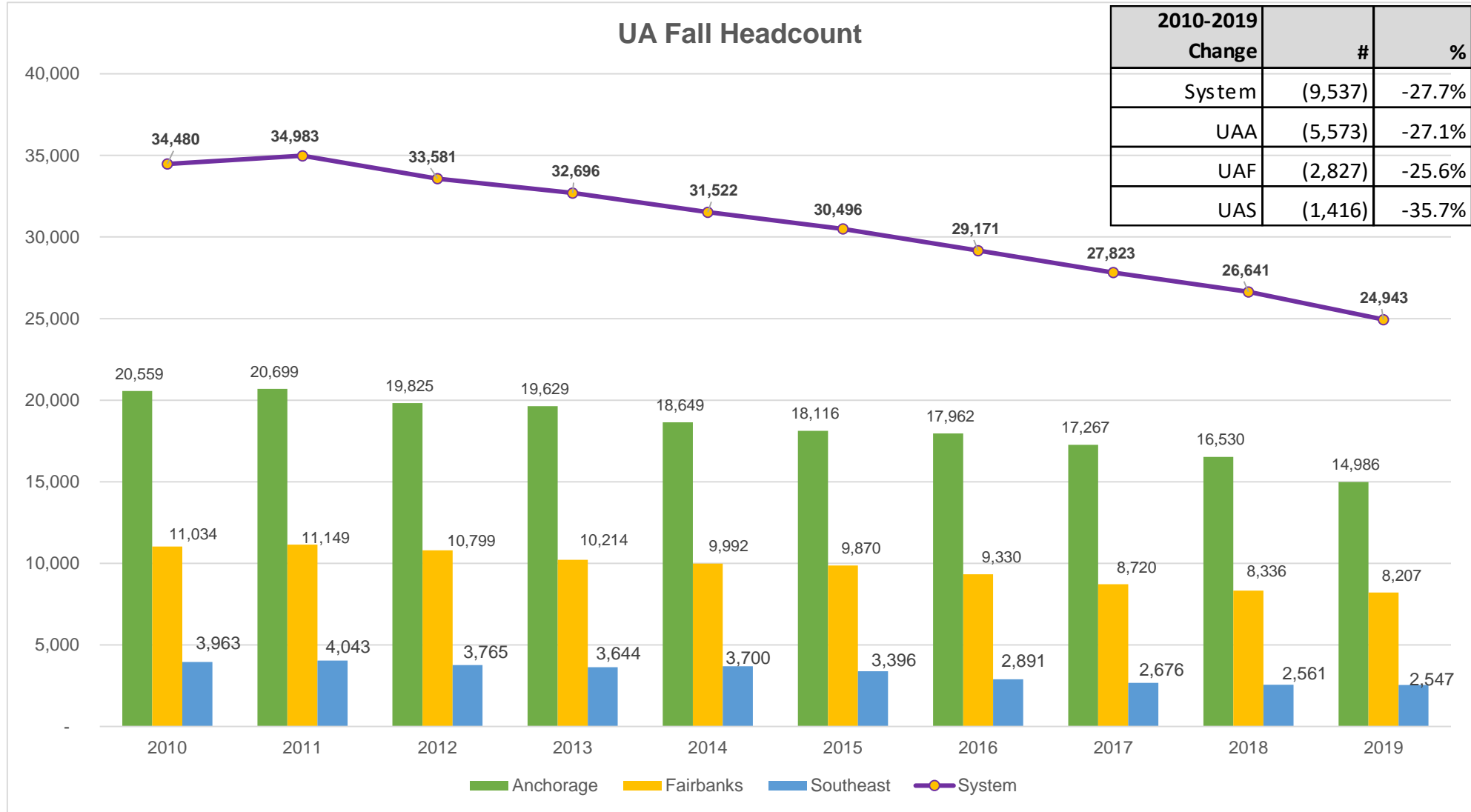
# Funding History & Projection by MAU

(FY14-FY22 UGF Millions\*)



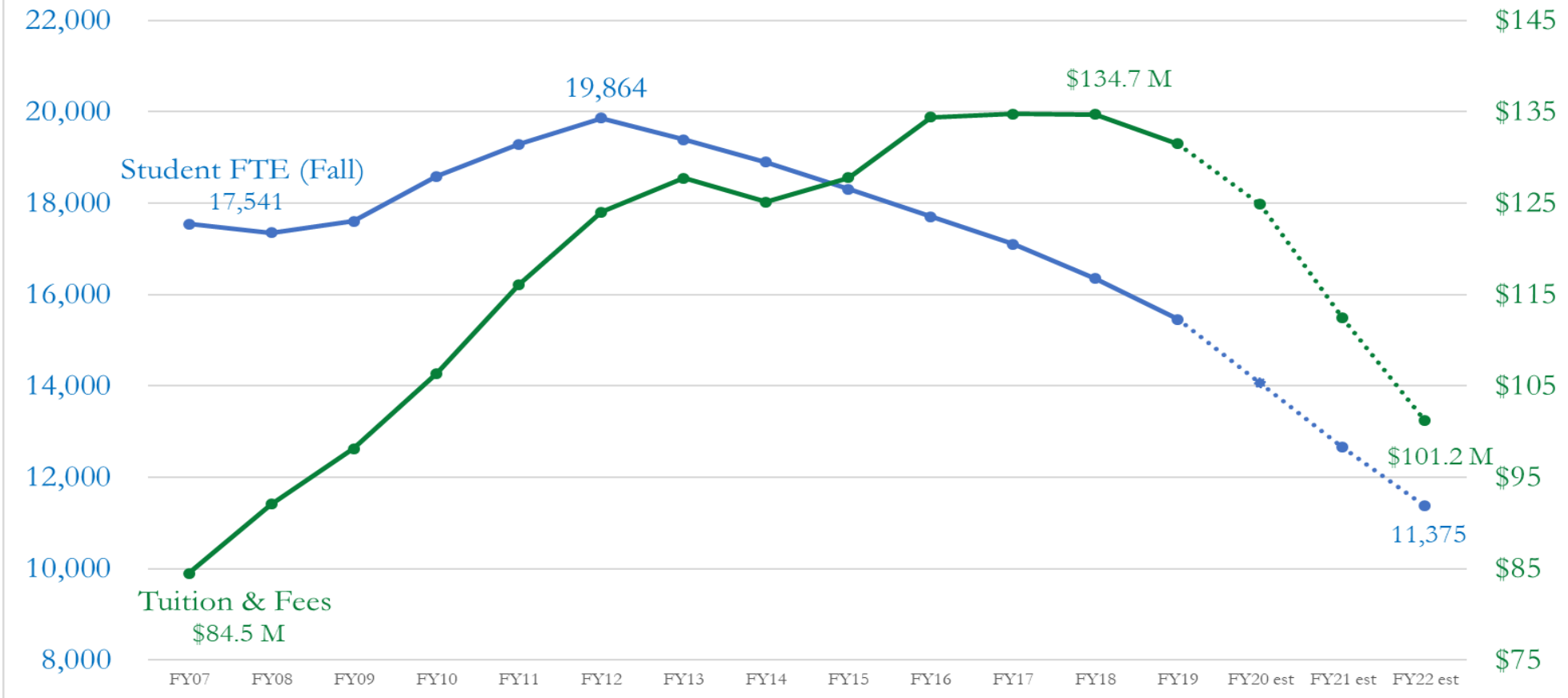
Notes: Major Administrative Unit (MAU);  
Includes impact of FY20 & FY21 RSA between SW and UAS

# Enrollment history by MAU



# Enrollment and related revenues continue to decline

University of Alaska  
Student Full Time Equivalents and Tuition & Fees Revenue  
FY07 - FY22 estimate



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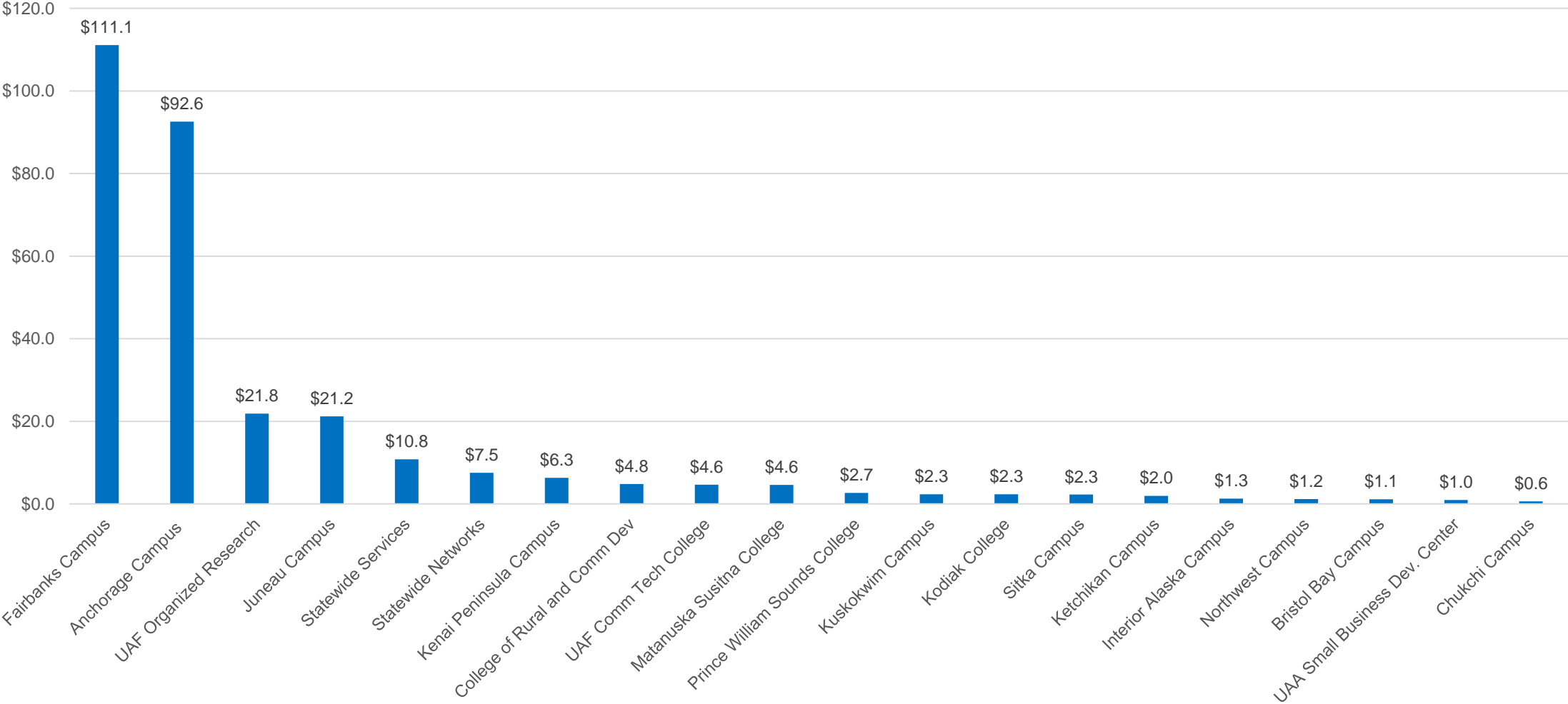
## FUTURE

- State economy in decline
- Population loss
- Program reductions
- Further decline in enrollment
- Further decline in tuition revenue

Projections based on: annual enrollment decrease 10% per year; and tuition and fee revenue reduction 5% in FY20, 10% in FY21 and FY22

# Filling the gap will require major change

FY20 Unrestricted General Funds



Note: excludes impact of FY20 RSA between SW and UAS



# For FY21, the university seeks your approval of the FY21 budget

<b>FY21 BUDGET IMPACTS</b>	<b>\$M</b>	
<b>FY21 Base Funds Impacts</b>		
<u>What is the Gap we need to fill?</u>		
Unrestricted general fund (UGF) reductions	\$25.0	Reduction based on Compact Agreement
1% general market compensation adjustment	3.9	Required by CBAs
Specific market compensation adjustment	<del>3.3</del>	On hold. This adjustment is part of a three year plan to bring employees up to 90% of the median market rate
Base gap from prior fiscal years	7.5	
Proposed debt service refinance/restructure	(3.4)	The proposed debt service refinance also frees up \$12.6M for debt service/BOR strategic reserve
<b>FY21 Base Budget Impact</b>	<b>\$33.0</b>	
<u>How will the Gap be filled?</u>		
MAU Specified base reductions	\$28.9	
MAU reductions in facility maintenance	4.1	Reduces planned investment in facility maintenance below recommended levels
<b>FY21 Base Gap to Fill</b>	<b>0</b>	
<b>FY21 COVID Projected Impacts</b>		
Auxiliary deficits	\$7.4	Universities are developing plans to reduce FY21 Auxiliary deficits through expenditure reductions and/or rate increases. CARES Act funding will mitigate FY20 losses that carryforward
Tuition and fee revenue reduction	13.2	-10% estimate (trend is -5%; current fall 2020 tuition and fee projection as of 5/25/2020 is -16%)
Decline in interest income	2.7	
Decline in indirect cost recovery	1.5	
<b>FY21 COVID Projected Impacts</b>	<b>\$24.8</b>	Does not include additional government support program funds that may be received
<b>One time funds</b>	<b>(\$24.8)</b>	BOR budget approval includes use of one-time funds for projected COVID impact
<b>FY21 Remaining Gap to Fill</b>	<b>0</b>	

# FY21 requires use of one-time funds (limiting availability for FY22)

ONE-TIME FUNDS	Projected 6/30/2020 (2% of expenses)	"Floor" = Target 6/30/2022 (4% of expenses)	Available above floor
<b>Unreserved Fund Balance</b>			
UAA	\$14.3	\$11.3	\$3.0
UAF	9.8	13.9	0.0
UAS	2.8	2.5	0.3
SW	10.0	1.9	8.1
	\$36.9	\$29.6	\$11.4
<b>Debt Service Reserve Funds</b>			
UAA	\$2.3	\$1.2	\$1.1
UAF	24.0	12.0	12.0
UAS	0.5	0.3	0.2
SW	0.2	0.1	0.1
	\$27.0	\$13.6	\$13.4
<b>One-time funds "available"</b>			<b>\$24.8</b>

# For FY22, the projected gap is from \$11.3M-\$36.3M\*

FY22 BUDGET IMPACTS	\$M	
<b>FY22 Base Funds Impacts</b>		
Unrestricted general fund reductions	\$20.0	Reduction based on Compact Agreement
Specific market compensation adjustment	<del>3.2</del>	On hold. This adjustment is part of a three-year plan to bring employees up to 90% of the median market rate
<b>FY22 Base Budget Impact</b>	<b>\$20.0</b>	
Specified base reductions	\$1.7	
<b>FY22 Base Gap to Fill</b>	<b>\$18.3</b>	
<b>FY22 COVID &amp; Other Projected Impacts</b>		
Tuition and fee revenue reduction	\$13.1	-10% estimate; does not include impact of potential tuition increase in FY22
Decline in interest income	0.8	
Adjust UFB level to new 4% target level	4.1	
<b>FY22 COVID &amp; Other Projected Impacts</b>	<b>\$18.0</b>	Does not include additional government support program funds that may be received
<b>FY22 Budget Gap (<u>not</u> including unspecified reductions)</b>	<b>\$36.3</b>	
Unspecified reductions	\$25.0	These reduction targets have been set, but not specifically identified
<b>FY22 Minimum Budget Gap (including unspecified reductions)</b>	<b>\$11.3</b>	

\*The gap may vary within (and possibly exceed) the range depending on:

1. whether FY21 and FY22 reductions are fully realized
2. enrollment and tuition rate
3. state funding

# The need for action is clear

- 2012 Enrollment begins to decline (part of national trend)
- 2015 State funding cuts begin
- 2016-17 Strategic Pathways identifies options for improvement, incremental decisions made
- 2019 State funding cut with veto was 41%
  - Declaration of exigency, subsequently withdrawn
  - Consideration of single accreditation encouraged by legislature and BOR Task Force; BOR decided against pending UAF reaffirmation of accreditation in FY21
  - State cut partially mitigated through Compact Agreement (21% over 3 years)
  - BOR direction for university-led program reviews with FY21 & FY22 targets
- 2020 Current state funding cut is 21% over 3 years
  - Universities are actively working to increase enrollment against strong headwinds
  - MAUs are implementing administrative reductions
  - University-led program reviews made progress and primarily address FY21
  - Lengthy notice periods and other transition processes require specific action now for FY22
  - Unforeseen COVID impacts magnify underlying fiscal challenges
    - Response cost; federal and state aid do not cover costs
    - Negative impact on revenue from enrollment, tuition, investment earnings, research
    - Alaska economic challenges: oil, tourism, fishing, investment earnings
    - State funding, philanthropy at risk
  - BOR Audit Committee directs president to work with chancellors to review options

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# Audit Committee direction

The Audit Committee directs the president, in conjunction with the UA leadership team including the chancellors, to provide options for transformational change at the University of Alaska, including additional academic and administrative integration, revision of the budget allocation model, and structural changes, including mergers, closures, and changes of mission, for consideration during the Board of Regents' June 2020 meeting.

This motion is effective May 13, 2020.

# The expedited preliminary review process

	May 11-15	May 18-22	May 25-29	June 1-June 5
<b>Board of Regents</b>	<ul style="list-style-type: none"> <li>✓ 5/13 Audit Committee</li> <li>✓ 5/13 ASA Committee</li> </ul>		<ul style="list-style-type: none"> <li>✓ 5/26 Public Testimony</li> <li>✓ 5/27 Ad Hoc Title IX</li> <li>✓ 5/28 ASA Committee</li> <li>✓ 5/28 Facilities Committee</li> <li>✓ 5/29 Audit Committee</li> <li>✓ 5/29 Governance Committee</li> <li>✓ 5/29 Post Full Board materials</li> </ul>	<ul style="list-style-type: none"> <li>• 6/2 Public Testimony</li> <li>• 6/4-5 Full Board</li> </ul>
<b>Executive Council</b>	<ul style="list-style-type: none"> <li>✓ 5/14 Meet to (1) review / approve draft workplan; (2) Identify and describe options and criteria</li> </ul>	<ul style="list-style-type: none"> <li>✓ 5/19 Discuss and draft options</li> <li>✓ 5/22 EC reviews assigned options</li> </ul>	<ul style="list-style-type: none"> <li>✓ 5/26 Considers academic and administration reviews from AC and BC; reviews draft BOR presentation</li> <li>✓ 5/28 Review revised draft BOR presentation</li> <li>✓ 5/29 Discuss input and finalize BOR presentation</li> </ul>	
<b>Academics</b>	<ul style="list-style-type: none"> <li>✓ 5/14 VPASR heads up email to NWCCU</li> <li>✓ 5/15 Letter to NWCCU</li> </ul>	<ul style="list-style-type: none"> <li>✓ 5/20-21 AC reviews assigned options, provides to EC on 5/22</li> <li>✓ TBD Meeting with NWCCU, VPASR, provosts, and ALOs</li> </ul>	<ul style="list-style-type: none"> <li>✓ 5/27 AC reviews draft BOR presentation</li> </ul>	<ul style="list-style-type: none"> <li>• TBD Meeting with NWCCU, provosts, and ALOs</li> </ul>
<b>Administration</b>		<ul style="list-style-type: none"> <li>✓ 5/20-21 BC reviews assigned options, provides to EC on 5/22</li> </ul>	<ul style="list-style-type: none"> <li>✓ 5/27 BC reviews draft BOR presentation</li> </ul>	
<b>Governance</b>	<ul style="list-style-type: none"> <li>✓ 5/13 VPASR heads up email to system governance leaders</li> <li>✓ 5/14 P meet with SGC</li> </ul>	<ul style="list-style-type: none"> <li>✓ 5/21 P discusses options with SGC</li> <li>✓ TBD Cs discuss options with institution level governance groups</li> </ul>	<ul style="list-style-type: none"> <li>✓ 5/28 P get input on draft BOR presentation from SGC</li> <li>✓ TBD Cs get input on draft BOR presentation from institution level governance groups</li> </ul>	
<b>Communications</b>	<ul style="list-style-type: none"> <li>✓ 5/13 P email to UA community</li> <li>✓ 5/14 Cs email to universities</li> </ul>	<ul style="list-style-type: none"> <li>✓ 5/21 P email to UA community</li> <li>✓ TBD Cs communication</li> </ul>	<ul style="list-style-type: none"> <li>✓ 5/29 P email to UA community</li> <li>✓ TBD Cs communication</li> </ul>	<ul style="list-style-type: none"> <li>• TBD P email to UA community</li> <li>• TBD Cs communication</li> </ul>

P: President

Cs: Chancellors

ALOs: Accreditation Liaison Officers

AC: Academic Council

BC: Business Council

SGC: System Governance Council

NWCCU: Northwest Commission on Colleges and Universities

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# The options considered for preliminary review\*

Additional academic and administrative integration	Revision of budget allocation model	Structural change, e.g., mergers, closures, changes of mission
<p>Academic (led by VPASR, Academic Council)</p> <ol style="list-style-type: none"> <li>1. Complete implementation of teacher education program consolidation</li> <li><b>2. Set single definition of lecture/course hour (50 or 60 minutes, one or the other)</b></li> <li><b>3. Consolidate and redesign common GERs</b></li> <li><b>4. Increase coordination of curriculum and faculty and staff resources in similar programs across UA</b></li> <li>5. Consolidate duplicative academic units</li> <li>6. Develop university wide strategic plan for eLearning</li> </ol> <p>Administrative (led by VPUR, Business Council)</p> <ol style="list-style-type: none"> <li><b>1. Devolve Information Technology services from Statewide to universities</b></li> <li><b>2. Consolidate Information Technology services in Statewide</b></li> <li>3. Assign responsibility for administrative services to a university</li> <li>4. Increase cost-effective outsourcing</li> <li>5. Reduce facility footprint</li> <li>6. Expand “work from home” from pre-COVID</li> </ol>	<ol style="list-style-type: none"> <li>1. Allow tuition differentiation among universities, between university and CTE programs, between in-person and on-line, and between in-state and out-of-state</li> <li>2. Develop budget allocation formula weighted for mission, enrollment, disciplines, and degrees offered</li> <li>3. Allocate UGF for expenses in accordance with peer ratios</li> </ol>	<p>Structural (led by President, Executive Council)</p> <ol style="list-style-type: none"> <li><b>1. Merge community campuses into UAS</b></li> <li><b>2. Merge UAS into UAA and/or UAF, while preserving access and other values</b></li> <li>3. Re-envision partnerships with selected community campuses/facilities, including possible merger and/or transfer to local entity</li> </ol> <p><b>*Options for preliminary review are identified in bold face.</b>  <b>They were selected based on several factors, including:</b></p> <ol style="list-style-type: none"> <li><b>1. UGF cost savings potential</b></li> <li><b>2. Ability to ensure student access/affordability</b></li> <li><b>3. Opportunity to support mission focus</b></li> <li><b>4. Time/ease of implementation</b></li> <li><b>5. Additional considerations, e.g., on-line alternatives</b></li> </ol> <p><b>Other options, including options to be identified later, will be considered for review at a future time.</b></p>

# Why not other options?

- Cut UA System Office
  - Constitutional, legal, and financial responsibilities
  - Provides wide variety of necessary non-duplicated functions (governance and administrative services)
  - Smaller share of total expenses than comparable system offices
- Single accreditation
  - Reviewed last year and suspended to ensure UAF reaffirmation of accreditation in FY21
  - Large cost savings potential from reducing organizational units and personnel to comparable peer levels
  - High degree of disruption and high institutional accreditation risk
- Mandatory salary cuts / furloughs
  - Administrators already cut, small number of people results in small savings
  - Union contract does not allow, so unless union agrees, no general program recommended
- Combine SW and MAU leadership positions
  - They are different roles
  - Cost savings possible, though minor
- Cut athletics at UAA and UAF
  - Small share of overall expenses; already being cut
  - High community relations value and philanthropy opportunity
- Close community campuses
  - Small share of total expenses
  - Large impact on local communities
  - Valuable access point for higher education
  - Opportunity to consider learning centers and stronger local partnerships
- Merge duplicative academic units
  - Consistent with option currently under review to increase inter-university coordination
  - Substantial savings could be realized
- Allocate budget according to peer ratio benchmarks
  - Substantial reductions possible
  - This option will be considered on its own and in conjunction with increased coordination among similar academic programs across UA
  - Would likely require program reviews and lengthy notice periods

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# The options were reviewed by systemwide councils

Academic Council	Business Council	Executive Council
<p>Steve Atwater, Exec. Dean, AKCOE, UAS                      Heather Batchelder, Faculty Alliance, UAS                      Karen Carey, Provost, UAS                      Teri Cothren, AVP Workforce Programs, UA                      Jeff Jessee, V. Provost of Health Programs, UAA                      Gokhan Karahan, Faculty Alliance, UAA                      Nettie Labelle-Hamer, VC Research, UAF  <b>Paul Layer, VPASR, UA</b>                      Julie Maier, Faculty Alliance, UAF                      Saichi Oba, AVP Student Affairs, UA                      Anupma Prakash, Provost, UAF                      Priscilla Schulte, Ketchikan Campus Director, UAS                      John Stalvey, Provost, UAA</p>	<ul style="list-style-type: none"> <li>• Michael Ciri, VCAS, UAS</li> <li>• Carrie Couey, Director Of Admin Services, UAA</li> <li>• <b>Myron Dosch, CFO, UA, council chair</b></li> <li>• John Hebard, Chief Procurement Officer, UA</li> <li>• Mark Kondrak, CITO, UA</li> <li>• John Moore, Staff Governance, UAA</li> <li>• Steve Patin, CHRO, UA</li> <li>• Nikki Pittman, Chief Audit Executive, UA</li> <li>• Julie Queen, VCAS, UAF</li> <li>• Michelle Rizk, VPUR, UA</li> <li>• Bruce Schultz, acting/interim VCAS, UAA</li> <li>• Gordon Williams, Prof of Mathematics, UAF</li> </ul>	<p>Rick Caulfield, Chancellor, UAS  <b>Jim Johnsen, President, UA</b>                      Michelle Rizk, VPUR, UA                      Paul Layer, VPASR, UA                      Cathy Sandeen, Chancellor, UAA                      Dan White, Chancellor, UAF</p>

# The councils reviewed the options

- Using these criteria:
  - UGF cost savings (estimated)
  - Student access and affordability
  - Mission focus
  - Timeliness/Ease of implementation
  - Additional considerations
    - Process simplification
    - Availability of new/alternative instructional technologies, e.g., on-line
    - Responsiveness to local/community/regional needs
    - Quality
- So the Board may consider whether to:
  - Continue review at a more detailed level for future consideration
  - Discontinue review
  - Take action

# Administrative Options

Devolve Information Technology

Consolidate Information Technology

# Summary of Analysis

- Scope of IT Services and functions applicable for consolidation or devolving are not easily defined or identifiable in time available
- IT is an under-resourced area, with limited UGF savings potential
- Neither consolidating IT nor devolving wholesale may be the best option; rather a hybrid where some functions are centralized and some devolved
- Standardization or optimization of IT processes and technology would create efficiencies and reduce overall cost
- Additional investment to respond to alternative delivery needs and remote work may be necessary (e.g. COVID impact)
- IT is a critical factor for UA transformation, investment will be needed
- IT structural decision should be informed by UA structural decisions
- All universities require an equitable voice in IT planning/strategy regardless of the structure

# Current State

- IT is generally under-resourced at UA (see NCHEMS Cost Analysis, March 11, 2020)
- UA is already centralized for enterprise administrative systems and wide area networks
- IT architecture is coordinated / standardized among universities and statewide
- Some processes are non-standard, adding complexity and cost
- UA benefits from some shared services where each university provides non-duplicated services to the rest of the system
- UA benefits from coordinated software licensing procurement
- UA is decentralized for distributed technologies such as telephones, desktop support, classroom support and academic labs
- UA is decentralized for distributed hardware purchases and specialized academic technologies
- UAF IT is a merged organization with UA OIT (shared staffing and functions)
- UAA IT and UAS IT are separate structures
- IT Council exists to discuss high-level IT issues and strategy
- Transformation readiness assessment currently underway



# Devolve IT services from Statewide to universities

Lead: VPUR

Council: Business Council

UGF cost savings (est'd)	Student access and affordability	Mission focus	Timeliness/ease of implementation	Additional considerations
<ul style="list-style-type: none"> <li>• Insufficient time to reliably estimate UGF cost savings</li> <li>• Some UGF savings possible, but IT function is largely under-resourced</li> <li>• Overall operating expense of multiple, disparate “enterprise” systems would increase cost</li> <li>• Consideration of cost drivers needed, e.g. infrastructure, cloud, applications, staff, telephony</li> <li>• Avoids cost where universities do not need some UA system level products or process</li> <li>• Cost savings from reduced structural complexity that come from “all three must agree” philosophy</li> <li>• May need to maintain some functions at UA level where leveraged/cost benefits exist, e.g. UA Network, IT Security</li> <li>• If enterprise systems separated, one time investment needed to transition universities to standing up smaller, regionally focused, systems</li> </ul>	<ul style="list-style-type: none"> <li>• Student access could be improved through local systems/nimble response and ability to easily enhance systems at each university</li> <li>• Seamless student experience *across* universities likely to be challenged by separate systems and processes where students take courses from or are interested in admission to multiple institutions</li> <li>• Student affordability not impacted substantially unless fees are altered (not necessarily expected)</li> <li>• Solutions for students tailored to local institutional academic needs and student academic outcomes</li> </ul>	<ul style="list-style-type: none"> <li>• May improve responsiveness to university missions and program needs, on a faster timeline - keeps up with speed of student needs and university business</li> <li>• May make access to decision-making about systems and services closer to client/user base</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of UA functions at SW OIT needed to determine what is in-scope to devolve to university level</li> <li>• Timeline increases initially if enterprise systems are devolved, but longer term benefits may exist at university level after the change</li> </ul>	<ul style="list-style-type: none"> <li>• Potentially retain shared items such as networking services and systemwide licensing</li> <li>• Management and maintenance of enterprise systems would need to be determined - are enterprise systems retained?</li> <li>• Separate enterprise systems would result in the need to coordinate for financial reporting purposes and possibly certain non-financial reporting; may complicate reporting on student matters if data are contained within systems separated by university (cross-MAU students). Would need to establish UA reporting requirements to mitigate.</li> </ul>

# Consolidate IT services in Statewide

Lead: VPUR  
Council: Business Council

UGF cost savings (est'd)	Student access and affordability	Mission focus	Timeliness/ease of implementation	Additional considerations
<ul style="list-style-type: none"> <li>• Insufficient time to analyze and reliably estimate UGF cost savings</li> <li>• Purchasing power of central unit could reduce licensing and service costs</li> <li>• Centralizing telephony may yield savings</li> <li>• Standardization of administrative systems and methods would improve effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>• Potential to improve seamless student experience across UA if responsive to input from universities</li> <li>• No estimated impact on student affordability</li> <li>• Increased efficiency with implementation of systems or efforts to streamline the student experience</li> <li>• “Business Partner” model to maintain ability for student-facing services to adopt platforms at local level</li> <li>• MUST maintain student technology fees at university level to ensure engagement from UA for planning and approval prior to expenditure of funds</li> </ul>	<ul style="list-style-type: none"> <li>• Removes IT from the academic reporting chain; IT planning is critical to accreditation. A strong process for university engagement would be needed, connected to university managed funding.</li> <li>• Architectural simplification and process streamlining enables innovation and transformation in value-add /competitively differentiating areas</li> <li>• “Business Partner” model to sustain responsiveness to university missions and programs could be challenged without strong shared ownership of the service</li> </ul>	<ul style="list-style-type: none"> <li>• Timelines vary based on how consolidation is defined, if by function or if merely change in reporting lines - more analysis is needed</li> <li>• UAF is merged with SW OIT currently; UAA and UAS IT would need to be considered</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in opportunities to improve expertise resilience by retaining staffing duplication across the system vs. existing situation where some universities or UA System have only a single expert</li> <li>• Improve opportunities to identify redundancies and seek economies of scale for purchases</li> <li>• Service level matrix in relation to customer service; service quality must be high</li> <li>• Vendor management could be streamlined, which could help UA with security and privacy</li> </ul>

## Academic Options

Set single definition of lecture/course hour (50 or 60 minutes, one or the other)

Consolidate and redesign common GERs

Increase coordination of curriculum and faculty and staff resources in similar programs across UA

# Current State

- **Set single definition of lecture/course hour (50 or 60 minutes, one or the other)**
  - UAF and UAS Juneau campus generally have 60 (or 90) minute course blocks, UAA and the UAS Ketchikan and Sitka campuses generally use 50 (or 75) minute blocks. Note that course blocks do not directly apply to online asynchronous classes
  - 2014 memo from UA President Gamble creating UA Common Calendar Advisory Committee to assess the possibility of calendar and course block alignment. Report submitted on 2/2015
  - Calendars aligned (except for fee payment date), but course blocks still separate
  - 2015-2019: UAA, UAF and UAS senates all considered changing to an alternate time, but none voted to change to match another university and ongoing surveys of faculty show no desire to change
  - In 2019 the Committee began to look at aligning course blocks to fit both a 50 and 60 schedule and in 2020 will present a plan to provide a significant number of possible cross-university class times
- **Consolidate and redesign common GERs**
  - At UAA, only about 50 courses account for more than 75% of GER need
  - A faculty led process has aligned GER offerings and transferability across UA. Final committee report in 2019
  - UAF moved away from a small number of GER courses (Perspectives of the Human Condition) to align with UAS and UAA GERs
  - “Menu” approach to GERs with many offerings across the system in each BOR GER category
  - Across-system Faculty GER Committee remains active
  - All three universities have joined the WICHE Interstate Passport
- **Increase coordination of curriculum and faculty and staff resources in similar programs across UA**
  - Strategic Pathways committees for both Arts & Humanities and Natural & Social Sciences recommended additional collaboration across the system
  - Universities have been sharing courses across the system in a limited capacity
    - UAF and UAA Philosophy programs share common curriculum through an MOU to maintain BA programs at each university.
    - Mathematics faculty have coordinated curriculum and course numbering
    - UAF Chemistry faculty taught synchronous classes in support of the UAA program when it was suspended
    - Engineering faculty have shared courses and curriculum

# Set single definition of lecture/clock hour

Lead: VPASR  
Council: Academic

UGF cost savings (est'd)	Student access and affordability	Mission focus	Timeliness/ease of implementation	Additional considerations
<ul style="list-style-type: none"> <li>Minimal direct cost savings</li> <li>Could increase faculty productivity (and cost savings) by more students taking synchronous online classes across the system</li> </ul>	<ul style="list-style-type: none"> <li>Could simplify schedules for students taking classes across the system</li> <li>More classes taught at one university or campus to be taken by students at another</li> <li>Reducing contact hours at UAF or UAS could impact student learning outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Both 50 and 60 minute comply with US DOE, NWCCU, and BOR policy</li> <li>With the UA common calendar, 50 minute blocs are at the lower end of the requirements</li> <li>Current academic rigor (somewhat attributed to contact hours over the entire semester) is consistent with peers</li> </ul>	<ul style="list-style-type: none"> <li>Would require change to academic calendar and schedule</li> <li>Would require some faculty to modify course plans to fit different schedule</li> <li>Could take effect Fall 2021</li> <li>Transitioning from 50 to 60 minute blocks might be easier for faculty (easier to add content or discussion time with an additional 30 minutes per week than to take it out of the lecture time)</li> </ul>	<ul style="list-style-type: none"> <li>50 minutes appears to be more common than 60 minutes across US but semester lengths vary.</li> <li>There are many advantages to single definition of a clock hour, whether 50 or 60</li> <li>Faculty at each university do not support changing the current definition of clock hour.</li> <li>Calendar committee has identified common course blocks that could accommodate classes and time blocks each day</li> </ul>

# Consolidate and redesign common GERs

Lead: VPASR  
Council: Academic

UGF cost savings (est'd)	Student access and affordability	Mission focus	Timeliness/ease of implementation	Additional considerations
<ul style="list-style-type: none"> <li>• Larger class sizes, and fully enrolled sections</li> <li>• Reduction in duplicative low enrollment sections</li> <li>• Lower instructional cost by increasing student/faculty ratio to peer levels</li> <li>• Models at other universities show large reduction in cost and improved student outcomes (as reported by National Center for Academic Transformation)</li> </ul>	<ul style="list-style-type: none"> <li>• Could reduce student choice to intro courses, which may benefit students in exploring majors</li> <li>• May reduce student/faculty interaction</li> <li>• May reduce high quality faculty feedback to students</li> <li>• May reduce retention of students long term</li> <li>• Provides opportunity to expand competency based assessment and credit for prior learning and experience</li> </ul>	<ul style="list-style-type: none"> <li>• Could have GER courses more focused on the UA mission with a focus on Alaska and the arctic</li> </ul>	<ul style="list-style-type: none"> <li>• Would take a significant amount of time. Two to three years at minimum.</li> </ul>	<ul style="list-style-type: none"> <li>• GERs recently aligned through cross-system faculty committee</li> <li>• All three universities are officially members of the Interstate passport system, which is mapped to current GERs</li> <li>• Many students do not learn well in large-enrollment online classes with less faculty interaction</li> <li>• Rural Alaska students might not have the ability to receive support in large online classes</li> </ul>

# Increase coordination of curriculum and faculty and staff resources in similar programs across UA

Lead: VPASR  
Council: Academic

UGF cost savings (est'd)	Student access and affordability	Mission focus	Timeliness/ease of implementation	Additional considerations
<ul style="list-style-type: none"> <li>Initial “up-front” cost to bring faculty and staff together to identify potential coordination and curricular alignment</li> <li>Moderate savings in the long run as curricular gaps in one program caused by faculty departure are filled by faculty at another university</li> <li>Substantial savings possible if faculty resources shared more efficiently across universities (up to \$9M projected savings over several years)</li> </ul>	<ul style="list-style-type: none"> <li>Potential loss of unique curriculum</li> <li>More options for students to take classes from other universities</li> <li>Could allow universities to retain programs/majors that otherwise might need to be discontinued</li> </ul>	<ul style="list-style-type: none"> <li>Most direct use of the expertise of each faculty member across more than one university</li> </ul>	<ul style="list-style-type: none"> <li>Will take faculty time, thus needs up front investment</li> <li>Can begin working immediately, however</li> <li>Some programs are already engaged in program coordination</li> </ul>	<ul style="list-style-type: none"> <li>Faculty have proposed some common course times consistent with current clock hour definitions across the UA system</li> <li>Effective collaborations depend on faculty commitment</li> <li>Need a uniform tuition and fee sharing policy</li> </ul>

# Summary

- Set single definition of lecture/course hour (50 or 60 minutes, one or the other)
  - Little to no faculty interest to change current practice
  - Minimal to no direct cost savings given the growth in online, asynchronous offerings that don't depend on course blocks, and the fact that under the current system, (limited) course sharing is taking place. Changing will require staff time to implement
  - Ongoing faculty efforts will provide some aligned course blocks for synchronous course delivery in key programs
  - Moving from 60 to 50 minutes could impact student learning outcomes for some programs
- Consolidate and redesign common GERs
  - Potential cost savings if universities reduce the number of small-enrollment courses currently identified as GER approved
  - Would focus student choice with a concern that student/faculty interaction with larger, less personal face-to-face and online GER classes
  - Current structure has been approved by WICHE Interstate Passport to facilitate student transfer into and out of UAA, UAF and UAS
  - System-wide GER committee is tasked with reviewing approved courses for student learning outcomes
  - Deans currently have the authority to decide if a low-enrollment GER is offered and faculty senates can evaluate courses for viability
  - Extensive experience in other states suggests possibility of substantial cost reduction and improved student experience
- Increase coordination of curriculum and faculty and staff resources in similar programs across UA
  - There are instances of ongoing “grass roots” collaboration at the faculty or college level
  - While coordinating similar degree programs across the system may limit different emphases, they reduce costs and preserve other programs.
  - Where these efforts have worked they have produced modest savings due to not refilling vacant faculty lines. In most instances these collaborations are short-term until new hires can be made. Under the current budget situation, this will become more common
  - Bringing faculty together to discuss curriculum will need funding
  - Online program development is facilitating collaboration, but requires additional eLearning coordination
  - Discussion recommended that emphasis be placed on ensuring that there are coordinated pathways from endorsements through certificates, associates, and baccalaureate degrees
  - Significant savings possible if faculty resources shared more efficiently across universities



## Structural Options

Merge community campuses into UAS

Merge UAS into UAA and/or UAF, while preserving access and other values

# Current State

- Organizational structure of UA is a cost driver (along with low population and other factors)
  - Recent analyses show UA has more management (& faculty)/FTE student than peers
  - Attempts to address, e.g., Strategic Pathways, have shown opportunity and some progress, more is possible
- UA enrollment (Fall headcount) has been declining since 2011
  - FY2011-19    UA: 27%    UAA: 27%    UAF: 26%    UAS: 36%
  - Fall 2020\*    UA: 20%    UAA: 21%    UAF: 15%    UAS: 22% (Fall 2020 projection as of 5/25/20 compared to Fall 2019 projection at same date in 2019)
- Management, faculty and staff reduction rates have lagged declining enrollment\*
 

• Management	UA: 14%	UAA: 20%	UAF: 18%	UAS: (17%)	*Research growth over this period explains a portion of the lag.
• Faculty	UA: 18%	UAA: 19%	UAF: 19%	UAS: 12%	
• Staff	UA: 17%	UAA: 19%	UAF: 16%	UAS: 23%	
• All	UA: 18%	UAA: 19%	UAF: 17%	UAS: 18% (Includes only regular employees. Source: UA Workforce Reductions, FY15-20)	
- Two recent reviews found UA is above peers in faculty and management, ranging from 14% to 24% in faculty and 6% to 40% in management
- Incremental, university-based reductions have been made and will continue, but they are limited to some extent by our structure and differences in fixed cost ratios
- Consideration should be given to structural options, such as merger of community campuses into UAS and merger of UAS into UAA and/or UAF

# Merge community campuses into UAS

Lead: President  
Council: Executive

UGF cost savings (est'd)	Student access and affordability	Mission focus	Timeliness/ease of implementation	Additional considerations
<ul style="list-style-type: none"> <li>Likely increase in cost, especially during transition</li> <li>Modest long-term reductions may result through increased program coordination and administrative efficiencies</li> </ul>	<ul style="list-style-type: none"> <li>Large impact on many community campuses may result in negative enrollment impacts in multiple locations</li> <li>Students would have access to on-line programs from all three universities</li> </ul>	<ul style="list-style-type: none"> <li>Allows UAF and UAA to focus more on respective missions</li> <li>Unless UAS becomes a CC, its mission would expand</li> <li>UAF's leading role in tribal management programs would be lost</li> </ul>	<ul style="list-style-type: none"> <li>Likely a 2 year transition</li> <li>Serious accreditation issues for all three universities</li> </ul>	<ul style="list-style-type: none"> <li>Unresolved issue about whether to include only rural campuses or also large, urban CCs</li> <li>Could support collaboration among Alaska Native Serving Institutions</li> </ul>

# Merge UAS into UAA and/or UAF

Lead: President  
Council: Executive

UGF cost savings (est'd)	Student access and affordability	Mission focus	Timeliness/ease of implementation	Additional considerations
<ul style="list-style-type: none"> <li>• Variable cost savings depending on extent of program integration</li> <li>• Modest cost reductions if most faculty and staff retained</li> <li>• Large cost reductions would require large reductions in faculty and staff</li> </ul>	<ul style="list-style-type: none"> <li>• May reduce student access, depending on extent of integration</li> <li>• 50% of UAS credit hours already on-line</li> <li>• Impact can be mitigated with strong on-site student support and academic advisors</li> <li>• UAS student “teach out” responsibility can largely be met through current UAA and/or UAF programs</li> </ul>	<ul style="list-style-type: none"> <li>• UAS’s mission could fit into UAA’s and UAF’s</li> <li>• Opportunity for program expansion in SE from merger with UAF, e.g., fisheries and ocean science, environmental science, mining, and Indigenous Studies</li> <li>• High synergy between UAS’s on-line programs and UAF’s eCampus</li> <li>• UAA could continue to provide health programs in Southeast</li> </ul>	<ul style="list-style-type: none"> <li>• Once decision made, 6 months of careful planning and 12 months of implementation; could be completed by end of FY22</li> <li>• Would use established accreditation “change of control” process with NWCCU</li> <li>• Very low risk to accreditations of UAA and UAF</li> <li>• Would need to merge CAEP accreditations for teacher education</li> </ul>	<ul style="list-style-type: none"> <li>• Strong community concerns</li> <li>• May result in reduced focus, resources on unique needs in SE region</li> <li>• Potential to increase research and philanthropic revenue in Southeast</li> <li>• Could support maritime training collaborative among community campuses</li> <li>• Could support collaboration among Alaska Native Serving Institutions</li> </ul>

# Summary

- Merger of community campuses into UAS
  - Does not yield cost savings; it would likely result in increased costs
  - May reduce access due to many locations affected by the change
  - Would enable UAF and UAA to focus their missions; UAS' would expand
  - UAS enrollment and revenue would increase; UAA and UAF would decrease
  - Serious accreditation issues for all three universities
- Merger of UAS into UAF and/or UAA
  - Cost savings could be low or high, depending on degree of integration (current UGF of \$23.1M)
  - Would be disruptive to UAS itself; risk to long-time relationships with communities and employers
  - Large cost savings would require large reductions in faculty and staff, and changes in traditional learning model
  - Requires careful planning to ensure strong support for student interests and regional needs
  - Impact on students can be mitigated due to high % of on-line students now and availability of like programs from UAA and UAF in person and on-line
  - Potential opportunities for expansion in Southeast, e.g.:
    - Fisheries and Ocean Sciences
    - Management
    - Health Research and Education
    - Environmental Research and Education
    - Mine Training
    - Indigenous Studies
    - Dual Enrollment with K-12
    - Teacher Education
    - Philanthropic and grant revenue
  - Substantial reductions at UAA and UAF still needed
  - Could us established NWCCU “change of control” process

# Overview

1. The university is facing a serious fiscal gap as a result of reduced state funding, declining enrollment/tuition, and the COVID pandemic
2. In response, the BOR Audit Committee directed the president to oversee an expedited, consultative review process of options for university transformation, for consideration by the Board June 4
3. Numerous options were suggested for review; given the short period of time available, a small number were selected
4. The preliminary reviews were conducted by appropriate UA councils (Academic Council, Business Council, Executive Council) and included input from shared governance
5. The reviews suggest a variety of options for the Board; those with potentially large cost savings being the most challenging to implement

# Board discussion

Of the options included in this preliminary review, which should be:

- Given additional, deeper consideration?
- Set aside?
- Acted upon?

For other options identified here and yet to be suggested, which should be:

- Given a preliminary review?
- Set aside?
- Acted upon?

# Other options for review\*

Additional academic and administrative integration	Revision of budget allocation model	Structural change, e.g., mergers, closures, changes of mission
<p>Academic (led by VPASR, Academic Council)</p> <ol style="list-style-type: none"> <li>1. <b>Complete implementation of teacher education program consolidation</b></li> <li>2. Set single definition of lecture/course hour (50 or 60 minutes, one or the other)</li> <li>3. Consolidate and redesign common GERs</li> <li>4. Increase coordination of curriculum and faculty and staff resources in similar programs across UA</li> <li>5. <b>Consolidate duplicative academic units</b></li> <li>6. <b>Develop university wide strategic plan for eLearning</b></li> </ol> <p>Administrative (led by VPUR, Business Council)</p> <ol style="list-style-type: none"> <li>1. Devolve Information Technology services from Statewide to universities</li> <li>2. Consolidate Information Technology services in Statewide</li> <li>3. <b>Assign responsibility for administrative services to a university</b></li> <li>4. <b>Increase cost-effective outsourcing</b></li> <li>5. <b>Reduce facility footprint</b></li> <li>6. <b>Expand “work from home” from pre-COVID</b></li> </ol>	<ol style="list-style-type: none"> <li>1. <b>Allow tuition differentiation among universities, between university and CTE programs, between in-person and on-line, and between in-state and out-of-state</b></li> <li>2. <b>Develop budget allocation formula weighted for mission, enrollment, disciplines, and degrees offered</b></li> <li>3. <b>Allocate UGF for expenses in accordance with peer ratios</b></li> </ol>	<p>Structural (led by President, Executive Council)</p> <ol style="list-style-type: none"> <li>1. Merge community campuses into UAS</li> <li>2. Merge UAS into UAA and/or UAF, while preserving access and other values</li> <li>3. <b>Re-envision partnerships with selected community campuses/facilities, including possible merger and/or transfer to local entity</b></li> </ol> <p><b>*Options for potential future review are identified in bold face. These and other options, including those yet to be identified, may be considered for review at a future time.</b></p>