



**Board of Regents Program Action Request  
University of Alaska  
Proposal to Add, Change, or Discontinue a Program of Study**

<b>1a. UA University</b> UAF	<b>1b. School or College</b> School of Management	<b>1c. Department or Program</b> Economics																																								
<b>2. Complete Program Title</b> Economics BA    Economics BBA																																										
<b>3. Type of Program</b>																																										
<input type="checkbox"/> Undergraduate Certificate <input type="checkbox"/> Associate <input checked="" type="checkbox"/> Baccalaureate <input type="checkbox"/> Post-Baccalaureate Certificate <input type="checkbox"/> Master's <input type="checkbox"/> Graduate Certificate <input type="checkbox"/> Doctorate																																										
<b>4. Type of Action</b>		<b>5. Implementation date (semester, year)</b>																																								
<input type="checkbox"/> Add <input type="checkbox"/> Change <input checked="" type="checkbox"/> Discontinue		<input checked="" type="checkbox"/> Fall <input type="checkbox"/> Spring <input type="checkbox"/> Summer    Year 2020																																								
<b>6. Projected Revenue and Expenditure Summary (not required if the requested action is discontinuation).</b> Provide information for the 5 <sup>th</sup> year after program change approval if a baccalaureate or doctoral degree program; for the 3 <sup>rd</sup> year after program approval if a master's or associate degree program; or for the 2 <sup>nd</sup> year after program approval if a graduate or undergraduate certificate. If information is provided for another year, specify (1st) and explain in the program summary attached. Note that revenues and expenditures are not always entirely new; some may be current (see 7d.)																																										
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: left;">Projected Annual Revenues in FY N/A</th> <th colspan="2" style="text-align: left;">Projected Annual Expenditures in FY N/A</th> </tr> <tr> <td colspan="2"><b>Unrestricted</b></td> <td>Salaries &amp; benefits (faculty and staff)</td> <td>\$</td> </tr> <tr> <td>General Fund</td> <td>\$</td> <td>Other (commodities, services, etc.)</td> <td>\$</td> </tr> <tr> <td>Student Tuition &amp; Fees</td> <td>\$</td> <td><b>TOTAL EXPENDITURES</b></td> <td>\$</td> </tr> <tr> <td>Indirect Cost Recovery</td> <td>\$</td> <td colspan="2"><b>One-time Expenditures to Initiate Program (if &gt;\$250,000)</b></td> </tr> <tr> <td>TVEP or Other (specify):</td> <td>\$</td> <td colspan="2">(These are costs in addition to the annual costs, above.)</td> </tr> <tr> <td colspan="2"><b>Restricted</b></td> <td>Year 1</td> <td>\$</td> </tr> <tr> <td>Federal Receipts</td> <td>\$</td> <td>Year 2</td> <td>\$</td> </tr> <tr> <td>TVEP or Other (specify):</td> <td>\$</td> <td>Year 3</td> <td>\$</td> </tr> <tr> <td><b>TOTAL REVENUES</b></td> <td>\$</td> <td>Year 4</td> <td>\$</td> </tr> </table>			Projected Annual Revenues in FY N/A		Projected Annual Expenditures in FY N/A		<b>Unrestricted</b>		Salaries & benefits (faculty and staff)	\$	General Fund	\$	Other (commodities, services, etc.)	\$	Student Tuition & Fees	\$	<b>TOTAL EXPENDITURES</b>	\$	Indirect Cost Recovery	\$	<b>One-time Expenditures to Initiate Program (if &gt;\$250,000)</b>		TVEP or Other (specify):	\$	(These are costs in addition to the annual costs, above.)		<b>Restricted</b>		Year 1	\$	Federal Receipts	\$	Year 2	\$	TVEP or Other (specify):	\$	Year 3	\$	<b>TOTAL REVENUES</b>	\$	Year 4	\$
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Page # of attached summary where the budget is discussed, including initial phase-in:																																										
<b>7. Budget Status.</b> Items a., b., and c. Indicate the source(s) of the general fund revenue specified in Item 6. If any grants or contracts will supply revenue needed by the program indicate amount anticipated and expiration date, if applicable.																																										
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<b>8. Facilities.</b> New or substantially (>\$25,000 cost) renovated facilities will be required. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, discuss the extent, probable cost, and anticipated funding source(s), in addition to those listed in sections 6 and 7 above.																																										
<b>9. Projected Enrollments (headcount of majors).</b> If this is a program discontinuation request, project the teach-out enrollments.																																										
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Page number of attached summary where demand for this program is discussed: N/A																																										
<b>10. Number<sup>2</sup> of new TA or faculty hires</b>	<b>11. Number<sup>2</sup> of TAs or faculty to be reassigned:</b>																																									

<sup>1</sup>Sometimes the courses required by a new degree or certificate program are already being taught by a UA university, e.g., as a minor requirement. Similarly, other program needs like equipment may already be owned. 100% of the value is indicated even though the course or other resource may be shared.

anticipated (or number of positions eliminated if a program discontinuation):

Graduate TA	8
Adjunct	
Term	2
Tenure track	2

Graduate TA	
Adjunct	
Term	
Tenure track	

Former assignment of any reassigned faculty:  
For more information see page 2 of the attached summary.

12. Other programs affected by the proposed action, including those at other campuses (please list):

Program Affected	Anticipated Effect
UAA Economics BBA, BA	Potential small enrollment increase or increased demand for online classes.

Page number of attached summary where effects on other programs are discussed: 1

13. Specialized accreditation or other external program certification needed or anticipated. List all that apply or 'none': none

14. Aligns with University or campus mission, goals, core themes, and objectives (list):

Page in attached summary where alignment is discussed:

15. Aligns with Shaping Alaska's Future themes:

The program discontinuation will address aspects of Theme 5, Accountability to the People of Alaska, as it pertains to increasing efficiency and cost-effectiveness.

Page in attached summary where alignment is discussed: 1-2

16. State needs met by this program (list): The State is requiring the University to reduce general fund expenditures.

Page in the attached summary where the state needs to be met are discussed: 2

17. Program is initially planned to be: (check all that apply)

- Available to students attending classes at campus(es).
- Available to students via e-Learning
- Partially available to students via e-Learning

Page # in attached summary where e-Learning is discussed: N/A

Submitted by the University of Alaska Fairbanks.

 / 5/1/17  
Provost Date

 / 5/2/2017  
Chancellor Date


Consensus support of SAC

<sup>unanimously</sup> Not supported by SAC

There were concerns and objections raised by some SAC members. The majority supported the action.

Recommend approval by VPAAR

Recommend disapproval by VPAAR

 / 5/10/17  
UA Vice President for Academic Affairs & Research Date

<sup>4</sup>Net FTE (full-time equivalents). For example, if a faculty member will be reassigned from another program, but his/her original program will hire a replacement, there is one net new faculty member. Use fractions if appropriate. Graduate TAs are normally 0.5 FTE. The numbers should be consistent with the revenue/expenditure information provided.

Attachments:  Summary of Degree or Certificate Program Proposal

Other (optional) Narrative Discontinuation Request

Revised: 02/28/2017



## **Program Reduction and Discontinuation Request Economics Baccalaureate Programs**

The University of Alaska Fairbanks requests authorization from the UA Board of Regents to discontinue its baccalaureate programs in Economics. Admission to these programs was suspended in spring 2016, due to low enrollment and worsening financial challenges. They underwent special program review during academic year 2016-2017.

### **Program Review Process**

Initially UAF Planning and Institutional Research provides unit performance data, including enrollment, graduates, and research grants as applicable. The unit under review also provides information, and together these reports address the applicable criteria listed in University Regulation R10.06.010B. The document prepared for this program review is appended. The program is subject to three levels of review; a faculty committee, with representatives from each school and college; a dean/director committee, including the deans and community campus directors; and the Chancellor's Core Cabinet. Two of the three levels of review (the dean/director committee and the Chancellor's Core Cabinet) voted to discontinue the Economics baccalaureate programs, while the faculty committee voted to retain them. The UAF Faculty Senate voted on the proposed discontinuation, and a majority of those voting disagreed with it. This vote (and other Senate votes on program discontinuations) was advisory to the Chancellor. The UAF Interim Chancellor, considering the program review report, all levels of review, and the serious financial challenges facing the School of Management, decided to request that the UA Board of Regents discontinue the program.

### **Rationale**

Most of the student credit hours (SCH) generated by the Economics programs come from service courses, both within the School of Management (SOM) and the UAF General Education Requirements (GER). Over 90% of the total Economics SCH over the last five years were from service courses, which can continue to be taught without offering a major in this discipline. The programs have few majors and graduates. The Economics BBA and BA are the smallest-enrollment undergraduate programs within the School of Management and are among the smallest baccalaureate programs at UAF. With SOM having over \$2 million in budget reductions and costs due to unfunded salary and benefit increases over the FY15-FY17 period, it can no longer support a program that has six faculty but whose undergraduate and graduate majors comprise just 5.1% of SOM's 806 majors (data as of 9/13/16).

The UAF BBA students have courses in Economics available to them via distance delivery, offered by UAA. The state need for a program in Economics is filled by the University of Alaska Anchorage (UAA) College of Business and Public Policy (CBPP) that has a large undergraduate program (118 majors in FY16). Also, based on publication records the UAA economics department is rated in the top quarter of all departments housed in a business schools worldwide. The UAA Institute for Social and Economic Research (ISER) is also housed within CBPP and is recognized as a leader for nonpartisan policy research. UAF students wanting to remain in Fairbanks can still earn a BBA in business or accounting and take the Economics service courses that will continue to be offered, as well as distance delivered courses from UAA. The latter option is being enhanced from the cooperation between UAF SOM and UAA CBPP as part of Strategic Pathways.

In spring semester 2016 SOM suspended admissions to the Economics BA and BBA, anticipating that discontinuation would be necessary due to ongoing financial challenges. The SOM will be able to maintain AACSB accreditation in both Business and Accounting if the Economics degree programs are discontinued, since it can move the associated resources to its other programs. Enrollment in the remaining programs, in Business, Accounting, and Homeland Security and Emergency Management have grown at an annual rate of 8.9% over the last ten years. UAF anticipates that these programs can continue to be of high quality and to attract enrollment.

### **Budget**

In FY16 the Economics programs unit fund 1 (unrestricted fund) expenditures were about \$1.1 million, mainly due to faculty salaries and benefits and to teaching assistantships. All of the cost savings achieved by discontinuing the Economics BBA and BA will be reallocated to support the continuation of the remaining School of Management academic programs.

### **Reduction Plan**

At the beginning of FY17, the UAF School of Management employed 6.25 faculty in its Economics programs, which included a BBA, a BA, and an MS in Resource Economics. The faculty included two term faculty with bipartite teaching and service workloads, four tripartite tenured faculty whose workloads included teaching, research and service, and one faculty member whose primary assignment and tenure reside in another unit.

Teach out of the Economics baccalaureate students will require two to three years. Admission to the MS in Resource Economics program remains open, because it is a two-year program and because it can be taught at little additional cost as long as faculty are retained to teach out the baccalaureate programs. The MS is the only graduate-level economics program in Alaska at present. UAF is discussing the possibility of offering the program jointly with UAA, which could be done with the reduced faculty numbers proposed here. If that is not possible, the MS will be proposed for discontinuation later.

The reduction plan is as follows:

- FY18:** 1 term faculty position eliminated (resignation)  
1 term faculty position non-renewal at the end of FY18  
1 tenured faculty member is given notice of non-retention  
Total faculty in FY18 = 5.25
- FY19:** 1 tenured faculty member is given notice of non-retention  
Total faculty in FY19 = 3.25
- FY20:** Total faculty in FY20 and later = 2.25

UAF Special Program Review Data, Fall 2016

School of Management - Economics

		FY12	FY13	FY14	FY15	FY16	FY15-FY16 Change	FY12-FY16 Change
Student Credit Hours Delivered by Department	ECON - Lower	2,751	3,183	3,522	3,591	3,396	-5.4%	23.4%
	ECON - Upper	348	462	477	543	501	-7.7%	44.0%
	ECON - Grad	380	263	280	230	237	3.0%	-37.6%
	ECON - Outside	312	298	519	558	613	9.9%	96.5%

Courses taught by the department during the regular fall and spring terms are listed in the Lower, Upper, Grad, etc., lines. Courses taught by Summer Sessions and CRCD appear in Outside. Center for Distance Education courses are distributed to Lower, Upper, Grad, etc.

		FY12	FY13	FY14	FY15	FY16	FY15-FY16 Change	FY12-FY16 Change
Internal Teaching	In unit, in department	399	386	333	477	316	-33.8%	-20.8%
	In unit, outside department	1,041	975	822	901	901	0.0%	-13.4%
Service Teaching	Outside unit	2,042	1,950	1,996	1,717	1,501	-12.6%	-26.5%

"Internal Teaching" is defined here as the number of credit hours delivered to students who are seeking a degree from that same department. "Service Teaching" is the number of credit hours a department delivers to students who are not seeking a degree from that same department. Only departmentally produced credit hours are considered when evaluating service teaching effort.

		FY12	FY13	FY14	FY15	FY16	FY15-FY16 Change	FY12-FY16 Change
Majors	BA Economics	16	21	20	25	21	-16.0%	31.3%
	BBA Economics	19	19	17	26	23	-11.5%	21.1%
	MS Res. & Appl. Economics	21	18	21	20	18	-10.0%	-14.3%

A student seeking more than one degree, or changing major during a fiscal year, is counted more than once.

		FY12	FY13	FY14	FY15	FY16	FY15-FY16 Change	FY12-FY16 Change
Majors' Average Annual SCH Load	BA Economics	26.9	26.1	26.6	29.2	26.6	-8.8%	-0.9%
	BBA Economics	30.5	27.6	25.3	25.3	28.1	10.7%	-7.9%
	MS Res. & Appl. Economics	15.6	14.9	14.3	12.9	14.7	14.0%	-5.6%

Based on the headcount from Majors table.

		FY12	FY13	FY14	FY15	FY16	FY15-FY16 Change	FY12-FY16 Change	
Majors by Race and Gender	BA Econ.	AK Native female	1	0	0	2	1	-50.0%	0.0%
		AK Native male	2	2	1	1	1	0.0%	-50.0%
		Non-AK Native female	7	7	6	8	7	-12.5%	0.0%
		Non-AK Native male	6	12	13	14	12	-14.3%	100.0%
		Total minorities	3	2	1	4	3	-25.0%	0.0%
	BBA Econ.	AK Native female	1	1	0	1	0	-100.0%	-100.0%
		AK Native male	1	1	2	1	3	200.0%	200.0%
		Non-AK Native female	6	6	4	8	6	-25.0%	0.0%
		Non-AK Native male	11	11	11	16	15	-6.3%	36.4%
		Total minorities	4	4	2	3	3	0.0%	-25.0%
	MS Res. & Appl. Econ.	AK Native male	2	2	2	1	1	0.0%	-50.0%
		Non-AK Native female	8	9	9	11	6	-45.5%	-25.0%
Non-AK Native male		11	7	10	8	11	37.5%	0.0%	
Total minorities		4	4	4	3	4	33.3%	0.0%	

		FY12	FY13	FY14	FY15	FY16	FY15-FY16 Change	FY12-FY16 Change
Degrees Awarded	BA Economics	4	4	3	5	6	20.0%	50.0%
	BBA Economics	0	3	0	3	4	33.3%	
	MS Res. & Appl. Economics	6	5	6	8	5	-37.5%	-16.7%
	Total Awards	10	12	9	16	15	-6.3%	50.0%
Majors Per Degree Awarded, FY12-FY16	BA Economics	4.7						
	BBA Economics	10.4						
	MS Res. & Appl. Economics	3.3						

		FY12	FY13	FY14	FY15	FY16	FY15-FY16 Change	FY12-FY16 Change
Theoretical Tuition Revenue Generated by Department	Lower Division	\$423,654	\$525,195	\$591,696	\$624,834	\$621,468	-0.5%	46.7%
	Upper Division	\$65,076	\$92,400	\$97,308	\$114,030	\$110,721	-2.9%	70.1%
	Graduate	\$141,360	\$100,729	\$109,480	\$92,690	\$100,251	8.2%	-29.1%
	Total	\$630,090	\$718,324	\$798,484	\$831,554	\$832,440	0.1%	32.1%

Calculated from departmental credit hour production and the published lower-division, upper-division, and graduate tuition rates. Out-of-state surcharges, tuition waivers, and fee-in-lieu-of-tuition adjustments are NOT applied.

		FY12	FY13	FY14	FY15	FY16	FY15-FY16 Change	FY12-FY16 Change
Departmental FTEs	Adjunct FTEs	0.0	0.0	0.00	0.30	0.53	76.7%	
	Faculty FTEs	4.7	5.5	5.1	5.5	4.8	-12.3%	1.7%
	Staff FTEs	0.0	0.0	0.0	0.1	0.1	-8.3%	
	Student FTEs	0.4	0.1	0.2	0.1	0.1	100.0%	-68.2%

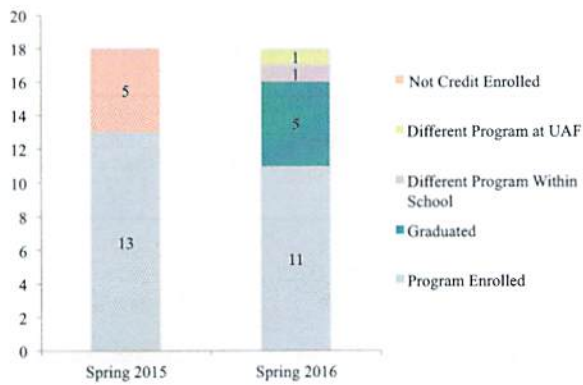
For the faculty, staff, and student job classes, this table is based on the actual number of days each employee is in active status in each fiscal year, and on the organization code(s) responsible for paying each person's salary. Note that full-time faculty on 9-month contracts will be counted as only 0.75 FTEs each. Adjunct FTE has been approximated by counting the number of course hours taught by people who have adjunct contracts with each department and dividing by 40.

## School of Management - Economics, Continued

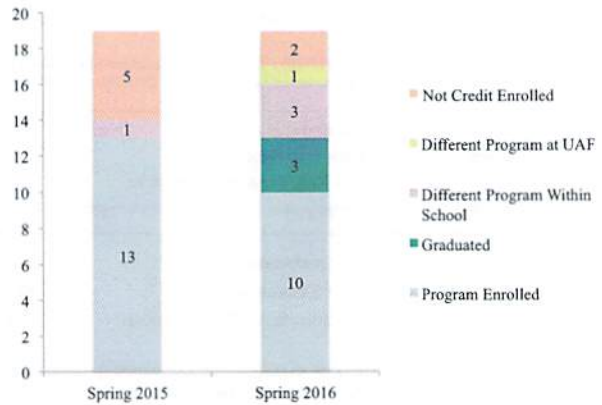
### Fall 2015 Enrollees - Look Back, Look Forward

This cohort consists of students who were enrolled for credit in the program in Fall 2015. Note that the Majors table is more inclusive, including program students who were enrolled for credit at any time during the fiscal year. Enrollment status is given for that cohort of students in the previous term (Spring 2015) and the subsequent term (Spring 2016). Only students who graduated in Fall 2015 and Spring 2016 are counted as having graduated, hence the smaller number than in the Degrees Awarded table above.

**BA Economics - Fall 2015 Cohort**



**BBA Economics - Fall 2015 Cohort**



**MS Resource & Applied Economics - Fall 2014 Cohort**

