

Transforming the University of Alaska's (UA) Statewide (SW) Office

Addendum to Report

November 2015

Update

In October the Statewide Transformation Team (SWTT) met with each of the President's direct reports, leadership staff, and staff governance representatives to address the four following questions about the SWTT recommendations for SW:

1. Which recommendations make sense by (a) maintaining and/or improving service, compliance, effectiveness; and (b) reducing cost?
2. Which recommendations require some refining and why?
3. Which recommendations should not be further considered and why?
4. What additional recommendations do you have and why do they make sense?

Additionally, the SWTT reviewed a large amount of written feedback from across the UA system. Some key areas received much more feedback than others. It is clear that observations made in the initial report must be considered carefully and thoughtfully before implementation. Although there are timelines set by the President to achieve results, it is important to note an appropriate amount of time will be committed to ensure these changes are made correctly rather than quickly. The SWTT affirms the initial observations and report; however, certain recommendations require additional review based on the feedback received.

Where items are not listed for additional review, it is an indication that recommendations in the initial report are still supported by the SWTT.

Cost Savings & Efficiencies

Some areas identified specific ideas in addition to the observations made in the SWTT report to create general cost savings or efficiencies at SW. The SWTT agrees it is a goal/outcome of this process to achieve cost savings and efficiencies; however examination of these ideas is not necessarily within the fundamental purview of this team. Rather, these should be considered by the work Teams to be formed to refine the SWTT recommendations in collaboration with university leadership. As the SWTT charge is to "right size" SW, the recommendations made here are primarily functional or structural to meet this requirement.

The Case for Change - Reaffirmed

The University of Alaska Statewide (SW) exists to provide leadership, broad policy and strategic direction, and a certain level of support to the three universities in our system. As it is structured and operating today, it has grown into an expansive entity lacking both a clear mission and a unified connection to its purpose, limiting its effectiveness. As the SWTT undertook its work and collected substantial input, it found:

- Deeply siloed functional divisions
- Minimal collaboration or collective effort
- Committed staff who lack consistently strong senior leadership
- Little focus and priority given to how SW functional work ties into serving the needs of UA's three universities and meeting the expectations of Alaskans
- An ardent focus on control and compliance

While not every SW functional area displayed each specific trait, these characteristics are sufficiently present to set the tone for the entity as a whole. UA as a whole has survived up until now because it has had plenty of resources and little competition. Those conditions no longer exist. Comparison with peer state university systems across the country reveals that UA Statewide is an outlier in terms of structure, function and staffing

levels (so are the universities by the way). Since the Great Recession, starting in 2008, system offices across the country, from Maine to Oregon, have been transformed to achieve both a greater focus on core mission and to realize efficiencies.

To remain relevant, valued, and supported, UA must change in substantive ways. Throughout the process of gathering information and during both sets of interviews, the SWTT heard arguments why a function was believed to be essential and must continue as-is. In numerous cases, groups called for additional resources to enable them to do more of what they are currently doing. From SW leadership, there needs to be a stronger focus on innovative ideas, ways to share resources across functional divisions and a continued understanding that current processes need to be streamlined. From the three universities, the SWTT heard considerable feedback that processes are often an impediment to delivering what is needed on the campuses for our students.

The SWTT identified four essential roles for SW:

- Leadership, Governance and Strategic Vision - establishing system-level strategic direction, fostering collaboration to achieve UA mission, leadership to address conflicting objectives
- External Relationships - serving as Board of Regents support, and a single system voice when needed
- Compliance - providing legal interpretation and system-level risk assessment
- Steward of Shared Strategic Resources - overseeing assets such as non-educational lands, the UA network, and the consolidated endowment

The SWTT sees the four essential roles as the basis for a UA mission. These touchstones will guide implementation teams in decluttering SW to become focused and effective in delivering quality service to the UA system. In this way, the UA system will meet the highest priority needs of Alaskans.

Next Steps

Last week, the university met with Sibson Consulting to plan the implementation phase of the Statewide Transformation project. At the November 3rd meeting, the Summit Team will provide feedback on the report and discuss their role in the work ahead. The President will brief the Board of Regents at their November meeting.

Based on the additional feedback, teams will soon be formed to refine the recommendation, and assist with implementation plans in various areas, as a result of this report. An external facilitator from Sibson provide oversight for these Teams. The SWTT will function as a Steering Committee providing guidance for these Teams. The charge for the Teams will be put forward by the President.

The SW Mission, Core Values, and Strategic Vision

A small working group should be formed to address the mission and values of SW. This should be done on an accelerated timeline and should be based upon the essential roles defined in the SWTT report: Leadership, Governance and Strategic Vision, External Relationships, Compliance, and Steward of Shared Strategic Resources. The mission, core values, and strategic vision should come from SW leadership (in partnership with university leadership) and it is not within the charge of the SWTT to develop this.

A concern was raised about whether UA's fiduciary responsibilities or facilitation of efficiencies/economies of scale should be included within these four essential roles. In addition to these, several different ideas were also raised as consideration to expand the essential roles; however the SWTT thinks that further development of these concepts will be led by the President with his leadership on behalf of the entire system, and each

concept may not rise to the level of an essential function. These items may rather be core values within the essential functions.

Clarifications Based on Feedback

The SWTT heard that specificity was lacking in some of the initial observations. The committee agrees and will clarify some of the concepts below to serve as guidance for the work Teams that will approach each of these areas. Where items are not addressed below, recommendations from the initial report remain as written.

Additionally, it was noted that not all SWTT recommendations have been made with a clear cost-benefit analysis. That was not the charge of this team. Although some recommendations will have an identified cost-benefit gain as a result, other recommendations are made to consider an alternative way of thinking about the current structure, to change the cultural perspective, or to increase effectiveness.

Feedback from the staff and governance groups indicated that “service” was not listed as one of the essential SW roles. The SWTT acknowledges this input and notes, it should not be within the role of SW to provide programs and/or operational services that duplicate these functions at the campus level; however, providing good customer service is indeed an element of each essential role and could be identified as a core value.

Office of the President and Board of Regents (BOR)

Based on the interviews, it is clear some immediate actions cannot wait for the full Team process. The recommendations from the SWTT will be taken under consideration by the President. The SWTT recommends not pursuing items b. Eliminate the ½ time temporary coordinator, and f. Consider eliminating the temporary housing manager, since the needs of the Office of the President have changed since the initial writing of this report.

There was collective support for creation of a shared business office/administrative service hub for SW. It is not the intention of this team that the creation of this shared business office result in hiring additional staff; rather it is a method to gain efficacy in administration by sharing duties across SW. Additionally, there may be some ways to streamline management of and/or the number of regular Board of Regents (BOR) meetings, which will be explored further by the President.

Finance and Administration (FA)

There was some feedback noting confusion over whether Finance is currently structured as solely Finance or as a combined Finance and Administration (FA) function. The current structure is not the focus of the SWTT, but rather, this team encourages that the future arrangement reflect the optimal functional structure for SW. If the organizational structure is recommended to change as a result of the implementation plan or a leadership decision, those changes should be made accordingly.

The SWTT agrees that Leadership should be added to the essential roles of the Finance area.

The SWTT strongly recommends that approval for access to Banner and the underlying data tables, at all levels, move to the universities. SW functional areas should not have a second layer of approval to override university leadership. Currently too many layers have asserted themselves inappropriately into the approval process.

Audit and Consulting Services

The SWTT agrees with the premise that Audit needs to have the appropriate level of independence defined by the federal regulations and Regent’s Policy to remain professionally relevant. Our recent Title IX experience supports the importance of this audit team’s work. Better communication is needed on both the role of the

audits and the outcomes. This will require university leadership to be involved with this communication process as well.

The SWTT also supports an additional recommendation from the feedback, the UA Confidential Hotline should be separated from the Audit group at SW. A decision on where this should be managed and located can be completed immediately. Since a high proportion of the calls involve personnel matters, consideration should be given to housing this function in Human Resources.

Controller

The SWTT recommends that item b. is modified to include system and data table security and access management to the universities. Further comments regarding Enterprise System Management and Banner Access are listed below.

Records and Information Management (RIM)

There were many comments received with respect to this area. The SWTT stands by its recommendation to maintain only the policy level functions of records management at SW; however, it does not need to be retained within Finance. As records of the institution (electronic and otherwise) are not solely financial, but encompass all functional areas, movement to Security Oversight may be appropriate. Additionally, since the management of OnBase falls within the scope of other high-level enterprise technology management and maintenance, this should be transitioned to SW OIT. University support of the operational aspects of OnBase and governance relationships should be maintained.

Procurement

Modify item a. Eliminate Chief Procurement Officer position at SW and move function to a university, to Maintain policy function/role of procurement at SW and move transactional procurement work to a university. Expand this concept to endorse the proposal submitted by the Chief Procurement Officer (March 2015), as long as agreement is reached by the receiving campus, including transfer of appropriate resources to support the functional change. In short, this proposal outlines maintaining protest appeals at SW at a policy level and moving transactional policy updates including but not limited to procurement training, single source, limited competition and innovative procurement delineations at a university. Agreement on this item should be expedited and resource transfer is advised to occur no later than December 2015. It should be also be noted, various groups pointed out that maintenance of the procurement policy role is not reflective of a full-time position and can be done with less dedicated effort. The SWTT agrees with this comment and recommends moving forward without additional SW staffing.

College Savings Plan

The purpose of the original recommendation to move College Savings plan from the Finance area to Academic Affairs and Research (AAR) was to gain strategic advantage by specifically aligning the student-centered functions within SW. This is not a reflection on the performance of the program. This recommendation may or may not result in a move of line management, but leadership needs to look at opportunities to better link the student-centered functions from wherever they sit in SW, into the overarching strategy of student enrollment.

Academic Affairs and Research (AAR)

“Student Enrollment Services” is in the process of changing its name to “Student Enrollment Strategies” to better define its important role at SW and to the universities. An overarching strategy of student enrollment and assistance will require linkages across functions in SW, including UA Scholars, Foundation Scholarships, Alaska Performance Scholarships, and maybe even College Savings Plan.

Feedback identified a need for more strategic coordination rather than operational involvement in student enrollment at both SW and the universities. The universities must manage the enrollment functions and communications that are intended to directly connect with students/parents, etc. SW should have a limited role in targeted communication efforts since these actions are often confusing for the audience and should not be branded as UA communications (i.e. with a SW logo), since this does not represent an entity that enrolls students and often hinders the communications already in progress at a campus level. There is indeed a place and role for UA student-related communications, and clarification of when these are most useful should be refined by the Team.

The SWTT recommends that item m. is modified to include system and data table security and access management to the universities. Further comments regarding Enterprise System Management and Banner Access are listed below.

General Counsel (GC) and Risk Services

GC should not have operational units reporting to it as a general rule. Moving Risk Services out of GC was supported in feedback discussions, while moving Labor Relations into GC was not, based on this general rule. This may mean Labor Relations should be retained within HR or within Administration, depending on the final recommended organizational structure.

If shifting operational responsibilities out of GC is not enough, GC and the President may need to consider reallocating to add an attorney to handle the large amount of regulatory and compliance legal support now and foreseen in the future. It is critical that this office maintain a focus on legal services, rather than be shifted to operational support. This is similar to how the universities are currently handling the increase in regulatory and compliance issues, and this may be reflective of an emerging business requirement that is under-resourced across the UA System.

Human Resources (HR)

The vast majority of the feedback aligned with moving the SW employee services functions to the universities as recommended in the original report. To clarify, this includes serving SW employees through the UAF HR office and discontinuing this work at SW. The SWTT reaffirms this recommendation.

The SW CHRO role should be policy-focused. The level and the reporting structure of that role is to be determined by the President.

The SWTT recommends that item c. is modified to include system and data table security and access management to the universities. Further comments regarding Enterprise System Management and Banner Access are listed below. SW functional areas should not have a second layer of approval to override university leadership. Currently too many layers have asserted themselves inappropriately into the approval process.

Where Labor Relations sits at SW needs to be determined, but it is agreed that a strong Labor Relations role belongs at SW. This may be expedited by the President.

Strategy, Planning and Budget (SPB)

The information below provides the original SWTT recommendations further delineated by functional area.

Essential Roles: External Relationships, Compliance, Steward of Shared Resources, Leadership, Governance and Strategic Vision

Summary: Evaluate operational and external reporting functions that could be moved to universities and continue to explore ways to provide service/share staff with University Relations office for advocacy efforts and other communications related to long term plans and budgetary information.

Recommendations for Consideration:

Shaping Alaska's Future

- a. Eliminate Shaping Alaska's Future Office and reassign work to Strategy, Planning and Budget Office, University Relations and President's Office. (Complete)

Institutional Research and Planning

- a. Evaluate operating and external reporting functions that could be moved to universities.
- b. Consider opportunities to work more closely with UA project management office.
- c. Work with other departments within statewide and universities on data definitions, data architecture and data governance.
- d. Work with university institutional research and budget planning offices to take a leadership role in identifying data needs to improve efficiency in responding to data requests. This may include exploration of a data warehouse and improved reporting tools.

Budget

- a. Evaluate operating and external reporting functions that could be moved to universities or reports than can be streamlined/reduced.

State Relations

- a. Support University Relations on Federal relations efforts and ensure Federal and State relations are aligned and taking advantage of leveraging opportunities.
- b. Consider reducing State Relations position to a six or nine month contract.

Facilities and Land Management

- a. Consider refilling vacant Chief Facilities Officer position, as this position is critical to coordinating and advising on system-wide facilities services needs/projects and is supported by the universities.

University Relations (UR) and UA Foundation

Most of the recommendations are already underway, or will be discussed further in the work Teams. The President will decide whether or not the Vice President position in this functional area is to be rehired.

Office of Information Technology (OIT)

The SWTT received a large amount of feedback in the technology area. It is important to note, not all technology functions for SW exist within OIT in the current model. As a result, the SWTT maintains the recommendations made to centralize some technology functions within OIT, in an effort to simplify and add consistency to technology system management. The SWTT maintains that shared access, at all levels, with the universities is critical if any real change is expected to occur. For this reason, the committee will discuss Enterprise System Management and Access in a separate section, below.

There is both a challenge of evaluating OIT from a technology service provider perspective, as well as the steward of shared resources in some areas, because of its merged structure with UAF. Feedback indicates there is support for the concept of the shared services model demonstrated through the merger, but there is also confusion around the leadership approach and management structure. Because of the structure, SW appears to assert a larger influence over UAF than may be optimal for the campus, and this raises concern at

UAA and UAS for appropriate shared influence in decision-making. The role of the SW CITO should be policy-focused.

It is the view of the SWTT that further analysis will be needed as part of the Teams to find an optimal mix of service provision by SW OIT where economies of scale may exist for the UA System, and where operational services may be best provided to the SW employee group through UAF OIT. Feedback highlighted some basic institutional technology needs are unresolved, or at this time are being met in a distributed fashion which may or may not be optimal for support of UA business, e.g. a unified approach to email/calendaring/directory and shared software services. These issues, among others, should be addressed.

Analysis will also be needed to determine what services UAF OIT should provide to its UAF and SW customers, including how to resource this appropriately. Further discussions to consider what services might best be provided by UAA, UAS or UAF on behalf of the system where expertise exists should also be considered. The SWTT maintains exploration of outsourcing as an option.

Enterprise System Management and Access

The SWTT strongly recommends that access to Banner and the underlying data tables approval, at all levels, move to the universities. SW functional areas should not have a second layer of approval to override university leadership. Currently too many layers have asserted themselves inappropriately into the approval process.

The SWTT acknowledges the concerns expressed by many that the wholesale movement of Banner may not fix the problem. This team intends that the movement to SW OIT, with shared access by universities, is in conjunction with process improvements to make this fully functional. This is also a specific recommendation to break down the existing functional silos that exist between Banner management units, including inconsistencies in how Banner access is managed by each of these units. This essentially is a recommendation to change the current model for enterprise system management. It is clear this change will be cultural as well as functional. The functional areas would be required to define the rules and be stewards of data definitions to facilitate consistency across the UA System, but would not be in the approval process and would not be able to limit needed access to universities. Prioritization of Banner work (both large-scale and smaller system enhancements) must be a shared effort, with universities as leaders in this work, moving away from an overly complex governance structure to a more unified and collaborative structure. Universities must have the ability to make change within the systems according to an identified and overarching framework with appropriate controls applicable at a UA level. The current level of control and functionally distributed structure inhibits the ability to move work forward on an acceptable timeline for meeting institutional business needs. This issue must be addressed in the work Teams.

Closing Thoughts

The SWTT would like to thank each of the individuals and groups that took the time to provide thoughtful and professional responses to this initial report. As noted above, a large amount of feedback was received. The committee made an effort to consider each response thoroughly, including full consideration of the interviews with SW leadership and the SAA President, to develop this Addendum.

The SWTT acknowledges, it is not a goal of the committee to unfairly paint any individual group that does provide good customer service "with a broad brush". Several groups in the feedback were commended for their performance, leadership, service approach and achievement. The SWTT hopes these areas will become an example as part of any implemented change, as other areas will benefit from those that already exemplify the SW essential roles and focus. It is clear the road ahead may be difficult in some areas, while other change may be expedited because it is already in progress or can be achieved with little organizational angst.

The SWTT looks forward to the further analysis the work Teams will conduct to refine the recommendations put forth, and input from the President and university leadership as implementation plans are developed. Ultimately these recommendations are intended to promote a successful and sustainable model for SW Administration in the challenging years ahead.