



University of Alaska

Improving Student Experience & Administrative Cost Efficiencies

University of Alaska
House Finance Budget Subcommittee

February 8th, 2018

Today's Agenda

- Improving Student Experience
- Administrative Cost Efficiencies
- FY19 Fixed Costs & Budget Structural Changes

Investment by Strategic Objective

(UGF Millions \$)

FY2018 Base Operating Budget	\$317
• Compensation	\$0.0
• Fixed Cost Increases	\$9.7
• Facilities Maintenance	\$3.7
• Utilities	\$3.1
• UAF Engineering Building Operating Costs	\$2.1
• Academic & Research Subscription Increases	\$0.9
• Strategic Investments by Objective	\$14.7
• Increase Degree Attainment	\$7.3
• Grow Our World Class Research	\$3.7
• Provide A Skilled Alaskan Workforce	\$2.1
• Contribute to Alaska's Economic Development	\$1.6
• Operate More Cost Effectively	\$0.0
FY2019 Board of Regents Budget Request	\$341

Improving Student Experience

Improving Student Experience

- Budget cuts negatively impact student facing services; FY19 budget includes resources to replace those services
- New on-line student access gateway provides students easier access to courses and programs statewide
- New readiness assessment allows for faster, and more targeted developmental work
- Math Emporium and other innovations in developmental programs

Improving Student Experience

- New Education Advisory Board (EAB) student success initiative will provide data based advising and increase retention
- Title IX compliance creating safer campuses
- Course sharing between universities increases opportunities for students
- Progress being made on common calendar: semester start/end dates and breaks are now common across the system

Improving Student Experience

- e-Learning was focus of Pathways process
- Increased cross campus collaboration through e-Learning Consortium
- 106 programs can be fully completed online; important accommodation for non-traditional students
- In FY17, an average of 4.3 e-Learning credits taken per student – an increase of 43% since FY13
- Approximately one-third of students enrolled at more than one campus

Improving Student Experience

- UAA is looking to pilot digital content for class materials in 25 of the highest enrolled courses
- Digital is higher convenience and lower cost solution for student
- Potentially higher institutional costs for digital library, database subscriptions, online access to research journals and publications
- Many faculty identify free online resources to supplement or replace traditional textbooks

Administrative Cost Efficiencies

Past & Current Efficiency Reviews

Date	Title	Authors
Feb 2008	<u>Planning the Future: Streamlining Statewide Services in the UA System</u>	Terrence MacTaggart Brian Rogers
Jan 2011	<u>University of Alaska Review</u>	James Fisher
Sep 2015	<u>Statewide Transformation Report</u>	Various
Jan 2016	<u>Strategic Pathways</u>	Ongoing
Sep 2017	<u>Review of Past UA Systemwide Studies</u>	Dennis Jones Aims McGuinness

Last year, Dennis Jones and Aims McGuinness of the National Center for Higher Education Management Systems (NCHEMS) reviewed the often cited MacTaggart/Rogers and Fisher reports to assess the relevance and status of the recommendations made.

Strategic Planning

- Past reports recommended system wide strategic planning with metrics and linkages between system and campus goals
- We've done this through **Strategic Pathways** and the development of the Board of Regents 5 strategic objectives
- The UA system and its universities have goals & measures between 2018 - 2025
- Allows annual performance to be measured within each goal

Strategic Pathways

How do we optimize our statewide system to achieve our goals for higher education in Alaska?

OUR MISSION		"The University of Alaska inspires learning, and advances and disseminates knowledge through teaching, research, and public service, emphasizing the North and its diverse peoples." (Regents' Policy 01.01.01)		
OBJECTIVE		Maximize value to Alaska through excellent, accessible, and cost effective higher education funded by diverse and growing revenue sources		
CORE PRINCIPLES		Focus, Access, Diversity, Excellence, Consistency, Fiscal Sustainability		
STRATEGY		Prepare, Restructure, Implement, Refine		
WHO WE ARE		UA ANCHORAGE Comprehensive metropolitan university in Alaska's economic hub, with primary focus on workforce development through its several regional community campuses	UA FAIRBANKS Research university renowned for leadership in Arctic and the North, with additional focus on workforce development and community and rural education	UA SOUTHEAST Comprehensive regional university focused on interdisciplinary & marine-oriented programs, teacher education, e-Learning, and workforce development
CAMPUS LEAD FOR THE STATE*	Research	Social and economic sciences, health policy	Arctic science and policy, physical, biological, and social sciences, engineering and applied energy	Interdisciplinary / environmental
	Teaching	<ul style="list-style-type: none"> Health professions Business and public policy Economics Logistics Project Management 	<ul style="list-style-type: none"> Physical, natural, and related sciences Arctic / Northern Studies Rural development / tribal management Doctoral education Mine training Fisheries and ocean sciences 	<ul style="list-style-type: none"> Marine-oriented programs (including joint programs with UAF) Teacher education (administration) Interdisciplinary degrees/ degree completion Emphasis on regional workforce priorities, e.g., mine training.
	Outreach	<ul style="list-style-type: none"> Aligned with Research and Teaching Focus 		
COURSES / PROGRAMS AVAILABLE ACROSS THE UNIVERSITY SYSTEM		<ul style="list-style-type: none"> Common General Education Requirements Liberal Arts and Humanities Social Sciences & Natural Sciences Nursing Engineering Distance Education / E-Learning Career and Technical Education 		

Rev: November 2017

* Research, teaching, and outreach at campuses other than the "lead" campus that are of high quality, cost effective, and core to mission, will continue to be provided.

UA Goals & Measures 2018-2025

	2017 (baseline)	2018	2019	2020	2021	2022	2023	2024	2025
1. Contribute to Alaska's economic development									
Increase STEM graduates	1,636	1,720	1,810	1,905	2,005	2,110	2,221	2,337	2,460
Increase # invention disclosures	17	19	21	23	25	27	29	31	34
2. Provide Alaska's skilled workforce									
Increase % of UA trained educators hired	30%	35%	40%	45%	50%	60%	70%	80%	90%
Double number of health program completions	874	912	1,002	1,100	1,209	1,328	1,459	1,602	1,760
3. Grow our world class research									
Lead the world in Arctic related research	1	1	1	1	1	1	1	1	1
Increase research expenditures	\$159m	\$167m	\$175m	\$184m	\$193m	\$203m	\$213m	\$224m	\$235m
4. Increase degree attainment									
Increase enrollment	29,171	*29,171	31,000	33,000	35,000	37,500	40,000	42,500	45,000
Increase completions	4,594	4,800	5,200	5,800	6,600	7,500	8,400	9,400	10,400
5. Operate more cost effectively									
Decrease total cost of education (indirect and direct) per completer	\$107.3	\$102.5	\$94.7	\$87.5	\$80.9	\$74.8	\$69.1	\$63.8	\$59.0
Increase annual completions per FTE	23/100	24/100	25/100	27/100	28/100	30/100	31/100	33/100	35/100

*FY18 enrollment is 27,823

Retention & Graduation

- Fisher recommended UA President make *“improvement of retention and graduation one of his highest priorities”*
- Board of Regents has done exactly that
- Achieving our 65% by 2025 goal requires significant investment and progress in student recruitment, retention, and completion

Institutional Missions

- Prior reports suggested campuses be defined by their unique strengths, audiences and geographical reach
- **Strategic Pathways** developed around this general premise – and helped to validate and improve these assumptions
- Critical to establishing proper division of responsibilities and line of authority between statewide administration and campuses

System vs Campus Authority

- Reports identified need to create precise and agreed upon responsibilities, accountability, and authority between system and campus leadership
- Specifically - Governance, Services and Programs
- Identify functions that should be centralized at statewide and those better decentralized at the campus level
- Reduction of 30-40% in system wide functions was identified as a goal; goal achieved

System vs Campus Authority

- System office supports Regents, focuses on state needs, and provides cost effective administration
- Non-duplicated SW functions include IT, audit, labor relations, financial reporting, government relations, debt, treasury, payroll, risk management, general counsel, and health/benefits administration
- Executive Council, Summit Team, and 11 Systemwide Councils coordinate, share information, and implement improvements across the system

System vs Campus Authority

Board of Regents	Statewide Administration	Universities
<i>Set university-wide higher education goals and ensure they are met</i>	<i>Lead systemwide planning and implementation of programs and services to meet the state's higher education goals</i>	<i>Achieve state's goals through direct programs and services to students, research agencies, and communities</i>
<ul style="list-style-type: none"> • govern the university • set systemwide goals • set policy, approve programs, and authorize degrees • protect UA's assets • select and evaluate the president • approve the budget • advocate for the university 	<ul style="list-style-type: none"> • support the Board of Regents • set regulations in support of Regents' Policy • oversee and provide statewide level academic planning, administrative services and other functions as the single corporate body of the university 	<ul style="list-style-type: none"> • select and evaluate faculty & staff • plan, propose, oversee, and deliver academic, research, and service programs • provide local administrative services • provide student support programs and services including financial aid, housing, food service, advising, recreation, community engagement, and career guidance • raise private funds in support of the university's mission

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System vs Campus Reductions

Headcount Fall 2014 (FY15) ⁽¹⁾

	SW	UAA	UAF	UAS	Total
Regular	239	1,795	2,127	349	4,510
Leadership ⁽²⁾	34	75	71	12	192
Faculty	0	629	649	114	1,392
Staff	205	1,091	1,407	223	2,926
Temporary	52	1,714	1,846	308	3,920
Adjunct Faculty	6	666	358	118	1,148
Staff	20	316	426	56	818
Student	26	732	1,062	134	1,954
Total Headcount	291	3,509	3,973	657	8,430

Headcount Fall 2017 (FY18) ⁽¹⁾

	SW	UAA	UAF	UAS	Total
Regular	163	1,605	1,818	303	3,889
Leadership ⁽²⁾	28	66	57	11	162
Faculty	0	569	544	106	1,219
Staff	135	970	1,217	186	2,508
Temporary	24	1,563	1,581	190	3,358
Adjunct Faculty	0	585	338	62	985
Staff	6	262	347	38	653
Student	18	716	896	90	1,720
Total Headcount	187	3,168	3,399	493	7,247

Change in Headcount (FY15-FY18)

	SW	UAA	UAF	UAS	Total
Regular	-76	-190	-309	-46	-621
Temporary	-28	-151	-265	-118	-562
Total Headcount	-104	-341	-574	-164	-1,183
% Change	-36%	-10%	-14%	-25%	-14%

1. Employees with active assignments as of Oct 1st 2014 and 2017.

2. Includes Academic Leaders (12 month regular faculty ecls FR).

Headcount

- 1,183 fewer employees than three years ago.
- Largest reductions have occurred at Statewide Administration and in administrative and academic leadership positions on campus.
- Statewide headcount has been reduced by 36% compared to a 14% reduction for the entire UA system.

Funding

- UGF funding of the System Office (Statewide) has been reduced by \$11 million, or 37% compared to a 14% reduction for the entire UA system.



Budget Development

- Reports identified the need to improve budget development between statewide and campuses
- Regents set goals, then Statewide administration works with campuses to identify strategies and needed resources
- Budget increments are tied to specific strategic goals down to the campus level
- Budget reduction plans are co-developed with campuses

Salary Schedules

- Fisher recommended a move away from OSU salary benchmark and to move to peer institutions that reflect the different missions of our 3 campuses
- Peers have been identified
- Comprehensive salary & benefits survey underway
- Across the board freezes for FY18 & FY19
- Challenges for our competitiveness

Curriculum & Credits

- Fisher recommended common general education core across the campuses
- We are making good progress here
 - Aligning General Education Requirements (GERs) across all campuses
 - Emphasizing policy for system wide transfers
 - Establishing system wide standards for college readiness and developmental education

Career & Technical Education

- Reports identified the need to clearly distinguish our vocational, career and technical education
- We've acted by creating distinct Career & Technical Colleges at UAA and UAF
- Prioritizing Alaska workforce needs – 65% of jobs require post-secondary by 2025
- Reports recommend pricing community college rates below other degree program
- FY19 budget proposing CTE tuition off-set

Information Technology

- Reports identified IT as needing special attention to clarify system vs. campus responsibilities
- System provides bandwidth, connectivity, security monitoring, standardization
- Campuses provide individual program and user functionality

Information Technology

- Systemwide encouraging integration and automation of business processes to improve efficiencies:
 - Digital document imaging, student ID card access, emergency alert, travel automation, business intelligence dashboard for data analysis
- Enterprise software transitioning to “the cloud”
- Broadband connectivity costs successfully reduced

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FY19 Fixed Cost Increases

- **\$3.7 Mill – Facilities Maintenance**
 - Annual upkeep necessary to slow accumulation of deferred maintenance backlog; reduce risk of localized mission failure
- **\$3.1 Mill – Utility Costs**
 - Electricity, natural gas rate increases; coal transport and ash disposal
- **\$2.1 Mill – UAF Engineering Building**
 - Incremental operational costs necessary to bring the new engineering building online
- **\$0.9 Mill – Electronic Library Resources**
 - Licensing renewals, subscriptions for online scientific, academic, and other education and research data

Budget Structural Change

- K-12 Outreach moved from Statewide to campuses; student facing functions belong at the campus level
- **University of Alaska Foundation** – secures and stewards philanthropic support – to separate allocation
 - \$3.9 Mill 25 PFT/1 PPT
- **Education Trust** – manages Alaska College Savings Program – to separate allocation
 - \$1.5 Mill 7 PFT