Transforming the University of Alaska's Statewide Office

Statewide Transformation Team Report
Submitted to
President Jim Johnsen

September 2015

Team members:

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I. The Case for Change

The University of Alaska's Statewide (SW) office exists to provide leadership, broad policy and strategic direction, and a certain level of support to the three universities in its system. An effective SW entity will be lean, smart, and valued for its service. It will demonstrate clarity with regards to its purpose and system-level strategic direction, foster collaborative decision-making, and help to ensure resources invested in the system are strategically applied.

In March 2015, President Gamble established the SW Transformation Team (SWTT) to review the SW office programs and services and make recommendations to ensure SW work is tied to its essential purpose, efficient in use of resources, and effective in delivering results. (See Appendix.)

This report identifies SW's essential roles, provides broad analysis of structural, cultural and management issues that will be important for UA's new president and his leadership teams to consider, and it makes recommendations for specific changes to functional areas.

The recommendations involve a mix of reductions in functions or positions, changes in the work being done, and changes in work effectiveness. Some observations are focused on specific cultural improvements and customer service. The size and work of SW staff has evolved over time. Healthy levels of state funding and ongoing institutional growth, among other conditions, have led it to where it is today.

It is important to note that this review was not commissioned primarily as a budget exercise. The current fiscal climate; the changing education environment in Alaska and nationally; and changing expectations of students, policy makers, and the public made it imperative to transform SW to deliver a strong and sustainable set of core services and functions in support of the entire UA system. That said, certain efficiencies will generate budget impacts at SW and at the universities.

II. Purpose and Scope of Work

The team identified four essential roles for SW and distinguished areas of accountability that are the responsibility of the system's three universities.

The four essential roles of SW are:

1. ***External Relationships*** : serving as Board of Regents (BOR) support and a single system voice when needed

2. ***Compliance***: providing legal interpretation and system-level risk assessment

3. ***Steward of Shared Strategic Resources:*** overseeing assets such as non-educational lands, the UA network, and the consolidated endowment

4. ***Leadership, Governance and Strategic Vision:*** establishing system-level strategic direction, fostering collaboration to achieve UA mission, and leadership to address conflicting objectives

The universities are responsible for:

1. Direct services to UA components (students, faculty, staff, facilities)
2. University functional operations and transaction processing
3. Maintenance of data that supports individual universities and UA as a whole

The review process described in the next section led to four general recommendations which were applied after reviewing each functional area. These were:

1. Move the function to one (or more) of the system's three universities
2. Restructure the function within SW
3. Modify the function, services and/or positions (may require moving remaining services to a university or another functional group at SW)
4. Maintain current function at SW

Review Process:
The Statewide Transformation Team was formed intentionally, taking into account representation, individual attributes, and collective knowledge and experience. It includes two members each from SW and the three universities. Each team member has the following attributes:

- ability to balance analytical skill with action-orientation
- strategic and creative thinker
- collaborative
- big picture perspective - sees needs of entire system and UA's impact or potential impact on Alaska

Collectively, the team has experience in business and organizational planning, institutional reorganization, process change and improvement, and delivery of services needed to support higher education. Team members are listed on the cover page of this report.

The team's work started with research, reviewing past reports including the Fisher Report (2011) and MacTaggart/Rogers Report (2008). It involved an analysis of the functioning and structure of UA SW as compared with appropriate peer university systems and included interviews with key SW leaders, leadership at the three universities, and leaders at the peer comparator institutions. SW functional leaders were asked to review their areas, providing information on primary functions, changes in staffing and budget between FY11 and FY15, the basis for their function's existence (e.g. policy, Federal or State regulations and laws, accreditation requirements), impacts of not doing the function, and recommendations on improvement or change to the function. SW governance solicited input from staff on efficiencies and improvements. Finally, the information gathered from functional leads was assembled into a functional organization chart and further feedback solicited. (See Appendix).

In addition to reviewing key functions, roles, and staffing levels, the team identified other important areas through which to understand and assess the structure and functioning of SW. These included:

1. *Organizational culture and management mindsets*: Do the shared values, norms and management mindsets of SW staff reinforce a service culture in meeting the needs and

priorities of the universities and working collaboratively with them to establish rational system-level policies?

2. ***Decision-making processes and levels***: Does SW function in a way that supports clear and effective decision-making and execution at the universities?

3. ***Informational model***: Does SW enable an informational model which optimizes decision-making, delegated to appropriate levels in the context of shared governance at the three universities?

Observations on Organizational Culture, Management Mindset and Decision-making:
A prevailing observation that emerged from discussion with SW leadership, university leaders, governance, and team members' anecdotal experiences was the lack of clarity on the part of a majority of SW functional leaders regarding SW's essential purpose. In fact, the absence of a SW mission statement was noted by the team.

When functional leaders were asked to speak to their function's purpose, the dominant response was "compliance." Few made mention of serving the system's three universities and nobody connected to the broader mission of the UA system. *(The University of Alaska inspires learning, and advances and disseminates knowledge through teaching, research, and public service, emphasizing the North and its diverse peoples.)*

This lack of clarity has resulted in:

- absence of a shared purpose within SW
- silos, both within the SW office and between SW and the three universities
- lack of clarity with regard to decision-making – who has responsibility and authority, who should be consulted and informed (RACI) – this will require a review of formal and informal governance groups and how they interact, or do not interact, with one another
- a lack of trust leading to a command and control style and an absence of collaboration between departments at SW and between SW and the universities
- in some departments/units within SW the absence of a service mindset
- arbitrarily-determined decision-making and veto power at multiple levels
- trouble agreeing on appropriate levels of risk
- frustration related to the tension between data integrity and data security/system access
- the inability to gain support for initiatives or move projects through the SW offices on a timeline that keeps pace with the speed and/or needs of business

These issues, if not addressed, will undermine the system's ability to be innovative, excellent, and resilient. If successfully managed, they will catalyze the system and employees at SW and the three universities to meet the ever evolving education, workforce development, and research needs of Alaska and fulfill the UA's commitment to attaining the effects contained in Shaping Alaska's Future.

Requirements for Success:
The team recommends consideration of the following requirements for success as transformation options are implemented:

1. *Any reorganized and remaining SW functions need to reflect a culture change in addition to any structural changes*
   a. shift from a model of control to one of facilitation and support
   b. service to and active collaboration with universities must be incorporated into SW mission and management philosophy

2. *Transfer of a function to a university cannot be a 'throw it over the fence' maneuver*
   a. shared SW and university leadership discussion and decision-making will be required in order to agree on a transition plan and timeline for implementation, with expected results
   b. transfer of Full Time Equivalents (FTE) or staff involves buy-in and clarity -- universities must have the option to rehire and organize as they see fit to meet the needs and manage the function in the declining budget climate -- universities should have the authority to determine appropriate salary levels based upon restructured function
   c. resources to cover operating and labor costs should be transferred with functions at a rate or level that is mutually agreed between SW and the university that assumes the function
   d. functions transferred to a university must be managed on behalf of the UA system to provide system-wide support -- a plan to ensure this happens should be developed and agreed upon by the three universities prior to shifting functions
   e. a "lift and shift" model may not be most effective as functions are transferred, some functions may require full restructure in order to gain efficiencies and/or be sustainable in the current fiscal climate

3. **Functions reduced or moved to a university need to be discontinued at SW**
   a. if a university takes on a function, it will own operational and governance responsibilities for that function, include appropriate infrastructure or access to systems
   b. the eliminated function should not be recreated elsewhere in SW

III. Initial Observations by Functional Area

In some functions, certain recommendations have already been implemented or are in process. These involve situations where functional leads took advantage of opportunities, as they occurred, to implement streamlining opportunities. In December, President Johnsen, will make decisions on the recommendations and an implementation plan will be developed. Implementation will begin January 1 and will be completed by July 1, 2016.

The essential roles listed below are those the team believes should be the purview of each functional area, not necessarily the role(s) currently held.

1. **Offices of the President and Board of Regents**
   Essential Roles: External Relationships, Compliance, Steward of Shared Strategic Resources, Leadership, Governance and Strategic Vision

   Summary: Reorganize this function within SW to improve efficiency and collaboration between the two offices, and consider moving some Board of Regents (BOR) local support functions to the universities.

   Recommendations for Consideration:

   a. Reorganize administrative functions to improve efficiency and sharing of resources and knowledge, and to provide better integration with other departments.
   b. Eliminate less than 1/2 time temporary coordinator position and distribute administrative work to other departments within SW with existing capacity, or utilize a shared service model for administrative support.
   c. Use co-located administrative assistants (e.g. VP Academic Affairs and Research (AAR) admin.) as backup to President's assistant, providing professional growth opportunities and succession planning.
   d. Consider processing travel and procurement requests through existing administrative hubs or staff in other departments (e.g. Office of Information Technology (OIT) business office, General Counsel's office, a shared model among co-located VP level administrative assistants).
   e. Use local (university-based) videoconferencing and administrative support for BOR meetings.
   f. Consider eliminating the temporary housing manager and using an on-call employee as needed for events.
   g. Evaluate the need to hire a special events coordinator who might also serve as a backup in providing travel and procurement services. Assess if position would be full or part time.
   h. Reassign Shaping Alaska's Future Office work to President's Office (see further information in Strategy, Planning and Budget section).

2. **Finance and Administration (FA)**
   Essential Roles: Compliance, Steward of Shared Resources

   Summary: Move certain operational functions to the universities with an agreed upon transfer of resources to provide the functions on behalf of the UA system. Some unique finance and investment functions can only be performed at the UA system level. However, several of these areas should be moved to other SW units/departments for improved efficiency and to reduce the level of duplicate staffing and effort associated with similar work. Additionally, this group recommends that a few functions, currently housed in other areas of SW, be transitioned to FA for better internal alignment of similar duties.

Overarching Recommendations for FA:

a. Examine current level of risk for some specific reporting functions and related staffing including effort/time dedicated to some tasks -- determine if SW is over-resourcing some functions (or under-resourcing).

b. Refine FA work to align with governance/policy role of SW, moving operational functions to the universities or other SW offices where operational functions overlap.

c. Eliminate duplication of technology system management and functions by centralizing and coordinating these functions within SW OIT. Expand access and responsibility for management of operational finance technology systems, permissions, and enhancements/projects to the universities.

d. Move policy functions of Risk Services (e.g. insurance, claims) into FA. Move operational risk functions to the universities. (See further information in General Counsel and Risk Services section.)

e. Consider moving Human Resources policy functions under FA after streamlining to focus on policy level issues. (See additional recommendations in Human Resources section.)

f. Evaluate the number of senior leadership positions.

Recommendations for Consideration by FA Division/Department:

Audit and Consulting Services

a. Maintain policy functions.

b. Regularly review audit staffing levels and adjust staffing to match level of acceptable risk, potentially no less than a three-year review cycle.

c. Ensure adherence to annual audit plans by minimizing ad hoc internal audits.

d. Use audits as a tool to evaluate management practices and decisions, not to police universities. This will require a continued focus on building and maintaining trust.

Controller (Financial Systems, Fund Accounting, Cost Analysis)

a. Transition enterprise management operations to OIT and project management and system enhancements access/controls to the universities with SW Financial Systems serving as a collaborative partner rather than a system or data owner.

b. Move Banner/other Finance system security and access management to the universities and OIT. Coordination and collaboration among the three universities and SW should be used to manage this.

c. Maintain role as custodian of system institutional data and definitions, but clarify who holds responsibility for making decisions about data integrity and definitions. Involve SW and the universities in a discussion to determine if responsibility belongs at SW, with the universities, or is shared equally.

d. Maintain Financial Systems, Fund Accounting, and Cost Analysis roles at a policy and oversight level, ensuring that information is transparent, accessible/available, and reporting is a shared responsibility with the universities.

Records and Information Management

   a. Remove from FA, limit to policy level role and move to OIT where Security Oversight functions already exist.

   b. Examine senior management positions and consider transitioning technical management functions to a senior level lead position.

   c. Move management of the OnBase system to the universities, aligning with the role they already play in operational support and use. Maintain higher level system and maintenance in SW OIT.

Finance and Investment Management (Foundation Accounting, Treasury Services, Education Trust of Alaska, Fund Management)

   a. Analyze level of management needed for development and oversight of prudent SW and Foundation investment strategy.

Procurement

   a. Eliminate Chief Procurement Officer position at SW and move function to a university.

   b. Note: while this position is stipulated by law, there is no requirement that it be located at SW. AS 36.30.005 identifies the purpose as "meeting its responsibility to maintain fair and reasonable procurement practices throughout the university system."

UA College Savings Plan and UA Scholars Program (including system-based scholarships)

   a. Maintain only the finance and investment functions for the UA College Savings Plan in FA.

   b. Move oversight of student-centered programs, including associated external relationships, to SW AAR.

   c. Have SW AAR coordinate with the universities and SW Office of Public Affairs on outreach activities in order to keep student-centered programs more closely coordinated with university-delivered student services.

3. **Academic Affairs and Research (AAR)**
   Essential Roles: External Relationships, Compliance, Leadership, Governance and Strategic Vision

   Summary: Maintain those areas that fulfill essential roles, but eliminate or move programmatic and student-centered operational functions to the universities.

Recommendations for Consideration:

a. Maintain leadership of educational policy issues at SW. Assess where it is best located.
b. Transition K-12 Outreach to the universities. Streamline where appropriate.
c. Move workforce development programs to the universities.
d. Maintain system-level workforce development relationships (e.g. Alaska Workforce Investment Board) at SW to ensure alignment with Shaping Alaska's Future. Clarify, remit and assess proper placement of function.
e. Maintain leadership role for system-level industry-related policy decisions at SW.
f. Change focus of Student and Enrollment Services to align with essential roles of SW and consider changing the name to Student and Enrollment Strategy (SES), as the term/name "services" implies operational responsibility.
g. Move student-related services, campaigns and communications to the universities.
h. Utilize newly-named SES to facilitate system-level student scholarship, and tuition policy development.
i. Move Alaska Scholars outreach and external relationships to AAR/SES.
j. Family Educational Rights and Privacy Act (FERPA) policy development should be held at SW and be housed in AAR/SES. FERPA compliance should be managed at the universities.
k. Maintain system governance as it is currently structured and located.
l. Transition enterprise management operations to OIT and project management and system enhancements access/controls to the universities, with SW SES serving as a collaborative partner rather than a system or data owner.
m. Move Banner/other student system security and access management to the universities and OIT. Coordination and collaboration among the three universities and SW should be used to manage this.

4. General Counsel (GC) and Risk Services
Essential Roles: Compliance, Leadership, Governance

Summary: Maintain General Counsel work focused on legal advice and guidance, contract review, and elevation of issues that require SW leadership or intervention. Move policy-level Risk Services to FA with operational Risk Services responsibilities transitioning to the universities.

Recommendations for Consideration:

a. Move Risk services to FA, this function is administrative in nature and creates conflicts of interest as currently housed in GC.
b. Focus SW Risk Services work on policy-related operations (e.g. insurance, claims).
c. Move operational Risk Services functions to universities (e.g. emergency management, environmental health, safety and loss prevention) to avoid duplication with services already provided at universities.
d. Evaluate opportunities to streamline SW policy-level Risk Services staff. Evaluate staffing regularly (potentially no less than a three-year review cycle, similar to SW Audit) relative to degree of risk present (e.g. if claims are decreasing, consider needed staffing levels).

5. **Human Resources (HR)**

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

    Summary: Consider moving under FA or, if maintained as a standalone function, streamline. Maintain policy level functions at SW. Move operational functions to universities.

    Overarching Recommendations for HR:

    a. Consider moving under FA as this is an administrative function.
    b. If moved, consider appropriate level for current Chief Human Resource Officer (CHRO) position. If not moved, streamline with a policy-level focus.
    c. Maintain those functions that are policy-related or require consistency across the system (e.g. labor negotiations, job family structure/market analysis, compensation, health benefits).
    d. Universities can provide operational HR services for SW staff located in their operating areas.

    Recommendations for Consideration by HR Division/Department:

    HR Systems

    a. Maintain a role as custodian of UA HR institutional data definitions; however, discussion is needed regarding who holds responsibility for data integrity and data definitions – is it at SW, the universities, or shared in an equal partnership?
    b. Transition enterprise management operations to OIT and project management and system enhancements access/controls to the universities with SW HR serving as a collaborative partner rather than a system or data owner.
    c. Move Banner/other HR system security and access management to the universities and OIT. Coordination and collaboration among the three universities and SW should be used to manage this.

    Employee and Student Payroll

    a. Move to universities or consider outsourcing.
    b. Move UA tax accounting for out-of-state and international students and employees to FA.

    Compensation/Classification and Recruitment

    a. Maintain oversight role for classification and compensation at SW, but work to improve transparency to foster equity and consistency across the system.
    b. Regularly review compensation across job families and between universities including criteria for determining placing executive and senior administrative staff, and conduct market analyses on a scheduled interval, providing this information to the President and the universities.
    c. Consider collaborative hiring – involve university staff on hiring committees for SW positions, this may increase awareness of services/needs across university boundaries and build relationships.
    d. Move recruitment functions to universities with each university providing recruitment support to SW departments in their geographic area.

Benefits Management, Plan Design and Communication

    a. Maintain health insurance, wellness program, benefit accounting, supplemental benefits design/procurement, and retirement compliance at SW, but consider moving to FA.

    b. If maintained in a standalone HR department, look for opportunities to streamline.

Labor Relations

    a. Retain at SW, but look for opportunities to secure input from universities in labor relations and agreement implementation.

    b. Consider moving under GC if HR is moved to FA.

Training and Development

    a. Eliminate function from SW and partner with universities for needed training.

    b. If system standardization is required for particular curriculum, use staff at a lead university to develop. Agreement will be needed among universities to adhere to this standard and track employee training in a consistent (preferably automated) manner.

6. Strategy, Planning and Budget (SPB)

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:

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

b. Support University Relations on Federal relations efforts and ensure Federal and State relations are aligned and taking advantage of leveraging opportunities.

c. Consider reducing State Relations position to a six to nine month contract.

d. 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.

7. University Relations (UR) and UA Foundation

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

Summary: Realignment of certain functions under UR and expectations of the Foundation to assist in coordinating a system-level fundraising effort support a recommendation to decouple the two and eliminate a SW executive position. This will result in cost savings to the university, while enabling greater focus on its role in support of system fundraising.

Recommendations for Consideration:

a. Move AVP State Relations under the Office of Strategy, Planning and Budget (SPB)
b. Eliminate the Squire Patton Boggs Federal relations contract.
c. Create and fill a new AVP Public Affairs and/or Federal Relations position. *Note: Upon retirement of VP UR, this position to report to the UA President.*
d. Eliminate VP UR position (will occur year-end with retirement of incumbent).
e. Eliminate UR administrative support position.
f. Align efforts and explore ways to work together with SPB and AAR in supporting State and Federal relations efforts.
g. Reassign Shaping Alaska's Future Office work to Public Affairs (see further information in Strategy, Planning and Budget section).

8. **Office of Information Technology (OIT) and Enterprise System Management**
Essential Roles: Compliance, Steward of Shared Resources

Summary: IT functions should be evaluated with the overall objective of being policy-centered and focused on creating economies of scale (e.g. maintaining the WAN, core administrative enterprise systems such as Banner, along with the underlying databases). Further discussion and work is needed to implement a consistent strategy for enterprise system management which will help to resolve issues that arose in nearly every functional area.

Recommendations for Consideration:

a. Maintenance and upgrade functions for Banner should be centralized under OIT and moved out of other SW functional areas. Evaluate if significant portions of the workload can be outsourced or moved to the universities.
b. Coordination of data definitions and data quality standards should be managed by their respective functional areas in collaboration with the universities.
c. Enterprise system access control and security provision/management should be handled at the university level.
d. Projects and system enhancements should be encouraged. While data standards must be maintained system-wide, individual universities should be empowered to innovate and share solutions which means that projects will be developed and implemented either by university staff, or through outsourced contracts for specialized services.
e. The operational information technology functions for UAF and SW should be managed by UAF. UA should move to a model where host-universities provide core IT services for Statewide staff.
f. Evaluate the OIT Business Office to see if SW can achieve more value if these areas have the potential to serve all of SW as part of a shared service model for administration.
g. Continue to look at outsourcing opportunities for IT functions or contracted/hosted services.

IV.   Conclusions and Next Steps

The SWTT believes SW has the potential to lead and serve the entire University of Alaska system in a way that will enable rather than hinder excellence. The SWTT believes there is a clear and purposeful

role for SW administration, and through this process, this role has been refined with agreement from the three universities and SW leadership team (i.e. Summit Team). All actions listed here are intended to clarify and strengthen the focused role of SW, and the SWTT would like to see both functional and cultural change take shape over the specified timeline.

A number of people have asked what is different now that will compel implementation of the recommendations. It is clear that the BOR, state policy makers, students, faculty and staff, and the people of Alaska expect change. The current fiscal climate and changing landscape of education require it. Recent transitions in SW and within university leadership provide an opportunity to establish new ways of doing things that will build upon the Summit Team's growing collaborative work. Finally, a well-thought out implementation process with clear accountabilities and timelines will ensure it happens. (See Appendix.)

Subject: [SW Staff] Team to Review Statewide Programs and Services
From: uasw-l@lists.alaska.edu
Date: 3/23/2015 8:15 AM
To: uasw-l@lists.uaf.edu
CC:

Memorandum

To: Staff

From: Patrick K. Gamble

Subject: SW Transformation Team Formed

Date: March 23, 2015

The University of Alaska system regularly reviews its programs, services and processes to ensure they are tied to mission, efficient in use of resources, and effective in delivering results. Prioritization efforts, program reviews, the annual budget process and Shaping Alaska's Future are all key drivers of the continuous improvement needed to meet the higher education needs of Alaska. With the fast pace of change in higher education and the state's deepening fiscal crisis, UA's three universities have accelerated the pace of program reviews to ensure the budget reduction decisions they make are aligned with the system goal to maintain as strong a core as possible.

Statewide also took its share of cuts in FY15, but it is now time to conduct an even more thorough review of services and programs. Towards that end, Michelle Rizk has been assigned to assemble a small, agile team to conduct this review.

The committee will review SW functions, services, and programs. Questions they will address: What are we doing now? What is essential for a SW staff to do going forward? What's the best way to accomplish what's absolutely needed? Consideration will also be given to relocating certain SW functions, services, or programs within any of the three universities.

The estimated eight- to ten-member team will include members from SW and the three universities. While small, one of its first tasks will be to develop a framework for ensuring meaningful communication with and input, feedback and review by the full range of stakeholders throughout the review process. That will include mobilizing ad hoc sub-groups in specialized areas to provide more detailed and technical analysis of specific recommendations before they are sent to the Summit Team for decision.

The team will review MacTaggart/Rogers and Fisher reports to determine what recommendations from those reports have already been implemented and to assess relevance and impact of the remaining recommendations. They will also gather and analyze other ideas. Finally, they will recommend priorities for

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action and develop an implementation plan.

It's important to note this is not primarily a budget exercise. The goal is to define what they are and how we deliver a strong and sustainable set of core services and functions in support of the entire UA system. It is a long-term focused evaluation and planning process that will position UA for the coming years. The plan will be developed for FY17 implementation with certain recommendations put in place earlier where it makes sense and implementation is possible with shorter lead times. This will help to meet state budget reductions we expect in FY16.

I am grateful to everyone at SW for their ideas and energy during a challenging time and recognize that while this transformation process will be good for the University of Alaska system, it won't be without impact to the people who work here. Michelle is committed to open communication and dialogue throughout this review to ensure you have the information you need to inform your own personal planning and decisions.

With sincere appreciation for the great job you do.

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Many Traditions ... One Alaska
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Appendix

UA System Office Functional Org Chart*
Updated August 2015 (FY16) – SW Transformation Team

Total System Office FTEs (FY15 Snapshot): 268
Unrestricted Budget Approx. $55 Million (FY15)

*This functional org chart is not intended to show all activities a department performs, but is intended to give a visual and high-level overview of basic general functions within the UA System Office.

Finance & Administration

39 Total FTEs; Approx.
10% of SW Unrestricted Budget

Finance & Investment Management

Procurement
-Policy Dev & Oversight
-Statutory Determination & Approvals
-Protest & Contract Claim Appeals
-Training

Treasury Services
-Cash Management
-Foundation Accounting & Investment Services
-Endowment Mgmt.
-Reporting
-PCI Compliance

System-Based Scholarships

UA Scholars Program
-Administration
-Program Policy
-Budget/Planning
-Eligibility Appeals

Presidential Scholarships
-Compliance
-Data Mgmt./System
-Eligibility Determination
-Distribution/
Reconciliation

Foster Youth Scholarships-
Outreach
-High School/Partner Communications
-Student/Campus Communications
-Event Coordination
-Marketing

Education Trust of AK
-Administration
-Program/Policy Dev.
-Community Engagement
-Fiduciary Duties
-Investment Oversight
-Legal/Regulatory Compliance

UA College Savings Plan
-Ops & Marketing
-Event Coordination
-Customer Service
-Sponsorships/
Partnerships
-Scholarships
-Account Maint/Mgmt.

John Hancock Freedom 529
-T. Rowe Price 529
-Program Mgmt./
Oversight

Controller
-Reporting/Compliance Standards
-Financial Statements
-System Office Budget & Mgmt.
-Budget Control
-Debt Issuance/Working Capital
-Tax Compliance
-Unclaimed Property

Cost Analysis
-Accounting Policy
-Federal Guidance
-Data Integrity
-Training
-Disclosure Statements

F&A and Fringe & Leave Benefit Rates
-Projections/Rate Development
-Functional Use Survey

Federal Audits

Finance Systems
-UA Banner Finance Database & TOAD Mgmt.
-Payment Systems
-A/P & A/R Support, E-Commerce, Tax Compliance
-Accounting Ops/Check Runs/Bank Returns

Data Warehouse Integrity
-Finance Data Definitions/Standards
-Training
-System Upgrades

Finance System Security & Access Mgmt.
-Access Controls

Finance System Project Mgmt.
-Projects & System Enhancements
-Third Party Software

Fund Accounting
-Guidance/Research & Implementation
-Safeguard Assets

Debt & Capital Projects Accounting
-Endowment

UA Financial Statement Preparation
-Education Trust of AK

External Audits

Records & Info. Management

PCI Standards/
Identity Theft Prevention

Enterprise Electronic Records Mgmt.
-UA System (OnBase)
-Records Center Ops

Audit & Consulting
-Internal Audit/
External Audit
- Investigations/
Special Requests
-Liaison w. External Auditors & BOR

Annual Audit Plan
-Executive Compensation
-Travel Reporting

**High Risk Examination/
Mitigation**
-Confidential Hotline Administration

Appendix

Organizational chart (rotated):

Admin & Fiscal Support

Academic Affairs & Research
45 Total FTEs; Approx. 13% of SW Unrestricted Budget

- **Workforce Development Programs**
  - Mining & Petroleum Training
  - Fisheries, Seafood Maritime Initiative
  - TAACCCT
  - Labor/Commerce
  - APICC
  - **Workforce Investment Board**
  - **TVEP Administration**

- **K-12 Outreach**
  - EED Liaison
  - UGO i3
  - **Future Educators of AK/AK Teacher Placement**
  - **Alaska Statewide Mentor Project**
  - **Teacher Ed Consortium**

- **Student & Enrollment Services**
  - **FERPA Policy Compliance**
  - **Stay on Track**
    - Outreach & Retention Initiative
  - **Student Services**
    - Transfers
    - Financial Aid
    - Student Services Council
  - **Tuition Proposal Development**
  - **AK Post Secondary Education Initiatives**

- **System Governance**
  - Coalition of Student Leaders
  - Faculty/Staff Alliance
  - System Governance Council
  - SW Admin. Assembly
  - **UA Banner Student Administration**
    - Student Data Definitions/Standards
    - System Upgrades
  - **Student System Security & Access Mgmt.**
    - Access Controls
  - **Student System Project Mgmt.**
    - Projects & System Enhancements
    - Third Party Software
    - Online Student Services Mgmt.

Strategy, Planning & Budget
- Budget Prep & Advocacy
  - Process/Procedures
  - Support Info
- Facilities/Capital Coordination

30 Total FTEs; Approx. 11% of SW Unrestricted Budget

- **State Relations**
  - Legislative Liaison

- **Facilities & Land Management**
  - Shared Resource Oversight
  - **External Partnerships**
    - Resource Mgmt.
  - **Asset Mgmt.**
    - Land Sales
    - Revenue Strategy

- **Shaping AK's Future**
  - Outreach
  - **Summit Team Support**
    - Administration
  - **Leadership Development**

- **Institutional Research, Planning & Analysis**
  - **Data Warehousing**
    - Computational Analysis/Dashboards
    - Info Standards/Reporting Defns.
    - Data Collection/Scrubbing Procedures
    - Data Architecture
  - **External Reporting**
    - Fed/State
    - UA System Survey Assessments
    - UA in Review
  - **Statistical Analysis**
    - White Papers
    - Institutional/Operational/Policy
    - Budget Increment Impact Analysis

Appendix

Board of Regents
- Administration
- Policy/Regulation Drafting/Maint.
- BOR & President liaison

1 Total FTE; Approx. 1% of SW Unrestricted Budget

Asst. to the President
- Administration
- House Mgmt.
- BOR Support

UA President

3 Total FTEs; Approx. 2% of SW Unrestricted Budget

Travel Admin. & Office Backup
- Shared w. BOR

Human Resources
- Regulatory Mgmt.
- Legal Compliance
- BOR Policy/Reg Development & Compliance

23 Total FTEs; Approx. 5% of SW Unrestricted Budget

Training & Development
- Thought Leadership
- Training
- Training Consultation & Research

Labor Relations

Collective Bargaining
- Agreement Negotiation
- Training on CBAs

Employee Relations Consulting
- Grievance Mgmt.

Benefits Mgmt.
- Plan Design & Communication

Health Insurance & Wellness Program
- Benefit Accounting
- Supplemental Benefits Design & Procurement

Retirement Compliance

Compensation & Classification Mgmt.

System Office Recruitment

Affirmative Action/ ADA
- Reporting

Employee & Student Payroll
- Vendor & Benefit Payments
- Accounting & Wage Payments

UA Tax Accounting
- Out of State
- Int'l Students & Employees

UA Banner HR Administration
- HR Data Definitions/ Standards
- System Upgrades

Reporting
- Vendor & Regulatory

HR Systems Security & Access Mgmt.
- Access Controls

HR System Project Mgmt.
- Projects & System Enhancements
- Third Party Software

General Counsel
- Legal Services
- Administrative Guidance

7 Total FTEs; Approx. 2% of SW Unrestricted Budget

Risk Services
- Enterprise Risk Mgmt.

11 Total FTEs; Approx. 13% of SW Unrestricted Budget
*Risk Pool/SW Chargeback

Insurance
- Placement
- Administration

Claims
- In-house settlement

Emergency Management
- Auditing
- Safety Culture Dev.

Environmental Health, Safety & Loss Prevention

Appendix

UA Foundation Board of Trustees

University Relations & UA Foundation

30 Total FTEs; Approx.
8% of SW Unrestricted Budget
*Foundation Fee/SW Chargeback

Admin Support

Federal Relations

Public Affairs
-Communications

UA Foundation

*Approx. 24 FTEs,
incl. in total above*

Development

Information Technology

79 Total SW FTEs; Approx.
35% of SW Unrestricted Budget*

*Excludes UAF OIT FTEs; SW Unrestricted
Budget includes UA System Tech Fixed
Costs/Contracts: e.g Banner, UA Network

External Relationships

Business Office
-Finance & Admin
    -Contracts/
Procurement
-Travel/HR/Events

Application Services

Enterprise
Application/System
Management
-Programming
Services
-Banner/Other
Enterprise Apps

Core Applications
-Web Design & Dev.
-Course Mgmt.
-Email & Calendaring

Technology
Oversight
-Communications
    -IT Planning

UA Program & OIT
Project Mgmt.

Security Oversight
-Monitoring &
Compliance
-IT Policy Dev.

Identity & Access
Mgmt.
    -Directory

User Services

HelpDesk & Training

Desktop & Computing
Lab Support

Video Conferencing*
*Recharge Center/
SW Chargeback

Event/Media Support
-Web Streaming

Infrastructure
Technology Services

UA Networks
-Design, Operations &
Support

Server & Database
Administration

Data Center
Operations 24x7

UAF - Telephone
Services

Appendix

SW Transformation Process Outline

September 1-25, 2015	Statewide Transformation Team finalize preliminary report IT/OPA set up website for employee input
September 4, 2015	President Johnsen reviews process with Chair Heckman and with President of Statewide Administration Assembly (SAA)
September 9, 2015	President Johnsen and Michelle meet with consultant (call) to discuss scope, schedule and budget
September 16, 2015	Discussion with Summit Team on SW Transformation
September 17, 2015	President Johnsen update Board of Regents on SW Transformation process next steps
September 25, 2015	Transformation Team preliminary report delivered to President Johnsen
September 29, 2015	President Johnsen distribute report to all Statewide employees with cover memo outlining context, purpose, process and next steps; key topic in President's staff meeting.
September 29-October 20, 2015	Input on report received through employee website. Engage consultant for implementation plan development.
October 28, 2015	Individual meetings with President's Statewide direct reports and their key staff, SAA President and Transformation Team
September 29- October 29, 2015	Transformation Team analyze input from Direct Reports and SW employees
October 30, 2015	Transformation Team deliver revised recommendations to President Johnsen, Summit Team and Vice-Chancellors of Administration
November 3, 2015	Summit Team meeting to advise President on Transformation Team recommendations (include Summit Team members, Transformation Team Members and Vice-Chancellors of Administration)
November 4, 2015	President Johnsen update Board of Regents on Transformation process
December 2015	President Johnsen makes decisions on recommendations
December 1-31, 2015	Implementation plan development
January 1, 2016	Implementation begins
July 1, 2016	Implementation complete

As of 9/29/15

UA System Office Functional Org Chart
Updated June 2015 (FY15) – SW Transformation Team

Total System Office FTEs: 268
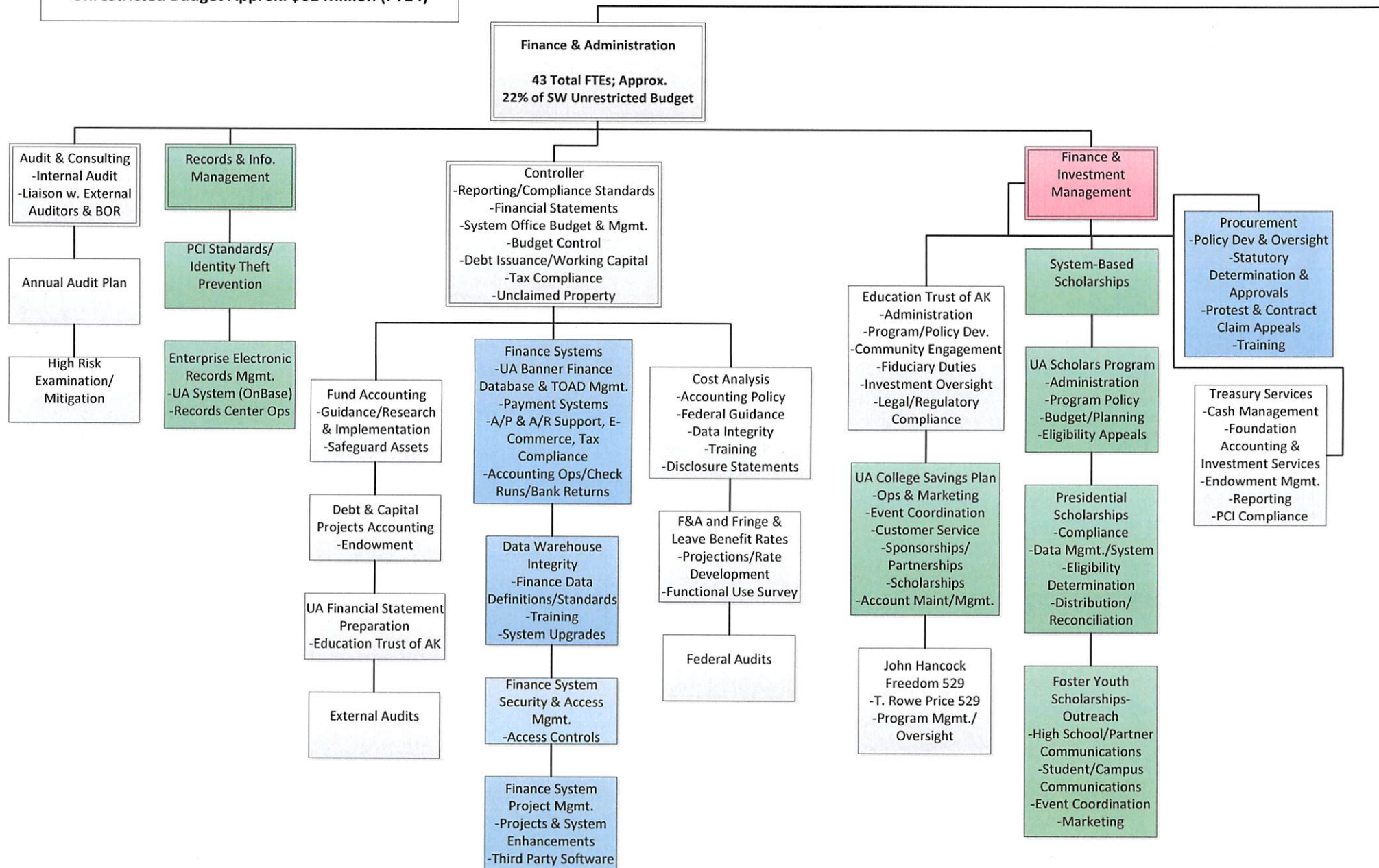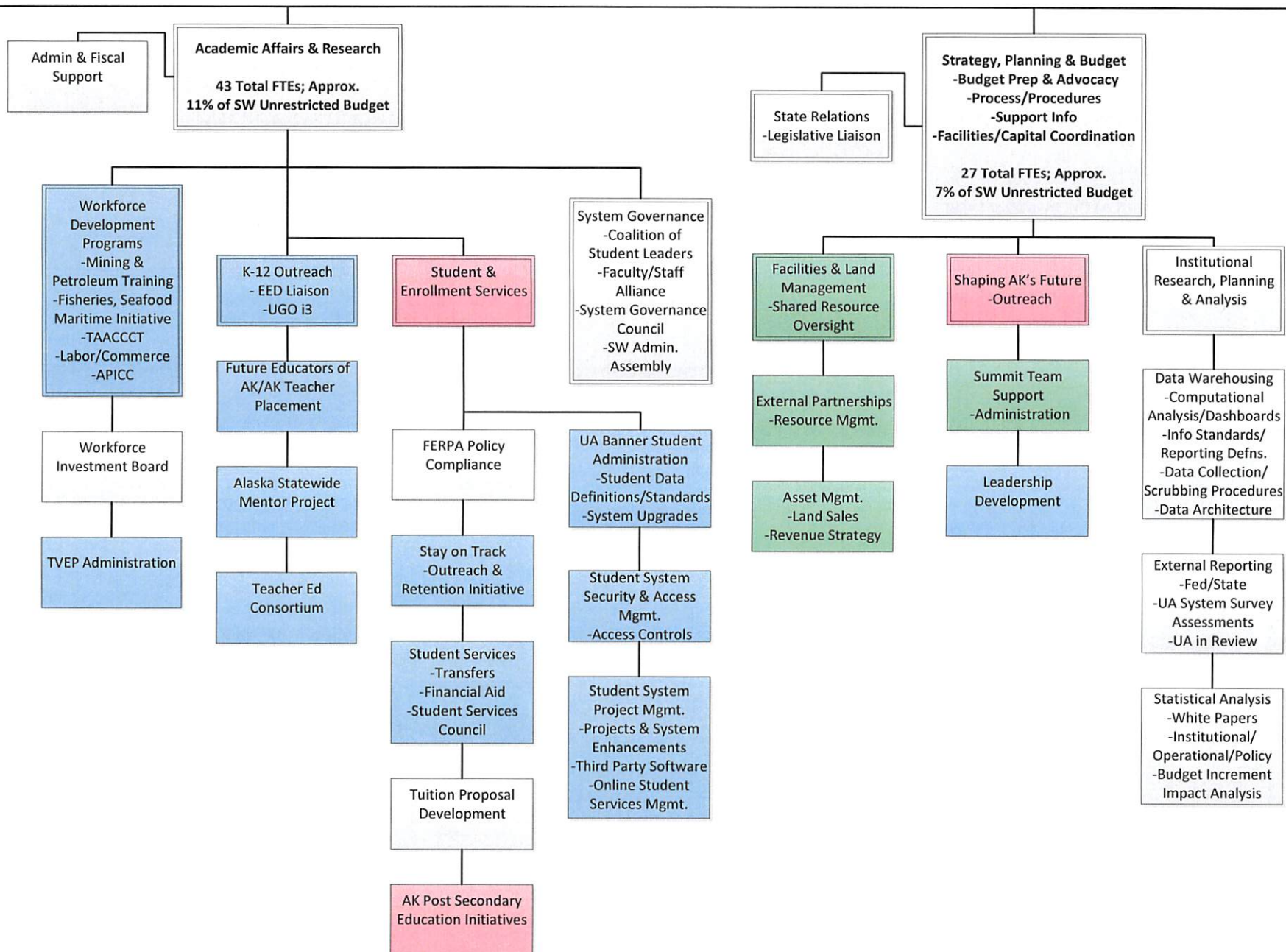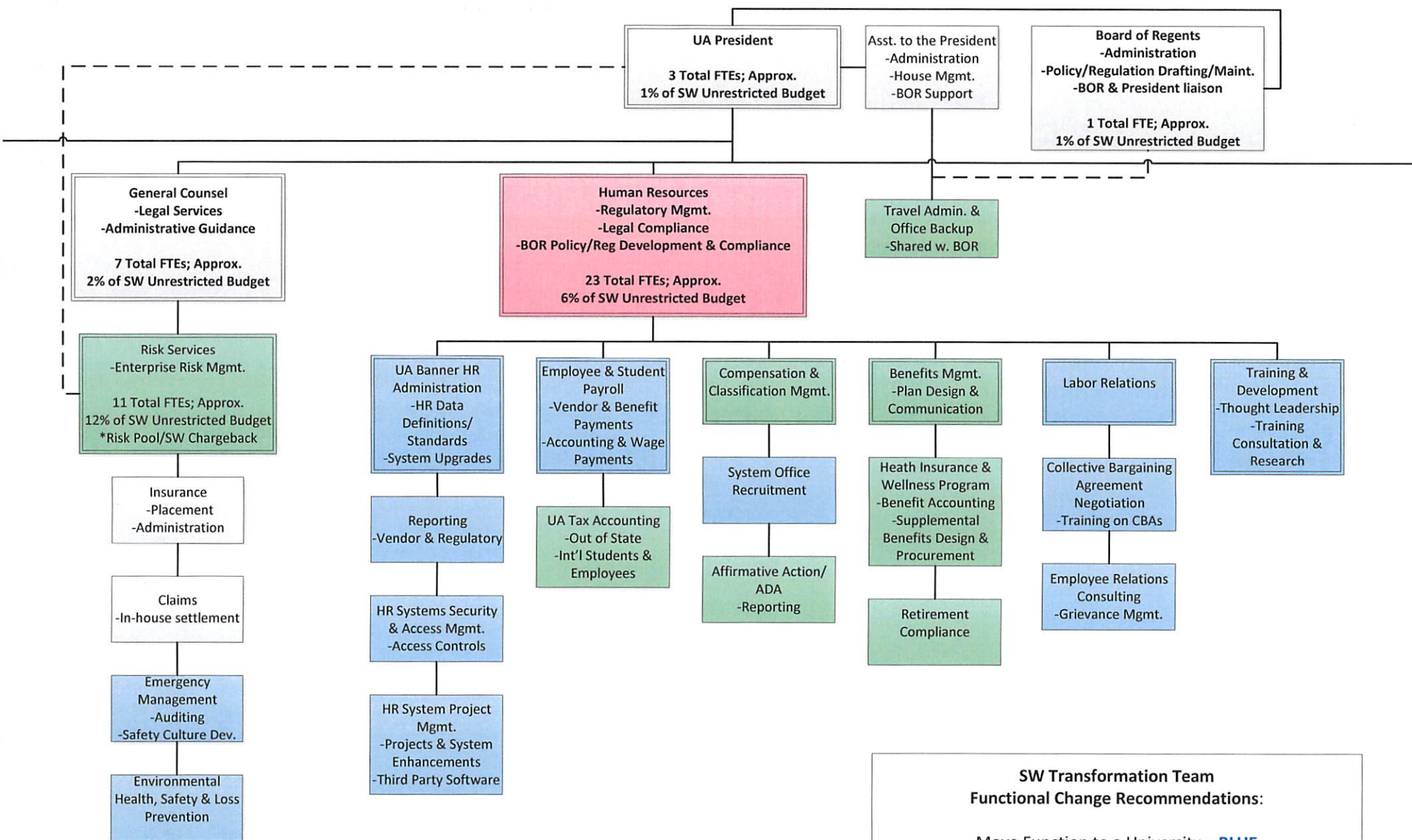**Unrestricted Budget Approx. $61 Million (FY14)**

Finance & Administration

43 Total FTEs; Approx. 22% of SW Unrestricted Budget

Audit & Consulting
- Internal Audit
- Liaison w. External Auditors & BOR

Annual Audit Plan

High Risk Examination/ Mitigation

Records & Info. Management

PCI Standards/ Identity Theft Prevention

Enterprise Electronic Records Mgmt.
- UA System (OnBase)
- Records Center Ops

Controller
- Reporting/Compliance Standards
- Financial Statements
- System Office Budget & Mgmt.
- Budget Control
- Debt Issuance/Working Capital
- Tax Compliance
- Unclaimed Property

Fund Accounting
- Guidance/Research & Implementation
- Safeguard Assets

Debt & Capital Projects Accounting
- Endowment

UA Financial Statement Preparation
- Education Trust of AK

External Audits

Finance Systems
- UA Banner Finance Database & TOAD Mgmt.
- Payment Systems
- A/P & A/R Support, E-Commerce, Tax Compliance
- Accounting Ops/Check Runs/Bank Returns

Data Warehouse Integrity
- Finance Data Definitions/Standards
- Training
- System Upgrades

Finance System Security & Access Mgmt.
- Access Controls

Finance System Project Mgmt.
- Projects & System Enhancements
- Third Party Software

Cost Analysis
- Accounting Policy
- Federal Guidance
- Data Integrity
- Training
- Disclosure Statements

F&A and Fringe & Leave Benefit Rates
- Projections/Rate Development
- Functional Use Survey

Federal Audits

Finance & Investment Management

Education Trust of AK
- Administration
- Program/Policy Dev.
- Community Engagement
- Fiduciary Duties
- Investment Oversight
- Legal/Regulatory Compliance

UA College Savings Plan
- Ops & Marketing
- Event Coordination
- Customer Service
- Sponsorships/ Partnerships
- Scholarships
- Account Maint/Mgmt.

John Hancock Freedom 529
- T. Rowe Price 529
- Program Mgmt./ Oversight

System-Based Scholarships

UA Scholars Program
- Administration
- Program Policy
- Budget/Planning
- Eligibility Appeals

Presidential Scholarships
- Compliance
- Data Mgmt./System
- Eligibility Determination
- Distribution/ Reconciliation

Foster Youth Scholarships- Outreach
- High School/Partner Communications
- Student/Campus Communications
- Event Coordination
- Marketing

Procurement
- Policy Dev & Oversight
- Statutory Determination & Approvals
- Protest & Contract Claim Appeals
- Training

Treasury Services
- Cash Management
- Foundation Accounting & Investment Services
- Endowment Mgmt.
- Reporting
- PCI Compliance

Admin & Fiscal Support

Academic Affairs & Research

43 Total FTEs; Approx. 11% of SW Unrestricted Budget

State Relations
-Legislative Liaison

Strategy, Planning & Budget
-Budget Prep & Advocacy
-Process/Procedures
-Support Info
-Facilities/Capital Coordination

27 Total FTEs; Approx. 7% of SW Unrestricted Budget

Workforce Development Programs
-Mining & Petroleum Training
-Fisheries, Seafood Maritime Initiative
-TAACCCT
-Labor/Commerce
-APICC

K-12 Outreach
- EED Liaison
-UGO i3

Student & Enrollment Services

System Governance
-Coalition of Student Leaders
-Faculty/Staff Alliance
-System Governance Council
-SW Admin. Assembly

Facilities & Land Management
-Shared Resource Oversight

Shaping AK's Future
-Outreach

Institutional Research, Planning & Analysis

Workforce Investment Board

Future Educators of AK/AK Teacher Placement

FERPA Policy Compliance

UA Banner Student Administration
-Student Data Definitions/Standards
-System Upgrades

External Partnerships
-Resource Mgmt.

Summit Team Support
-Administration

Data Warehousing
-Computational Analysis/Dashboards
-Info Standards/ Reporting Defns.
-Data Collection/ Scrubbing Procedures
-Data Architecture

TVEP Administration

Alaska Statewide Mentor Project

Stay on Track
-Outreach & Retention Initiative

Student System Security & Access Mgmt.
-Access Controls

Asset Mgmt.
-Land Sales
-Revenue Strategy

Leadership Development

External Reporting
-Fed/State
-UA System Survey Assessments
-UA in Review

Teacher Ed Consortium

Student Services
-Transfers
-Financial Aid
-Student Services Council

Student System Project Mgmt.
-Projects & System Enhancements
-Third Party Software
-Online Student Services Mgmt.

Statistical Analysis
-White Papers
-Institutional/ Operational/Policy
-Budget Increment Impact Analysis

Tuition Proposal Development

AK Post Secondary Education Initiatives

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                              ┌──────────────────────┐  ┌──────────────────────┐  ┌──────────────────────────┐
                              │    UA President      │  │ Asst. to the President│  │    Board of Regents      │
                              │                      │  │ -Administration       │  │ -Administration          │
                              │  3 Total FTEs; Approx.│  │ -House Mgmt.          │  │ -Policy/Regulation Drafting/Maint.│
                              │  1% of SW Unrestricted│  │ -BOR Support          │  │ -BOR & President liaison  │
                              │       Budget         │  │                      │  │                          │
                              └──────────────────────┘  └──────────────────────┘  │  1 Total FTE; Approx.    │
                                                                                    │  1% of SW Unrestricted   │
                                                                                    │       Budget             │
                                                                                    └──────────────────────────┘
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UA President

3 Total FTEs; Approx. 1% of SW Unrestricted Budget

Asst. to the President
-Administration
-House Mgmt.
-BOR Support

Board of Regents
-Administration
-Policy/Regulation Drafting/Maint.
-BOR & President liaison

1 Total FTE; Approx. 1% of SW Unrestricted Budget

General Counsel
-Legal Services
-Administrative Guidance

7 Total FTEs; Approx. 2% of SW Unrestricted Budget

Human Resources
-Regulatory Mgmt.
-Legal Compliance
-BOR Policy/Reg Development & Compliance

23 Total FTEs; Approx. 6% of SW Unrestricted Budget

Travel Admin. & Office Backup
-Shared w. BOR

Risk Services
-Enterprise Risk Mgmt.

11 Total FTEs; Approx. 12% of SW Unrestricted Budget
*Risk Pool/SW Chargeback

UA Banner HR Administration
-HR Data Definitions/ Standards
-System Upgrades

Employee & Student Payroll
-Vendor & Benefit Payments
-Accounting & Wage Payments

Compensation & Classification Mgmt.

Benefits Mgmt.
-Plan Design & Communication

Labor Relations

Training & Development
-Thought Leadership
-Training Consultation & Research

Insurance
-Placement
-Administration

Reporting
-Vendor & Regulatory

UA Tax Accounting
-Out of State
-Int'l Students & Employees

System Office Recruitment

Heath Insurance & Wellness Program
-Benefit Accounting
-Supplemental Benefits Design & Procurement

Collective Bargaining Agreement Negotiation
-Training on CBAs

Claims
-In-house settlement

HR Systems Security & Access Mgmt.
-Access Controls

Affirmative Action/ ADA
-Reporting

Employee Relations Consulting
-Grievance Mgmt.

Emergency Management
-Auditing
-Safety Culture Dev.

HR System Project Mgmt.
-Projects & System Enhancements
-Third Party Software

Retirement Compliance

Environmental Health, Safety & Loss Prevention

**SW Transformation Team
Functional Change Recommendations:**

Move Function to a University = **BLUE**

Reorganized Function within SW/Improve Efficiency = **GREEN**

Reduce Service or Position(s); Requires Reorganization of Remaining Functions to Campus or within SW = **RED**

Maintain/Policy Functions = **BLANK**
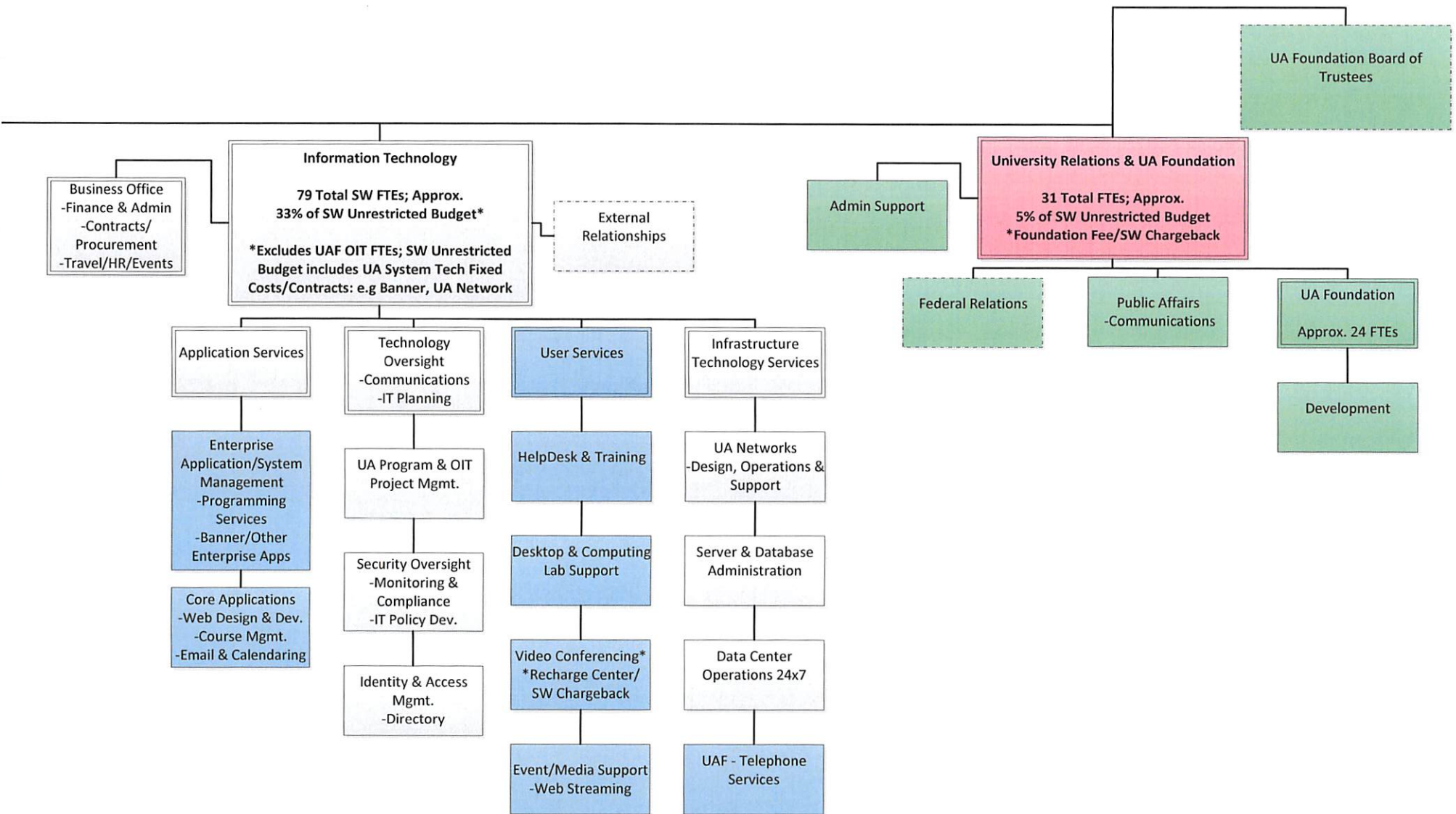
Transforming the University of Alaska's (UA) Statewide (SW) Office
Addendum to Report
November 2015

<u>**Update**</u>
In October the Statewide Transformation Team (SWTT) met with the 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.

<u>**Cost Savings & Efficiencies**</u>
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.

<u>**The Case for Change - Reaffirmed**</u>
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 <u>and date table</u> 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 <u>Maintain policy function/role of procurement at SW and move transactional procurement work to a university</u>. 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.