

HAR

2

STATE OF ALASKA THE LEGISLATURE

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May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HHESS	2-18-87	8:30 a.m.
HHESS	2-19-87	8:30 a.m.

HOUSE COMMITTEE REPORT

(7)

Date referred: 2/4/87

FURTHER REFERRALS: Finance

DATE: 2-19-87

The Health, Education and Social Services Committee has considered HR 2

Relating to the University of Alaska community college system.

RECOMMENDS:

- replace with CS the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

John Ellis

Bill Hyde

Alvin Koyama

June Douglas

SIGNING OTHER RECOMMENDATIONS:

Roll E. Roll No Rec

Alvin Koyama No Rec

Alvin Koyama

 Co-Chairman's signature
John Ellis

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version : CSHR 2 (HESS)
Publish Date : _____

Revision Date: _____
Title: University of Alaska
Community College System
Sponsor: Pourciot, et. al.
Requestor House JESS

Agency Affected: University of Alaska
BRU: ALL
Components : _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		\$0-\$1 million				

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		\$0-\$1 million				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary) See attached.

Prepared by: Brian Rogers, Director of Budget Development Phone: 474-6490
Division: University of Alaska Date: February 24, 1987
Approved by Vice President [Signature] Date: February 24, 1987
Agency: University of Alaska

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

CONTINUATION OF FISCAL YEAR ANALYSIS

For Bill Resolution No. 13-PR-2 (1956)

ADMINISTRATIVE:

Reconsideration of the Board's decision of the University of Puerto Rico of the proposal to restructure the University and examine alternative plans which would preserve the separate and autonomous character and administrative status of the constituent colleges would increase costs to the University of Puerto Rico by \$1,000,000 during 1956.

The Board of Regents, on its February 10, 1956 meeting, approved a plan for restructuring the University and reserves the question of whether to accept the proposal of the Board of Regents. The Board of Regents, while favoring the proposal, is not in a position to make a final decision on the proposal. The Board of Regents is still in the process of studying the proposal and will report to the Board of Regents on the matter during the next meeting. The Board of Regents is still in the process of studying the proposal and will report to the Board of Regents on the matter during the next meeting.

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Official Business

COMMITTEE:

Hess

DATE:

2-18-87

SIGN-IN

Subject of meeting:

HB - 107

HB - 2

HB ~~107~~ 51

NAME

ADDRESS

PHONE

REPRESENTING

DO YOU WANT TO TESTIFY?

NAME	ADDRESS	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
REP JOHN SUND	Box ✓	465-4919	(HB 107)	YES
E. Bussell	Box 1	3466	HB 107	No
Rep. Pat Pouchot				Yes HR 2
Julie Adyamaid	Box 17	2854		No
KERRY ROMESBURG	POSTSECONDARY EDUC.	2854	ACPE (HB-51)	(YES)
Steve Hole	DOE	2800	DOE	



Alaska State Legislature
House of Representatives
COMMITTEE ON HEALTH, EDUCATION
AND SOCIAL SERVICES

OFFICIAL BUSINESS

POUCHV
JUNEAU, AK 99811
465-3759

MEMORANDUM

TO: HESS Committee Members
FROM: Jim Nordlund, HESS Committee Staff
RE: HR 2
DATE: February 18, 1987

The subcommittee formed to consider HR 2 and HB 107 (Reps. Ellis, Koponen and Hudson) met this morning along with representatives of the Community College Coalition of Alaska. They have suggested two amendments to HR 2:

1) page 2, line 8: change "Anchorage institution" to "Southcentral Unit"

page 2, line 13: change "University of Alaska - Fairbanks" to "Western and Interior Unit"

page 2, line 18: change "Juneau institution" to "Southeastern Unit"

2) page 3, line 18: add: "BE IT FURTHER RESOLVED that alternate restructuring proposals include clear distinctions between institutional support services and academic support services, and that community colleges retain autonomous academic support services while institutional support services may be combined into the appropriate Southcentral, Western and Interior, or Southeastern Unit of the University of Alaska."

These changes are acceptable to the sponsor.

February 18, 1987
University of Alaska
STAFF BULLETIN

TO: Roy Huhndorf, President, and Members of the
Board of Regents

FROM: Donald D. O'Dowd
President

RE: restructuring the University

The following documents relate to Item 3 of the Agenda
for the Board of Regents meeting, February 21, 1987.

DDO:dm
cc: Chancellors

RECOMMENDATIONS
TO THE
BOARD OF REGENTS
ON
IMPLEMENTATION OF RESTRUCTURING
THE
UNIVERSITY OF ALASKA

Donald D. O'Dowd
President
February 16, 1987

I. Introduction

It may be useful to review briefly the background of the
process of restructuring the University of Alaska which has been
underway since the summer of 1986.

The reason for undertaking a massive redesign of the
University system stems directly from the economic plight of the
State of Alaska and the University. A review of the University's
economic losses in the last two years provides a setting for the
recommendations that are being presented to the Board of
Regents.

In FY 85 the University's general fund appropriation was
approximately \$170 million. For FY 86 the legislature
appropriated \$2 million less for the University, reducing the
general fund total to \$168 million. In addition, in FY 86 the
University implemented a 4% across-the-board increase in employee
compensation costing approximately \$5 million and for which no
State funding was received. Thus, the available operating funds
for all University activities were reduced \$7 million in FY 86.
For FY 87, the current year, the legislature reduced the
University's general fund budget to \$153 million during the
legislative session. That action was further compounded by an
executive action of the Governor on August 15, 1986, that reduced
the general fund budget to \$147 million. At the present time the
recommendation of Governor Cowper to the legislature for the FY
88 budget is \$132 million supplemented by an \$8.4 million
transition fund that would permit the University to reduce
operations in two stages, bringing it in FY 89 to a \$132 million
general fund budget. However, \$2 million of the FY 88 budget is
to cover costs of retirement contributions formerly paid by the

State, therefore the new budget level is effectively \$130 million.

The planning of the University has to take into account a potential reduction in University funding over three years of \$40 million, plus an additional unfunded \$5 million commitment in FY 86 for compensation increases, thereby requiring a \$45 million program reduction in three years. In addition to this the University has experienced new costs arising from liability, fire, property, health, and life insurance premiums, loss of interest income, and the opening of new facilities which amounts to \$8 million. Therefore, it is possible to say that the University has to manage a \$53 million, or 30%, erosion in its available operating funds since June 30, 1985, assuming that the Governor's budget recommendation is approved in its current form by the legislature. Such a loss of funds in percentage terms has not occurred at any other major public university in the United States since World War II. This is the most profound economic crisis that has been faced by a major university in the public sector in over 40 years. There is no precedent that can be examined for guidance and no textbook which describes how to cope with economic

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problems of the magnitude that the University is facing. This observation applies to the State of Alaska just as it does to the University and it calls for extraordinary steps to maintain the academic integrity and programmatic quality of the institution.

In the face of the dramatic economic problem which has continued to grow during the course of efforts to restructure the University, the President of the Board of Regents asked the President of the University in the Spring of 1986 to begin a process of reexamining every aspect of the University and to make recommendations to the Board of Regents for changes that would be appropriate in these extraordinary circumstances. In particular, the President was asked to find ways of simplifying the organizational and administrative structure of the institution so that it could operate more economically in a period of restricted State resources. It was clear to the President that he needed to examine the entire programmatic and organizational structure of the University and recommend to the Board ways in which the University could adopt a less expansive and expensive management structure and still deliver a respectable array of services to the people of the State. It was recognized that the University would have to be smaller, serve fewer people, and provide a narrower array of programs than it had done in a period when it had far greater resources with which to respond to public needs.

It is generally agreed among corporate managers that when an institution or a business experiences a dramatic loss in revenue or business volume, that it must reorganize its structure so as to be responsive to the new condition. Very few organizations are able to operate in a much leaner environment with the full array of programs and personnel which existed at a more affluent and expansive period. Corporations, businesses, and government institutions must all reconsider their structural elements at a time when they are dealing with a dramatic loss of volume or activity. Otherwise managerial wisdom says the institution is doomed to failure and will disappear from the business scene. It was this concern which motivated such careful and intense attention to the University's organization in this difficult period.

From late August through early October the President and the University administration conducted an intensive examination of every major administrative unit of the University. Every effort was made to understand the programmatic commitments of the units, the clientele they serve, the priorities that they attach to their programs, their administrative organization, and the ways in which various segments of the University relate to one another.

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After this review careful attention was given to a number of different organizational structures which might permit the University to continue to provide high quality services to the public while reducing the administrative overhead which had accumulated over the years. There is no question that the University has the most elaborate administrative structure of any public university in the nation in relation to the number of people it serves and the number of programs that it offers. This

comes about because of the wide dispersion of population throughout the State and the commitment of the University to establish separately organized and accredited institutions in as many locations in the State as it could possibly afford. The University has acquired an administrator to student ratio certainly unmatched in public higher education in the United States. This is clearly a function of the very small population centers and efforts to provide comprehensive services at those locations whenever possible.

After careful study and a great deal of reflection a proposal was submitted to the Regents which represented the most compact administrative structure that could be devised for the University, and continue to provide quality educational services from regional institutions which would carry their own accreditation. It was proposed that the University could succeed in delivering quality service at all levels, from community college through graduate study, to the citizens of the State from three regional centers. The development of a single institution to serve the entire State did not seem feasible nor did it promise enough economy to justify the losses in regional services that would result. To establish more than three institutions is conceivable, but every time a new institutional organization is established some of the savings that could be attained would be lost. The three MAU model seemed the best and most economical that could be put forth given the current and projected economic state of the University.

At a meeting in Fairbanks on December 4 and 5, the Board of Regents gave careful attention to all aspects of the proposal for restructuring the University of Alaska. At that meeting the Board adopted the three MAU plan which envisions the establishment of three new regional institutions, each serving a wider area and providing a greater range of services than any of the current units of the University. These new institutions would include the array of educational services currently being offered in each of the regions and would manage these services with smaller and more compact administrative staffs than are now in place.

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It is estimated that the savings in administrative expenditures through restructuring will be in the order of \$6 to \$7 million a year on a permanent basis once the new structure is fully in place. This level of savings will probably be achieved in the summer of 1988 if the program can be expedited.

In addition to approving the three MAU model in December, the Board of Regents adopted a further explication of their intentions indicating the importance of retaining the functions of the current Community Colleges within the new institutions. In the plan presented below the spirit and letter of the Regents motion is included in the recommendations for implementation of the restructuring program. The Regents' motion is reproduced in Appendix A. The complete background of the recommendations presented to the Board of Regents at the December meeting is contained in a paper entitled "On Restructuring The University of Alaska Statewide System", dated December 1, 1986.

II. Consulting Groups

In order to implement the restructuring plan a series of basic decisions must be made regarding each new unit of the University. These decisions concern the academic and administrative structures of the newly constituted institutions. This requirement is brought about by the amalgamation of functions and organizations into combinations which have not existed. Prior to working out the details of the operations of the new institutions it is necessary to determine the academic structure, the administrative support system, and the relationships between the existing units once they become part of a new aggregate of organizations, a regional institution.

In order to provide guidance on these crucial points, Consulting Groups were established at each of the three new units consisting of approximately 20 representatives drawn from the various organizations that are being brought together to form the new units. For example, in Fairbanks representatives of the University of Alaska, Fairbanks, the Community Colleges at Kotzebue, Nome and Bethel, Tanana Valley Community College, the CCREE administration and the Cooperative Extension Service, were

assembled to examine ways in which the new interior and western institution could be organized to provide appropriate services to all of the units which have existed as separate activities. The Consulting Groups were established following the Christmas break so as to not undertake the examination of important issues while faculty and students were not available. The Groups were given a short time to examine consolidation issues and then report to the President their findings so that he in turn could organize recommendations to the Board of Regents.

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It is urgent to complete this process because for every week that goes by without decisions the University is unable to realize the savings that will be needed to balance the budget for the coming fiscal year. It should be noted that by Board policy administrative and professional staff are granted six months notice before layoff and faculty as a general rule a full year notice before layoff actions take effect. Thus, any actions which take place in February of 1987 do not begin to accrue savings until August of 1987 in the case of professional staff, and July of 1988 for faculty members.

The three Consulting Groups were asked to respond to a series of questions drafted for each campus and which represented decisions that needed to be made early in the restructuring process, or were necessary in order to give appropriate charges to the task forces that will be appointed following action of the Board of Regents in February. The questions which were presented to each of the regional Consulting Groups are contained in Appendix B as a part of the bulletin that was used to establish the Consulting Group process.

Because of the pressure of time the Consulting Groups did not submit written reports, but rather shared in oral presentations the responses to the questions that were asked of each group. In large part, consensus was reached on the outline of structural elements that should be included in the new institutions. There were reservations expressed by individuals within the Groups about consensus positions, but generally agreement seemed to exist on the important points that need to be resolved in order to move forward with the design of the new units. Proposals and recommendations which are being forwarded to the Regents are reflections of this consensus as understood by the President and members of his staff who took part in the meetings. In cases where consensus did not exist, a proposal is put forward seeking to gain the best features of several points of view.

III. Proposals and Recommendations

The recommendations for action by the Board of Regents are put forth below as a series of numbered points under each of the regional units. It should be noted that the points under some units, such as the treatment of vocational/technical education in the Anchorage Southcentral unit, has implications for the other two units as well. There are several points at which the recommendation in a given unit will impact upon other units of the University system and these are not repeated for other locations.

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A. Anchorage - Southcentral

This is the most complex unit to restructure of the three new organizations. It combines two large institutions, Anchorage Community College and the University of Alaska, Anchorage; the administrative headquarters of CCREE; and Kenai Peninsula Community College, Kodiak Community College, and Mat-Su Community College. In addition, it is the center of the largest vocational/technical instructional program in the University which must be effectively incorporated in the new institution. The number of faculty and students affected by this complex merger represents more than half of the total enrollment in the University of Alaska system.

In general there was consensus on the features of the new University, or at least strong feelings about the need for visibility of different units which has been accommodated in the recommendations. One area of disagreement which could

not be reconciled was the organizational structure of the institution and the role of the faculties. Therefore, a proposal is put forth which to a degree incorporates elements of both positions. The alternative formulation attempts to create a new institution which can meet the goals of both of the large existing campuses and continue to recognize the importance of the missions central to each institution.

The points of the restructuring implementation recommendation for the Anchorage-Southcentral institution are as follows:

1. The academic organization will consist of a Division of General Studies, a Division of Disciplinary, Professional and Career Studies, three University Centers at Kenai, Kodiak, and Mat-Su, and each report to the Office of Vice Chancellor for Academic Affairs. The Division of General Studies will be responsible for the general education, developmental and remedial education programs serving all students. This Division will recommend to the faculty the award of the associate of arts degree. The Division of Disciplinary, Professional and Career Studies will house professional schools, academic disciplinary departments and programs to deliver applied and vocational and technical studies. This Division will recommend to the faculty the award of associate of applied science, the baccalaureate and advanced degrees.
2. All faculty members will be appointed in appropriate departmental units. The departmental units will all be located within the Division of Disciplinary, Professional and

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Career Studies. A faculty member will be assigned to duties in each Division depending on teaching needs and the individual's skills and preferences. It is expected that most faculty will serve in both Divisions. The allocation of duties for a faculty member will be established at the time of original appointment and restated periodically. The Vice Chancellor's Office will determine faculty assignments to the two Divisions. Faculty in the University Centers will also be appointed in departments and assigned to the two Divisions.

The General Studies curriculum will be the responsibility of the entire faculty. Academic governance will be guided by a constitution to be developed for this purpose.

3. The University Centers at Kenai, Kodiak, and Mat-Su will each have a Dean or Director who reports to the Academic Vice Chancellor. The faculty in each Center will be department members and have duties relating to either or both Divisions. The direction of the faculty is the responsibility of the Center Dean or Director. In addition, the Center administrator will have a labor pool fund to make appointments and offer courses to fill local service needs. The approval of course offerings and temporary faculty are subject to periodic review by the Academic Vice Chancellor.
4. A separate unit reporting to the Chancellor will be established to deploy, coordinate and evaluate vocational and technical education throughout the University. This unit will be responsible for continuous oversight and review of training needs and programs across the State. Where there is a strong and sustained demand for vocational and technical training, resources will be committed to the location on a continuing basis. These programs will be subject to regular evaluations. Where a periodic demand or need exists for vocational/technical training, provision will be made for periodic course offerings. These continuous and periodic offerings will be under local supervision. In addition, local labor pool funds can be used for specific offerings. The Anchorage office will maintain a "quick-start" capability

to respond to unpredictable opportunities anywhere in the State. The Anchorage office will be required to work closely with business, industry, government, the Department of Education, and the public schools in developing University vocational/technical programs.

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It is anticipated that few changes in vocational/technical offerings will occur before Fall, 1988.

5. The Anchorage-Southcentral unit will have a Vice Chancellor for Student Affairs and a Vice Chancellor for Administration. Within each of the Divisions there will be Deans and Directors as needed to give direction to colleges, schools, departments, and offices.

B. Fairbanks-Interior and Western

The organizational problems that arise in creating a new institution by joining together a major University, one urban and three rural Community Colleges, plus a vast rural education region, were worked out with a reasonable degree of consensus by the Consulting Group. The needs expressed by the rural representatives are respected in the design which has emerged. At the same time the concerns for continuing services to University residential students and the citizens of the Tanana Valley region are addressed in the plan.

There are a number of detailed issues which must be worked out in this unit in the future, but these can be accommodated within the structure which is presented here for consideration.

1. A new College will be created that combines the elements of the existing College of Human and Rural Development, the new University Centers at Bethel, Kotzebue and Nome and rural services to the Interior, Bristol Bay, and the Aleutians. The Correspondence Study unit will be included in this College.
2. A second new College or unit will be established by combining the services of Tanana Valley Community College with elements of the Division of Conferences and Continuing Education. This new College, delivering community services and continuing education, will provide training in general education, applied sciences, vocational and technical studies and developmental studies for the Fairbanks area.
3. Faculty in the new Colleges will be appointed in appropriate academic disciplines and assigned and supervised by the College Dean or Center Director depending on the location of their services. Courses and faculty at the University Centers will be authorized by the appropriate school or department in the University. Each Center will have funds and authority to offer courses in response to local needs on a demand basis.

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Vocational and technical programs will be authorized in cooperation with the Statewide Center for Vocational and Technical Education.

4. The Cooperative Extension Service will coordinate the delivery of services throughout the State. The Director of CES will report to the Academic Vice Chancellor and directly supervise the generalist agents working throughout the State. The specialist agents in agriculture, fisheries, home economics, and other fields, will be assigned to their respective Colleges, with their field services coordinated by CES. Close cooperative agreements will be developed between CES and the Colleges. The ANHRDP will be transferred to the new College serving rural Alaskans.

C. Juneau-Southeast

The structure that is proposed for the Juneau-Southeast institution recognizes both the limited size of the Juneau program and the importance of incorporating educational services at Ketchikan and Sitka as an integral part of the new enterprise. The proposal for integrating these programs seems to have had general acceptance by the participants in the Consulting Group and is advanced for your consideration.

1. The administrative structure of the Juneau-Southeast unit should consist of a Chancellor's Office to which report an Academic Vice Chancellor or Dean of Faculty, Directors of University Centers in Ketchikan and Sitka and a Vice Chancellor for Administration. The academic departments, divisions, schools, or colleges report to the chief academic officer.
2. The academic program structure should be kept as simple as possible in view of the enrollment in the Southeast region. The Master's of Education program provides a desirable link to regional public schools and a valuable service to the region and should be continued. The Master's of Public Administration lacks an adequate faculty base and will be reorganized when a University public policy faculty is assembled as a unit. The Master's of Business Administration will be phased out; the Master's in Fisheries will be awarded by the new statewide fisheries unit at the Fairbanks institution; and the Master's in Vocational Education will be moved to the Anchorage-Southcentral unit.

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3. All faculty in the Juneau-Southeast unit will be appointed in appropriate academic departments. The faculty assigned to University Centers will be supervised by the Center Directors. The Centers will have program and budget flexibility to approve courses and instructors in response to local needs. In addition, vocational and technical programs will be authorized for regional delivery in cooperation with the Statewide Center for Vocational and Technical Education.

It is evident in the above that many issues remain unresolved in the formation of the new University. Many of these concerns must await the formation of task force groups that will give intensive study to details of academic and administrative organization for each new unit. It should be noted, however, that there is no known instance when a redesign of a public university of this magnitude has been attempted in higher education except over a period of many years. This University is forced to do in weeks and months that which ordinarily takes years, but it is dealing with an economic situation the likes of which no other modern university has encountered.

One of the issues which is not yet addressed and will have to be resolved in the weeks ahead, is the organization of the several faculties which were described in the December report. These are the faculties of fisheries and marine sciences, health and medical teaching and research, public policy studies, and international trade.

The status of Prince William Sound Community College has not yet been determined. Prince William Sound Community College receives a substantial annual operating appropriation from the City of Valdez, and therefore is in a special category. It is planned to present at a later date an alternative design that will encourage local governments to provide a specified portion of the annual operating budget of a local educational unit as a means of attaining or retaining community college status.

The fisheries program has been under discussion, but several of the key University figures in fisheries administration have been out of the State on official business and have not been able to meet to formulate alternatives for the organization of the fisheries and marine science unit. The international trade program has moved forward a little more quickly than originally anticipated because of the initiative announced in January by Governor Cowper. In the public policy and health and medical

areas task forces must be created and results developed for consideration by the Board on the organization and location of these new enterprises.

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There are some delicate problems that need careful examination in the implementation of the new structure. For example, the relationship between the University Center at Sitka, Sheldon Jackson College, and Mt. Edgecumbe School, needs to be carefully examined and a set of agreements developed which benefit both the University and the community. The situation in Sitka requires special attention because of funding changes that have impacted several of the institutions which have been working together to formulate an educational consortium for that region.

That which has been recommended above is a series of basic directions within which the task force process can go forward. The outline of each campus is clear, but the details remain to be written. These details, in many instances, must be designed by the people on the scene, those most affected by the decisions, and those most knowledgeable about the programs that need to be in place. The plan is to turn now to local groups, calling on broad representation to help shape the details of the new campuses within the guidelines that have been proposed.

There are several questions that persist, in spite of endless reassurances which are answered in the presentation above. For example, there will be teaching units at each of the Community College sites that traditionally have been maintained by the University. These units will be able to provide the range of programs that they have in the past, including developmental studies; associate of applied sciences courses; associate of arts courses; vocational and technical training and cultural enrichment courses. In addition, all of these sites will gain the capacity to offer on a regular basis upper division courses leading to the baccalaureate although all of these services will be hampered by the shortage of funds.

Vocational/technical education will be available in all of the locations where it is today, although changes will occur over time in the programs offered based on a very careful study of the demand for that which is now being presented and the needs for vocational and technical education throughout the State.

It is a pleasure to report that the Consulting Groups for each of the new units believe that open admissions, a commitment to developmental education, services to non-traditional students, and a concern for assisting people in finding their way into and through higher education, are an obligation of every unit. This consensus developed quickly and universally in the Consulting Groups and will be included in the mission statements and values of each of the new institutions.

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Each of the Consulting Groups quickly agreed on the pattern of community advice that would be most useful for the new units. It was agreed that the University Centers should have locally based advisory groups and that these groups in turn should contribute to institutional advisory groups which would represent the communities and regions served by the new campuses. A careful plan of designing, selecting, and organizing these advisory structures will be developed for the institutions. In addition, a number of advisory groups to specific programs and activities will continue to exist and even be expanded with the creation of the new University structure.

Because of the great concern expressed over maintaining the integrity of the Community College mission, it may be appropriate to set up a mechanism which would guard this process from year to year. For example, the new institutions could be asked to report annually to the Board of Regents, as the CCREE units do today, on the characteristics, status, and success of the Community College mission.

In addition, the statewide administration might be asked to hold public hearings each year in which Regents could participate and the community would be asked to comment on the success of the Community College mission of each of the new institutions.

A third alternative might be to ask outside professionals who are expert in the community college area to visit the campuses periodically and report on the effectiveness with which the Community College mission is being maintained and delivered.

Each of these steps would provide the Board of Regents with

a reading on the maintenance of the Community College mission in the University through its three comprehensive regional units.

IV. Next Steps

The selection of Chancellors for the Anchorage-Southcentral and Juneau-Southeast institutions is scheduled to take place as soon as possible after the February Board of Regents meeting. These selections will be made from people already in the University and technically will be promotions within the terms of the University's personnel policies. The reason for proceeding in this manner is to quickly identify individuals to give leadership to the new institutions. It will be necessary to have persons who can devote full time to the creation of the new structure for both the Anchorage and Juneau based institutions so that the administrative and academic programs can be ready to go into operation at the earliest time without interrupting the on-going processes of the existing

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campuses. The University faces the unusual situation of having to bring new units into existence while existing campuses continue to provide a full array of services to their communities. The new Chancellors will have responsibility within guidelines established by the President and the Board for establishing the administrative structures, selecting people to fill the available positions, developing procedures for operating the new institution, and working out all the transitional problems.

It is anticipated that at some designated date, such as August 1, 1987, the seven campuses and the CCREE administrative offices in the Southcentral region will cease to exist and the following day the new Southcentral institution will be in place. This has to be done in such a way that all of the procedures and the programs move smoothly from the old structure to the new one without a loss of control or the failure of some system to operate. All of the business, student records, physical plant, and academic activities have to go smoothly from the old to the new operation. Many people will have to change jobs and activities on that day as they move from serving one institution to serving a new one. A great deal of work will have to be done to create a smooth transition of records and processes for all people involved. For example, a student's record will have to reflect a transition from an existing institution to the new one with a clear trail which indicates that student is enrolled in an institution which is a designated successor to the earlier enterprise. This is not an easy operation and there are very few precedents for making the changes that are proposed.

A number of steps will have to be taken to design the new merged offices for each of the new institutions. The offices of payroll, purchasing, accounting, admissions, records, etc., will have to be established, drawing upon personnel from the existing campuses. This process has already begun for the Anchorage-Southcentral institution. A committee has been set up corresponding to each of the offices to be merged, consisting of representatives from the three existing units. These groups are designing plans for the new offices that will emerge from the existing offices.

The second step in this process will be to appoint directors for these new offices from among the available staff and then fill each of the positions in the new offices starting at the senior professional level and working through the classified positions. In this process, of course, some people will receive layoff notices as the offices contract to the number of administrative staff who will be required to provide services in the consolidated mode. A similar procedure will be established at both the Fairbanks-Interior -Western, and the

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Juneau-Southeast campuses. Because the CCREE personnel have to be involved in all three of these procedures, it was decided not to undertake all three studies of campus consolidation at one time. Appendix C contains a memorandum on this process that has been shared in recent days with all employees.

The next stage in developing new unit programs will be to appoint a series of task forces which will study the many questions that have to be answered in the creation of the new

programs. The plan calls for establishing a main task force for each new unit, chaired by a Chancellor or Chancellor-designate, and made up of representatives of the component organizations that will come together to form the new institution. These groups in turn will appoint a number of working groups, or teams, to address specific problems that need resolution. For example, one team might draft a mission statement for the new institution. Another team would be concerned with the nature of faculty appointments in the new institution and how faculty would move from their current ranks and appointments to positions in the new institution. A third task force might identify the organization of student services in a new institution based on a different academic structure from the ones which exists in the programs that are being merged. The task forces and study groups will be made up of members of the University's faculty, staff and students, as well as community members who are particularly interested in aspects of the institution being addressed. It is conceivable that as many as ten to fifteen working groups would be identified in one of the new institutions to cope with a range of crucial problems that have to be resolved.

The task forces will screen and integrate the information from the work groups and send it along to statewide administration for final review and approval or recommendation to the Board of Regents in instances in which policy changes are involved.

The main task forces will be appointed in the ten days following Board action while the supporting groups may require another few weeks to be completed. A relatively vigorous timetable will be assigned to task forces so that the process of creating the institutions can move swiftly.

The goal of this effort is to move to a transition date when the existing campuses are phased out at 11:59 p.m. of one day and the new campuses come into existence at 12:01 a.m. of the succeeding day. Ideally, these dates will be during summer of 1987 so that the basic administrative structures of the three new institutions will be in operation for the next academic year. It is essential that progress be made so that funds can be captured to meet the rigorous budget targets which face the University in FY 88.

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It is likely that some features of the existing institutions will persist for another year, since it will take time to determine in a clear and unambiguous manner the best courses of action to advance various elements of the new institutions. For example, it is likely to take a full year to understand clearly how vocational/technical education should be organized in the University so as to provide, with available resources, the best services throughout the State. It may take another year to arrange the changes in programs and personnel necessary to fit the plans that will be developed this year. Some of the changes that are essential for the long-term well-being of the University can only be achieved slowly and cautiously if they are to be successful.

It is most regrettable that some people will have to be laid off in the months ahead and others will be unsettled by the relocation of duties and responsibilities. Every effort will be made to assist people in finding other alternatives within the University and in the community at large, and to ease the transition to a new employment status.

A principal goal of restructuring is to protect as much as possible of the service delivery capability of the University and maintain and even strengthen the quality of the programs offered at locations throughout the State. Every effort is being made to preserve the best in the University in the hope that the future will provide an opportunity once again to build toward new levels of effectiveness for the University of Alaska.

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Appendix A

Board of Regents' Meeting
December 1-2, 1986

PASSED AS AMENDED:

The Board of Regents approves the general concept of restructuring of the University of Alaska as presented by the president, and instructs the president to prepare detailed implementing plans in accordance therewith. The Board further instructs the president that the restructuring plan for implementation accomplish the following to the greatest degree possible:

- 1) Incorporation of specific details for assuring that multi-part mission statements, identity, vocational education, and local mechanisms for input are met.
- 2) That in the consolidation of functions currently performed in the universities, community colleges, distance delivery, and related program offerings within the system into the new three (3) regional administrative units, the president creates separate sub-units in each of the new three (3) MAUs to preserve the accountability of:
 - a. individual and unique missions, and
 - b. the budget identity of the existing organizational functions.

The Board further instructs the president to seek final Board approval of such plans prior to their implementation. This motion is effective December 5, 1986.

APPENDIX B
1-21-87

Questions to be addressed by the Consulting Groups

Fairbanks

1. How should the extension service, the community college and the university faculties be integrated in the new institution? (CCREE, CES and UAF faculty must be included in the solution.)
2. What structures are required to protect and maintain essential elements of the community college missions, including urban (TVCC) and rural units?
3. What should be the roles, organization, location and interrelationships of student support services, such as developmental education, counseling, admissions, registrar and financial aid?
4. Where should the extended rural college be located in the structure of the new institution?
 - a. How will the extended rural college relate to CHRD, X-CED, RAHI, etc.?
 - b. How will academic and supporting administrative services be provided to rural sites?
 - c. What administrative linkages are required between the Fairbanks campus and other sites?
5. Where should the CES and correspondence studies be located in the new institution?
 - a. What will be the relationship of CES faculty to departmental school or college faculty?
 - b. What will be the relationship of CES to the research units, including the Agriculture and Forestry Experiment Station?
6. How should the "statewide" faculty of fisheries and marine science be structured to operate effectively across the State and to integrate smoothly with the new institution?
7. What structural and administrative arrangements are required to reduce duplication and enhance complementarity between CES, community college, and conference and continuing education functions?

8. What advisory structures are needed for the new institution, including linkages to rural Alaska?
9. What elements should be included in the mission statements for the new institution? What one should be excluded?

APPENDIX B
1-21-87

Questions to be addressed by the Consulting Groups

Juneau

1. What programs should be offered as an integral part of the new institution?
2. What programs offered from other UA units should be brokered by the new institution?
3. How should the new institution be structured to best deliver and broker the programs identified in #1 and #2 above?
4. How can the institution best provide academic and supporting administrative services to outlying communities in southeast Alaska?
5. How will community college faculty be integrated with other faculty in the new institution?
6. What is the best community/regional advisory structure for the new institution?
7. What elements should be included in the mission statement for the new institution? What elements should be excluded?

APPENDIX B
1-21-87

Questions to be addressed by the Consulting Groups

Anchorage

1. What elements should be included in the mission statement for the new institution? What ones should be excluded?
2. What should be the administrative structure of the new institution?
 - a. What administrative units should report directly to the Chancellor? to the Vice Chancellors?
 - b. Where should the major academic units, including voc/tech, be located in the organization?
 - c. How should the Mat-Su, Kenai, Kodiak, and Prince William Sound campuses fit into the institutional structure?
 - d. How should the voc/tech unit be linked to extended sites, e.g., community college sites?
 - e. What structures are required to protect and maintain essential elements of the community college missions?
3. How should the community college and university faculties be integrated in the new institution? (ACC, CCREE and UAA faculty must be included in the solution.)
4. What should be the roles, organization, locations, and interrelationships of student support services, such as developmental education, counseling, admissions, registrar and financial aid?
5. How should the centers or faculties in health and medical sciences, international business and trade, and public policy be organized in the academic structure?
6. What community advisory structure(s) should serve the new institution? (Anchorage, Mat-Su, Kenai, Kodiak, Prince William Sound, and some sites where voc/tech instruction, is

delivered, must be considered.)

APPENDIX C
-13-87

February 13, 1987

TO: Faculty and Staff
FROM: Donald D. O'Dowd
President
RE: administrative staff reductions

In recent weeks I have been so distracted by the restructuring process, the new legislative session, and our extraordinary financial crisis that I have neglected to thank you for your continued dedication in serving our students, our publics and the citizens of the State.

I realize that our financial challenges are creating a level of insecurity for many members of the University. I understand these concerns and I am attempting to reduce, offset and ameliorate them. It is clear that many of you feel a great sense of frustration and helplessness because there is nothing you can do directly to correct the situation. I wish it were possible to promise each of you the job security you deserve, but I cannot give you that assurance. We must reduce administrative costs substantially, and this will mean a significant loss of jobs throughout the University. Please be assured, however, that across-the-board layoff notices will not be issued to administrative staff unless we are faced with additional major budget cuts.

The restructuring proposal is targeted to save at least \$6 million in administrative costs on a full year basis. However, full year savings will not start to accrue until July 1, 1988. In order to realize the level of administrative savings that we must attain, we will have to reduce staff for FY 88 and beyond. The most prudent course we could have followed would have been to issue immediate lay-off notices to all potentially affected administrative staff. However, I believe it is incumbent on the University to treat its employees with as much respect and fairness as possible. Therefore, my plan is to establish the basic structure of the three new institutions as soon as possible, then fill the administrative positions for these new institutions within the budget provided; and, finally, take action on individual layoffs as necessary.

We anticipate that some of the administrative savings will come from attrition and this will help reduce the number of layoffs required. In addition, we will make every effort to place employees who are on layoff status into openings as they become available. Therefore, I am asking each Chancellor at this time to hold open vacant positions to the extent possible until the structure of the new institutions is in place.

It is not possible to provide an exact schedule of the events that will occur in the next couple of months, but I can give you some general information.

I will make specific recommendations on restructuring to the Board of Regents on February 21. Some key restructuring decisions will be made at that meeting with follow-up decisions at the March 11-12 meeting.

I have asked the three Anchorage Chancellors to have their staff members in the administrative areas that will be consolidated (accounting, admissions and records, budgeting, etc.) to begin developing recommendations on a transition from the current office structure to the new consolidated offices. I anticipate that these recommendations will be ready for consideration in early March. Work on consolidating administrative offices for the new Fairbanks and Juneau institutions will be initiated after the Board of Regents meeting on February 21. The current CCREE

units will be impacted on the same time schedule as that which applies to the new institution into which they will merge, as the schedule for setting the administrative structure will apply equally to all units involved. Not all administrative areas will be affected by the restructuring process, such as those offices already consolidated and offices which are currently staffed at levels that require the continuation of existing personnel in order to provide adequate service.

As indicated in an earlier memorandum, I expect to appoint Chancellors to the new Anchorage and Juneau institutions by the end of February.

Later in March, we will select individuals for the administrative management positions of the consolidated offices within the new institutions. These selections will be from current employees, unless there are some unusual circumstances. Following these actions, appointments will be made at each level in the administrative offices until the new staffing pattern is completed and all layoffs have been announced.

I appreciate your continuing dedication and good work during this extraordinary period. I will try to keep you informed, step by step, of the activities that must be taken so that the University can survive as a high quality institution despite shrinking resources.

DDO:dm

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