

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

H Rules

5-5-87

8:00 a.m.

Alaska State Legislature

REPRESENTATIVE
PAT POURCHOT

HOUSE FINANCE COMMITTEE,
VICE CHAIR

HOUSE ETHICS COMMITTEE, CHAIR

LEGISLATIVE BUDGET & AUDIT
COMMITTEE



House of Representatives

ANCHORAGE
P.O. BOX 104836
ANCHORAGE, AK 99510
(W) (907) 276-6813
(H) (907) 338-2425

JUNEAU
P.O. BOX V
STATE CAPITOL
JUNEAU, AK 99811
(907) 465-3712

MEMORANDUM

DATE: May 4, 1987

TO: Members, House Rules Committee
Rep. Mike Navarre, Chairman
Rep. Lyman Hoffman, Vice-Chairman
Rep. "Red" Boucher
Rep. Ben Grussendorf
Rep. Max Gruenberg
Rep. Terry Martin
Rep. Fritz Pettyjohn

FROM: Rep. Pat Pourchot *Pat*

SUBJECT: House Resolution 2 - Relating to the University of
Alaska System

Attached please find a proposed Rules Committee Substitute for House Resolution 2. HR 2, as originally drafted and moved out of the House HESS and Finance Committees, requested the Board of Regents of the University of Alaska to reconsider President Donald O'Dowd's wholesale restructuring proposal and examine alternatives that would preserve the unique goals and mission of the community college system within the University of Alaska's structure.

However, in spite of the expressed concerns of the public and the Legislature, the Regents have adopted O'Dowd's plan and are moving forward. I believe that this proposed revision of HR 2 provides some oversight and several elements necessary to safeguard the identity, the budget and the mission of community colleges.

Page two

This proposed committee substitute sets out several resolves including:

1) urging the Chairman of the House Finance Committee to establish a subcommittee to monitor the Board of Regents and the University administration's activities regarding the restructuring process, study and develop a formula for funding the mission of the community colleges, and to report back to the Legislature no later than the 10th day of next session;

2) requiring the preservation of the community college mission, identity, and goals in the restructuring process;

3) urging the Governor to appoint at least three members to the Board of Regents who would represent community college interests;

4) maintaining the existing community college advisory councils and vocational education advisory committees;

5) compelling upon the University administration the maintenance of a clear distinction between institutional support services and instructional services, and retention within the community colleges instructional support while administration support services may be combined in order to save money;

6) prohibiting the transfer between allocations for community college instruction and other allocations for instruction, and not allowing allocations for instruction to be reduced to fund administrative costs.

The proposed restructuring plan and the subsequent proposed separation of community colleges from the University have turned out to be one of the more controversial issues facing this Legislature. In light of our difficult financial situation, I believe the adoption of Committee Substitute for House Resolution 2 by the Rules Committee would be a good compromise in this difficult and challenging circumstance.

Thank you for your consideration.

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

REQUEST: _____

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

Revision Date: May 5, 1987
Title: Re: UofA Community College System

Agency Affected: University of Alaska
BRU: All

Sponsor: Rep. Pourchor
Requestor: House Rules

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-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS: N/A

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Representative Mike Navarre, Chairman Phone: 465-3764
Division: House Rules Committee Date: _____

Approved by Commissioner: _____ Date: _____
Agency: _____

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

Alaska State Legislature

REPRESENTATIVE
PAT POURCHOT

HOUSE FINANCE COMMITTEE,
VICE CHAIR

HOUSE ETHICS COMMITTEE, CHAIR

LEGISLATIVE BUDGET & AUDIT
COMMITTEE



House of Representatives

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JUNEAU

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MEMORANDUM

DATE: May 5, 1987

TO: Members, House Rules Committee
Rep. Mike Navarre, Chairman
Rep. Lyman Hoffman, Vice-Chairman
Rep. "Red" Boucher
Rep. Ben Grussendorf
Rep. Max Gruenberg
Rep. Terry Martin
Rep. Fritz Pettyjohn

FROM: Rep. Pat Pourchot *Pat*

SUBJECT: Amendments to Proposed Committee Substitute for
HR 2 (Rules) - Relating to the University of
Alaska System

The draft Rules Committee Substitute for HR 2 is before you. I wholeheartedly support this revision. I have, however, received several suggestions for language changes to this draft which I recommend to you for consideration.

These suggested changes are attached. Thank you.

Rep. Pat Pourcht
May 5, 1987

Committee Substitute for House Resolution 2 (Rules)
Community Colleges

The language changes suggested are:

Page 1, lines 28-29:

Substitute the word "approved" for the word "proposed".

Substitute the phrase "Board of Regents" for "President Donald O Dowd".

The phrase would then read:

"WHEREAS a restructuring of the University of Alaska as approved by the Board of Regents does not clearly preserve the identity, mission, and goals of the community colleges;"

Page 2, line 6

Delete the phrase "an open-admissions policy and other".

This is "extra" language and the remaining language is sufficient.

Page 2, line 10

After the phrase "availability of" add "degree and".

Page 3, line 10 delete the word "support" at beginning and end of line, thus the resolve reads:

"FURTHER RESOLVED that the restructuring process include clear distinctions between institutional support services and instructional services and that community colleges retain instructional services while institutional services may be combined into the appropriate unit of the University of Alaska; and be it"

This re-write should make it clearer that administrative services, such as personnel services or student records, might be combined to save monies but that instructional services may not be combined.

HOUSE COMMITTEE REPORT

Date referred:

FURTHER REFERRALS:

DATE: MAY 5, 1987

The Rules Committee has considered HR 2

RECOMMENDS:

- replace with CS HR 2 (Rules) 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:

W.A. Rostenkowski
James H. Hogan
Ben Ray Lujan
D.J. Flaherty
Mike Avare

SIGNING OTHER RECOMMENDATIONS:

Mike Avare
Chairman's signature



Official Business

Alaska State Legislature

House of Representatives

Committee on Rules

P. O. Box V
Juneau, Alaska 99811

Phone:
(907) 465-3764
465-3765

HOUSE RULES COMMITTEE MEETING
TUESDAY, MAY 4, 1987
8:00 a.m. - Capitol, Room 20

AGENDA:

- HR 2 - Relating to the University of Alaska Community College System.
(Representative Pourchot)

I N D E X

- I. Memo to House Rules Committee from Rep. Pourchot dated May 4, 1987
- II. Proposed CSHR 2 (RULES)
- III. CSHR 2 (HESS) - with proposed changes marked
- IV. Fiscal note HR 2
- V. memo / to President and Members of Board of Regents from President of University Donald D. O'Dowd / re: restructuring the University
- VI. Anchorage Daily News Article dated 4/13/87
- VII. University of Alaska 1980-1988: A STATUS REPORT
- VIII. Letter to: Dr. James Bemis, Director Commission on Colleges
from: Donald F. Behrend, Provost and Vice President -
U of A Fairbanks
- IX. Letter to: Donald F. Behrend, Provost and Vice President -
U of A Fairbanks
from: Dr. James Bemis, Director Commission on Colleges
- X. FISCAL YEAR BUDGET AND PRODUCTIVITY TRENDS FY 81 - FY 87
Credit Hour productivity (based on full-time equivalent students)

II
5-0503L ✓
Levy
5/1/87

Original sponsors: Pourchot, Sund,
Navarre, et al.

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 CS FOR HOUSE RESOLUTION NO. 2 (Rules)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 Relating to the University of Alaska
6 community college system.

7 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES:

8 WHEREAS the community colleges in the state contribute tremendously to
9 the educational and economic well-being of the state and its residents; and

10 WHEREAS the missions of the community colleges are distinct in the
11 programs they provide for career training and higher education; and

12 WHEREAS community colleges meet the local needs in their particular
13 communities and regions for specific higher education and maintain open-
14 door admissions; and

15 WHEREAS the community colleges offer community service courses and
16 activities as well as vocational and technical training; and

17 WHEREAS Alaska's community colleges are essential human development
18 agencies and integral parts of their communities; and

19 WHEREAS the community colleges are the most cost-efficient and produc-
20 tive education units in the state; and

21 WHEREAS the legislature during territorial days established community
22 colleges in the state through the Community College Act; and

23 WHEREAS the legislature, since 1970, has been supportive of legisla-
24 tion to strengthen and develop the unique mission of community colleges;
25 and

26 WHEREAS the Alaska Commission on Postsecondary Education has supported
27 in its studies and reports the distinct community college mission; and

28 WHEREAS a restructuring of the University of Alaska as proposed by
29 President Donald D. O'Dowd does not clearly preserve the identity, mission,

1 and goals of the community colleges; and

2 WHEREAS the proposed merger of the existing community colleges into
3 new units could significantly reduce citizen involvement, diminish educa-
4 tional opportunity, and jeopardize accreditation standards; and

5 WHEREAS specific details of the restructure are as yet undetermined
6 and it is not clear that an open-admissions policy and other policies
7 essential to the continuation of the mission of community colleges would be
8 maintained; and

9 WHEREAS continued budget cuts could lead to further reduction in the
10 availability of nondegree courses; and

11 WHEREAS merging community colleges into four-year schools could poten-
12 tially lead to students from community colleges competing for seats in
13 courses with university students; and

14 WHEREAS Alaska citizens have made it clear that they want their commu-
15 nity colleges preserved and strengthened; and

16 WHEREAS public opposition to the reorganization has been evidenced by
17 public testimony, numerous editorials, resolutions adopted by local govern-
18 ment bodies, and both private and public interest groups;

19 BE IT RESOLVED that the House of Representatives urges the Chair of
20 the House Finance Committee to establish a subcommittee to meet during the
21 interim at the call of the chair to monitor the proposed restructuring of
22 the University of Alaska, to study and develop a formula for funding the
23 mission of community colleges, and to report to the full legislature on the
24 progress of the restructuring proposal and its effect on the community
25 colleges of the state no later than the 10th day of the Second Session of
26 the Fifteenth Alaska State Legislature; and be it

27 FURTHER RESOLVED that the community college mission, identity, and
28 goals as well as the open-admissions policies at community colleges and
29 rural education sites be preserved in the restructuring process; and be it

1 FURTHER RESOLVED that the House of Representatives urges the Governor
2 to appoint in future appointments at least three members to the Board of
3 Regents of the University of Alaska who represent the interests of commu-
4 nity colleges; and be it

5 FURTHER RESOLVED that the representation of local community interest
6 be continued through existing community college advisory councils and
7 vocational education advisory committees; and be it

8 FURTHER RESOLVED that the restructuring process include clear
9 distinctions between institutional support services and instructional
10 support services, and that community colleges retain instructional support
11 services while institutional support services may be combined into the
12 appropriate unit of the University of Alaska; and be it

13 FURTHER RESOLVED that the Board of Regents should not make transfers
14 between fiscal year 1988 allocations for community college instruction and
15 other allocations for instruction, and allocations for instruction should
16 not be reduced to fund administrative costs.

17 COPIES of this resolution shall be sent to the members of the Board of
18 Regents of the University of Alaska; and to Donald D. O'Dowd, President of
19 the University of Alaska.
20
21
22
23
24
25
26
27
28
29

III

Offered: 2, 27/87
Referred: Finance

5-0503B

Original sponsors: Pourchot, Sund,
Navarre, et al.

1 IN THE HOUSE BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR HOUSE RESOLUTION NO. 2 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 Relating to the University of Alaska

6 community college system.

7 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES:

8 WHEREAS the community colleges in the state contribute tremendously to
9 the educational and economic well-being of the state and its residents; and

10 WHEREAS the missions of the community colleges are distinct in the
11 programs they provide for career training and higher education; and

12 WHEREAS community colleges meet the local needs in their particular
13 communities and regions for specific higher education and maintain open-
14 door admissions; and

15 WHEREAS the community colleges offer community service courses and
16 activities as well as vocational and technical training; and

17 WHEREAS Alaska's community colleges are essential human development
18 agencies and integral parts of their communities; and

19 WHEREAS the community colleges are the most cost-efficient and produc-
20 tive education units in the state; and

21 WHEREAS the legislature during territorial days established community
22 colleges in the state through the Community College Act; and

23 WHEREAS the legislature, since 1970, has been supportive of legisla-
24 tion to strengthen and develop the unique mission of community colleges;
25 and

26 WHEREAS the Alaska Commission on Postsecondary Education has supported
27 in its studies and reports the distinct community college mission; and

28 WHEREAS a restructuring of the University of Alaska as proposed by
29 President Donald O'Dowd [diminishes] the mission and goals of the community

does not clearly present

1 colleges; and

delete

2 WHEREAS the university plan does not clearly preserve the identity,
3 structure, or budget essential to the maintenance of the state community
4 colleges; and

or the existing community colleges into new units

5 WHEREAS the proposed merger of the Anchorage, Mat-Su Valley, Kenai
6 Peninsula, Kodiak, and Prince William Sound Community Colleges and their
7 extension centers and the University of Alaska - Anchorage into a single
8 new southcentral unit would significantly reduce citizen involvement,
9 diminish educational opportunity, and jeopardize accreditation standards;
10 and

delete

11 WHEREAS the proposed merger of the Tanana Valley, Kuskokwim, Kotzebue,
12 and Northwest Community Colleges and their extension programs into a single
13 entity within the western and interior unit would significantly reduce
14 citizen involvement, diminish educational opportunity, and jeopardize
15 accreditation standards; and

delete

16 WHEREAS the proposed merger of the University of Alaska - Juneau with
17 the Ketchikan, Sitka, and Juneau-Douglas Community Colleges and their
18 extension programs into a single new southeastern unit would significantly
19 reduce citizen involvement, diminish educational opportunity for students,
20 and jeopardize accreditation standards; and

21 WHEREAS specific details of the restructure are as yet undetermined
22 and it is not clear that an open-admissions policy and other policies
23 essential to the continuation of the mission of community colleges would be
24 maintained; and

25 WHEREAS continued budget cuts could lead to further reduction in the
26 availability of nondegree courses; and

27 WHEREAS merging community colleges into four-year schools could poten-
28 tially lead to students from community colleges competing for seats in
29 courses with university students; and

1 WHEREAS Alaska citizens have made it clear that they want their commu-
2 nity colleges preserved and strengthened;

3 WHEREAS public opposition to the reorganization has been evidenced by
4 public testimony, numerous editorials, resolutions adopted by local govern-
5 ment bodies, and both private and public interest groups; and

delete

6 WHEREAS the legislature believes that cost savings are obtainable and
7 needed in the current University of Alaska system; and

8 WHEREAS the legislature believes there are reasonable and meaningful
9 alternatives to the proposed restructuring of the state's postsecondary
10 education system that would effect significant cost savings and would not
11 adversely affect the unique missions, accreditation standards, or struc-
12 tures of either the community colleges or four-year institutions;

13 BE IT RESOLVED that the House of Representatives respectfully requests
14 the Board of Regents of the University of Alaska to reconsider the proposal
15 to restructure the University of Alaska and examine alternatives that would
16 preserve the unique goals and functions of the community college system
17 within the University of Alaska's structure; and be it

18 FURTHER RESOLVED that ^{the} alternate restructuring ^{process} proposals include clear
19 distinctions between institutional support services and ^{instructional} academic support
20 services, and that community colleges retain autonomous ^{instructional} academic support
21 services while institutional support services may be combined into the
22 appropriate unit of the University of Alaska.

23 COPIES of this resolution shall be sent to the members of the Board of
24 Regents of the University of Alaska; and to Donald O'Dowd, President of the
25 University of Alaska.

Handwritten notes:
Page 2 (See Proposed Rules (S))
Page 2 Lines 19-29
Page 3 Lines 1-3
Page 3 Lines 1-8
Page 3 Lines 15-17
HRO0023

TJK

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

REQUEST: _____

Bill Version : CSHR 2 (RULES)

Publish Date : _____

Revision Date : May 5, 1987

Agency Affected : University of Alaska

Title : Re: UofA Community College System

BRU : All

Sponsor : Rep. Pourchot

Components : _____

Requestor : House Rules

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-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS: N/A

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by : Representative Mike Navarre, Chairman Phone : 465-3764
 Division : House Rules Committee Date : _____

Approved by Commissioner : _____ Date : _____
 Agency : _____

- Distribution (by preparer) :
- Legislative Finance
 - Legislative Sponsor
 - Requestor
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 - Impacted Agency(ies)
 - Senate Secretary

TV

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____

Bill Version: CSHD 2 (MESS)

Publish Date: _____

Revision Date: _____

Agency Affected: University of Alaska

Title: University of Alaska

BRU: ALL

Community College System

Sponsor: Pourcnot, et. al.

Components: _____

Requestor House FESS

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		30-51 million				
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		30-51 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

Date: February 24, 1987

Agency: University of Alaska

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agencies
- Senate Secretary

CONTINUATION OF FISCAL NOTE ANALYSIS

For Bill/Resolution No. CS HR 2 (HESS)

ASSUMPTIONS:

Reconsideration by the Board of Regents of the University of Alaska of the proposal to restructure the University and examine alternatives that would preserve the separate and autonomous academic administrative status of the community colleges would increase costs to the University of Alaska system by up to \$1 million during FY88.

The Board of Regents, at its February 21, 1987 meeting, approved a plan for restructuring. This plan preserves the mission, programs, identity and process for local citizen participation, but does not preserve separate accreditation or completely separate administrations for all current community colleges. The Board's plan provides for continued individual accreditation for colleges such as Prince William Sound Community College in Valdez that have a pattern of local funding support. All other colleges would receive accreditation for their course work through the regional centers with which they are merged in the Board's plan.

The Board of Regents plan will save the University of Alaska system an estimated \$6.25 million annually beginning in FY 89. A portion of these savings will accrue in FY 88. In order to begin saving money in FY 88, the university will begin issuing layoff notices during FY 87 for positions which will be deleted during the restructuring. Under university personnel policies, six months notice is provided to administrative, professional and technical employees; the university will thus incur some costs in FY 88 for payment of salaries to employees being laid off.

If the Board of Regents were to delay implementation of the proposal, as suggested by CSHR-2(HESS), the cost of payment for salaries to employees being laid off during FY 88 would be increased by up to \$1 million.

If the university were to proceed with the Board of Regents restructuring plan during the time it is reconsidered, and if layoff notices were issued to affected staff, and if some or all of these staff were laid off during FY 88 under the current schedule, the cost of reconsideration would be decreased.

This fiscal note does not take into account the fiscal impact of any changes to the restructuring plan which might occur as a result of reconsideration by the Board of Regents.

IV

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 \$143 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

-1-

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.

-2-

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 UCRSE 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.

3. 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.
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.

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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 COREE 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.

DDO:dm

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Appendix A

Board of Regents' Meeting
December 4-5, 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, K-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, CCRES 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, 12

delivered, must be considered.)

APPENDIX C
2-13-87

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 SCAP

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.

DDC:dm

Information Services

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MEMO: Bennett Carter

SUBJECT: Alaska Association of Community College Councils, Inc.

Today, I received a paper dated 10 March concerning an AAACC meeting on 8 March which apparently you and several other people attended. The paper states that, "The ACC Office of College Relations was directed to establish an account to receive funds and process transactions."

I do not, of course, have any idea what kind of transactions are being processed or who is authorized to approve purchases or for what, or what obligations or liabilities the university may incur by handling business for the AAACC, a separate corporation. Standard bonding of university employees in the execution of their official functions does not apply in this case, yet, if funds are not properly accounted for, and expended for unauthorized purposes, or similar problems arise, persons can, improperly, assume that the university was responsible.

Since the Alaska Association of Community College Councils, Inc. is not a University of Alaska organization, the handling of funds, to include financial accounting and purchasing for the organization MAY NOT be performed by the ACC Office of College Relations or any other element of ACC or the University of Alaska. The authority for this instruction to you is regents' policy which states with respect to the handling of cash that, "It shall be the responsibility of all administrative units within the University System to respond promptly to and in strict alignment with reporting requests and requirements emanating from the office of the Vice President for Finance."

Please let me know how and where the dues of AAACC for each member school are being charged.

Lastly, personally, I cannot see how you can possibly, as chancellor of ACC, without first resigning, champion an effort in direct opposition to official action and policy and procedures adopted by the Board of Regents, whose resolution, with respect to separation of the community colleges as not being in the best interest of the University of Alaska, you surely must have read.

BT

cc: President O'Shea

Director of Accounting, Mark Carlson

Director of Internal Audit, Barbara H.

Director of ACC Administrative Services, Ed. Fernandez

THE PRECEDING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

O'Dowd's intentions may be good, but merger is a big mistake

I will never catch up with Howard Weaver. See, Howard was raised up right here in Anchorage, which gives him all sorts of bowing rights over relative newcomers like Humbli & Obdnt Srvnt, who can only trace his migration back to August 10, 1967, a mere 2 years and eight months ago, give or take a few days — but who's counting? Get in an argument with Alaskans, pretty soon somebody goes for the jugular: "Just how long you been in Alaska, anyway?"

It is impossible, therefore, for somebody like me to ever win an argument with somebody like Big Howie, better known as Boss — which is another reason I never win. Not at least people in my position get to lord it over people who just wandered in the other way. You know the ones: full of fire and ambition, all ready to set us poor dumb bumpkins straight and fix Alaska.

Like Donald O'Dowd.

Poor Donald O'Dowd! Like so many others, if he wanted to do was make things right. Imported to head the University of Alaska, he didn't spend much time trying to figure out the way things were around these parts; instead, he threw his poke on the table, huffed the cards, and told us how things're gonna be.

Hold on a minute, Pard.

Thing is, as soon as O'Dowd announced his plan — we'll merge all the state's community colleges with the university system, see — the



satch carlson

crowd turned ugly. The piano player stopped a-ticklin' the ivories. A grizzled minor muttered, "Somebody get a rope!" It was as if he had suggested we all violate the school-ma'am, or merge the church with the whorehouse.

Big mistake.

Now, I hold to the view that O'Dowd's intentions were good, he just didn't know no better; how long you been in Alaska, stranger? In a budget-tightening year, O'Dowd intended to save money by, among other things, eliminating the cost of administration for the community colleges; one system, one administration, you see? And once we get rid of the administrators ... well, how important are these community colleges, anyway, compared to the university?

Of course, O'Dowd had not reckoned with

reality; nor had he considered the fact that by gum we like our community colleges. We don't want to see 'em swallered up by no monolithic system, losing their character, purpose, and identity along the way.

Every community college administrator, every community college teacher, every community college student knows the truth: The university folks despise community colleges. Look down on 'em, the way high school people look down on the junior high schools (though they'll never admit it).

The community colleges are treated like bastard stepchildren of the university system already: With two thirds of the state's post-secondary students, the community colleges still crank out wonderful programs on about one-third of the state's post-secondary budget. But the big difference is not one of numbers or dollars; it's a difference in attitude.

Let me give you a small, personal example. I had once taken a series of classes at the community college, classes having to do with the effect of movies on the American culture. Loved the classes, enjoyed the instructor, learned a lot, and kept going back for more.

Then I had occasion to take a film class at the university.

Maybe that's the difference right there, the difference between *film* and *movies*; the point, however, is that the very first session of the film class had the university instructor quite

specifically denigrating and denouing the movie course and its teacher over at the community college. Maybe that's as it should be; maybe a collegiate level *film* course is loftier than a mere community-college *movie* class. Maybe 'tis nobler in the mind to be an *instructor* than to be a mere *teacher*. But now you tell me these guys are supposed to be *colleagues*? You really think the university types are going to work to preserve the content and philosophy of the community colleges' programs once they're absorbed into the monolithic swamp of the university system? Are you *joking*?

Well, at least one good thing has come of all this: The people concerned with preserving the community colleges — and there seem to be alarming numbers of these critters emerging from the woods, eh, Mr. O'Dowd? — have banded together in a coalition in support of Senate Bill 69 and House Bill 107, which would completely separate the community colleges from the university system. As far as I'm concerned, it's a move that should have been effected years ago, so maybe O'Dowd had done us all a favor after all.

Meanwhile, if he's so all-fired set on saving money by getting rid of college administrators, I can think of at least one he might start with.

□ Satch Carlson is an Anchorage columnist.

Anch. Daily News 4/13/87

UNIVERSITY OF ALASKA JUNEAU 1980-1988: A STATUS REPORT

Introduction

In 1980 the Juneau Douglas Community College was merged with the Southeastern Senior College to create the University of Alaska-Juneau. This action was taken on the recommendation of the President of the University of Alaska Statewide System and directed by the Board of Regents. This necessarily brief status report will allow the reader to make a determination as to the effectiveness and power of the Board of Regents to direct policy and mission for campus direction over an extended period of time.

Board Directive in 1980

In Juneau the years of 1979-1980 were much like 1987 is today for the university community as a whole. The statewide administration was attempting to eliminate a viable community college in Juneau, in fact the second largest community college in the state, and reconstitute it through a merger with a much smaller Southeastern Senior College creating a four-year and graduate institution. All of the internal and external political pressures existed, the faculty and administrative task forces and committees were meeting, and the ACOFT was, as it is today actively involved. The community college advisory councils, community college faculty and students and, of course, the community college division opposed the merger but the Board of Regents voted to merge the colleges regardless of these considerations and attempted to maintain the best of both colleges through making the following commitments (These statements do not necessarily show in official Board of Regents Minutes but are reflective of the firm commitments made by both the Board and the Statewide Administration):

1. The new institution will be a true "community university" and will, at all costs, maintain the community based mission that is the heart of the community college.
2. Faculty of the community college will be treated fairly and will be allowed to continue teaching coursework in the same manner as before the merger. A mechanism will be developed to accommodate differing education levels and philosophies so faculty will not be treated differently with respect to promotion and tenure.
3. A commitment will be maintained to community service offerings and vocational education, prime differences between community colleges and traditional universities.
4. All efforts will be made to continue outreach efforts and to accommodate the non-traditional students characteristic of community college enrollment.
5. Emphasis will continue to be given to associate degrees and certificate programs as well as adult basic education.

Current Status

Using the Board of Regents commitments stated above it seems instructive to evaluate the current UAJ to see if, indeed, the community college mission and philosophy still exists, and thereby, to make a determination as to the ability of the Regents to direct the statewide administration of the University Of Alaska over the long-term.

Mission of the Community College:

Currently UAJ has cut back it's efforts in the delivery of community service coursework and non-credit offerings to the point where they are required to be offered on a self-support basis only. Vocational Education has been severely restricted and, of course, is targeted for restructuring under the new reorganization plan so that it will be operated out of Anchorage. Over the 7 years since reorganization all major efforts at UAJ in instruction have been directed toward developing and enhancing bachelor's degree and master's degree programs, and in promoting the research-based programs such as the one in fisheries. The tri-partite mission of the community colleges, i.e., academic transfer, vocational education and community service no longer exists and the mission of UAJ has been rapidly changed to one of a traditional four-year liberal arts campus catering to a full-time day student.

Faculty of UAJ

The community college faculty are non-existent at UAJ with the exception of a small 6 person faculty remaining in the vocational unit. These 6 faculty are a result of a legal compromise with the ACCFT that required there continue to be a "JDCC Division" of UAJ. This faculty has been given marginal support for continued growth and development over the 7 years and has been unable to expand programs because of changing emphasis at UAJ. Of the other 22 community college faculty all were given special paid sabbatical leaves to obtain terminal degrees (doctorates) and these faculty returned to the institution not as community college teachers but as UAJ faculty. The system did not flex or change to accommodate the community college teachers. The teachers were sent out for retraining and brought back with new and more compatible philosophies and levels of education that allowed them to fit nicely into the existing university faculty policies and procedures with respect to promotion and tenure. There no longer exists, with the exception of the soon to be defunct JDCC Division, any community college faculty at UAJ.

Community Service and Vocational Education

This area was addressed as part of the discussion of the mission of the community college being de-emphasized. Before the merger JDCC had a major commitment to community service and vocational education.

Equal emphasis was given to all three areas of the community college mission, as was equal budgetary commitment. Presently, UAJ has virtually eliminated any budgetary commitment to offering community service courses.

Vocational Education has not been allowed to grow or prosper under the new organization. Such total emphasis and commitment has been given to developing a liberal arts campus in Juneau that all available resources have gone toward employing academic staff and supporting same with administrative and capital funds. After the initial construction at the Marine Technology site soon after the merger virtually nothing has happened to stimulate growth. All available resources go toward academic programs at UAJ.

Outreach Efforts and Student Population at UAJ

The JDCC maintained outreach coordinators in communities within its service area and supported those communities with funds to offer credit and non-credit courses. A division of community service was fully staffed and a major commitment was made to provide the community with a comprehensive instructional offering articulated with the community schools and parks and recreation programs. This effort has been de-emphasized and virtually eliminated at the new UAJ. UAJ no longer provides funding for outreach coordinators and does not pay for courses that fall in the non-credit or community service area. UAJ maintains an administrative staff in what is called Extended and Graduate Studies but provides no support for instruction that begins to maintain the former CC's mission in this area.

Student population is changing rapidly in the new UAJ. Continued emphasis on providing day classes for full-time traditional students has caused part-time enrollments to drop significantly. UAJ emphasizes this now and feels it is a very positive trend as it supports their commitment toward making this institution a traditional liberal arts four-year institution. This may be commendable but it should be kept in mind that there are many student not being served, the community college students. UAJ does not adequately serve the non-traditional community college type student and the staff and budgetary commitment made in support of the needs and desires of this group of student is marginal at best.

Degree Programs

Certificate programs and associate degree programs are not as numerous as they were in the community college. Again, resources, staff and faculty have been committed to building bachelors and graduate programs and the certificate and associate programs that have maintained have done so without nurturing from the institution. Major emphasis continues to be placed on the philosophy of a traditional 4-year and graduate institution. Quick-start programs and short-term employment training programs have virtually been eliminated. The programs are no longer developed through community needs assessments but are now measured against how they fit within the mission of a liberal arts college. Community college degree and certificate programs have been severely curtailed.

Summary

Were one to visit UAJ today there would be no evidence of a community college. The mission has changed, the administration has changed, the faculty has changed and the goals of this campus have changed. UAJ is known in this community, and across the state, as a small four-year and graduate liberal arts college struggling for survival. The promises made by the Board of Regents in 1980 that the new institution would maintain the philosophy, mission and objective of the viable community college it replaced have been broken. Perhaps the Board should not be totally blamed for this. Perhaps their intentions were honorable. The Board was simply unable to control the long-term direction of the statewide "university oriented" administration and the wishes of the local administration at the affected campus. As with the Juneau experience, there seems little hope that the community college mission, philosophy and budget will be protected within President O'Dowd's reorganization plan and the Board Of Regents directives.



VIII

Donald F. Behrend
Provost & Vice President
(907) 474-6302

University of Alaska
Fairbanks, Alaska 99775-5570

February 5, 1987

Dr. James Bemis, Director
Commission on Colleges
Northwest Association of Schools and Colleges
3700-B University Way, N.E.
Seattle, WA 98105

Dear Dr. Bemis:

As you know, the University of Alaska System is in the process of restructuring in the face of great financial difficulty. This will result in a melding of various community colleges with the three universities. In short, this will move us from 14 accredited or accreditation-seeking institutions to 3. This will produce substantive changes in all of the system's present institutions, and will result in three new institutions which will comprise the restructured University of Alaska System.

These changes are systemwide in both origin and impact. President O'Dowd has thus asked me to be responsible for organizing the university's response to the issues and questions concerning accreditation and restructuring. He has also asked me to serve as the university's principal spokesperson to the Commission on these matters so that you will receive one definitive statement on our restructuring plans.

Accordingly, I have begun to work with our academic vice chancellors toward this end. This will go forward in accordance with the guidelines put forth in the NWASC Accreditation Handbook. I hope we can submit a draft statement to you in early March for your review and comment. Your guidance in this endeavor would be most helpful as we attempt to get a final statement to you by April 1, 1987. The press of events may not allow us to provide you with a complete catalog of substantive changes by April 1, but I am confident that much progress can be made by then. We will also strive to work closely with you to establish an appropriate schedule for accreditation activities for the three new institutions.

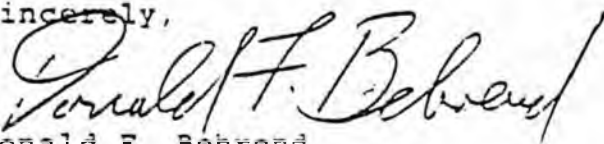
I would be grateful for any advice you might offer to us now or at any time. Our restructuring schedule and associated actions are going forward as required by the state budget submission schedule and the policies and regulations of the University of Alaska System. Thus, the Board of Regents adopted the three major unit plan on December 5, 1986 and is scheduled to adopt structural plans and implementation procedures for the three new units on February 21, 1987. Our budget submissions reflecting the emerging structure will be made by March 1, and some actions, e.g., layoff notices to affected administrative staff, will follow at some as yet undetermined time.

I feel it is important for you to be fully appraised of our plans and progress in restructuring so that you can advise us of your concerns relating to accreditation. I view the principal challenge as the movement from the 14 institution to the 3 institution structure without interruption of accreditation.

This is a formidable challenge to be faced amid a sea of difficulties. I am confident, however, that we can face it successfully with your guidance. My colleagues and I thus look forward to working with you to ensure the continual accreditation of our institutions during and after the restructuring of the UA System.

I hope that we can meet soon to discuss this matter in more detail. Until then, please accept my thanks for your attention and assistance.

Sincerely,



Donald F. Behrend
Provost and Vice President

DFB:jdp

cc: President O'Dowd
Chancellors Ahlberg, Looney, Lyon, O'Rourke and Visser
Vice Chancellors Ali, Beeton, Carlson, Keppler and Thomas



IX

NORTHWEST ASSOCIATION OF SCHOOLS AND COLLEGES

COMMISSION ON COLLEGES

Office of the Executive Director

February 24, 1987

Dr. Donald F. Behrend
Provost and Vice President
University of Alaska
Fairbanks, Alaska 99775-5570

Dear Dr. Behrend:

Thank you for your letter of February 6 regarding the process that has begun to restructure the University of Alaska System. We appreciate being kept informed and will do our best to be of assistance during the process.

The plan to collapse 14 operationally separate units into three creditable units will change all of the units substantively. The University System would be faced with the need for the three university branches to seek accreditation as new institutions, or the University System might ask the Commission on Colleges to consider the restructuring plan as a substantive change for each of the three university branches. Under the latter, the other units would discontinue their memberships (accreditation) or candidacy in the Northwest Association at a designated date, and these units would be included under the accreditation of the respective university branches. The preparation of a concise and thorough prospectus with all the information that is needed for such a major substantive change by each of the three university branches would require considerable time and effort. This approach to presenting the restructuring of the University System to the Commission on Colleges seems more reasonable than for all of the units to discontinue their membership/accreditation or candidacy and for the university branches to seek accreditation.

The prospectus of each of the three restructured universities will need to provide evidence which shows that the units being included under the accreditation of the university are no longer operationally separate units. To report simply that the units are being brought under the accreditation of the university for financial reasons would be insufficient. There are several examples in the Northwest where state higher education systems have faced very serious financial difficulties, which required the reduction of some programs and services, but no individual units have lost their identity as being operationally separate for purposes of accreditation.

Dr. Donald F. Behrend
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There is a policy statement on "Accreditation of Operationally Separate Units" (Accreditation Handbook, 1984 edition, pp. 96-97), which was endorsed by the accrediting commissions of higher educational institutions in the six regions in 1973. The policy statement begins by noting that:

Institutions are classified as operationally separate if they:

1. are under the general control of a parent institution or a central administration in a multi-unit system;
2. have a core of full-time faculty, a separate student body, and a resident administration;
3. offer programs comprising a totality of educational experience as defined by the appropriate regional accrediting commission.

The term operationally separate institution is also included in the glossary of the Accreditation Handbook, p. 144.

The following are among the items that should be considered in preparing the prospectus of each institution:

1. A clear statement of the nature and purposes of the change.
2. Evidence of formal authorization by the Board of Regents to make the change.
3. Evidence of need for the change.
4. Procedures followed in arriving at the decision to make the change.
5. Organizational arrangements that must be made within the university and the system for the change.
6. Evidence that the accredited units being organized under the university will no longer be operationally separate because of administrative changes, faculty and staff reductions, and the curtailment of educational offerings.
7. A detailed plan, including a timetable, for implementing the change.

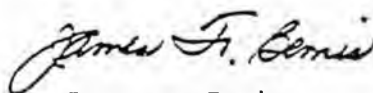
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8. Budgetary and financial implications for the change, including budget projections (revenue and expenditures) for each of the first three years and the financial support that will be available.

Each substantive change prospectus is to be submitted in thirty copies at least two months before the June or December meeting of the Commission. Because the restructuring plan under the three universities has dramatic implications for 14 units that are currently operationally separate, representatives of the Commission might need to visit the three central units before the Commission meets to consider the restructuring plan, and institutional representatives might be requested to meet with the full Commission at the appropriate June or December meeting.

Thank you again for your letter. The process of restructuring the University of Alaska system is indeed "...a formidable challenge..." Do not hesitate to call on us when there are questions or we might be of assistance.

Sincerely yours,



James F. Bemis
Executive Director

JFB:b

cc: Dr. Donald O Dowd
Dr. Charles D. Ahlberg
Dr. Marvin O. Looney
Dr. Herbert Lyon
Dr. Patrick J. O'Rourke
Dr. John Visser
Mr. Fred Ali
Dr. Beverly Beeton
Dr. Miriam Carlson
Dr. William J. Kegpler
Dr. Wayne Thomas

days in advance and so notify the parties concerned in writing. If the institution plans to call witnesses at the hearing, it shall provide the President of the Northwest Association with all the names and positions at least five (5) calendar days before the meeting.

Appeal Board Duties. In carrying out its duties the Appeal Board shall:

1. Meet at the time and place designated by the President to consider the appeal.
2. Provide for a hearing of the Applicant if requested.
3. Consider the grounds for the appeal as alleged by the institution.
4. Study the evidence submitted in writing by the institution in support of its allegations.
5. Consider the report of the evaluation team, the institution's response, and other supporting statements and documents.
6. Compare the stated policies and procedures of the Commission and the Association with the procedures followed in considering the institution.
7. Prepare a report of the meeting of the Appeal Board, including a final judgment of the Board, within ten (10) days after the end of the meeting.
8. Forward the record to the President of the Association, including a report of the meeting of the Appeal Board, the appeal filed by the applicant, and other relevant statements and documents considered by the Board.

Conduct of the Hearing.

1. The chairperson of the Appeal Board shall control the hearing and the presentation of the evidence. He/she shall assure that all participants have a reasonable opportunity to be heard and to present all relevant oral and written evidence.
2. The technical rules of evidence shall not apply, but the chairperson of the Appeal Board may limit the evidence to avoid undue repetition and to assure relevance. He/she shall rule on all questions pertaining to the conduct of the hearing.
3. Each party shall have the right to be represented by one counsel or authorized spokesman, to examine the witnesses of the other party, and to present oral and written evidence.
4. The hearing shall be closed. A secretary shall record the minutes of the hearing. A court reporter may be present to prepare a record of the hearing at the election of either party and at the expense of the electing party. Where the hearing is closed, only necessary participants shall be present.

Decision of the Appeal Board. The decision of the Appeal Board at the conclusion of its meeting shall sustain the decision of the Commission or Association, grant the application of the institution, or remand the case to the appropriate Commission with instructions for an institutional self-study and committee re-evaluation. In case of the latter decision, the status of the applicant shall be continued until the re-evaluation has been completed and a decision reached through prescribed procedures.

Costs of Hearing. The request for a hearing shall be accompanied by a deposit of two thousand dollars to cover necessary costs of the appeal. The costs shall include the travel, board, lodging, and other actual and necessary expenses of the Appeal Board. Upon final disposition of the appeal, the parties shall be provided a detailed written statement of their share of the costs. Any unused portion of the applicant's deposit shall be refunded. If the decision of the Commission or Association is sustained, the entire cost of the Appeal Board shall be borne by the applicant. If the Appeal Board grants the application of the applicant, the entire cost of the Appeal Board shall be borne by the appropriate Commission or by the Association. If the case is remanded to the appropriate Commission, the cost shall be borne by the parties equally.

VIII. Standards

Qualitative, not Quantitative. The standards for the accreditation of postsecondary institutions describe conditions and principles which characterize educational effectiveness rather than prescribe the means of achieving effectiveness. Because of the diversity of institutional purposes and the processes for achieving the purposes, the standards are qualitative rather than being stated in quantitative terms. Attention is directed to those areas which are deemed important in the assessment of quality.

Types of Institutions. The standards have been written to include the wide range of postsecondary institutions regardless of differences of purpose, size, organization, scope of program, clientele served, support, and control. For this reason, a small institution of limited purpose need not concern itself with certain standards; whereas, a complex institution with undergraduate and graduate programs may need to consider all the standards.

IX. Substantive Change

Introduction. Accreditation or candidacy for accreditation of an institution applies to those units, programs and other educational activities which were included in the institutional self-study and were reviewed by an evaluation committee as required by the Commission on Colleges. Because institutions are in the continual process of change, the Commission requires that all institutions be reevaluated periodically. Most changes, such as adding or dropping courses, developing new concentrations that are allied with existing offerings, and changing personnel, are not substantive and fall within the nature and scope of the institution as last evaluated.

Sometimes between evaluations an institution plans a substantive change, that is, a change of such magnitude as to alter significantly its objectives or the scope of its offerings; to alter its autonomy, sponsorship, or the locus of control over it; to embark upon offering off-campus academic programs for credit; or to change the geographic area(s) served. Such substantive changes initiated subsequent to the most recent evaluation are not automatically included in the institution's accredited or candidate status. While the decision to modify an institution is an institutional prerogative and responsibility, the Commission is obligated to determine the effect of a substantive change on the validity of an institution's recognition by the Commission.

Major and Minor Changes. Careful consideration is sometimes necessary in deciding if an institutional change is substantive and, if so, whether or not the substantive change is major or minor in nature. Size, complexity, maturity, and experience of the institution in effecting significant change are important factors. What might be a minor change for a well-established institution may well be viewed as a major change for a candidate or newer member. A table is provided at the end of the statement which lists examples of substantive changes and indicates whether they likely are major or minor changes for candidates/new member and well-established/experienced institutions.

Notification. An institution in considering a substantive change is urged to contact the Commission early in its deliberations. Early notification enables the staff to provide information and advice about the effect of the proposed change on the accreditation or candidate status of the institution and the procedures to be followed in seeking approval.

Major Substantive Change. The Commission on Colleges is concerned primarily with major substantive changes and relies on the staff of the Commission to determine if a proposed substantive change is major or minor in nature. Usually it is possible for the Commission staff to make such a determination. The institution is requested to describe in a letter to the executive director of the Commission the nature and purposes of the proposed change. If the institution disagrees with the decision of the staff, the matter may be referred to the Commission for reconsideration.

Prospectus. For a proposed major substantive change a prospectus is to be submitted in thirty copies at least two months before the June or December meeting of the Commission. The Commission staff will review the prospectus and request any further information that is needed. The information to be provided in the prospectus will depend upon the nature of the proposed change, but it should always include the following:

- (1) a clear statement of the nature and purposes of the change;
- (2) evidence of formal authorization as required by the governing board and by the appropriate governmental agency to grant degrees. If the institution is located in or operates in a state which has only minimal requirements for chartering but also a higher level of authorization to operate and grant degrees, this higher level is required; and

- (3) plans and descriptive materials indicating evidence of need for the change, the student clientele to be served, the procedures used in arriving at the decision to change, the organizational arrangements that must be made within the institution, a timetable for implementation, and the budgetary and financial implications of the change, including a three-year budget projection, where appropriate.

If the change involves the addition of a program, the prospectus should also include:

- (1) the budget projections (revenue and expenditures) for each of the first three years and the financial support that will be available;
- (2) evidence of approval of the educational offering(s) by the appropriate academic policy body of the institution;
- (3) provision for physical facilities, equipment, and library and learning resources; and
- (4) an analysis of the faculty and staff needed for the program, with their qualifications.

Commission Actions. In reaching a decision, the Commission on Colleges reviews the prospectus; considers the impact of the proposed change on existing programs, resources, and services; and judges whether it is reasonable to expect that the standards can continue to be met acceptably. Institutional representatives may be requested to appear before the Commission to give a brief oral presentation and to answer questions. The Commission will take one of the following actions: 1) accept the plan without condition, 2) accept the plan with conditions, 3) defer action pending the receipt of additional information, or 4) reject the plan. The president of the institution is notified in writing of the action taken. If the plan is rejected, the reasons are specified in the written notification. If an institution proceeds to implement a substantive change without prior written notice to the Commission or if it proceeds to implement a substantive change that the Commission has rejected, the Commission will consider issuance of an order for the institution to show cause why its accreditation or candidate status should not be discontinued.

If a plan for offering a degree program at a higher level than listed in the Directory of the current Annual Proceedings of the Northwest Association is accepted, the institution receives informal candidate status at the higher level while retaining accreditation at the lower degree level. For all other kinds of substantive changes, the change is included under the accreditation of the institution, upon approval by the Commission.

Institutional Reports and On-Site Evaluations. When an institution has informal candidate status at a higher degree level, it is expected to conduct a comprehensive self-study and be visited by a full evaluation team during the academic year following the graduation of the first class. The policies and procedures for full-scale evaluations as listed in the Accreditation

Handbook will apply, and the action taken by the Commission following such an evaluation will apply to the accreditation of the changed institution as a whole, not merely to the part of the institution that has changed. The effective date of accreditation at the higher degree level is September 1 of the academic year preceding the one in which the evaluation took place.

For all other kinds of major substantive change, the Commission normally schedules and conducts an on-site evaluation within a year following the approval of the change. Depending upon the nature of the major change, the evaluation may be limited in scope or be more comprehensive. The size and composition of the on-site evaluation team will depend on the nature of the substantive change. The dates for the on-site evaluation are set by the Commission staff in consultation with the appropriate officials of the institution.

Prior to the visit, the institution submits a concise report in thirty copies that assesses the effect of the major substantive change during the first year. This report need not repeat material submitted in the prospectus but should provide evidence and analysis of the effects of the change, plans for continuing study of its effects on the institution itself, and revisions in the plan that are required by the first year's experience.

Analysis of the effect of the comprehensive changes (for example, change in sponsorship) will necessarily be more general and subjective than analysis of the effectiveness of a new program, which should focus on the adequacy of planned levels of administrative, faculty, financial, library, and physical plant resources for the objectives of the program. The report should indicate the ways in which the institution is continuously assessing the effect of the change and solving any significant problems that arise.

Minor Substantive Change. The Commission recognizes the importance of constructive institutional change and does not want to inhibit such change. The Commission also recognizes that while some changes are substantive because they affect the mission and objectives, scope, or form of control of an institution, other changes are limited in nature and the procedures that apply for a major substantive change are not appropriate. When the Commission staff determines that a proposed substantive change is minor in nature, the change may be approved by the executive director on behalf of the Commission.

A prospectus is to be submitted as required for a major substantive change but only in three copies rather than thirty. The review procedures are comparable to those for a major substantive change except that the Commission staff conducts the review and the executive director is authorized to take action. In case of a negative decision, the matter may be referred to the Commission on Colleges for reconsideration at the request of the institution. For a minor substantive change an on-site evaluation within a year following the approval of the change may or may not be scheduled depending on the nature of the change and other factors.

Examples of Major and Minor Substantive Changes
for Candidates/New Members and Well-Established/Experienced Institutions

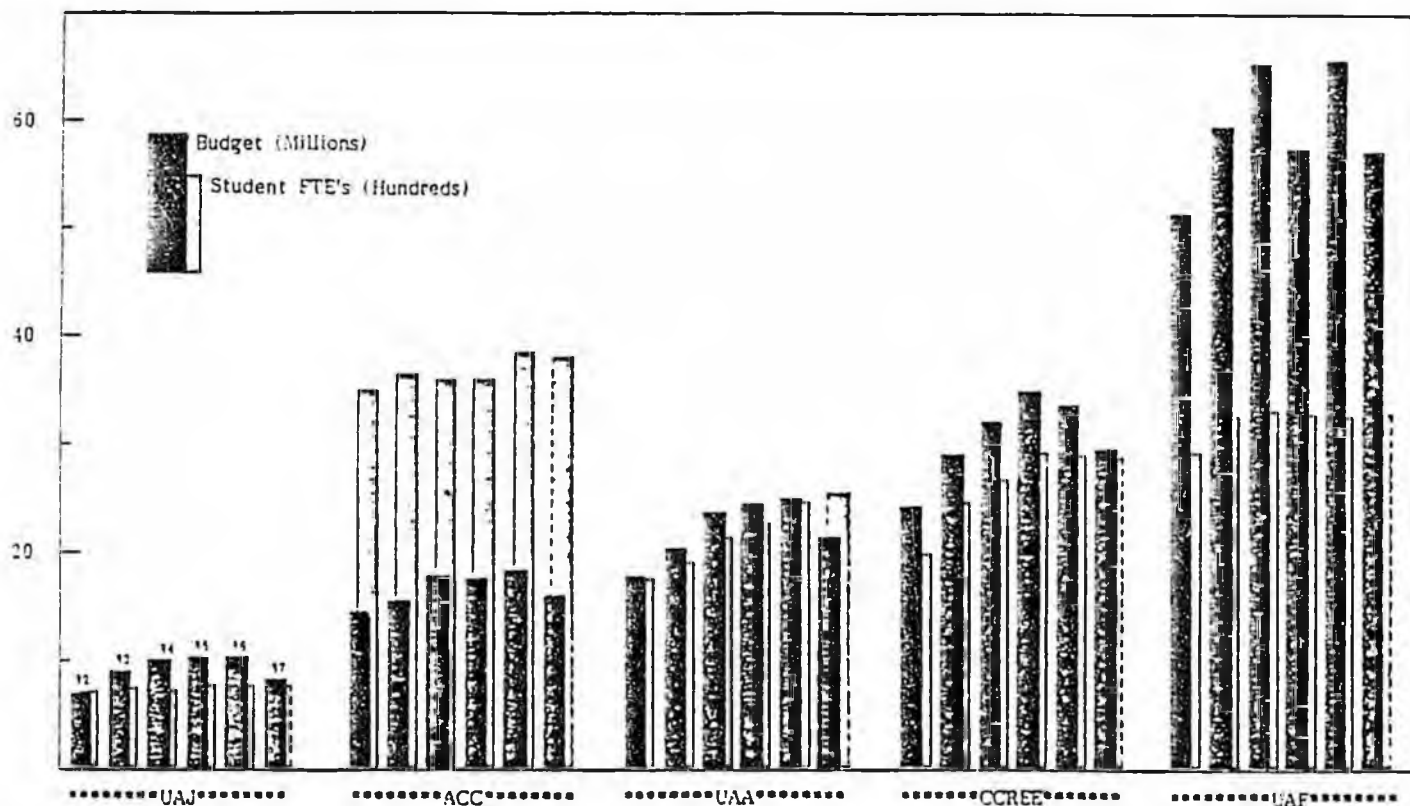
Nature of Change	Candidates/ New Members	Well-Established/ Experienced Institutions
1. Mission and objectives, other than minor refinements	Major	Major
2. Legal status, sponsorship, or control including merger with another institution	Major	Major
3. Addition of a degree program* at a higher level than listed for the institution in the NASC Directory	Major	Major
4. Establishment of an external degree program	Major	Major
5. Offering courses or program(s) for academic credit outside the NASC region	Major	Major
6. Offering program(s) for academic credit on a military base	Major	Major
7. Contractual agreement with non-regionally accredited organization for the organization to provide courses and program(s) for academic credit on behalf of the candidate or accredited institution	Major	Major
8. Offering program(s) for academic credit within the NASC region but in other geographic area(s) than the one(s) previously reported and evaluated	Major	Major
9. Establishing a new degree program not closely related to other fields of study previously reported and evaluated	Major	Major/Minor

*Program A systematic, usually sequential, grouping of courses, forming a considerable part, or all, of the requirements for a degree or credential. It may also refer to the total educational offering of an institution.

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FISCAL YEAR BUDGET AND PRODUCTIVITY TRENDS
FY 82 - FY 87

CREDIT HOUR PRODUCTIVITY
(Based on Full-Time Equivalent Students)



FISCAL YEAR STUDENT FULL-TIME EQUIVALENTS
(Summer, Fall, Spring)

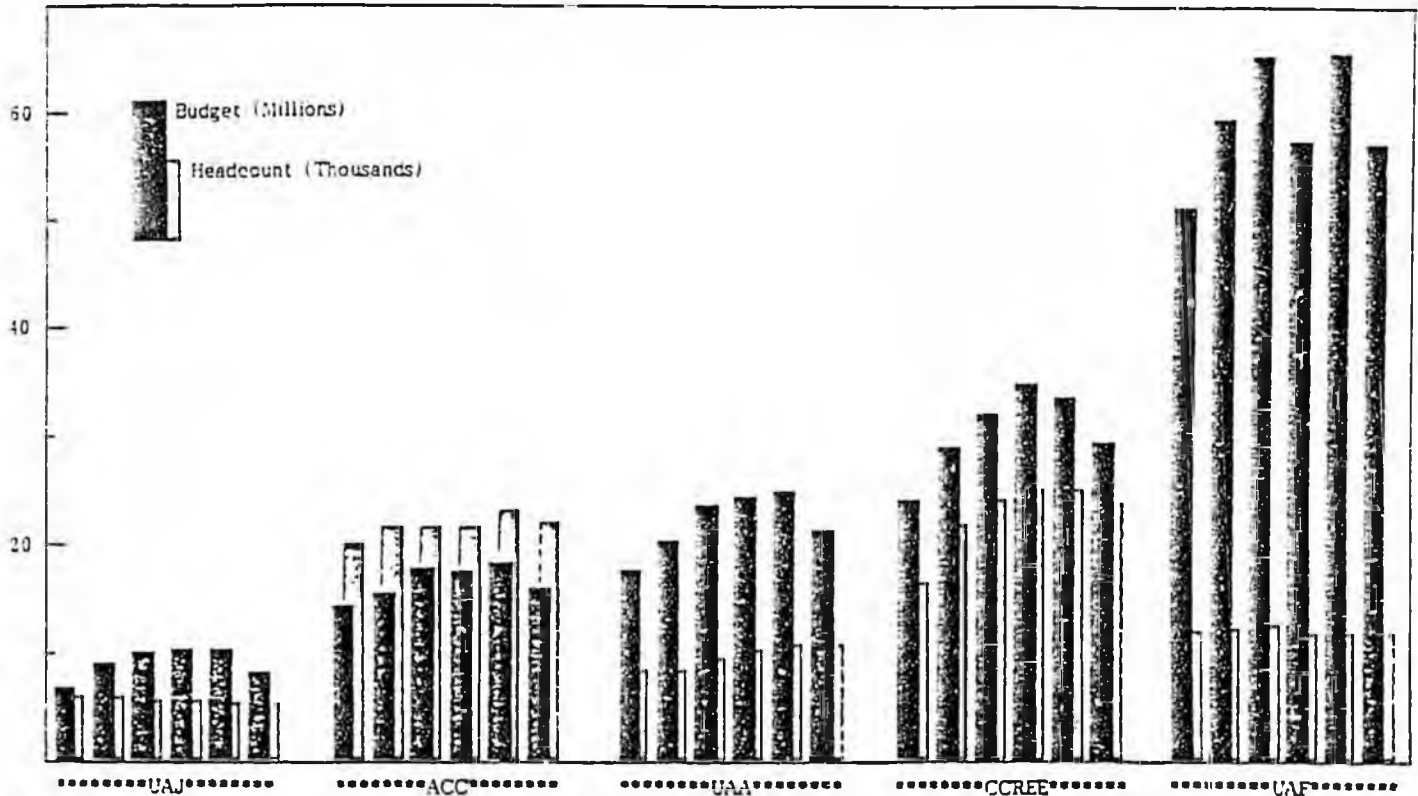
	FY82	FY83	FY84	FY85	FY86	ESTIMATED FY87
MAU						
ACC	3,499	3,655	3,589	3,584	3,350	3,788
UAA	1,744	1,902	2,135	2,272	2,457	2,530
CCREE	1,978	2,470	2,669	2,933	2,912	2,519
UAF	2,937	3,257	3,322	3,274	3,266	3,298
UAJ	726	745	732	772	783	376

NOTE: 34 Credit Hours = 1 Fiscal Year Full-Time Equivalent Student

SOURCES: BUDGET - FY82-FY86 Operating and Capital Budget Requests
 FY87 - Statewide Budget Office Budget Tracking Summary
 CREDIT HOURS - FY82-FY86 Official End of Semester Reports
 FY87 Official End of Semester Reports for Summer and Fall Semesters, estimated Spring Semester.

FISCAL YEAR BUDGET AND PRODUCTIVITY TRENDS
 FY 82 - FY 87

CREDIT STUDENT HEADCOUNT ENROLLMENTS



CREDIT STUDENT ENROLLMENTS
 (Summer, Fall, Spring)

	FY82	FY83	FY84	FY85	FY86	ESTIMATED FY87
MAU						
UAJ	5,835	5,801	5,759	5,721	5,484	5,500
ACC	19,948	21,698	21,460	21,506	23,137	22,167
UAA	8,429	8,447	9,472	10,264	10,762	10,713
CCREE	16,385	21,756	24,047	25,156	25,082	23,800
UAF	12,081	12,400	12,588	11,359	11,315	11,833

SOURCES: BUDGET - FY82-FY86 Operating and Capital Budget Requests
 FY87 - Statewide Budget Office Budget Tracking Summary
 ENROLLMENT - FY82-FY86 Official End of Semester Reports
 FY87 Official End of Semester Reports for Summer and Fall
 Semesters, estimated Spring Semester.