ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

4524 HHES HB 107

REVISED PRIORITIES FOR FY87 AND FY88 CAPITAL BUDGET REQUESTS

PRIORITY			PROJECT	RECOMMENDED FUNDING	CUMULATIVE FUNDING
1	a	*	R&R Group 1 (Proj 1-6 RT30)	804.9	804.9
	b	*	Capital Equipment (Part 1)	566.0	1,370.9
	c	*	KPCC Renovate Homer Post Office	340.0	1,710.9
2		*	R&R Group 2 (Proj 7-10 RT30)	2,794.0	4,504.9
3			UAF NASA SAR Antenna	700.0	5,204.9
4			UAF Duckering Equipment	240.0	5,444.9
5			SPS Butrovich Bldg - 3rd Floor	0.0	5,444.9
6			ACC Lab/Admin Bldg - Site	400.0	5,844.9
7		*	R&R Group 3 (Proj 11-23 RT24)	1,026.8	6,871.7
8			UAJ Library - Phase 1	4,199.3	11,071.0
9	a		UAF Library Equipment	80.0	11,151.0
	b		UAF Polar Library Acquisitions	7.5	11,158.5
	c		ICC Mt. Edghecomb Facility	875.0	12,033.5
	d		PWSCC Purchase/Renovate	2,177.2	14,210.7
	e		FITC Site Development	1,000.0	15,210.7
	f		UAF Atmospheric Monitoring	88.6	15,299.3
	g		UAF Museum Acquisitions	12.5	15,311.8
10	a	*	Capital Equipment (Part 2)	3,200.0	18,511.8
	b	*	ACC Lab/Admin Bldg - Phase I	9,000.0	27,511.8

11 OTHER URGENT CAPITAL NEEDS

- a R&R for Life Saftey and Plant Protection
- b SPS Butrovich Building - Complete Construction
- c UAJ Library - Complete Construction
- d ACC Lab/Admin Building - Complete Construction
- e TVCC Downtown Center - Phase 2
- f UAF Natural Sciences Facility
- g UAA/ACC Physical Plant Facility
- h FITC - Facility Construction
- i ICC Mt. Edgecomb Facility - Phase 2

* Projects from FY88 request

Agenda
Special Board of Regents' Meeting
9:00 a.m., February 21, 1987
Room 204, Administration Building
University of Alaska-Anchorage
Anchorage

1. Call to Order

2. Adoption of the Agenda

MOTION:

"The Board of Regents adopts the agenda as presented.

1. Call to Order
2. Adoption of Agenda
3. Implementation Plans for Restructuring the University of Alaska System
4. Executive Session
5. Anchorage Land Settlement
6. Report on FY88 Operating Budget Request
7. Report on FY87-88 Capital Budget Requests
8. Report on Changes in University Procurement Procedure
9. President's and Regents' Comments
10. Other Issues of Concern to the Board of Regents
11. Adjourn

This motion is effective February 21, 1987."

3. <u>Implementation Plans for Restructuring the University of Alaska System</u>

Past Reference:
Pgs. 3-15, Unofficial Minutes - Board of Regents' Meeting, 12/4-5/86

President O'Dowd plans to review with the Board of Regents the university's conditions which led to the current proposals to restructure the university, including the general fiscal situation. He will also discuss steps which have been taken by the university to this time and the administration's schedule for taking continuing action.

As regents will recall, at the 4-5 December Board meeting, regents approved the general concept for restructuring the University of Alaska, as presented by President O'Dowd, and instructed him to prepare detailed implementing plans and to seek final Board approval of such plans prior to their implementation.

As a first step in the restructuring process, the president established one integrated consulting group for each of the three new institutions being formed. These consulting

groups, with representatives from each of the appropriate MAUs being merged, met to discuss a series of questions that were prepared regarding the operation, function and structure of the new institutions. Each of the three groups then met individually with the president to provide feedback from their discussions. These meetings with the president are continuing as of this writing.

Hopefully, there will be many areas of agreement within the groups, but there also may be some specific areas of differences. After reviewing the input from the consulting groups and reviewing the restructuring process in total, the president will arrive at a series of recommendations for Board action which the president will bring to the Board on 21 February.

Once the Board takes final action on these recommendations, the president will establish a set of task forces for each of the new institutions, using the actions adopted by the Board as guiding parameters for their work. The task forces will proceed as quickly as possible, but not all of them will complete their work on the exact same schedule, as this will depend on the complexity of the issues and their ability to reach conclusions. As major proposals are brought forward to the president, he will review these and bring his recommendations to the Board for review and action.

The proposals that the president will bring to the 21 February Board meeting will deal with major restructuring implementation issues that must be addressed before any further action can be initiated. These will not address all the major issues relative to restructuring, just those critical items necessary in order to provide movement for the process. In order to accomplish a restructuring of this magnitude, recommendations on major decision points will be brought forward in an incremental approach. The president, at the 21 February meeting, intends to present the Board with specific recommendations for each of the three new institutions based on what he feels are the most educationally sound options available, while still addressing the guidelines issued by the Board. There is a pressing need to make clear and concise decisions at this point so that the restructuring implementation process can proceed in an orderly fashion. Prior to the creation of the task forces, some basic decisions must be made in order to provide the parameters for their charge. Additionally, the restructuring process must move forward as quickly as possible in order to generate any significant administrative savings during FY88.

The president recommends that:

MOTION:

"The Board of Regents approves the implementation plans for restructuring the University of Alaska system, as presented by the president. This motion is effective February 21, 1987."

4. Executive Session

MOTION:

"The Board of Regents goes into executive session to discuss matters that come within Alaska Statutes, Section 44.62.310(c)(1) and (2), including matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the University of Alaska, concerning Anchorage lands litigation. This motion is effective February 21, 1987."

5. Anchorage Land Settlement

The University of Alaska administration has been actively engaged in discussions with representatives of the state of Alaska Department of Natural Resources in an attempt to resolve replacement land issues arising out of two pending legal actions filed by the university seeking to protect its interests under the Municipal Entitlements Act, A.S. 29.65.010 et seq. It is expected that a potential land replacement pool will have been identified by the state by the time of the 21 February special Board meeting. Under the terms of the Act, the concurrence of the Board of Regents for such replacement lands is required. If regents should choose not to concur in the selection of replacement lands, then the department is required to meet with the Board, or its representative, as often as necessary in order to obtain Board concurrence.

The president recommends that:

MOTION:

"The Board of Regents concurs in the designation of replacement lands for the seven (7) Anchorage parcels selected by the municipality of Anchorage under the Municipal Entitlements Act. This motion is effective February 21, 1987."

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

The president recommends that:

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The president recommends that:

MOTION:

"The Board of Regents concurs in the designation of replacement lands for the seven (7) Anchorage parcels selected by the municipality of Anchorage under the Municipal Entitlements Act. This motion is effective February 21, 1987."

6. Report on FY88 Operating Budget Request — Reference 6 (To be hand-carried)

Past References:
Pg. 17, Official Minutes - Board of Regents' Meeting, 9/18-19/86
Pgs. 19-20, Unofficial Minutes - Board of Regents' Meeting, 12/4-5/86

At its December 4-5, 1986 meeting, the Board of Regents authorized the university president to prepare and submit to the Governor's office an FY88 operating budget request at the $143.5 million level, based on restructuring concepts adopted by the Board at that meeting.

However, the university received notification from the Governor's office that an additional 10% budget reduction was required. Consequently, a revised budget was prepared and submitted to the state in draft form.

The university administration plans to review current budget issues and their implications with regents during the 21 February special Board meeting; and following regents' direction, prepare a revised budget submission by 6 March for Board review at its regular meeting of 11-12 March.

Due to time constraints and in order to give campuses time to develop their budget information, Reference 6 will be hand-carried to the 21 February special Board meeting.

The president recommends that:

MOTION:

"The Board of Regents authorizes the university president to prepare and submit to the Governor an amended FY88 operating budget submission in accordance with regents' restructuring decisions of February 21, 1987 within funding levels established by the Governor's office. This motion is effective February 21, 1987."

7. Report on FY87-88 Capital Budget Requests — Reference 7 (To be hand-carried)

Past Reference:
Pgs. 20-22, Unofficial Minutes - Board of Regents' Meeting, 12/4-5/86

Since September when the Board of Regents adopted a capital budget request for FY88, the full impact of the state's economic position has become more clear. The Governor's capital request to the legislature includes only $1,710.7 for the university. In addition, the Governor is recommending disappropriation of most of the $14,160.4 in FY87 appropriations frozen by ex-Governor Sheffield. These circumstances, combined with the need to re-examine

university priorities as a result of restructuring, suggest that the university should submit a revised capital budget to Governor Cowper which combines the most important projects in the frozen FY87 appropriation and the FY88 capital request. Further, $4 million of the frozen FY87 capital appropriation must be reserved for reappropriation to support restructuring transition expenses. The administration will hand-carry the recommended revision to the FY88 capital request to the 21 Februrary special Board meeting.

The president recommends that:

MOTION:

"The Board of Regents authorizes the president to prepare and submit to the governor an amended FY88 capital budget request in accordance with priorities approved by the board at its February 21, 1987 meeting. This motion is effective February 21, 1987."

8. Report on Changes in University Procurement Procedure
Information Only References 8A & 8B

The recently enacted state procurement code, and its effect on the University of Alaska, is discussed in Reference 8A. Reference 8B explains steps being taken by the university to comply with state requirements.

Because of significant changes in university procurement procedures which are planned to be initiated, and because Board approval will be sought in June of voluminous new university regulations to govern such procedures (which draft regulations, consisting of 109 pages, are now being circulated within the university for comment), plans are to discuss briefly the effect of changes on the university with the Board during its meeting on 21 February.

9. President's and Regents' Comments

10. Other Issues of Concern to the Board of Regents

11. Adjourn

Donald D. O'Dowd
President

UNIVERSITY OF ALASKA STATEWIDE SYSTEM

FAIRBANKS, ALASKA 99775-5860

February 24, 1987

The Honorable Ben Grussendorf, Speaker of the House
and
Alaska State Representatives
Pouch V
Juneau, Alaska 99811

Dear Speaker Grussendorf and Alaska State Representatives:

The Board of Regents at a special meeting on February 21, adopted the resolution attached hereto in response to House Resolution # 2, House Bill # 107, and Senate Bill # 60.

The resolution concerns the restructuring of the University and proposed legislation to separate the Community Colleges from the University of Alaska.

The resolution was adopted with one dissenting vote being cast by Regent Bousley. Regent Sackett was not in attendance at the meeting because of illness.

If you would like additional information regarding the Board's resolution, please contact me.

Sincerely,

Donald D. O'Dowd
President

DDO:dm
Enclosure

UNIVERSITY OF ALASKA BOARD OF REGENTS

RESOLUTION

WHEREAS, the Legislature of the State of Alaska has before it House Resolution No. 2 requesting the Board of Regents of the University of Alaska to reconsider the proposal to restructure the University of Alaska and examine alternatives that would preserve the unique goals and functions of the community college system within the University of Alaska's structure; and

WHEREAS, the Legislature of the State of Alaska has before it House Bill No. 107 and Senate Bill No. 60 proposing the separation of the community colleges from the University of Alaska and establishing a separate community college system; and

WHEREAS, the Board of Regents of the University of Alaska on December 5, 1986, approved the concept and broad outline for the restructuring of the University of Alaska as proposed by President Donald D. O'Dowd and directed the President to seek the approval of the Board of Regents prior to implementation; and

WHEREAS, the Board of Regents of the University of Alaska on this 21st day of February, 1987, approved the recommendation of President O'Dowd for the implementation of the restructuring of the University of Alaska; and

WHEREAS, the approved restructuring is necessitated by the drastic reduction of the University's general fund support by approximately $40 million from the budget of two years ago to the Governor's proposed budget for the next fiscal year; and

WHEREAS, the decision of the Board of Regents was made after extensive public testimony and exhaustive consideration by the President and this Board of Regents of the available alternatives; and

WHEREAS, the Board of Regents recognizes the contribution of community colleges to this State in general developmental, career and vocational-technical education and to other community programs and services; and

WHEREAS, it is the judgment of the Board of Regents that the educational mission of the restructured University is consistent with these contributions; and

WHEREAS, it is the decision of the Board of Regents that such contributions will be maintained as a part of the restructured University; and

WHEREAS, it is the judgment of the Board of Regents that the restructured University represents the most educationally and fiscally sound plan for the delivery of educational services to the citizens of the State of Alaska in view of the available financial resources; and

WHEREAS, it is the judgment of the Board of Regents that a single system of higher education is in the best interest of the citizens of the State of Alaska;

NOW THEREFORE BE IT RESOLVED, that the Board of Regents of the University of Alaska reaffirms its intent to implement the restructuring plan as recommended by President O'Dowd and approved by the Board of Regents on this date with the commitment to assure that the comprehensive University of Alaska system be responsive to the educational needs of the citizens of the State of Alaska; and

BE IT FURTHER RESOLVED, that the Board of Regents opposes any legislative proposal to divide the public higher educational system of the State of Alaska as being contrary to sound educational and fiscal policy; and

BE IT FURTHER RESOLVED, that copies of this Resolution shall be sent to the Governor of the State of Alaska and members of the Alaska Legislature; and

BE IT FURTHER RESOLVED, that this Resolution be made a part of the official minutes of the February 21, 1987, meeting of the Board of Regents.

President of the Board

Member of the Board

Vice President of the Board

Member of the Board

Secretary of the Board

Member of the Board

Treasurer of the Board

Member of the Board

Member of the Board

Member of the Board

Member of the Board

Anchorage Community College A Unit of the University of Alaska System

DATE: February 16, 1987

TO: Members of the Alaska Legislature
Board of Regents of the University of Alaska
Donald O'Dowd, President, University of Alaska
Statewide Assembly Executive Committee

FROM: Dennis Clark, President, Anchorage Community College (ACC)
Campus Assembly

RE: Assembly Action 86-14

Enclosed is a copy of Assembly Action 86-14, which was passed unanimously by the ACC Campus Assembly on February 13, 1987. The ACC Campus Assembly is a legislative body composed of representatives from every constituency of the ACC community.

The Assembly has chosen to support House Resolution #2 which urges the Board of Regents to reconsider restructuring and "examine alternatives that preserve the unique goals and functions of the community college system." In the absence of reconsideration, it is the collective opinion of the assembly that a separate and autonomous Statewide Community College System represents the only feasible alternative for preserving the identity, mission, and programs of the community college system. The enclosed motion explains more fully the reasoning of the Assembly.

Thank you for your attention.

Enclosure

2533 Providence Avenue • Anchorage, Alaska 99508-4670 • Telephone 907/786-1200

ANCHORAGE COMMUNITY COLLEGE CAMPUS ASSEMBLY
Assembly Action 86-14

A motion as was unanimously passed by the Anchorage Community College Campus Assembly on February 13, 1987.

WHEREAS, the continued existence of the identity, mission, and programs of Alaska's community colleges is essential for the social and economic health of the State; and

WHEREAS, ongoing direction of the restructuring efforts of the University of Alaska is cause for great concern for the survival of its statewide community colleges; and

WHEREAS, there is little or no direction in the restructuring efforts to date, contrary to the directive of the Board of Regents to preserve the identity and mission of the community colleges; and

WHEREAS, the community college's efforts to work constructively with the University of Alaska administration to achieve a structure that meets the intent of the Regents' directive have not been productive.

THEREFORE BE IT RESOLVED, that the Anchorage Community College Campus Assembly supports House Resolution #2 which urges the Board of Regents to reconsider restructuring and "examine alternatives that preserve the unique goals and functions of the community college system."

BE IT FURTHER RESOLVED, that in the absence of reconsideration, it is the collective opinion of the assembly that creating a separate and autonomous Statewide Community College System represents the only feasible alternative for preserving the identity, mission, and programs of the community college system.

Please direct all questions to:

Dennis Clark, President - 786-1501
Ophelia Lockhart, Secretary - 786-1550

UNIVERSITY OF ALASKA

Community Colleges, Rural Education and Extension

Office of the Chancellor
786-4620

February 24, 1987

Members of the Alaska State Legislature

The intent of this letter is to indicate to you CCREE administration's analysis of how the Board of Regents' restructuring plan (Attachment B) for the University of Alaska will affect the programs and services now being offered by the various CCREE units.

CCREE represents a number of diverse units established to meet local academic, vocational, and community needs. As a result, consensus on statewide issues is often difficult. A diversity of interests among CCREE units, each with a distinct community perspective, has been a strength of the CCREE Division. Such diversity, however, often results in a variety of viewpoints on major issues.

While all units would prefer the financial security and program independence of the past, such options are not available at this time. The declining budget support for the University of Alaska requires us to change. Having less money will force more cooperation and sharing of resources within the university which can have some very positive benefits for the programs we deliver and our effective use of state resources.

During this restructuring process, CCREE units have not always been in agreement with the proposals under discussion. Therefore, the following statement on restructuring cannot be interpreted as the consensus opinion of all the entities and constituencies CCREE represents. Rather, these are my views, and the opinions of my vice chancellors, based on long hours of discussion throughout the state with CCREE administrators, faculty, and council members, and careful analysis of the Board of Regents' plan.

RESTRUCTURING

In October, 1986, the CCREE Division developed a number of commitments that our unit heads believed must be maintained within a restructured university system. (Attachment A.)

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Those commitments included maintaining educational access, continued outreach to rural Alaska Native citizens, preservation of the instructional components of the community college mission, and participation in the development of the state. I believe the Board of Regents' plan will allow the university to meet those commitments to the citizens of Alaska.

1. ACCESS WILL BE MAINTAINED

The Board of Regents' plan, once implemented, will continue to allow the university to maintain its long-standing commitment of taking the university to the people and providing education for all citizens. For example:

a. Existing rural colleges, a network of rural services, correspondence study, and the Cooperative Extension Service will continue to provide educational services throughout the state.

b. Open admissions, 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." (11)

2. THE NEEDS OF RURAL ALASKA NATIVE CITIZENS ARE ADDRESSED

The Board of Regents' plan, in addition to continuing a commitment to provide outreach education to rural Alaska, will establish a new college within the Fairbanks institution. The concept of a rural college has received strong support from a variety of rural residents. This new college combines those elements of the university that have traditionally been most involved in serving Alaska Native students. A focused approach to rural education in Western and Interior Alaska should result in more effective services for residents of this vast service area, and facilitate the meaningful participation of rural residents in the planning and operation of these educational programs.

3. THE COMMUNITY COLLEGE MISSION IS MAINTAINED

Our unit heads were concerned with maintaining a commitment to general education, transfer education, and job training--all key elements of the community college mission. The Board of Regents' plan calls for the existing colleges throughout the state to continue to "provide the range of programs 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." (11) These same services will also continue in the Tanana Valley area through the establishment of a new college within the Fairbanks institution, and are preserved within the structure and mission of the new southcentral institution.

In addition, other key elements of a community college program are addressed in the Board of Regents' plan:

a. Local citizen involvement in program planning and review is maintained through a commitment to have "locally based advisory groups." (12)

b. Open admissions and services to non-traditional students are considered "an obligation of every unit." (11)

c. There is a commitment to develop a plan, using Prince William Sound Community College as the model, to provide local governments with the "means of attaining or retaining community college status." (10)

d. Mechanisms are proposed (BoR review, public hearings, outside professional review) to annually review and safeguard the integrity of the community college mission.

4. THROUGH A STRENGTHENED PROGRAM OF VOCATIONAL/TECHNICAL EDUCATION, THE UNIVERSITY WILL ASSIST WITH THE DEVELOPMENT OF THE STATE

Vocational/technical education is a major component of the community college mission. The Board of Regents' plan places renewed emphasis on vocational education within the university. For example:

a. The statewide center is given the highest level of reporting and visibility with the southcentral institution, "a separate unit reporting to the Chancellor." (7) Additionally, while other programs and services have faced budget reduction, the vocational/technical funding has been protected.

b. A rigorous system of program review and coordination is proposed to ensure programs remain current and responsive, and funds are allocated efficiently.

c. "A "quick start" capability to respond to unpredictable opportunities anywhere in the State" is proposed. (7)

d. The need for stable and long term funding for programs with "strong and sustained demand" is recognized. (7)

e. The complexity involved in organizing vocational/technical education is acknowledged; therefore, a long transition period "likely to take a full year" is envisioned. (15)

SUMMARY

The Board of Regents' plan addressed in a positive and effective manner, each of the commitments CCREE units believe are important to the citizens of Alaska and a system of higher education. In addition the recommendations meet the intent of the Regents' December 4, 1986, motion on restructuring, by:

1. Maintaining multi-part missions throughout the system.

2. Creating sub-units with the responsibility to carry out the individual and unique missions of the university.

3. Preserving the existing educational programs, with a special emphasis placed on vocational/technical education.

4. Preserving systems of local citizen participation.

The president and the Board of Regents' are providing leadership to the university during this critical period of time. This plan is workable, and in my opinion, will result in a strong University of Alaska system of higher education.

Sincerely,

M. O. Looney, Chancellor
Community Colleges, Rural Education and Extension

jp

Attachments: A - Commitments of CCREE Units, 22 Oct 86
B - Implementation of Restructuring the UA, 16 Feb 87

Attachment A

ASSUMPTIONS

1. There will be major reductions in funding for all state agencies including the University of Alaska.

2. There will be major changes in the manner in which the university conducts its business, including the way in which we are organized.

3. The present University of Alaska is not an integrated system of higher education, and restructuring must address this issue.

4. The university has made commitments to the citizens of Alaska that cannot be abandoned. Among these are the commitments now being met by the units of the CCREE Division, namely:

   a. A commitment to providing ACCESS--both physical and psychological access; to taking the university to the people and providing education for common men and women; to mass education rather than elitist education.

   b. A commitment to the HISTORICALLY UNDERSERVED, especially Alaska's native citizens, including the support services necessary for their learning success.

   c. A commitment to GENERAL EDUCATION -- the skills needed to function as an American citizen of the twenty-first century, including the ability to engage in continuous learning.

   d. A commitment to TRANSFER EDUCATION that truly enables Alaska's non-urban residents the opportunity to enter four-year baccaluareate training.

   e. A commitment to providing the JOB TRAINING needed by Alaska's citizens to secure and retain the jobs that exist in our state, especially in regional and home locations.

   f. A commitment to assist with the DEVELOPMENT of Alaska's natural resources.

22 Oct 86
jp

Attachment B

(Approved by Regents 21 Feb 87)

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
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 clienteles 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.

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.

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

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

II. Consulting Groups

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

In order to provide guidance on these crucial points, Consulting Groups were established at each of the three new units consisting of approximately 20 representatives drawn from the various organizations that are being brought together to form the new units. For example, in Fairbanks representatives of the University of Alaska, Fairbanks, the Community Colleges at Kotzebue, Nome and Bethel,Tanana Valley Community College, the CCREE administration and the Cooperative Extension Service, were assembled to examine ways in which the new interior and western institution could be organized to provide appropriate services to all of the units which have existed as separate activities. The Consulting Groups were established following the Christmas break so as to not undertake the examination of important issues while faculty and students were not available. The Groups were given a short time to examine consolidation issues and then report to the President their findings so that he in turn could organize recommendations to the Board of Regents.

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.

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

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 Universty 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.

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

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

B. Fairbanks-Interior and Western

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

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

1. A new College will be created that combines the elements of the existing College of Human and Rural Development, the new University Centers at Bethel, Kotzebue and Nome and rural services to the Interior, Bristol Bay, and the Aleutians. The Correspondence Study unit will be included in this College.

2. A second new College or unit will be established by combining the services of Tanana Valley Community College with elements of the Division of Conferences and Continuing Education. This new College, delivering community services and continuing education, will provide training in general education, applied sciences, vocational and technical studies and developmental studies for the Fairbanks area.

3. Faculty in the new Colleges will be appointed in appropriate academic disciplines and assigned and supervised by the College Dean or Center Director depending on the location of their services. Courses and faculty at the University Centers will be authorized by the appropriate school or department in the University. Each Center will have funds and authority to offer courses in response to local needs on a demand basis.

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.

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.

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.

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

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

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

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

Each of these steps would provide the Board of Regents with a reading on the maintenance of the Community College mission in the University through its three comprehensive regional units.

IV. Next Steps

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

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

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.

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 undertand 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 successfull.

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

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, X-CED, RAHI, etc.?
   b. How will academic and supporting administrative services be provided to rural sites?
   c. What administrative linkages are required between the Fairbanks campus and other sites?

5. Where should the CES and correspondence studies be located in the new institution?

   a. What will be the relationship of CES faculty to departmental school or college faculty?
   b. What will be the relationship of CES to the research units, including the Agriculture and Forestry Experiment Station?

6. How should the "statewide" faculty of fisheries and marine science be structured to operate effectively across the State and to integrate smoothly with the new institution?

7. What structural and administrative arrangements are required to reduce duplication and enhance complementarity between CES, community college, and conference and continuing education functions?

8. What advisory structures are needed for the new institution, including linkages to rural Alaska?

9. What elements should be included in the mission statements for the new institution? What one should be excluded?

APPENDIX B
1-21-87

Questions to be addressed by the Consulting Groups

Juneau

1. What programs should be offered as an integral part of the new institution?

2. What programs offered from other UA units should be brokered by the new institution?

3. How should the new institution be structured to best deliver and broker the programs identified in #1 and #2 above?

4. How can the institution best provide academic and supporting administrative services to outlying communities in southeast Alaska?

5. How will community college faculty be integrated with other faculty in the new institution?

6. What is the best community/regional advisory structure for the new institution?

7. What elements should be included in the misison statement for the new institution? What elements should be excluded?

APPENDIX B
1-21-87

Questions to be addressed by the Consulting Groups

Anchorage

1. What elements should be included in the mission statement for the new institution? What ones should be excluded?

2. What should be the administrative structure of the new institution?

   a. What administrative units should report directly to the Chancellor? to the Vice Chancellors?
   b. Where should the major academic units, including voc/tech, be located in the organization?
   c. How should the Mat-Su, Kenai, Kodiak, and Prince William Sound campuses fit into the institutional structure?
   d. How should the voc/tech unit be linked to extended sites, e.g., community college sites?
   e. What structures are required to protect and maintain essential elements of the community college missions?

3. How should the community college and university faculties be integrated in the new institution? (ACC, CCREE and UAA faculty must be included in the solution.)

4. What should be the roles, organization, locations, and interrelationships of student support services, such as developmental education, counseling, admissions, registrar and financial aid?

5. How should the centers or faculties in health and medical sciences, international business and trade, and public policy be organized in the academic structure?

6. What community advisory structure(s) should serve the new institution? (Anchorage, Mat-Su, Kenai, Kodiak, Prince William Sound, and some sites where voc/tech instruction, if delivered, must be considered.)

February 13, 1987
University of Alaska
STAFF BULLETIN

TO: Faculty and Staff

FROM: Donald D. O'Dowd
President

RE: administrative staff reductions

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

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

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

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

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

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

I have asked the three Anchorage Chancellors to have their staff members in the administrative areas that will be consolidated (accounting, admissions and records, budgeting, etc.) to begin developing recommendations on a transition from the current office structure to the new consolidated offices. I anticipate that these recommendations will be ready for consideration in early March. Work on consolidating administrative offices for the new Fairbanks and Juneau institutions will be initiated after the Board of Regents meeting on February 21. The current CCREE units will be impacted on the same time schedule as that which applies to the new institution into which they will merge, as the schedule for setting the administrative structure will apply equally to all units involved. Not all administrative areas will be affected by the restructuring process, such as those offices already consolidated and offices which are currently staffed at levels that require the continuation of existing personnel in order to provide adequate service.

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

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

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

DDO:dm

Official Business

COMMITTEE: HESS (House)

DATE: 3/13/87

SIGN-IN

Subject of meeting: HB 107, HB 148, HB 76, HB 96

Note the bill you are here for!

NAME	ADDRESS	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY? which Bill
K Romesburg	Postsec. Educ.	2854	Postsec. Educ.	YES ✓
Rosie Peterson	205 N. Franklin, Juneau	6-1736	Governor's Council	YES ✓
Joan Hope	Rm 125 Capitol	3835	Sen Fahrenkamp	NO
John E Visser	UAJ		UAJ	NO
Carol Gray	4410 N. Douglas Hwy Juneau	586-6913	self	yes
~~Don Abel~~	1200 Brante Rd. Juneau	789-7039	Board of Regents	yes
Dick Spaiani	8452 Kimberly, Juneau	789-1394	CCCA #CS 107	YES
* ~~Gerald H. Pratt~~	9231 Maintree	346-3443	ACCFT	NO
* ~~Ralph T McGrath~~	5889 Kennyhill	333-0001	ACCFT	YES
Amelia Enderof	P.O. Box 34485 Juneau	789-1334	self	yes

Official Business

COMMITTEE: Hess (House)

DATE: 03-13-87

Subject of meeting: HB 107, HB 148, HB 76, HB 96

SIGN-IN

NAME	ADDRESS	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
Evelyn Hazelton	531 Fifth St. Juneau 99801	586-3937	self	yes ✓ ☆
Herb Lyon	12921 Jacks Circle, Anch 99516	786-1101	ACC	No
Kaaren Kubley	Bx 210549 Auke Bay	789-1473	Sen. Brinkley	no
Sue G. Miller	P.O. Box 211248 Auke Bay AK	789-0479	self	yes
~~Annie Caskis~~	PO Box C Juneau Alaska 99811	465-2841	DOE	yes HB96
Celestine Apaiorak	B700 Gold St. Apt 3 Juneau 99801	463-3087	self	NO

510 Yak Road, #865-E
Fairbanks, Alaska 99709

24 February 1987

The Hon. Niilo Koponen
Alaska State Legislature
Pouch V (MS) 3100
Juneau, AK 99811

Dear ~~Niilo~~: Niilo

This letter is to urge your consideration of a different form of University organization than that proposed by President O'Dowd and the Board of Regents. I support both HB 107 and SB 60, calling for a separate community college system, but with some changes.

First, I urge that the urban community colleges in Anchorage and Fairbanks should not be merged with the University. The two institutions' missions are both too different and mutually antagonistic; a merger will adversely affect the ability of either to meet its responsibilities to the people of Alaska. In contrast to those whose objections have been most vocal, I believe that the proposed merger of community colleges and the University of Alaska will do more harm to the University, particularly in the liberal arts and sciences, than it will to the community colleges.

I recommend that the Legislature provide assistance to the cognizant Boroughs to permit them to take over the community colleges as post-secondary institutions and operate them under the direction of an independent state-wide Board of Trustees. Perhaps a committee of the Legislature could exercise oversight the first year or so to ensure fairness and to aid the communities in working through problems (particularly of sharing resources with the University).

Second, the Rural Community Colleges should be administered through the University as is presently contemplated by Dr. O'Dowd's plan, at least until their home communities can assume responsibility for administration of a locally-based two-year institution.

The Legislature would then be dealing with one four-year and graduate degree institution with branches in Fairbanks, Anchorage, and Juneau and with some rural programs being administered by the two larger campuses. In addition, there would be a separate, state-wide but community- based urban community college system which would serve non-degree students and those seeking two-year degrees in technical programs. Each state-wide system would be separately governed, funded, and accountable to the Legislature.

I am not certain whether there would be savings achieved in the first year, but in time the Legislature can require communities that wish to have a "full-service" community college to raise the funding with locally imposed "revenue enhancements." In the meantime, the integrity of ACC and TVCC would be preserved so that option is available in the future to their communities.

Niilo, I am urging that you consider supporting these alternatives because I am persuaded that the consequences of a forcible merger between TVCC and UA-F, and even more between ACC and UAA, will be deleterious in the extreme. The perception among most of the staff of the community colleges is that the University is grasping this opportunity to "do away with" community colleges at long last. Their morale is very poor and there is minimal commitment to making the merged institution a success. On "our" side (that of the University) there is also minimal commitment to the success of the merger: this is seen as an opportunity to regularize the community colleges, to integrate their faculty, to control their course offerings, etc.: in short, to impose university standards on their already valid but different ones. And, I fear, in a contest between the two institutions for resources, the rhetoric and mission of the community college is more accessible and attractive to democratically elected policy makers. In the long run, I believe the University will lose resources, funding, credibility, and personnel--and our ability to serve the people of this State will suffer.

Please consider supporting HB 107 or the Senate equivalent SB 60 in this important matter.

Sincerely,

Andrea

Andrea R. C. Helms

ARCH:aec

COMMON SENSE FOR ALASKA
P.O. Box 202087
Anchorage, Alaska 99520-2087
276-7648

March 24, 1987

Representative Niilo Koponen
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Koponen;

In opposition to House Bill 107, you will find enclosed a Common Sense for Alaska Resolution promoting the University of Alaska and the community colleges mergers, adopted by the Board of Directors of Common Sense for Alaska on March 20, 1987.

It is the concern of the membership of CSA that measures be taken to reduce excess spending and redundant government funded programs within the State of Alaska. Therefore, CSA endorses the sensible measure by the Board of Regents to merge the University with the community college systems.

Your reaction and comments to the enclosed Resolution is of particular interest to the organization.

Sincerely,

Jack Frost
President
Common Sense for Alaska

Enc:

RESOLUTION

BE IT RESOLVED BY COMMON SENSE FOR ALASKA:

WHEREAS, the University of Alaska since 1922 has been the principal agency for higher and postsecondary education for the State of Alaska; and

WHEREAS, the University of Alaska has major responsibility to provide to the State of Alaska persons with high level professional and technical training in vocational-technical, career and professional fields which contribute to the trained talent needed to serve the State; and

WHEREAS, the University of Alaska provides basic skill training for adults who wish to advance their careers by serving the State of Alaska at higher levels of proficiency; and

WHEREAS, the University of Alaska is a principal producer of research of a basic and applied nature aimed at the solution of problems associated with northern latitudes, and arctic, and subarctic; and

WHEREAS, the University of Alaska is concerned with advancing international trade, health and medical services, information organization and dissemination, and other significant areas of public service; and

WHEREAS, the University of Alaska is central to the growth of Alaskan industry and makes specific contributions to the fields of fisheries, timber and forestry, agriculture, mining and petroleum, tourism, retail and wholesale trade, transportation and commerce; and

WHEREAS, the University of Alaska is a principal contributor to the intellectual and cultural fabric of Alaskans; and

WHEREAS, the University of Alaska is devoted to enriching the quality of life to people throughout the State;

THEREFORE BE IT RESOLVED, that COMMON SENSE FOR ALASKA hereby endorses the decision of the Board of Regents of the University of Alaska to restructure the University so as to make it a more effecient, compact and effective institution serving the higher education needs of the State of Alaska; and

BE IT FURTHER RESOLVED, that COMMON SENSE FOR ALASKA urges the Legislature of the State of Alaska to reject efforts to separate the community colleges from the four-year colleges.

BE IT FURTHER RESOLVED, that COMMON SENSE FOR ALASKA supports the strengthening of a restructured University of Alaska through a more efficient allocation of resources so that it may contribute to the economic growth and development of the State of Alaska and enhance the quality of life for its citizens.

ADOPTED this 20th day of March 1987.

COMMON SENSE FOR ALASKA

By _____

President,
Common Sense for Alaska

UNIVERSITY OF ALASKA

Community Colleges, Rural Education and Extension

Office of the Chancellor
786-4620

March 17, 1987

Members of the Alaska State Legislature:

Enclosed is a study which I am happy to make available for you to review. The study was conducted by Eastern Kentucky University in cooperation with the American Association of State Colleges and Universities and the National Association of State Universities and Land-Grant Colleges. The study provides an indication of the current involvement of public four-year colleges and universities in technical education programs of less-than-baccalaureate level. It shows that there has been a rapid growth in programs and enrollments and that an increasing number of institutions have made commitments to these successful programs.

I bring this study to your attention in light of the current controversy which has arisen within the University of Alaska as it attempts to restructure its statewide system due to the drastic budget reductions it has sustained. As you know, the University's restructuring plan calls for the merging of its community colleges and the university centers in order to reduce administrative costs and unnecessary duplicated services. Thus, there will be three rather than fourteen separately accredited institutions resulting in significant savings with less diminution of services to local communities.

Some community college people are opposed to this merger and have urged for separating the community colleges from the University of Alaska and creating a separate system. A major contention of theirs is that the mission and programs of the community colleges cannot and will not survive under a university umbrella. On the contrary, I know it is possible to offer associate, baccalaureate and graduate level programs through a university. For instance, this study clearly indicates that over 200 institutions across the country offer excellent, long-standing community college type programs.

3890 University Lake Drive • Anchorage, Alaska 99508 • (907) 786-4608

UNIVERSITY OF ALASKA

Community Colleges, Rural Education and Extension

I urge you to review the study and also the testimonies of Dr. John Rowlett to the US senate and House regarding vocational education. If there are any questions or concerns please contact me and I will be happy to discuss them with you. Also, I am sure Dr. Rowlett would be available for comment.

Thank you for your time and consideration. I know that we are all sincerely concerned about providing the best educational services possible for our Alaskan residents.

Sincerely,

M. O. Looney
Chancellor

jp

Enclosure

Highlights from report "Less-Than-Baccalaureate Level Technical Education Programs in Four-Year Colleges & Universities"

STATUS OF CURRENT TECHNICAL EDUCATION PROGRAMS (1981 STUDY)-

* Of the 404 participating institutions in the study, 287 (71%) offered technical education programs

* 102 (25.2%) of them offered technical education at baccalaureate level only

* Overall, the number of institutions offering less-than-baccalaureate level technical education increased from 142 in 1971 to 185 in 1981 (30.2% overall increase)

* 2179 less-than-baccalaureate level technical education programs were offered in 1981. This indicates a significant increase of 98.6% over 1971 with 1097.

  78.2% were 2 yr. programs
  10.9% were 1 yr. programs

* Number of 2 year technical education programs increased 98.1% since 1971. Number of institutions offering 2 year programs increased 35.6% since 1971

* AASCU institutions exhibited highest portion of changes from 1971 - 1981: 119.5%. NASULGC increased by 60.7%

STUDENT ENROLLMENT IN PRESENT PROGRAMS (1981 STUDY):

* 120,860 reported for less-than-baccalaureate level programs in 1981

* Number of total enrollments in 1981 represents 111.5% over 1971

* In 2 year programs, 100.5% rise from 1971-1981

* Great majority of all enrollments were in 2 year programs 87.6%

-more-

ADDITION OR EXPANSION OF LESS-THAN-BACCALAUREATE LEVEL TECHNICAL EDUCATION PROGRAMS IN INSTITUTIONS CURRENTLY OFFERING SUCH PROGRAMS (1981 STUDY):

* Institutions were asked if they planned to add or expand additional programs by 1985. Responses were:

  - 41% plan to add; 37.2% do not plan to add; 21.6% did not know or did not respond

  When asked why, the main reasons were: insufficient funds; sufficient programs were available; insufficient demand for more programs

ADDITION OF LESS-THAN-BACCALAUREATE LEVEL TECHNICAL PROGRAMS IN INSTITUTIONS NOT PRESENTLY OFFERING SUCH PROGRAMS (1981 STUDY):

* Very few of the 223 institutions not currently offering programs planned to add them by 1985

  Two main reasons given were: 1) technical education is not a function of the current institution's purpose 2) technical education was a function delegated to other institutions

CONCLUSIONS:

* AASCU & NASULGC -continue to be involved to a considerable extent in providing technical programs of less-than-baccalaureate level

  involvement increased significantly between 1971-1975; continued, but at a lower level to 1981

* overall enrollments in less-than-baccalaureate level technical programs increased dramatically between 1971-1981

  trend is clear in AASCU but with NASULGC, there has been some decline since 1975

* 2 year technical programs constitute the greatest portion of less-than-baccalaureate level programs

-more-

* enrollments in 2 year technical programs constitute the majority

* further substantial increases in both program and enrollments will not continue and a leveling trend is expected in the next several years

* commitment of both AASCU & NASULGC institutions to provide less-than-baccalaureate level programs has been sustained and is expected to continue at or above current levels

(Note: For excellent overview of the report refer to sections called "Significant Findings" (pg. 23), "Trends" (pg. 25), and "Conclusions" (pg. 28))

###

Governor's Council on Vocational and Career Education

Dave Rees
Chair

Von Harris
Vice Chair

Rosie Peterson
Executive Director

205 North Franklin, Suite Two
Juneau, Alaska 99801
(907) 586-1736

March 10, 1987

Representative Niilo Koponen
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Niilo:

One of the major statutory responsibilities of the Governor's Council on Vocational and Career Education is to provide advice to Alaska's policy makers, the business community and the general public on practices, policies and activities the state should pursue to strengthen vocational/technical education and employment and training in Alaska. In fulfillment of that responsibility, enclosed please find the Governor's Council 1987 evaluation report: "A New Direction: Preparing Alaskans to Revitalize Alaska's Economy."

In the report you will find twenty-three recommendations calling for such changes as:

- Development of a coordinated and comprehensive economic development strategy which recognizes that education and training are necessary and important conditions for economic development;

- Separation of the community colleges from the University of Alaska system;

- Establishment of a strong public school foundation program which recognizes the higher costs associated with operating secondary vocational education programs;

- Establishment of a Vocational Education Equipment Fund; and

- Development of a comprehensive strategy for public education to respond to the changing economy and technology in Alaska.

Recommendations specifically directed to members of the Fifteenth Alaska State Legislature can be found on pages four through eighteen. Immediately following you will find additional recommendations directed to the State Board of Education, University of Alaska Board of Regents, State

Job Training Coordinating Council, and the JTPA/Education Coordinating Committee.

The Governor's Council hopes these recommendations will be heartily discussed, with focus being brought to the vital role vocational/technical education and employment and training programs should play in revitalizing Alaska's economy. We hope the report assists in providing *A New Direction.*

I look forward to discussing the recommendations with you and your staff in the near future.

Sincerely,

Rosie

Ms. Rosie Peterson
Executive Director

UNIVERSITY OF ALASKA, FAIRBANKS
Fairbanks, Alaska 99701

March 16, 1987

Representative Niilo Koponen
Alaska State Legislature
P. O. Box V
Juneau, Alaska 99811

Dear ~~Representative Koponen~~: Niilo,

On Wednesday, March 11, the Fairbanks Assembly, the representative governing body of the faculty, students and staff at the University of Alaska-Fairbanks, passed the enclosed resolution opposing Senate Bill 60 and House Bill 107 for the creation of a separate community college system.

Students at UAF, all of whom are represented on the Fairbanks Assembly, come from every House and Senate District in the State. We ask for your support in voting against a separate community college system.

Sincerely,

John S. Whitehead, President
Fairbanks Assembly

JSW:kw

Enclosure

Misc/7

RESOLUTION (Passed 21 ayes, 1 nay)

WHEREAS, It is by no means a necessary conclusion that a consolidated University of Alaska would poorly serve community college interests;

WHEREAS, Preservation of the community college function has received a great deal of support, and the restructuring plan reflects that concern as far as practically possible within the general parameters of consolidation;

WHEREAS, A separte community college system would incur a large additional administrative expense, further straining an already sharply reduced higher education budget, and would result in two anemic systems rather than one strong one; and

WHEREAS, A divided system of higher education in Alaska would continue and exacerbate numerous problems including transferability and articulation of courses and credits between institutions, division of existing physical plants between systems or the additional expense of new construction, accreditation for the new unit(s); now, therefore be it

RESOLVED, That the Fairbanks Assembly concurs with the Board of Regents, and hereby expresses its opposition to the creation of a separate community college system as currently proposed by Senate Bill 60 and House Bill 107; and

RESOLVED, That the Fairbanks Assembly reaffirms its earlier statement which supported the general concept of consolidation as proposed by the President and approved by the Board of Regents; and

RESOLVED, That the Assembly directs the Assembly President to transmit this statement to the appropriate legislators and to the Office of the Governor.

Adopted by Fairbanks Assembly
Meeting #100 on 3/11/87
M/6

Matanuska-Susitna Community College

P.O. BOX 2889, PALMER, ALASKA 99645

March 20, 1987

Representative Nilo Koponen
P.O. Box V
Juneau, Alaska 99811

Dear Nilo:

For your information I am enclosing a copy of the Mat-Su Community College Councils' position regarding the University of Alaska restructuring plan. The Council at it's March 5th meeting reaffirmed its position which had been addressed in November, 1986 with minor additions. The feeling of the group was that as a council they preferred to stay within the university system, and work out solutions which would be of the most benefit to our local students. The council felt that the points expressed can be incorporated into the restructuring plan causing a minimum of disruptions.

Sincerely,

Ray DePriest /B

Ray DePriest, Chairman
Mat-Su Community College Council

enclosure

cc: Alaska State Legislative members.

Matanuska-Susitna Community College

P.O. BOX 2889, PALMER, ALASKA 99645

March 9, 1987

Dr. Donald O'Dowd, President
University of Alaska Statewide System
101 Bunnell Building
Fairbanks, Alaska 99701

Dear Dr. O'Dowd:

The Mat-Su Community College Council met on Thursday, March 5, 1987 and adopted six to one to reaffirm its position on the University's Restructuring plan as stated in it's letter of November 21, 1986 (see attached) additions have been underlined.

The council is aware of the declining state resources and realizes the need for the University to address serious reductions in funding.

The following are the reaffirmations and additions adopted by the MSCC Council at it's March 5th meeting.

1. Local identity and mission of the College be maintained.

2. The College will have some kind of financial protection such as line item budget. The college should be a "Legislative line item budget". Decisions regarding such personnel as the Librarian, Registrar and Counselors should be made at local levels.

3. Local control be maintained in responding to community needs regarding course offerings. It is the councils strong feeling that local personnel are in the best position to make this determination rather than individuals residing elsewhere.

4. Maintain the present administrative structure at MSCC, as the council feels it is minimum at the present time. Mat-Su's frugality should be considered when making across the board cuts in this area.

5. Remain a part of the University of Alaska system.

6. If the present restructure concept is adopted by the Board of Regents that the Council and the College have input into the formulation and implementation of the restructuring process. Include Mat-Su members on proposed task forces.

We look forward to working with you to maintain a strong Matanuska-Susitna College to meet community educational needs.

Sincerely,

Raymond DePriest, Chairman
MSCC Community College Council

cc: M.O. Looney, Chancellor, CCREE
Roy M. Huhndorf, President, Board of Regents

attachment

Matanuska-Susitna Community College

OF THE

UNIVERSITY OF ALASKA

P.O. BOX 899
PALMER, ALASKA 99645

(907) 745-4255

November 21, 1986

Dr. Donald O'Dowd, President
University of Alaska Statewide System
Fairbanks, Ak 99701

Dear Dr. O'Dowd:

The Mat-Su Community College Council met on Wednesday, November 19, 1986 and unamiously adopted the following position on the University's Restructing Plan:

The council is aware of the declining state resources and realize the need for the University to address serious reductions in funding.

It is our feeling that the following points are important and essential for MSCC to function effectively and can be incorporated into the proposed restructuring plan causing a minimum amount of disruption.

1. Local identity and mission of the College be maintained.

2. The College will have some kind of financial protection such as line item budget.

3. Local control be maintained in responding to community needs regarding course offerings. It is the councils strong feeling that local personnel are in the best position to make this determination rather than individuals residing elsewhere.

4. Maintain the present administrative structure at MSCC, as the council feels it is minimum at the present time.

5. Remain a part of the University of Alaska system.

6. If the present restructure concept is adopted by the Board of Regents that the Council and the College have input into the formulation and implementation of the restructuring process.

These items are presented as constructive suggestions and we hope they are received in that vein. We feel these points would allow the College to function with the least amount of disruption and can be incorporated into the proposed restructuring concept.

Thank you for the opportunity to express our views.

Sincerely,

Raymond DePriest, Chairman
Community College Council

P.O. Box 875614
Wasilla, Ak. 99687
February 20, 1987

Representative Ron Larson
Alaska State Legislature
Box V
Juneau, Alaska 99811

Dear Representative Larson,

Thank you for your very thoughtful letter on the student loan program, and the problems you must grapple with in that regard. It was both ironic and timely that Ken and I had a related conversation today about the plight of technological studies in the state, and we discussed some rather intriguing alternatives which I would like to share with you.

Ken is a member of the Survey Technology Advisory Committee for Anchorage Community College. He received an urgent advisory from the committee chairman regarding the proposed merger, and the potential repercussions on the survey technology program. Apparently, the school plans not to fill a recently vacated full-time intstructorship in that department, leaving it with a single full-time faculty member to cover the course work with the assistance of various adjuncts and part-timers.

It was the chairman's view, and Ken's as well, that leaving the program with only one faculty member would equate to its ruin in terms of possible AA degrees and program quality. You voiced a related concern about fly-by-night technical institutes...those which eat away at student loan funds and cost students and the state large amounts of money. The combination of the ACC survey technology difficulty (and probably many other technical programs find themselves in similar straits) and the definition of student and credibility of certain illegitimate technological institutions leads to the following suggestion:

It appears that the University of Alaska is sincere in its desire to consolidate/merge the community colleges and the universities. The goal, it also appears, is to focus on the mission and goals of a bonafide university. The fallout that most likely will result from that is first a dilution, and then, a probable disappearance of the vocational/technical higher education now provided primarily by the community colleges.

While the outward appearance of the University's motives seems defensible, there is an obvious catch: the university of Alaska is the "only show in town" (any town in Alaska, that is), and it is the only recipient of the state's generosity. Many of the students coming out of the state's high schools may desire a

traditional university degree, (B.S., B.A., etc.). On the other hand, many more would desire to learn a trade or technical profession requiring a solid A.A. or certificate. The university knows that it now controls all the state funding for both types of program. And while it would now like to shift its emphasis fully to the four year degree programs, I have heard no mention of its intention to let the technological/vocational programs go to a new or different institution.

It is my considered opinion that the state should encourage just that: the consolidation of the University to its four year mission at the three major campuses. The state should also look to the possibility of creating an Alaska Technical Institute (like those in other states) separate and apart (autonomous) from the university system, which serves the needs FULLY of those wishing a career such as electronics, computer sciences, surveying, automotive or diesel technology, dental hygiene, etc.

Look at the possibilities: first, the amount of money spent at the University of Alaska could be pared down to meet the needs of the three campuses only. Each could even become autonomous, if it desired (Fairbanks could be the hard sciences university...like the School of Mines in Colorado; Anchorage could be the humanities and social sciences university; and Juneau could become the marine science university.) Meanwhile, the dollars saved from the consolidation and the elimination of the now barely adequate technological programs could be applied to creating and sustaining one very good technological institute!

Since there already exist 10 community college campuses in the state, choosing one to become the institute would not be difficult. Perhaps money would have to be spent to provide residence halls, since a central technical institute would draw candidates from throughout the state. At the same time, this would also enhance the potential of keeping Alaska students here, for you could offer them a COMPLETE course of study at the one institution which answers their particular needs for education and appropriate coursework for degrees.

This is a formulating idea which simply needs a champion or two to make some distinct blueprints for. I am certain that the university would oppose it, considering the "loss" they would realize in funding. On the other hand, I do not see that providing pieces of programs which do not complement the <u>University mission</u> is logical, either.

It was probably a large mistake to put all of the state's higher education eggs in one large basket, anyway. There are duplicated programs and courses at all the three major campuses

and each of the community colleges, as well. These are "bread and butter" courses that draw students but in some cases, cannot lead to degrees at the institution where they are originally taken...they lead nowhere in that particular facility, and students must transfer to complete the courses.

It seems an ideal time for the legislature to allow the university its consolidation. But one quid pro quo must accompany that allowance: the university must turn loose of its monopoly of technological and vocational programs, and concentrate on the traditional university theory. It must confine itself to the three major campuses, and the needs of students interested in other than traditional BA/BS programs must be served separately, but equally.

I appreciate your indulgence in this. I believe Ken plans to bring up a similar concept with his colleagues at the Survey Technology Advisory Committee meeting next week. I believe those in the technological sciences would welcome a chance to provide their programs to serious students within their own legitimate structure and format. This would have to be preferable to being part of a system which tries to give everything to everyone and never completely fulfills the needs of ANYONE.

Sincerely,

Ruth A. DeCamp

Ruth A. DeCamp

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version : CSHB 107(HESS)
Publish Date : 3/25/87

REQUEST:

Revision Date: CSHB 107(HESS)
Title : Establishing Alaska Community College System
Sponsor : Sund
Requestor : H. Hess

Agency Affected : University of Alaska
BRU : All

Components :

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS		1,382.5				
TOTAL OPERATING		1,382.5				
CAPITAL						
REVENUE		(400.0)				

FUNDING: (Thousands of Dollars)

GENERAL FUND		1,782.5				
FEDERAL FUNDS						
OTHER INTEREST INCOME		(400.0)				
TOTAL						

POSITIONS:

FULL-TIME		(4)				
PART-TIME		(2)				
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 : March 25, 1987

Approved by Commissioner : Vice President Jim Lynch for Sherman Carter
Date : March 25, 1987
Agency : University of Alaska

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CS for House Bill 107 (HESS)

Assumptions:

1. Current university administrative computer systems, including accounting (general ledger, accounts payable and receivable), budget, payroll, property, student records, employee records, and the University of Alaska Computer Network (UACN) would be made available to the Alaska Community College System. Other support functions currently provided by the University System Statewide Administration would be independent and separate from the current University of Alaska system.
2. No new facilities are required by the legislation. All current university-owned buildings used for community college services would be made available for use by the Alaska Community College System.
3. The Alaska Community College System statewide offices would be based in Anchorage.
4. The Community College Coalition of Alaska (CCCA) has estimated that a merger of the current ACC and CCREE organizations would save $1.1 million. This fiscal note assumes these savings are possible to achieve.
5. The legislation is not intended to require program reductions at either community colleges or at university centers to fund administrative support costs. New funding to offset program reductions is thus provided in the fiscal note.

Program Summary:

1. Statewide Administration Expenditures - The following table identifies, by function, the current administrative services provided by the University of Alaska Statewide Administration. Following each function is an analysis of savings to the university which would result from separation of the community college system and costs required to provide a basic level of administrative support functions for the community college system.
   a. President $275,000 3 PFT
      This office includes the president and two secretaries.
      *No savings from separation.
      **No costs to community college system; chancellor is included in CCCA plan.
   b. Executive Vice President $190,000 2 PFT
      This office includes the Vice President for Finance and one administrative assistant.
      *No savings from separation.
      **No costs to community college system.
   c. Finance $225,000 4 PFT
      This office includes a director, an assistant, and two administrative assistants. It provides administrative support for the statewide administration and secretarial support to all statewide financial services offices.

*No savings from separation.
**No costs to community college system.

d. Budget Development $325,000 4 PFT
This office includes a director, an assistant director, and two budget analysts. It develops the systemwide budget request, provides financial testimony (and numerous fiscal notes) to the legislutuare, maintains position information and control, and maintains the operating budget file.
*Separation would reduce workload by approximately 1 PFT budget analyst.
**The community college system would require at least 1 PFT director to provide budget testimony and fiscal notes and to coordinate community college system budget development.

e. Internal Audit $250,000 3 PFT
This office consists of a director and two auditors. It provides internal audit functions for the university system and coordinates external audits by federal granting agency auditors, the legislative budget and audit committee, and the university's external auditors.
*Separation would reduce workload by approximately 0.5 PFT.
**The community college system would require at least 1 PFT internal auditor.

f. External Audit $120,000 0 PFT
The university contracts with private accounting firms as required by law and federal granting agencies for an external audit.
*Separation might save $20,000 annually in contract costs.
**The community college system would be required to contract for external audit services, at a minimum annual cost of $100,000.
***Net additional costs: $80,000

g. Accounting & Payroll $1,600,000 31 PFT
This office provides financial statements, fund accounting, general ledger, payroll, financial systems development, employee records systems development, and benefits functions for the university system. This fiscal note assumes that these services would be provided by the university to the community college system.
*No savings from separation.
**Costs to community college system include a comptroller to oversee community college accounting and to manage community college fund investments, and a systems development coordinator to monitor any changes required to financial systems.

h. Risk and Records Management $275,000 5 PFT
Risk Management Contracts $1,600,000
This office includes a risk manager, claims coordinator, records manager, secretary and microfilm technician.
*Savings from separation include an estimated $250,000 in annual claims against liability and property insurance and $80,000 in aviation insurance coverage. No staff savings.
**Costs include a risk manager and claims coordinator ($125,000), professional fees ($25,000), annual self-insured claims ($250,000) workers compensation insurance ($100,000), general liability insurance ($250,000), property insurance ($225,000), and aviation insurance (100,000).
***Net additional costs: $745,000

i. Development (Fundraising) $75,000 1 PFT
1 PPT
This office includes a half-time director and an administrative assistant.
*No savings from separation.
**No costs to community college system.

j. Facilities Planning and Construction $950,000 9 PFT
This office includes a director, architect, contracting officer, fiscal officer, manager, and three clerical positions. It develops university space and construction standards, develops the capital budget request, monitors facility repair and renovation needs, and maintains plans and as-built documents on existing facilites.
*Separation of community colleges would reduce activity by approximately 1 PFT.
**A separate community college system would require, at a minimum, an architect and assistant to the architect to develop capital budget requests, monitor repair and renovation projects, and maintain plan documents.

k. Provost $350,000 3 PFT
This office includes the Provost (Vice President for Academic Affairs), an assistant to the provost and a secretary.
*No savings from separation.
**No costs to community college system.

l. Institutional Research $500,000 6 PFT
This office includes a director, information systems coordinator, a research analyst and assistant, and two secretaries. It provides institutional research information (enrollments, faculty and staffing, programs and awards, etc.) and provides required institutional reports to the federal government. The office is developing the new student records system.
*Separation of community colleges would reduce workload by approximately 1.5 PFT positions.

**A separate community college system would require at least 2.5 PFT positions to maintain required federal reports and to provide institutional research needed by the system.

m. Government Relations $130,000 1 PFT
This office acts as legislative, executive, and federal and municipal liaison.
*No savings from separation.
**A separate community college system could provide legislative liaison by existing staff according to CCCA analysts.

n. General Counsel $325,000 5 PFT
Outside Legal Fees $100,000
This office includes the general counsel, two assistant counsels, an administrative assistant and a secretary. It provides legal services relating to employee contracts, academic policies, lands, vendor and construction contracts, and manages contracts for outside legal counsel as needed.
*Separation would reduce workload by up to 1 PFT and would reduce the need for outside legal services by up to $30,000.
**A separate community college system would require, at a minimum, a general counsel and administrative assistant, and would need at least $50,000 for outside legal services.

o. Human Resources $200,000 2 PFT
These office includes a director of human resource development and a compensation specialist. It sets compensation policy for the system.
*No savings from separation.
**A separate community college system would require at least a compensation policy director and a labor relations specialist.

p. Affirmative Action/EEO $125,000 1 PFT
The director of affirmative action ensures federal and state affirmative action and EEO requirements are followed.
*No savings from separation.
**Functions could be provided by existing community college system staff.

q. Statewide Assembly $100,000 1 PFT + 1 PPT
This office provides administrative support for the university's constituent assembly.
*Separation might save up to $10,000 in annual travel costs.
**A separate community college system, if it chose to establish a constituent assembly, could spend up to $100,000 annually.

r. Regents Affairs $110,000 1 PFT
This office provides administrative support to the Board of Regents.
*No savings from separation.
**A separate community college system with its own Board of Trustees would require a similar level of funding.

s. Information Services $150,000 2 PFT
This office provides public information, press liaison, and internal staff communications.
*No savings from separation.
**Functions for a separate community college system could be provided by existing staff.

t. Procurement $225,000 4 PFT
This office provides procurement and property control as required by the new state procurement law. Additional staff must be transferred to this office to fulfill the statutory requirements.
*No savings from separation.
**A separate community college system would require, at a minimum, in addition to existing purchasing staff at ACC and CCREE, a Chief Procurement Officer.

u. UA Computer Network $5,900,000
This fiscal note assumes that UACN would provide administrative computing systems and network support at current levels to a separate community college system.
*No savings from separation.
**No costs to community college system.

v. Interest Income
The university system maintains its own treasury function, earning interest on daily cash balances with the exception of a compensating balance required by the university's bank. Separation of the community college system would reduce the university's interest income by approximately $ 50,000 annually at current interest rates. A separate community college system would earn comparable rates, but would lose interest on the portion of its cash balance required as a compensating balance.
*Cost to university system: $450,000
**Earnings by community college system: $400,000

SUMMARY OF STATEWIDE ADMINISTRATION EXPENDITURES.
Separation would save positions in budget, audit, facilities, institutional research, and general counsel. Separation would require additional positions in budget, audit, accounting, systems development, facilities planning, institutional research, counsel, human resource development, labor relations, trustees, and procurement. NOTE: This assumes that accounting, payroll, and computing services are provided at no cost to the community colleges from existing university resources.

*Savings to statewide administration:	Approximately $ 400,000
**Costs to community college administration:	Approximately $1,950,000
**Interest income losses:	Approximately $ 50,000
***Net cost:	$1,600,000

2. FY88 Budget Reductions

The Governor's FY88 Budget Request includes significant reductions in the university system's funding. Major components of the reduction include:

Compensation reductions	($8,000,000)
Restructuring - Administrative Savings	($6,250,000)
Program Reductions	($3,775,000)

For purposes of this fiscal note it is assumed the compensation reductions are made proportionally at both university and community college systems. The program reductions in the governor's budget, with the exception of $200,000 at Anchorage CC, all come from the university campuses.

University campuses:	($3,575,000)
Community college campuses:	($200,000)

Most of the administrative savings of $6.25 million from restructuring would not occur. The university identified administrative savings in its January 14, 1987 submission to OMB as follows:

UAA/ACC	($1,925,000)
CCREE-Statewide	($ 350,000)
CCREE Community Colleges	($2,625,000)
UAJ	($1,150,000)
Unidentified additional savings	($ 200,000)

Assuming the Anchorage reductions would be spread equally between UAA and ACC, and that the unidentified savings are spread 30%/70% between the community college system and the university, the administrative reductions can be allocated as follows:

University campuses	($2,182,500)
Community college campuses	($4,067,500)
	($6,250,000)

The community college coalition has estimated that $1,100,000 could be saved by merging ACC and CCREE. The university could save $400,000 of the $1,150,000 at UAJ in academic support and institutional support without the merger. The remaining

amounts would not be saved and must be restored to the university and community college system budgets as follows:

University campuses	$1,782,500
Community college campuses	$2,967,500
	$4,750,000

3 TOTAL FISCAL NOTE

Expenditures for community college system statewide administration functions:	$1,950,000
Less: interest income transferred:	($ 400,000)
Lost interest income	$ 50,000
Restructuring reductions not possible:	
University campuses	$1,782,500
Community college campuses	$2,967,500
TOTAL COST	$6,350,000

4. Division of FY87 and FY88 Budgets Between University System and the Community College System

This analysis assumes:
(1) Statewide includes current budget except ACCFT account.
(2) Cooperative Extension Service and Fishery Industrial Technology Center would be part of university system.
(3) Rural education is split 50% university, 50% community college system.
(4) Audioconference system is split 20% university, 80% community college system.
(5) Statewide administration distribution as shown above.
(6) Accounting, payroll and administrative computing would be provided by the university to the community college system.
(7) GF only.

FY87 Budget - University System

UA-Anchorage	21,304.7
UA-Fairbanks	45,483.1
Organized Research	11,643.5
UA-Juneau	8,313.3
Cooperative Extension Service	3,976.8
Fishery Industrial Technology Center	546.3
Rural Education	1,152.5
Audioconferencing	91.8
TOTAL	92,512.0

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CS for House Bill 107 (HESS)

FY87 Budget - Community College System

Anchorage CC	15,965.7
CCREE-Statewide	2,781.3
CCREE Community Colleges	19,492.5
Rural Education	1,152.5
ACCFT Contract Account	188.6
Audioconferencing	367.0
TOTAL	39,947.6
FY87 Budget - Statewide (excl. ACCFT)	11,281.7
TOTAL SYSTEM BUDGET	143,741.3

	TOTAL	SW	Univ	CC
FY87 Revised Budget	143,741.3	11,281.7	92,512.0	39,947.6
Percent of budget	100.0%	7.8%	64.4%	27.8%
Internal Transfers & Changes				
Organized Research	130.5		130.5	
FY87 One-Time Reductions	(545.9)		(58.7)	(487.2)
FY87 Ongoing Reductions	(909.3)	(88.0)	(580.7)	(240.6)
FY87-88 PERS/TRS	(3,062.7)	(212.7)	(1,903.3)	(946.7)
TRS Match (est.)	3,222.8	4.4	2,323.2	895.2
New Facilities/Misc.	2,295.6	1,119.6	809.3	366.7
Staff Benefits	1,800.0	140.4	1,159.2	500.4
Restore FY87 1-Time Cuts	6,785.4	319.6	4,627.4	1,838.4
Subtotal	153,457.7	12,565.0	99,018.9	41,873.8
Governor's Reduction				
Compensation	(8,000.0)	(624.0)	(5,152.0)	(2,224.0)
Program Reductions	(3,775.0)		(3,575.0)	(200.0)
Restructuring	(6,250.0)		(2,182.5)	(4,067.5)
Governor's Budget	135,432.7	11,941.0	88,109.4	35,382.3
New Costs:				
CC-Statewide Functions	1,550.0	(400.0)		1,950.0
CC-Interest Income Lost	50.0			50.0
Restructuring Savings Not Achievable	4,750.0		1,782.5	2,967.5
Total Budgets:	141,782.7	11,541.0	89,891.9	40,349.8

5. Exclusions:

1. The above data does not attempt to assess the fiscal or programmatic impact on other institutions which presently deal with one university system, including the Alaska Commission on Postsecondary Education, the Alaska Departments of Administration, Law, and Revenue, the Alaska Legislature, the Office of the Governor, the Office of Management and Budget, or municipal governments.

2. The above data does not include operations and maintenance costs of any new facilities or equipment. Over time, expenditures are likely to be required to separate current joint-use equipment and facilities, particularly computer and accounting systems.

3. The above data assumes that a separate community college system could constitutionally establish a separate treasury function. If this is impermissable, additional costs of $400,000 in lost interest income to the community college system can be expected due to separation. This interest income would then accrue to the state general fund.

Agency Comments

(1) The restructuring of the University of Alaska system offers real benefits to the people and State of Alaska. Of particular importance is the delivery of upper division instruction and better coordination of higher education in rural Alaska. Separation into two systems would not achieve this goal.

(2) The CCCA and this fiscal note assume all existing community colleges would elect to join the separate community college system. It is likely that several existing community colleges would prefer to join the university system than to join the separate community college system.

(3) Dividing the University of Alaska at a time when significant restructuring of the system is in progress would result in (a) futher confusion about the allocation of resources for post-secondary education, (b) expanded competition for the resources dedicated to education, and (c) costly duplication of programs within the state;

(4) While more populous states (such as California) have multiple systems of higher education, Alaska still has one of the lowest population levels in the nation. Many states with multiple systems are now looking toward unifying the systems under single boards.

(5) A division of the University of Alaska would result in substantial amounts of legal work and possible litigation over a number of years. At present, many contracts are in force which affect multiple institutions. Lands, buildings, and property would need to be divided, and many federal grants and contracts would need to be renegotiated.

(6) The currently pooled resources of the University of Alaska would be divided into fractional components, which would diminish the effectiveness of either institution in solving many of the state's problems, especially in rural education and cross-cultural educational programs;

(7) Many of the savings which are anticipated by current restructuring efforts are obtained by significant reductions in the administrative structure of the community colleges. This legislation would require that these administrative savings not be made; furthermore it would require that the community college - statewide administration take on new functions including:

*Board of Trustees travel and per diem
*Facilities planning and construction
*Legal services
*Risk management
*Procurement and Property control
*Labor relations management
*Internal and external audit

(8) While the legislation does not require any capital appropriations, over time the two systems would be expected to move toward separation of joint-use facilities and equipment, particularly:

*Administrative computer and data processing systems. This would include in addition to hardware required to run the systems the following software: accounting, payroll, budget, student records, and employee records.

*New structures at Anchorage CCC and UA - Anchorage to separate current joint use facilities.

(9) Separation of the community college system would increase problems for students who register and attend both university and community college campuses. Transfer of credits is likely to be a more significant problem.

(10) University and CCCA fiscal analysts worked together to identify costs of separation, but were unable to determine any low-cost method of separating accounting and computing systems. This fiscal note assumes that these services could be provided by the university to the community college system, but significant questions of accountability and responsibility are likely to occur unless the functions are clearly separated.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

M E M O R A N D U M March 25, 1987

SUBJECT: Alaska Community College System (CSHB 107(HESS))

TO: Representative John Sund

FROM: Keith B. Levy
Legislative Counsel

You have requested a sectional analysis of CSHB 107(HESS), establishing the Alaska Community College System. Please note that a sectional analysis should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1 describes the purpose of the bill and the general philosophy of a separate comprehensive community college system for the state.

Section 2 adds a new chapter to AS 14 establishing and describing the Alaska Community College System. The system is established (AS 14.41.010) under the control of a Board of Trustees appointed by the governor and subject to confirmation by the legislature (AS 14.41.020(a)). Board members must be United States citizens and residents of a community which has a unit of the community college system (AS 14.41.020(b)). Five of the board members are appointed from the various judicial districts, a sixth is a community college faculty member, and a seventh is a community college student (AS 14.41.020(c)). The faculty member is appointed from a list submitted to the governor by the Board of Trustees, must have been a faculty member with the system for at least two years, and must teach at least nine credit hours or the equivalent a semester (AS 14.41.030). The student member is appointed from a list of two students submitted by each community college and one by each extension center or outreach program after an election (AS 14.41.040(a)). The student board member must be enrolled in the community college system as a full-time student (AS 14.41.040(b)).

The faculty member serves a term of two years, the student member serves a term of one year; all other board members serve staggered terms of five years (AS 14.41.050). The legislation requires election by the board of certain officers, and authorizes the board to select others, limiting terms of officers to one year and setting a two-term limit on a person's service as chairperson (AS 14.41.060). The legislation requires the board to prepare rules for its procedures (AS 14.41.070(a)), determines a quorum and the minimum vote necessary for action by the board -- both set at four of seven votes (AS 14.41.070(b)) -- and precludes use of proxies (AS 14.41.070(c)). The legislation requires, at a minimum, quarterly board meetings, rotating through the various community college campuses over a five-year cycle (AS 14.41.080(a) and (b)), authorizes special meetings, prescribes meeting notice requirements (AS 14.41.080(a)), and generally restates "open meeting" provisions of the Administrative Procedure Act (AS 14.41.080(c)). The bill authorizes reimbursement for travel and per diem at state rates (AS 14.41.090).

The powers and duties of the board of trustees are enumerated in AS 14.41.100.

The board's chief executive officer is the system's chancellor whose primary responsibility is the administration of the system (AS 14.41.110(a)). In addition to the on-campus programs, the chancellor is charged with development and administration of an effective rural and off-campus program (AS 14.41.110(b)).

The chancellor's powers include the appointment of faculty on the recommendation of the principle administrative officer of each unit of the system and the delegation of the appointment power with the approval of the board (AS 14.41.120(a)). The chancellor's duties include the appointment of the principal administrative officer for each community college and extension center subject to the approval of the board, defining the duties of persons the chancellor appoints, and generally coordinating the system (AS 14.41.120(b)). The chancellor also has the sole authority to suspend, expel, and reinstate students, although this power is delegable (AS 14.41.130).

The principal executive officer for each community college is responsible for the administration of the campus (AS 14.41.140(a)). The director of each extension center or

outreach program is an administrator (AS 14.41.140(b)). The manner of appointment of administrators is set out in AS 14.41.140.

The bill authorizes the board to establish and maintain centralized and regional service centers to supplement activities involving units of the system (AS 14.41.150). The bill provides direction relating to appointment of and service by faculty (AS 14.41.160(a) and (b)).

The establishment of a community college council for each community college is mandated; a council may be established for other units of the system (AS 14.41.170(a)). The determination of the size, manner of selection, terms, officers and comparable provisions concerning community college councils is the responsibility of the Board of Trustees (AS 14.-41.170(b)). The bill distinguishes between the "policy-making" role of a council and its "advisory" role (AS 14.-41.170(e)), and gives a community council significant authority with respect to making and securing implementation of recommendations concerning operation of the campus or unit for which the council is responsible (AS 14.41.170(f)).

The bill describes the manner of establishment of new community colleges including nomination (AS 14.41.180), determination of feasibility (AS 14.41.190), and establishment of a different form (i.e., "extension center or outreach program" where a community college does not meet standards) (AS 14.41.200).

Specific provision is made by which a unit of the system and a second party may cooperate in the formation and operation of a community college (AS 14.41.210). The college is given, under the bill, complete operational authority subject to periodic reviews by the cooperating party, and title to those facilities financed or constructed with system funds.

Finance, fiscal and property management, and related provisions generally follow requirements imposed by the state on operations of its secondary education programs, though the manner of administration of funds received is committed to the discretion of the Board of Trustees by regulation (AS 14.41.230(b)). The budget process is made the responsibility of the board (AS 14.41.230(a)), and requires preparation of a program budget subject to the review and recommendations of a community college council for a particular campus (see AS 14.41.170(f)(2)). Fund management and the

acquisition and holding of property are committed to the board (AS 14.41.240), and the board may act as trustee for property as necessary (AS 14.41.250). Monetary gifts and endowments for the benefit of the system are transferrable to the Department of Revenue for investment and management; other property is held by the system and made part of its perpetual inventory (AS 14.41.260). The State's Procurement Code (AS 36.30 is imposed on the system (AS 14.41.270). Specific provision is made for a working capital fund (AS 14.41.280).

The remaining newly-codified provisions generally address the manner of operation or function of the system. General civil rights provisions are made applicable (AS 14.41.900(a)); political and religious sectarian tests are prohibited in the appointment of faculty (AS 14.41.900(b)). Cooperative use of facilities brought into the system from the University of Alaska as a result of this Act is mandated (AS 14.41.910). Open library services are made mandatory for community college campuses (AS 14.41.920). An annual report of the work of the system is required (AS 14.41.930).

The manner of operation of a unit of the system, where not specifically described in the legislation, is committed to the authority of the system in accordance with regulations prescribed by the Board of Trustees (AS 14.41.940). Certain terms used in the legislation are defined (AS 14.41.990).

Sections 3 - 9 amend existing provisions of law applicable to the University of Alaska to incorporate reference to the "community colleges" or the "Alaska Community College System", as applicable.

Section 10 repeals existing legislation establishing community colleges within the University of Alaska.

Section 11 contains transitional provisions to accommodate the separation and separate establishment of an Alaska Community College System. Asset redistribution occurs under the direction of the state's Postsecondary Education Commission; continuance of litigation, contracts, other proceedings, and courses of study and related services are addressed; faculty, staff, officers and employees of the University whose work involves them with the community college system are terminated and must be rehired by the Alaska Community College System; where the latter proves impossible, the Postsecondary Education Commission is directed to assist in securing positions for which these persons are qualified.

Section 12 makes special provisions for the initial appointment of the faculty and student members of the Board of Trustees.

Section 13 provides a July 1, 1987, effective date for the bill.

KBL:mkr
m10/051

5-0528B
Levy
3/14/87

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

IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

CS FOR HOUSE BILL NO. 107 (HESS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIFTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act establishing the Alaska Community College System; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. PURPOSE. (a) It is the purpose of this Act to establish community colleges, extension centers, and outreach programs as parts of a comprehensive statewide system consisting of degree and nondegree programs of postsecondary and continuing education, established either independently or in cooperation with the governing bodies of school districts or municipalities in the state, with an agency of the federal government, or with a nonprofit corporation or association, to increase the opportunity for obtaining a postsecondary education in the state.

(b) The comprehensive community college statewide system shall include flexible, versatile programs of postsecondary instruction, counseling and advising, job placement, and other activities designed to meet the needs of the area it serves, including but not limited to,

(1) courses and curricula that lead to an associate degree or that enable the student to transfer to an institution of higher education granting baccalaureate degrees;

(2) occupational education including vocational-technical programs and cooperative education in conjunction with employment in business and industry that enable the student to develop technical skills in a chosen trade or occupation and lead either to a degree or a certificate of completion;

(3) general education and public interest courses designed to

meet the needs of a community, to enable a person to expand that person's knowledge, improve the quality of life, or acquire, change or update a skill that a person lacks or that has become obsolete; and

(4) an educational delivery system the principal objective of which is the outreach of the community colleges through programs of off-campus study and credit and noncredit courses that may or may not lead to associate, baccalaureate or advanced degrees.

* Sec. 2. AS 14 is amended by adding a new chapter to read:

CHAPTER 41. ALASKA COMMUNITY COLLEGE SYSTEM.

ARTICLE 1. GOVERNANCE.

Sec. 14.41.010. SYSTEM ESTABLISHED. There is established the Alaska Community College System.

Sec. 14.41.020. BOARD OF TRUSTEES. (a) The system shall be under the control of a Board of Trustees consisting of seven members appointed by the governor, subject to confirmation by a majority of the members of the legislature in joint session.

(b) Board members shall be citizens of the United States and residents of a community where there is a community college, extension center, or outreach program, for one year before appointment and during the board member's term of office.

(c) Board members shall be appointed as follows:

(1) one board member shall be a resident of the First Judicial District;

(2) two board members shall be residents of the Third Judicial District;

(3) one board member shall be a resident of the Fourth Judicial District;

(4) one board member shall be a resident of the Second Judicial District;

(5) one board member shall be a member of the faculty of a community college, extension center, or outreach program under the Alaska Community College System, appointed under AS 14.41.030;

(6) one board member shall be a student enrolled in a college, extension center, or outreach program under the Alaska Community College System, appointed under AS 14.41.040.

Sec. 14.41.030. APPOINTMENT OF FACULTY MEMBER. (a) The faculty member of the board shall be appointed by the governor from a list of nominees submitted by the Board of Trustees. The list of nominees consists of the names of at least three but not more than five full-time community college, extension center, or outreach program faculty members. The faculty members shall be nominated from the full-time faculty of the community colleges, extension centers, and outreach programs in the manner prescribed by the board by regulation.

(b) The faculty member appointed under this section shall, at the time of nomination, be teaching at least nine credit hours or the equivalent each semester, and shall have been a faculty member within the Alaska Community College System for at least two academic years.

(c) A faculty member appointed under (a) of this section who fails to maintain full-time faculty status during the faculty member's term forfeits that office. The governor shall appoint a successor from among the list of nominees submitted under (a) of this section at the time of original appointment.

Sec. 14.41.040. APPOINTMENT OF STUDENT MEMBER. (a) The student member of the board shall be appointed by the governor from a list of nominees consisting of the names of two students from each community college of the system, and one from each extension center or outreach program, after an election is held at each college, center, or program site. The elections shall be conducted under regulations adopted by

the board.

(b) The student board member appointed under this section must be enrolled as a full-time student as defined by the academic regulations of the community colleges, extension centers, or outreach programs at the time of appointment.

(c) A student board member appointed under (a) of this section who fails to remain enrolled as a full-time student at one of the community colleges, extension centers, or outreach programs during the student's term forfeits that office. The governor shall appoint a successor from among the list of nominees submitted under (a) of this section at the time of original appointment.

Sec. 14.41.050. TERM OF OFFICE; VACANCIES. (a) Except for the faculty and student board members, members of the Board of Trustees serve for five-year terms. The terms of the initial appointees shall be staggered in such a manner that the term of office of at least one board member expires each year.

(b) The term of office of the faculty board member is two years.

(c) The term of office of the student board member is one year.

(d) Vacancies shall be filled in the same manner as original appointment.

Sec. 14.41.060. OFFICERS OF THE BOARD. A chairperson, vice-chairperson, secretary, and other officers that the board considers necessary shall be elected from among the members of the board for a one-year term. A member of the board may not serve as chairperson for more than two consecutive one-year terms.

Sec. 14.41.070. RULES, VOTES REQUIRED. (a) The board shall prescribe its own rules of procedure.

(b) A quorum is a majority of the members of the board. The votes of the board members shall be recorded, and effective action

requires the affirmative vote of a majority of the board members.

(c) A board member may not vote for or on behalf of, or in any way exercise the vote of, another member of the board on a matter before the board.

Sec. 14.41.080. MEETINGS. (a) The board shall hold a regular meeting at least once quarterly at a time and place determined by the chairperson, and may hold special meetings at other times and places as the chairperson or a majority of the members of the board considers necessary. Thirty days notice is required for regular meetings and 10 days notice is required for special meetings of the board, its committees, or subcommittees. Emergency meetings may be called without notice.

(b) Board meetings shall be held at community college campuses, in rotation, so that the board meets at each community college at least once in five years. The board shall provide adequate facilities for members of the public to attend the meetings of the board, its committees, and subcommittees.

(c) The provisions of AS 44.62.310 apply to meetings of the board. All meetings of the board, its committees, and subcommittees, are open to the public and press except as otherwise provided in AS 44.62.310(c). The findings of an executive session shall be made a part of the record of the proceedings of the board. All records of the meetings and proceedings shall be open to inspection by the public and the press at reasonable times.

Sec. 14.41.090. COMPENSATION AND PER DIEM. Members of the board serve without compensation but are entitled to per diem and travel expenses authorized by law for boards under AS 39.20.180.

Sec. 14.41.100. POWERS AND DUTIES OF THE BOARD. (a) The board shall

(1) appoint the chancellor of the system by a majority vote of all members of the board;

(2) fix the compensation of the chancellor, faculty, and other officers and employees of the colleges;

(3) adopt bylaws and administrative rules for the management and operation of the community colleges, extension centers, and outreach programs;

(4) confer degrees and certificates appropriate to the community colleges that the board may determine and prescribe;

(5) have the care, control, and management of the real and personal property and funds of the system, and keep a complete, accurate record of all funds received and disbursed;

(6) keep a complete record of the minutes of every meeting and all acts done by the board in the pursuit of its duties;

(7) establish management policies within which the principal campus administrative officers of the community colleges, the extension centers, or outreach programs, and the community college councils manage and control the operation of the community college, extension center, or outreach programs; and

(8) meet regularly with the community college councils to determine the needs of each community college, extension center, or outreach program.

(b) The board may

(1) sue and be sued;

(2) receive, hold and manage real and personal property;

(3) contract and be contracted with;

(4) adopt, use, and alter a corporate seal;

(5) accept grants or loans from and contract with the federal government, the state, or its political subdivisions, and

comply with the provisions of federal, state, or local programs when necessary;

(6) adopt reasonable rules, orders, and plans, with reasonable penalties, for the good government of the colleges and for the regulation of the board;

(7) determine and regulate the course of instruction in the colleges with the advice of the principal administrative officers and the community college councils at each community college, extension center or outreach program;

(8) remove from office an officer or employee of the colleges by a majority vote of all of the members of the board; and

(9) enter into consortial agreements for the joint use of educational facilities and support services with educational institutions and jurisdictions.

ARTICLE 2. ADMINISTRATION.

Sec. 14.41.110. CHANCELLOR. (a) The chief executive officer of the board and of the system is the chancellor. The chancellor's primary responsibility is the administration of the community colleges, extension centers, and outreach programs statewide, working with the principal administrative officers for each community college, extension center, or outreach program.

(b) In addition to the chancellor's responsibility for the administration of on-campus programs for the community colleges and extension centers, the chancellor shall develop and administer off-campus educational delivery systems and outreach programs for rural areas of the state.

Sec. 14.41.120. POWERS AND DUTIES OF THE CHANCELLOR. (a) The chancellor may

(1) appoint the faculty and other officers and employees of

each community college, extension center, or outreach program, on recommendation of the principal administrative officer of each;

(2) with the approval of the board, delegate the authority to appoint faculty, officers, and employees to the principal administrative officer of each community college, extension center, or outreach program.

(b) The chancellor shall

(1) subject to the approval of the board, appoint the principal administrative officer for each community college and extension center, on recommendation of the community college council;

(2) define the duties and supervise the performance of those duties by the persons the chancellor appoints to positions established by the board;

(3) give general direction to the work of the community colleges, extension centers, and outreach programs in accordance with the policies established by the board;

(4) with the principal administrative officers, coordinate the programs and other activities of the system.

Sec. 14.41.130. SUSPENSION, EXPULSION OF STUDENTS. The authority to suspend and expel a student for misconduct or other cause or to reinstate the student is vested solely in the chancellor. The chancellor may delegate this authority to the principal campus administrative officer of each community college.

Sec. 14.41.140. CAMPUS ADMINISTRATION. (a) The principal administrative officer for each community college is responsible directly to the chancellor and to the community college council for the administration of the community college. Subject to the approval of the board, the principal administrative officer shall be appointed by the chancellor, on recommendation of the council for the community

college which the principal administrative officer will administer.

(b) Each extension center or outreach program, whether established, operated, or maintained by the board, or in cooperation with the Board of Regents of the University of Alaska, another university, a school district, municipality, an agency of the federal government, or a nonprofit corporation or association, is under the direction of an administrator appointed by the chancellor in the manner prescribed by the board by regulation, or as prescribed in the cooperative agreement.

Sec. 14.41.150. SERVICE ORGANIZATIONS. The board may establish statewide or central service organizations for the community colleges, extension centers, and outreach programs. Regional service centers also may be established to administer the outreach programs and to provide postsecondary educational services to the residents of the rural areas of the state in each area for which a regional center is established. In an area where a community college or an extension center is located, the regional service center shall be integrated with the operation of the community college or extension center.

Sec. 14.41.160. FACULTY; COURSE OF INSTRUCTION. (a) Full-time members of the faculty and administrative staff of each community college, extension center, and outreach program are members of the faculty and administrative staff, respectively, of the Alaska Community College System for all purposes.

(b) The chancellor is responsible for prescribing the qualifications, and for establishing the procedure for appointment, of all community college and extension center faculty and administrative staff.

Sec. 14.41.170. COMMUNITY COLLEGE COUNCIL. (a) A community college council shall be established for each community college. The

council shall consist of not less than seven or more than 15 members who shall be broadly representative of the area served, including faculty and student representation and a representative of the city or borough school district or regional educational attendance area. The board may appoint a council for an extension center and for each regional service center, when the center is not integrated with a community college or extension center.

(b) The board shall prescribe by regulation the method of selection of members of community college councils, the term of office, and the procedure for removal and for the filling of vacancies on the councils. Each community college council shall adopt bylaws providing for the election of officers, establishment of meeting schedules and notices, rules of procedure, and quorums.

(c) Members of a council serve without compensation but are entitled to per diem and travel expenses authorized by law for boards under AS 39.20.180.

(d) The provisions of AS 14.41.080(c) and AS 44.62.310 apply to meetings of community college councils in the same manner and to the same extent applicable to meetings of the board, its committees, and subcommittees.

(e) A community college council acts

(1) in a policy-making capacity with respect to the principal administrative officer of each community college, coordinator of an extension center, or administrator of an outreach program;

(2) in an advisory capacity to the chancellor and to the board.

(f) A community college council shall review and make recommendations

(1) concerning the selection of the principal

administrative officer of the community college, extension center, or outreach program;

(2) concerning the proposed program budget for the community college, extension center, or outreach program for each fiscal year before it is submitted to the statewide administration and to the board; and

(3) relating to the general operation and management of the community college, extension center, or outreach program, including but not limited to,

(A) planning for and review of the types and uses of instructional programs and activities and types and uses of facilities that the community college, extension center, or outreach program should provide to meet area needs;

(B) the level of staffing and funding for these programs, activities or facilities; and

(C) the means of gaining support for the program of the community college, extension center, or outreach program in that area.

ARTICLE 3. ESTABLISHMENT OF COMMUNITY COLLEGES.

Sec. 14.41.180. ESTABLISHMENT. (a) A community college or an extension center may be established by the board only in accordance with the minimum criteria established by AS 14.41.190 - 14.41.200, as supplemented by the board by regulation.

(b) The establishment or expansion of a community college or an extension center may be proposed by

(1) the governing body of a municipality, or a school district;

(2) petition of interested citizens in the community or area to be served;

(3) a nonprofit corporation or association;

(4) the Alaska Commission on Postsecondary Education or the state advisory council on community colleges created by AS 14.42.010 - 14.42.055;

(5) the Governor's Council on Vocational and Career Education;

(6) the legislature by concurrent resolution; or

(7) the board.

Sec. 14.41.190. FEASIBILITY STUDY. (a) A new community college or a new extension center may not be established until a feasibility study as to the need for its establishment in the community or area to be served has been completed either as directed by the board, or by a proponent under AS 14.41.180(b), and approved by the board. The feasibility study shall be submitted to the legislature and to the Alaska Commission on Postsecondary Education.

(b) The feasibility study required in (a) of this section shall include but is not limited to

(1) an analysis of the population and educational needs of the municipality, school district or area in which the proposed community college is to be located;

(2) a description of the area to be served by the proposed community college;

(3) estimated and projected enrollment;

(4) proposed core faculty and administrative staffing;

(5) a proposed budget for the initial fiscal year of operation together with a statement of sources of financial support required for core faculty and administrative staff, curriculum and other programs and activities, and physical facilities;

(6) a plan for citizen involvement through a community