

To: President Jim Johnsen

From: Chancellor Rick Caulfield
University of Alaska Southeast

Date: May 27, 2020

RE: Comments on BOR structural options for “UA Transformation”

The following comments focus on UA structural options outlined in your document under preparation for the UA Board of Regents. These comments address in particular the option for merging UAS into another UA university and, alternatively, the option of having UAS take administrative leadership of rural community campuses across the state. The comments voice serious concerns about the option of merging UAS into another UA university.

OVERVIEW: KEY POINTS

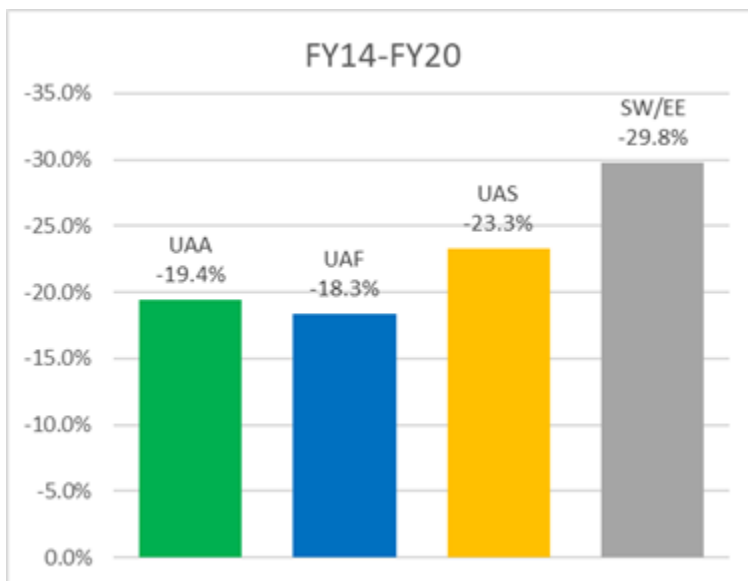
- The proposal for merging UAS into another UA university is short-sighted and ill-advised. It would add little in addressing UA’s fiscal challenges. UAS’ share of the overall UA UGF is only 7.6% of the overall UA budget. UAS has already taken significant budget reductions over the past five years, and there is little room to achieve major savings from such a merger without a dramatic reduction in programs and services.
- It is unclear how or when additional savings under a merger would be realized. Even if a conceptual merger could achieve perhaps an additional 10% savings, this would amount to less than \$2M in savings for the UA system. The negatives of a merger are not offset by significant budget savings.
- The only way that a merger of UAS into another university would make a meaningful impact on addressing UA’s fiscal challenge is if deep cuts were made to academic and workforce programs, many employees were laid off, radical changes were made to the Juneau Campus (e.g. closing campus housing), or if one or more campuses were eliminated.
- UAS prides itself on serving Southeast Alaska communities well. The model of one regional university with three campuses has served our region well for decades. UAS has strong partnerships with community leaders, employers, Native corporations and tribes, K-12 schools, and other community stakeholders. Recent accreditations—both by the NWCCU and by professional accreditors in teacher preparation and business—point to the high quality of a UAS education. A merger that has university leadership living hundreds of miles away would almost certainly diminish the relationships between community partners and the university and the

services that UAS currently provides. Moreover, history shows that university leaders not infrequently prioritize those programs close to their home campus to the detriment of those that are at a distance.

- An alternative to merging UAS into another university and severely diminishing UA services to the region is to consider other alternatives: 1) placing rural community campuses under UAS administrative leadership, and 2) advancing UAS' leadership role in teacher preparation and educational leadership through a consortium of similar programs at UAA and UAF. Both of these have the potential to create efficiencies, expand offerings to students, and provide a more strategic approach to meeting Alaska's needs.

REVIEW CRITERION: UGF COST SAVINGS

1. The University of Alaska Southeast's share of the overall UA UGF (\$23M) is just 7.6% of the overall UA budget. By FY22 this amount is expected to decline even further to \$19.4M. Potential savings from a possible merger with another university would be very modest at best when considered against the scale of the overall UA budget, particularly assuming that existing programs and services are maintained.
2. UAS has consistently been prudent and responsible in its budget management. It has met expectations for reducing its budget and has demonstrated its ability to make base reductions for FY21 and FY22 beyond those at UAA and UAF. The combined reductions between FY20 and FY22 amount to a 23% cut. Indeed, a recent update of UGF reductions at UA MAUs since FY14 show that UAS has taken the largest proportional reduction of all three universities. In short, UAS has made the tough choices required to demonstrate fiscal discipline.



Moreover, UAS is the only MAU with a concrete plan for fully balancing its budget with base reductions in FY21. In fact, our plan went beyond the demands of FY21 and included savings (\$100k) which could be applied to FY22. UAS is also the only unit which identified potential specific base reductions in FY22. The UAS fund balance projections included the projected

COVID costs and demonstrated that UAS could meet these costs and still stay above the revised fund balance minimums.

- As the chart below reveals, UAS has already reduced more staff proportionally than any other MAU. Between FY15 and FY20 its employee headcount has been reduced by 25.7%.

Headcount Change Fall 2014-2019 (FY15-FY20) ⁽¹⁾					Change	
	SW ⁽²⁾	UAA	UAF	UAS	#	%
Regular	-37	-338	-357	-63	-795	-17.6%
Temporary	-30	-389	-407	-106	-932	-23.8%
Total Headcount Reduction	-67	-727	-764	-169	-1,727	-20.5%
% Change	-23.0%	-20.7%	-19.2%	-25.7%	-20.5%	

Because of these staffing reductions, it is highly unlikely that UAS would realize significant savings from reducing its staff following a merger. The positions simply are not there as we have already centralized services, created shared positions, and developed region-wide service hubs.

- The most obvious source of possible savings in a merger would be in leadership reductions. Under a merged structure, the Chancellor might be replaced with a campus director, the provost and Vice Chancellor for Administration might be eliminated, and the Dean for Arts and Sciences and Vice Chancellor for Student Services might be downgraded. But taking all of these into account, an estimate of this savings is likely to be no more than \$500--\$600K.
- As noted above, the only way that a merger of UAS into another university would make a meaningful impact on addressing UA's fiscal challenge is if deep cuts were made to academic and workforce programs, many employees were laid off, radical changes were made to the Juneau Campus (e.g. closing campus housing), or if one or more campuses were eliminated.
- Putting forward the option of a merger of UAS with another university ignores opportunities for increasing enrollments and building on existing strengths and assets. This includes moving forward with the Board's decision to create a single Alaska College of Education, housed administratively at UAS, that unifies teacher preparation and educational leadership programs statewide. This is a goal that has never been realized. It involves building on UAS' natural assets in Alaska's coastal environment to expand on its interdisciplinary environmental science programs, including the joint fisheries program with UAF. Moreover, it could be feasible for UAS to become the administrative lead statewide for community campuses, thus increasing overall enrollments, building much greater alignment in academic and workforce programs, and expanding options for students in smaller more remote campuses. This could include making baccalaureate and graduate programs available in rural areas of the state where those options do not currently exist.

REVIEW CRITERION: STUDENT ACCESS AND AFFORDABILITY

1. In 2019 UAS successfully achieved reaccreditation from the Northwest Commission on Colleges and Universities (NWCCU). In reaffirming this accreditation, the NWCCU commended UAS in five areas that speak to student access and success: a) inclusion of Alaska Native language, art, history, and individuals into all aspects of the university's curriculum and campus life; 2) clear evidence of pride amongst students, staff, and faculty that was reflected in expressions of appreciation for what UAS provides; 3) clear dedication to student retention and student success; 4) effective use of distance education, provision of strong programs of study and student services, and availability of meaningful experiential learning opportunities in our communities; and 5) success at integrating three campus locations into one university with shared vision and values. As the Commission noted, "the level of collaboration and consistent support among the three campuses is remarkable."

All of these commendations point to ways in which UAS does an excellent job in meeting the needs of its students, local employers, and the communities of Southeast Alaska. Merging UAS into another university risks jeopardizing these attributes and undermining significant accomplishments of faculty and staff at all three campuses.

2. Student access to quality programs at UAS is evident in two additional accreditations awarded to UAS programs in the past year: reaffirmation of teacher preparation programs by the Council for Accreditation of Education Preparation (CAEP) and accreditation of UAS business programs by the Accreditation Council for Business Schools and Programs (ACBSP). Merging UAS with another university and reducing programs dramatically would potentially put this accreditation of professional programs at risk.
3. UAS campuses provide an exceptionally rich blend of campus-based classes, high-impact learning, and online learning opportunities. Many students choose the Juneau Campus for a rich and diverse experience living in a campus environment. At the same time, many UAS students are non-traditional and are able to access their education via hybrid- and online learning as they continue to work or meet family obligations. UAS offers high-impact learning by hosting the Senator Ted Stevens Legislative Internship Program and in partnerships with entities such as the Juneau Icefield Research Project (JIRP).
4. If the decision to make UAS the administrative home for rural community colleges was pursued, UAS could significantly expand access of students to these distance degree options at the associate, baccalaureate, and master's levels to students in rural areas of the state.

REVIEW CRITERION: MISSION FOCUS

1. UAS takes pride in meeting its mission of "student learning enhanced by faculty scholarship, undergraduate research and creative activities, community engagement, and the cultures and environment of Southeast Alaska." UAS is recognized as a destination of choice for students

seeking excellent academic programs, high-impact learning opportunities, quality campus-based and online instruction, and a highly responsive student-friendly environment for learning.

2. UAS' mission is distinctive and particularly focused on the needs of students, communities, and employers, and cultures in Southeast Alaska. Its mission is nothing like that of a metropolitan university in Anchorage or a research-oriented university in Fairbanks. Seeking to merge a university with a strong emphasis on interdisciplinarity, an array of highly successful programs both on campus and on-line, and a high degree of student engagement with much larger institution would fundamentally diminish UA services to students in Southeast Alaska.
3. Merging UAS into another UA university located hundreds of miles away risks undermining some the most valuable aspects of a UAS education. UAS has developed strong relationships and programs for serving the needs of the Tlingit, Haida, and Tsimshian peoples of our region, including programs in Indigenous languages and Northwest Coast arts. All of these could be jeopardized by merger with a distant university. Leaders in a merged university would be located hundreds of miles from UAS campuses. They would have little or no connection to the communities or employers of Southeast Alaska, a region that is distinctly different than Southcentral and Interior Alaska. When budget priorities are set, the needs of Southeast Alaska campuses would be easy to downplay.
4. Making UAS the administrative home for rural community campuses offers the possibility of expanding distance programs at those smaller campuses. It would also UAA and UAF to focus even more on their strengths—for UAA, being an urban-focused university and for UAF, a research-focused university. This would be a win-win for all involved.

REVIEW CRITERION: TIMELINESS/EASE OF IMPLEMENTAION

1. Merging UAS into another university would be a time-intensive and hugely disruptive step that comes on top of the current budget and COVID crises. There would be significant costs incurred in making such a change, particularly if the expectation is that there would be significant cost savings from program eliminations plus faculty and staff layoffs. It would take several years to achieve any meaningful budget savings—modest as they will be. Moreover, one can expect significant political pushback from community leaders about the proposed action, creating continuing turmoil in university transformation.

REVIEW CRITERION: ADDITIONAL CONSIDERATIONS

1. There is no doubt that UAS has work to do in increasing its enrollment. But this is a challenge that is not unique to our university, and our staff are working hard to increase marketing, recruitment, retention, and completion. That said, UAS is already a “right-sized” university in terms of its staffing levels. Recent data suggesting that UAS is ‘management heavy’ have been shown to be inaccurate.
2. Rather than gutting UAS through a merger with another university, UA should be looking at other options across the UA system. More than 90% of the UA system’s UGF is located

elsewhere in the state, and recent discussions have identified a number of specific budget reduction options. Among those are pursuing far greater alignment and coordination of instruction and academic programs, mergers of expensive and duplicative schools and colleges, and reductions to athletics, to name a few.

3. Alaska is a huge state with diverse communities, economies, and cultures. Alaska has regional universities because they've been proven effective in meeting the diverse needs of our state. Merging UAS into another university would dramatically reduce UA services to students and communities in Alaska's capital city and in two larger towns in Southeast Alaska. As the Board of Regents considers how best to solve our fiscal crisis, it should not ignore the obligation that the UA system has to meet important local and regional needs across our great state. Merging UAS into another university would be a giant step away from that mission of meeting needs effectively across all of Alaska.