



MEMORANDUM

To: Dr. James Johnsen
President, University of Alaska

From: Planning and Budget Committee¹
University of Alaska Fairbanks

Date: March 14, 2016

Subject: Strategic Pathways Concept

Thank you for the opportunity to comment on Strategic Pathways. We know that the attached feedback is being provided after the deadline for comment on the February 16 draft. However, our comments are not addressed at specifics of that draft, but concern the Strategic Pathways concept more broadly. The Planning and Budget Committee has considered our input carefully, and we look forward to continuing, open dialogue. We want to move forward in these troubled budget times to maintain healthy universities within a strongly collaborative UA system.

It is our goal to use the Strategic Pathways concept in our FY17 budget planning. The committee plans to consider both short-term cuts for immediate savings and longer-term change in alignment with the Core Principles of Strategic Pathways:

- Focus – Reduce redundancy, focus on UAF’s strengths
- Access – Increase participation, Innovate, Support high demand programs, Ensure affordability
- Scope – Diversity of academic programs across the system
- Excellence – Commit to excellence in everything we do
- Consistency – Expedite student progress by streamlining and providing consistency

As we have considered the Strategic Pathways concept, it is apparent to us that the impacts of this transformation will depend on the specific ways in which it is implemented. We urge that the implementation is preceded by a thorough analysis of the impacts, both to UA and to the communities that Alaska’s university system serves.

Attachment

¹ The UAF Planning and Budget Committee is a broadly representative group of employees, appointed by the vice chancellors and chaired by Provost Henrichs, that advises Chancellor’s Core Cabinet on budget and institutional change. Members and alternate members include Elizabeth Allman (Faculty Senate), Brian Barnes (institute director), Nate Bauer (Staff Council), Jenny Campbell (staff), Doug Goering (dean), Alexis Knabe (staff), Nettie LaBelle-Hamer (associate vice chancellor and director), Paul Layer (dean), Thane Magelky (faculty), Martha Mason (director), Deborah McLean (campus director), Bob Metcalf (campus director), Debu Misra (Faculty Senate), Ian Olson (staff), Mary Pete (campus director), Jennifer Peterman (staff), Robert Prince (faculty), Fred Schlutt (vice provost), Howard Sparks (faculty), Michele Stalder (dean), Jason Theis (staff), and Trish Winners (Staff Council).

UAF Planning and Budget Committee

Feedback on Strategic Pathways Concept: March 14, 2016

The Planning and Budget Committee has been charged by the UAF Chancellor's Core Cabinet to advise them on how the university can adapt to substantial reductions in the State General Fund appropriation. In doing so, we understand that UA has been criticized, by legislators, external commentators, and its own Board of Regents, on several areas of performance, including:

- Low college enrollment of recent high school graduates (compared with other states)
- Low UA graduation rates (compared with other states)
- High UA cost per student, particularly in terms of State appropriation per student (compared with other states)
- Barriers to transfer for students between UA universities (although such transfers are much easier than to or from lower 48 institutions)

We think that a more thorough analysis of the data shows that UA cost per student is not unusually high, if adjusted for cost of living, and that graduation rates are as expected given the fact that UA institutions have lower admission standards than many of their peers. Nonetheless, we agree that it is important to improve performance in all of these areas. Further, we think that it is crucial that UA transformation via Strategic Pathways be directed at addressing all of these areas, as well as the fiscal challenges facing the University.

We are very concerned about the impact that Strategic Pathways is having on morale of faculty and staff, who see it as leading to the non-retention of many of their colleagues if not themselves. In addition Strategic Pathways is already raising some concerns from prospective students about whether they should enroll in any of the programs that might be assigned to a different university. As we struggle to deal with the FY17 and FY18 State funding reductions, Strategic Pathways as a concept brings additional uncertainty about UAF's future. We think that it's important to develop the concept into a clear plan in a timely fashion, but it is even more important to conduct thorough analysis of its effects on UA and to implement it in a way that will have the most positive impacts.

The current Strategic Pathways concept proposes to focus each of the three Universities on a narrower range of programs by eliminating many of the programs now offered, especially those now offered by more than one University. In the current draft, UAF would focus on sciences and engineering, UAA on social sciences and policy, and UAS on liberal arts and sciences plus programs related to Southeast's maritime and mining economy. Engineering is listed as a focal area for both UAA and UAF, and business and education are listed with all three universities. However, there is also a stated intent to identify "lead universities" in areas where programs are replicated among the universities. Initial discussions have focused on engineering, business, and education.

It is not clear what "lead university" would mean. It could mean (like the UAA nursing program) that the lead university would be the sole provider of programs in that subject area. In that strong "lead university" model, students in other communities might be served via distance technologies or by a reduced number of local faculty employed by the lead. Or another definition of "lead university" could allow more than one university to offer some programs, perhaps at the undergraduate level only.

Strategic Pathways is, conceptually, a call for major structural change to UA. As such, the changes are likely to be irrevocable or at least, very difficult to reverse. UA's budget challenges are urgent and immediate, but nonetheless we must consider changes carefully. Although much remains to be decided, we believe that during the process of making these decisions, we must consider the following questions and build the UA that addresses these issues most effectively:

- *Will a particular implementation of Strategic Pathways help UA to educate Alaskans at a reduced cost?*
- *Will a particular implementation of Strategic Pathways improve Alaska's college enrollment, retention, and graduation rates?*
- *Will a particular implementation of Strategic Pathways improve the ability of students to transfer among UA institutions?*

Will a particular implementation of Strategic Pathways help UA to educate Alaskans at a reduced cost?

- One concept proposed under Strategic Pathways is that program duplication (or triplication) should be reduced or eliminated, and that in particular, consolidation of business, education, and engineering programs under lead universities would reduce costs, particularly administrative costs. However, savings based on administrative costs alone would total no more than \$1 M for the consolidation of these three programs. The largest operating cost for any academic program is its faculty, and large cost savings cannot be achieved without major reductions in faculty numbers, which may impact program quality and specialized accreditation.
- The impacts on revenue as well as cost must be understood. Expenditure reduction will not improve the bottom line if revenues are reduced as well.
- A central concern of Planning and Budget Committee members is that revenues could decrease for UA overall. Student tuition and fee revenues could decrease if the University near the students' home did not offer the programs that the students want. Students could choose a more distant UA campus, but they might also choose no postsecondary education or a college or university outside Alaska. Current student recruiting data shows little movement of students to UA campuses outside their home region.
- Revenues from research will be reduced if faculty are terminated or relocated. It is as important to the faculty to have a cohort of peers as it is to the students.
- While personnel costs could be reduced by relocating programs, there will be one-time and ongoing facility and infrastructure costs associated with moving programs and their associated support functions. If student and faculty numbers at one or more of the Universities plummet, it's important to consider that mothballed facilities still have substantial operating costs if they are to be kept in usable condition, and that they will likely not be marketable in a depressed State economy.

Will a particular implementation of Strategic Pathways improve Alaska's college enrollment, retention, and graduation rates?

- All three universities currently enroll mainly students from their region. The success of Strategic Pathways could hinge on whether students will relocate in order to enroll in a desired program, or will accept a largely or wholly distance-delivered program in lieu of a face-to-face program. Students have the alternatives of not enrolling in postsecondary education at all, choosing an online program from another provider, or leaving the State.
- There is strong evidence that Alaska's students are more likely to enroll in a university close to home. UAF PAIR has examined the high school origin of first-time freshmen, and found that

there is a strong tendency for them to attend the UA campus closest to their high school. For example, of UAF first-time freshmen, more than 50% come from Fairbanks or the adjacent road system, and 20% come from remote Alaska areas served by UAF rural campuses. Another example is that when mechanical and electrical engineering were offered only at UAF, those programs enrolled only about 40 students from Anchorage out of a total of 450. Now that the programs are available at UAA, several hundred students are enrolled there, *and* UAF undergraduate engineering enrollments have grown substantially as well, to more than 880 (FY15 annualized headcount).

- Yes, the UAA nursing program has attracted students to Anchorage as well as serving some students in their home communities. However, this program is in unusually high demand relative to the number of seats available; no other UAA program has a waiting list of hundreds.
- National data show that students attending public universities travel a median distance of only 20 miles from home (where they attended high school).² National data shows that the travel distances are smaller for lower-income students.
- Students that leave their home communities to attend college will incur additional costs. Since many of UA students have limited financial means, it seems likely that some will not attend college if they must move to do so, or they will be at increased risk of dropping out due to financial strain. Students with financial means have the choice to leave the State.
- Strategic Pathways does not directly address the large number of UA students not prepared for college and the extra costs of developmental education and repeating courses that are not successfully completed. Preparation and effective and efficient developmental education must be addressed to improve enrollment, retention, and graduation rates.

Will a particular implementation of Strategic Pathways improve the ability of students to transfer among UA institutions?

- If a strong lead university (sole provider model) was established for every program, there would be no transfer problems (and no transfers) because there would be no other program within UA. However, program access for place-committed students and program completion for those who need to move within Alaska before graduating could be impaired.
- The effect of other implementations of Strategic Pathways, where two or more programs continue to be offered at different Universities, is not clear *a priori*.

We think that it is very important to assess (i.e., model) the impacts of proposed changes thoroughly before UA spends a lot of time and effort in pursuing transformations that could be counterproductive. We also recommend that these assessments can be carried out for a range of options, and then those that are most favorable can be examined further. Below is a list of assessments that we consider essential:

- University (UAA, UAF or UAS) impacts
 - How will Strategic Pathways or another change impact enrollment and tuition revenue?
 - How will Strategic Pathways impact research revenue and other grants and contracts?
 - If lead universities are established, will they need to increase capacity to serve additional students, either in person or via distance? What are the additional faculty, facility, and equipment needs, and the associated costs?
- Student and system impacts

² <https://www.insidehighered.com/news/2016/02/03/when-students-enroll-college-geography-matters-more-policy-makers-think>

- Will students move to another UA University or take classes on-line, if programs are not available at their regional University?
- Will students be less likely to attend college at all, or less likely to attend UA?
- If many UA programs are delivered exclusively online to most locations, what will distinguish UA from online programs delivered by other universities? To be competitive we would need to be clearly better and/or lower in price than other options, and the latter will be more difficult as lower State funding forces higher tuition.
- Quality Impacts
 - Will specialized accreditation be retained? Where?
 - Specialized accreditation normally requires, among other things: (1) Program autonomy, which includes control of curriculum, budget, faculty hiring and non-retention, and other major decisions. (2) Thorough assurance of learning, which means assessment of student learning outcomes and continuous improvement of learning through improvements in curriculum, pedagogy, out of class learning, and other areas. (3) Sufficient, qualified faculty. (4) Particularly in STEM disciplines, appropriate facilities and equipment.
 - Capacity of the lead university; will enough faculty be retained to ensure breadth and depth of expertise are sufficient?
 - Will distance programs have the same learning outcomes as face-to-face programs in all subject areas?
- Community impacts
 - Each of the universities is a significant part of their local economy. What are the total reductions in UA-related expenditures by location?
 - What are impacts on community employers that rely on UAF for workforce training?
- Impacts on UA's support in the Legislature
 - Although most legislators appear to favor deep cuts to UA's general fund support, will cuts to certain regions further erode UA support in the legislature?

We think that there are a number of ways that UA can adjust to the new fiscal realities, and adopt the concept of focus embodied in Strategic Pathways, without making major structural changes that could negatively impact access to undergraduate programs, enrollment, and tuition revenue. For example:

- University focus areas could be established that would guide new program approval, new funding requests to the legislature (when those are feasible), the offering of graduate programs (particularly the research-based MA, MS, and Ph.D. programs that tend to be more costly), and the offering of programs with limited student demand. Focus areas could also guide University investments in organized research.
- A common catalog (like that implemented in South Dakota and other states) would promote coordination and reduced costs, while retaining enrollment and tuition revenue at the three Universities.
- In the short term, more of the low enrollment programs could be eliminated or limited to only one university to further reduce costs. Those could be assigned to Universities based on the identified focus.
- All three Universities could eliminate or reduce programs and services that are least central to their missions.
- All three Universities and UA Statewide could reduce administrative costs through shared service hubs and other approaches.

- Increasing the efficiency and cost effectiveness of developmental education and increased efforts to promote student success course-by-course could decrease costs for both students and the University.
- Tuition and tuition surcharge increases can increase revenue, but only if enrollments are maintained.
- Noncredit workforce training is a profit-making enterprise for some community colleges, but it is most remunerative in regions where there are many larger employers that are willing to pay for the training. Past UA efforts in this area foundered due to high costs, but a different approach could succeed. Noncredit special interest courses are moneymakers for some Universities.
- Changes in instructional approach (e.g., employing instruction-focused faculty without research assignments for some programs; using technology to assist developmental education; managing section sizes of common courses systemwide through faculty + administrator committees) can further reduce costs.
- UA outreach that is supported by State General Fund should be reviewed for cost-effectiveness and importance to the universities' missions and costly or less effective activities considered for reduction. Some of these activities might be able to generate additional revenue through fees, grants, or philanthropic support.

We understand that the substantial reductions in State General Fund support of UA require corresponding, fundamental changes in UA. Part of those changes will be some increase in the focus of each of the three universities, but we think that it is crucial that the focus be attained in ways that minimize impacts on enrollment and competitiveness for external research funding. We want to ensure that Strategic Pathways will enable UA to better serve Alaska and its students. To that end, we recommend an in-depth analysis of the impacts of proposed changes on UA, its students, its research programs, and the communities that UA serves before the changes are implemented.