# Characteristics of Effective Statewide Higher Education Leadership Organizations

**NCHEMS**

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## I. Introduction

The University of Alaska System and its constituent institutions are faced with significant - and opposing – forces and pressures. These universities are Alaska's primary intellectual assets. The future well-being of the state will, in many ways, be shaped by the nature and extent of their contributions to the education of the state's citizens and workforce, the expansion and diversification of the state's economy, and the quality and life enjoyed by the residents of the state. Expectations in these regards are high, fueled to a large extent by the System's leadership's (Board and President) well-considered assessment of the needs of the state:

- Increase the proportion of the state's population that has some form of postsecondary credential; a recognition that a high school education no longer equips citizens for either work or civic engagement in an increasingly complicated world.

- Prepare the workforce needed by Alaska employers – greatly increase the numbers of state residents equipped to teach in the public schools and fill other key positions of importance to the state's employers.

- Contribute to economic development in the state – through research and other activities help in the creation of an economy that is more nationally and internationally competitive and less dependent on exploitation of the state's natural resources.

These increasingly high expectations are running headlong into economic reality – the resources available to respond to these needs are severely constrained. The state has cut appropriations to the System and prospects for short-term recovery are slim – the University is hoping for flat funding at levels well below the peak level. And while tuition is comparatively low, concerns about affordability (and the political fallout associated with large increases in tuition rates) will keep the University from raising tuition to the levels required to replace losses in revenue from state government.

This conflict between rising expectations and depleted resources has led the University to undertake a serious review of its operations – both academic and administrative – in an effort to find more efficient and effective approaches to delivery of services. This review, labeled Strategic Pathways, has been focused on 22 specific functions (procurement, research administration) and broad academic areas (Engineering, Business, etc.). While helpful in identifying ways in which efficiencies can be achieved and delivery of services made more effective, Strategic Pathways was not designed to address some more fundamental system-level governance and organizational questions:

- How can the University be organized to ensure that all its education assets can be brought to bear on meeting the needs of the state?

- How should decision-making authority be distributed so that goals are achieved, quality is maintained/enhanced, and affordability of education can be sustained?

This brief paper is directed at these larger questions.

## II. Factors to be considered

Anytime conversations about organizational structure and distribution of decision authority are begun in a state, there is an immediate rush to suggest models borrowed from other states. Alaska is no exception in this regard; the recently adopted Oregon model, for example, has been put forward as one that should be emulated in Alaska. [See Appendix A for illustrations of alternative models.] What should be understood, however, is that all of these alternative models were:

- Developed to respond to circumstances unique to that state

- The result of changes that evolved over time

- Often created to fix particular problems (often involving specific personalities), not to position the higher education enterprise to best meet the needs of the state

Alaska needs a system of higher education organized to meet **Alaska's** needs, not a borrowed model that reflects the needs, circumstances, history, and politics of some other state, as has been suggested.

In crafting policies that specify distribution of responsibility and decision authority to different higher education entities in the state, it is important to remember that decisions in this regard must recognize:

a) The functions that must be performed by some unit within the overall structure. In some instances there will be choices as to where certain functions are performed; in other cases, however, certain functions can only be performed at a particular unit (or level). The adage that form should follow function is worth remembering.

b) Other factors that affect the degrees of freedom available in the decision process – e.g., the fact that the University is a single constitutional entity and was created as a single corporate and financial body affects the choices that can be made.

These two topics are covered in more detail in the following sections of this report.

## III. Functions to be performed

All decisions in this realm must be grounded in the context of the overarching goal – to create conditions such that the total educational assets of the higher education enterprise are utilized efficiently and effectively in meeting the priority needs of the state of Alaska. The major policy tools that can be employed to promote accomplishment of the goal are shown in Figure 1.

**Figure 1.     Policy Tools**

| Strategies for Achieving Goal Attainment | Planning and Leadership | Regulation | Finance | Accountability | Governance |
|---|---|---|---|---|---|
| | | | Alignment → | | |
| Goal 1 | | | | | |
| Goal 2 | | | | | |
| Goal 3 | | | | | |

The tools include:

a. Planning and leadership – the capacity is to build consensus around a set of state goals, and to utilize the other tools in pursuit of these goals.

b. Regulation – creating a set of rules and regulations designed to promote achievement of the goals.

c. Finance – utilizing the processes of acquiring and allocating resources such that

- The education assets required are created and maintained

- These assets are deployed in ways that yield outcomes consistent with goals

d. Accountability – monitoring progress toward goal attainment. Measuring and reporting on progress and drawing attention to areas in which progress is insufficient. Using this information to alter ways in which other tools are being utilized in order to improve results.

e. Governance – changing the distribution of decision authority and responsibility such that decision-makers at all levels have the freedom to be good leaders and managers.

The key to success is not just ensuring capacity in each of these areas but ensuring that these capacities are utilized in mutually reinforcing ways. A hallmark of leadership is the ability to keep all the implementers rowing in generally the same direction.

Putting these policies in place and utilizing them in a strategic way is necessary, but not sufficient. It is also necessary to attend to a variety of more tactical activities. There must be the capacity and the will to effectively carry out the following activities:

a. Shape institutional missions so that their collective capacities are aligned with the needs of the state, and that capacity is not overbuilt.

b. Approve/recommend addition of new programs

c. Hire/evaluate/dismiss institutional leaders

d. Implement finance policy

- Allocate state appropriations to institutions
- Set tuition rates
- Manage the allocation of state financial aid funds

e. Raise philanthropic funds

f. Establish and carry out key academic policies

- Admissions criteria
- Degree requirements
- Articulation and transfer
- Work with K-12 leaders to establish standards for being "college & career ready"
- Ensure that prior learning assessment is in place and utilized

g. Negotiate collective bargaining agreements

h. Develop and implement alternative modes of content delivery

- Create the environment for collaborative development of content
- Develop and operate the required technology infrastructure
- Support mediated learning at multiple sites
- Create and enforce policies on revenue-sharing and acceptance of credit

i. Achieve economies of scale in provision of systemwide (or multi-institutional) administrative services

- Payroll
- Accounts payable/receivable
- Student information
- Legal
- Human Resources
- Information technology
- Purchasing/contracting
- Foundation Support

j. Ensure that institutions within the system are well-managed

- Monitor conditions regarding academic and fiscal health of institutions
- Provide access to advisors and technical assistance when indicators suggest outside help is needed
- Arrange for interim leadership (a "special master") when conditions deteriorate to a point of impending crisis.

k.  Maintain balance of power; protect the smaller, less politically powerful institutions and balance between and among regions (major population centers as well as sparsely populated regions)

Capacity to perform these functions is a major determinant of the policy leadership/governance structure that is appropriate.

States/Systems have options with regard to the entities to which each of these activities is assigned – System, coordinating entity, legislative branches of state governments, institutions, and vendors/service providers. Figure 2 describes the set of choices to be made in determining the appropriate distribution of higher education decision authority in Alaska.

**Figure 2.      Template for Considering Allocation of Decision Authority – General Schema**

| Functions | Legislature | Coordinating Commission | Governing Board | Institutions | Service Corp |
|---|---|---|---|---|---|
| 1. Statewide Goals | | | | | |
| 2. Approve Missions | | | | | |
| 3. Prog. Approval | | | | | |
| 4. Hire CEOS | | | | | |
| 5. Strat. Finance | | | | | |
| 6. Allocate $ | | | | | |
| 7. Tuition Pol. | | | | | |
| 8. SFA Policy | | | | | |
| 9. Fund-raise | | | | | |
| 10. Coll. Bargaining | | | | | |
| 11. Legal | | | | | |
| 12. Gov. Rel. | | | | | |
| 13. Manage SFA | | | | | |
| 14. Operations | | | | | |
| 15. Ac. Pol. | | | | | |
| 16. Accountability | | | | | |
| 17. Instruction | | | | | |
| 18. Research | | | | | |
| 19. Public Service | | | | | |
| 20. Direct Student Service Support | | | | | |

As used in Figure 2, there are important distinctions in the functions performed by the different entities (the paper elaborates in these distinctions in the following pages):

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- Governing boards generally are responsible for a single corporate entity, including all the rights and responsibilities of that corporation as defined by state law and, if a system board, encompassing all institutions within a system. Individual institutions within the board's jurisdiction usually do not have separate corporate status. Governing boards are responsible for appointing, setting the compensation for, and evaluating both system and institutional chief executives, maintaining the institution's assets (human, programmatic and physical) and ensuring alignment of these assets with institutional mission. They also award academic degrees and establish faculty and other personnel policies, including approving awarding of tenure and entering into collective bargaining agreements.

- Coordinating commissions perform functions such as planning for the state's postsecondary system as a whole, regulating changes in institutional missions and proposals for new academic programs, administering state student financial aid programs, and regulating non-state institutions. Commissions coordinate the multiple public institutions each of which has a separate governing board. Coordinating commissions do not govern institutions, in the sense defined above (e.g., appoint institutional chief executives or set faculty personnel policies). Coordinating commissions generally do not have a corporate status independent of state government.

- An institution is the entity that is responsible, under the leadership of a chief academic and administrative officer (chancellor or president), for the quality and integrity of core academic functions of instruction, research, and public service. The institution is the entity responsible for providing direct support services for students. It is also the unit most often accredited by a regional accrediting organization such as the Northwest Commission on Colleges and Universities.

- A service corporation performs specifically designed functions to achieve economies-of-scale (e.g., procurement and human resources management) among several independently governed institutions. Institutions often participate voluntarily on a fee-for-service basis.

## IV. Factors that Influence Choices

Before proceeding to a discussion of the options available to Alaska, it is important to make explicit some factors that will influence choices among the options available. Among the primary factors are:

a. Legal status of the university or system. In Alaska, the University is established in the state's constitution. Further, it is established as a single corporate entity. Changing the current structure would require either a constitutional amendment or a very different delegation of authorities within the University System – a delegation that, once made, could be revoked or altered through the same process that created the revised delegation of authority in the first instances. For example, the System Board of Trustees could act to create institutional boards and delegate to those boards certain of its governing responsibilities (the practice in North Carolina, for example).

b. Administrative philosophy of state government. In some states, institutions of higher education are treated as one of many state agencies subject to all the rules and regulations – hiring and benefits, purchasing, contracting, etc. – applicable to all state agencies. This is not the case in Alaska; in Alaska, the University is treated as an autonomous entity with considerable latitude in how most functions are carried out. Decisions about centralization or decentralization of powers that are reserved to state government in some jurisdictions can

be made by the University System in Alaska. This makes it much easier to make changes in delegation of decision authority in order to better serve pursuit of the broader purposes.

c. The locus of leadership for the state's higher education public agenda. In some states, the governor establishes an agenda for improving conditions in the state and assigns responsibility for selected elements of that agenda. This is the case in Tennessee, for example, where Governor Haslam has charged the higher education enterprise to take those steps necessary to ensure that 55% of the state's working age population has a college credential of some form by 2025. Less frequently, legislative leadership assumes this role (as has been the case in Connecticut). In Alaska, this leadership is coming from the University System. There are consequences to the (rightful, in Alaska's case) assumption of this role:

– It requires that the System take a statewide, not a University-wide, perspective in establishing goals and priorities.

– In assuming responsibility for setting the goals, it also assumes responsibility for acting in ways consistent with those goals – state needs take priority over institutional aspiration when tough decisions must be made.

– Communication about the goals and their importance to the future of the state falls to the University leadership. Failure to build a broad consensus around those goals – both inside and outside the University – can undermine all activities designed to pursue them.

The fact that the University has taken on this leadership role means that the steps necessary to achieve the stated goals are more within the powers of the University to control. How the University goes about its business will be the major determinant of whether or not progress is made toward reaching the goals that have been established.

d. State tradition of local control versus centralization of powers. Some states (e.g., Pennsylvania) have such strong traditions of local control that collective action in pursuit of a common agenda is nearly impossible. Policy focuses on viability and strength of institutions not on using the strengths of the institutions to serve state needs. At the other extreme, Hawaii's roots in a monarchy leads to a state culture of centralization with the accompanying difficulties in delegating responsibilities even when such delegations would lead to more efficient and effective functioning. Alaska falls at neither of those extremes. State culture will not stand in the way of distribution of decision authority in a manner that best serves the state.

e. The degree to which state university systems function as integrated academic institutions. In some multi-campus universities—such as Penn State and the University of Washington— academic colleges and departments function across all campuses. Faculty appointments at regional campuses are ultimately linked to academic departments on the system's main campus. Most systems, however include several separately accredited campuses. Academic colleges and departments function within the academic governance of a single institution, although these colleges and departments may be responsible for academic program delivery on other campuses or delivery sites through collaborative agreements. The "system" is not an "accreditable" entity.

f. The role and nature of collective bargaining. In some states/systems, collective bargaining agreement clauses affecting work rules are such that they make changing the distribution of

decision authority difficult if not impossible. The provisions of the University of Alaska do not appear to present barriers to most changes that might be contemplated.

## V. Principles of good practice

There are no "right" answers that can be referenced in addressing the question of how to best organize the delivery of educational services in a state; there are so many differences in state history, culture, and circumstances that decisions have to be crafted to fit the realities of each specific state. There are, however, some general principles that can be applied to provide guidance in making choices about distribution of decision responsibility and authority. Key among them are the following: (taken from McGuinness, "Serving Public Purposes: Challenges for Systems in a Changing State Context," *Higher Education Systems 3.0: Harnessing Systemness, Delivering Performance,* State University of New York Press (2013))

a. Ensure that the Board and senior leadership of the statewide higher education entity are focused not on managing institutions but on providing strategic leadership such that students are well served and the future economy and quality of life on all regions of the state are enhanced.

   – Establishing and gaining consensus on clear, measurable system goals and the contributions that individual institutions are expected to make toward these goals.

   – Increasing the autonomy of institutions and management responsibility of presidents while holding them accountable for performance in terms of system goals and each institution's mission.

b. Take steps that shift the overall enterprise from a collection of individual institutions competing with each other for students and resources to a coordinated, differentiated network of institutions in which the collective impact is greater than the sum of its parts.

c. Decentralize governing and operational responsibilities to the maximum degree possible within a statewide framework of accountability. Institutions should be held accountable and rewarded for performance in relation to statewide goals as well as goals relevant to institutional missions.

d. At the state/system level, focus on issues that cut across institutions and campuses and between higher education and other sectors.

   – Defining and making final policy decisions on the overall size and shape of the system, institutional role and scope and realignment of institutional missions.

   – Aligning the capacity of institutions with needs of the state

   – Using strategic finance policy and resource allocation aligned with goals as the principal policy tools to promote change and innovation.

   – Focus on statewide issues that *are between and among* campuses and sectors

     ▪ Between and among campuses: articulation and transfer, joint and collaborative programs

     ▪ Linking the system and institutions to P-20 reform

     ▪ Linking the system to statewide and regional economic development

e.  At the statewide/system level take any necessary steps to ensure the availability of professional development opportunities and technical assistance needed to ensure strong educational (e.g., training in distance delivery, prior learning assessment, etc.) and managerial capacity at the campus level.

## IV. Options for Alaska

Within the parameters established – the functions to be performed and the environmental factors that affect the ways in which higher education is organized to perform them – there are essentially five options (with variations within each) open to Alaska. These are as follows:

a.  All public institutions of higher education organized under a single governing board. This is the structure currently in place in Alaska and several other (generally less populated) states. There are several benefits to this structure:

   – Since this is the structure currently in place in Alaska, there are no expenses and turmoil associated with transitioning to a different governance arrangement. Experience elsewhere suggests that momentum slows for up to five years when major organizational changes are made.

   – Because this is the structure in place, no statutory or constitutional changes are required.

   – Shaping institutional missions and capacity to align with state goals is more straightforward.

   – There is a clear line of communication between higher education and state government and other important external constituencies.

   – The mechanisms to implement policies and procedures needed to direct educational attention and resources to state goals are within the immediate control of the governing body.

   – Sharing of services among constituent institutions is more easily accomplished

   – Authority and capacity of the Board of Regents and President to implement changes aligned with the principles outlined above.

   There are also some potential pitfalls associated with this particular structure:

   – It is easy to cross the boundaries between System functions and campus functions; it is common in such structures for System staff to intrude into campus affairs – and for campus leaders to push difficult problems to the System level rather than dealing with them at the campus level.

   – The immediacy of operational and short-term governance issues/crises can divert attention from the policy leadership tasks that can only be addressed at the System level. As a result, attention to the important strategic issues can be neglected.

   – The expertise needed at the System level to develop nuanced policies, procedures, and resource allocation mechanisms is too often lacking. The result is one-size-fits-all policies that have unintended consequences when applied to very different institutions.

   An example of the distribution of authority in this model is presented in Figure 3; the template used is that presented earlier in this paper.

**Figure 3.    Distribution of Decision Authority When Organized as a System**

| Functions | Legislature | Coordinating Commission | Governing Board | Institutions | Service Corp |
|---|---|---|---|---|---|
| 1. Statewide Goals | | | X | | |
| 2. Approve Missions | | | X | | |
| 3. Prog. Approval* | | | X | X | |
| 4. Hire CEOS | | | X | | |
| 5. Strat. Finance | | | X | | |
| 6. Allocate $ | | | X | | |
| 7. Tuition Pol. | | | X | | |
| 8. SFA Policy | | X | | X | |
| 9. Fund-raise | | | X | X | |
| 10. Coll. Bargaining | | | X | | |
| 11. Legal | | | X | | |
| 12. Gov. Rel. | | | X | | |
| 13. Manage SFA | | | | X | |
| 14. Operations** | | | X | X | X |
| 15. Ac. Pol.*** | | | X | X | |
| 16. Accountability**** | | | X | X | |
| 17. Instruction | | | | | |
| 18. Research | | | | | |
| 19. Public Service | | | | | |
| 20. Direct Student Service Support | | | | | |

\* If program is within the institution's mission, it should not require approval by the System. Any new program that changes an institution's mission – new degree level, additional professional program, or new target audience – requires approval at the system level.

\*\* Increased efficiencies in back office operations can be achieved through centralization a.) At the System, b.) At a campus that provides services to other services, or c.) At a service corporations/vendor that provides services to UA campuses and potentially other clients.

\*\*\* Development of policies that require standardization across the campuses led by System; those unique to a single campus can be developed at the campus level.

\*\*\*\* The System is accountable for statewide goals, campuses for contributions to statewide goals and for campus-specific goals.

b. Create the University of Alaska as an academically integrated university

In this arrangement there would be one faculty. Most colleges and academic departments would function across all physical locations (although some campuses may have campus-specific programs). The structure of the University would have a President who would focus on the System functions and an Executive VP/Provost who would oversee the academic and student affairs issues across all campuses. Most faculty appointments would be made university-wide and linked to university-wide colleges and departments.

This arrangement has a few benefits and numerous associated problems. Among the potential benefits:

- Increased opportunities for inter-institutional collaboration,

- Fewer barriers to faculty and student mobility within the larger institution,

- Potentially enhance opportunities for economies of scale and reduce administrative costs.

The disadvantages are that:

- The approach presumes a single mission at each site and a homogeneity in the student bodies served.

- It would inevitably lead to the research university mission driving out all others, reducing attention to serving geographically diverse populations and giving low priority to reaching remote populations and regions,

- It would require a whole new process of accreditation and all the costs associated therewith.

An example of the distribution of authority in this model is presented in Figure 4.

**Figure 4.    Distribution of Decision Authority When Organized as a Single Integrated Academic Institution**

| Functions | Legislature | Coordinating Commission | Governing Board | Institutions | Service Corp |
|---|---|---|---|---|---|
| 1. Statewide Goals | | | | | |
| 2. Approve Missions | X | | | X | |
| 3. Prog. Approval | | | | X | |
| 4. Hire CEOS | | | | X | |
| 5. Strat. Finance | | | | | |
| 6. Allocate $ | | | | X | |
| 7. Tuition Pol. | | | | X | |
| 8. SFA Policy | | X | | X | |
| 9. Fund-raise | | | | X | |
| 10. Coll. Bargaining | | | | X | |
| 11. Legal | | | | X | |
| 12. Gov. Rel. | | | | X | |
| 13. Manage SFA | | | | X | |
| 14. Operations | | | | X | X |
| 15. Ac. Pol. | | | | X | |
| 16. Accountability* | | | | | |
| 17. Instruction | | | | | |
| 18. Research | | | | | |
| 19. Public Service | | | | | |
| 20. Direct Student Service Support | | | | | |

* University responsible for accountability regarding its mission and own goals. There may be no statewide goals.

c. Combine the positions of System head and campus president at one of the campuses

This arrangement would result in an arrangement in which the President of the System also serves as the Chancellor for one of the campuses. There would continue to be Chancellors and chief academic officers on each of the other campuses. All campuses would continue to be independently accredited.

The advantages to such an arrangement are primarily economic—the need for some high-priced staff at the System level is eliminated. However, there are numerous down-sides to this structure:

- The function of System President will be subjugated to the requirements associated with serving as campus Chancellor. The statewide agenda will get short shrift.

- The campus that has the System President will be favored—or viewed as favored—in all decisions where choices must be made between campuses.

- Capacity to treat the missions of all institutions differently will be diminished. The President will increasingly see all issues through the lens of the campus at which he/she is Chancellor.

- Facing the inability to adequately manage two different staffs with two completely different sets of functions and requirements will likely lead to the creation of a position to essentially be the chief executive of one or the other of the entities. While this individual may not have the title of President or Chancellor, the functions will be the same. The cost savings associated with moving to this arrangement will quickly dissipate.

- The government relations function of the System President will quickly become viewed as the government relations function for the campus at which the President is also Chancellor.

The distribution of decision authority under this arrangement is described in Figure 5

**Figure 5.     Distribution of Decision Authority President of the System also serves as Chancellor of a campus**

| Functions | Legislature | Coordinating Commission | Governing Board | Institutions | Service Corp |
|---|---|---|---|---|---|
| 1. Statewide Goals | | | X | | |
| 2. Approve Missions | | | X | | |
| 3. Prog. Approval | | | X | | |
| 4. Hire CEOS | | | X | | |
| 5. Strat. Finance | | | X | | |
| 6. Allocate $ | | | X | | |
| 7. Tuition Pol.* | | | X | | |
| 8. SFA Policy | | X | | X | |
| 9. Fund-raise | | | | X | |
| 10. Coll. Bargaining | | | X | | |
| 11.Legal | | | X | X | |
| 12. Gov. Rel. | | | X | X | |
| 13. Manage SFA | | | | X | |
| 14.Operations* | | | | X | X |
| 15. Ac. Pol.** | | | X | X | |
| 16. Accountability*** | | | X | X | |
| 17. Instruction | | | | | |
| 18. Research | | | | | |
| 19. Public Service | | | | | |
| 20. Direct Student Service Support | | | | | |

* Efficiencies can be gained by centralization, voluntary multi-campus collaboration or contracting with a service corporation/vendor.

** Development of policies that require standardization across campuses led by the System; those unique to a single campus can be developed at the campus level.

*** The System is accountable for statewide goals, campuses for contributions to statewide goals and for campus specific

d.  Each campus has its own Board with a Coordinating Board put in place to "manage" the Public Agenda.

This structure, too, has pros and cons. On the positive side:

– It removes any ambiguity about governance of institutions – the authority clearly resides at the campus level.

– Responsiveness of campuses to local requirements can be increased – the layer of System-level decisionmaking is removed. [Note: this may be replaced by a layer of coordinating board requirements.]

– Institutions will see an opportunity to pursue their own mission with less constraint, arguing that removal of System governance will allow them to be more entrepreneurial.

– The coordinating board's attention to strategic initiatives will not be distracted by governance issues – but creation of an entity focused on state needs is a requirement. Collective actions of institutions pursuing their own self interests are unlikely to yield outcomes consistent with state needs.

– Institutions can craft different policies that align better with their missions.

Given the current arrangement in Alaska there are several arguments against moving in this direction.

– The creation of a coordinating board and the dismantling of the System Office will require considerable time and expense. The expected costs associated with creating new institutional governance structures and the associated policies are always understated.

– Will require constitutional change if decentralization is pursued to the level of totally eliminating the System Office (this step could be avoided by delegation of decisions from the system to the campuses, reserving to the System those functions otherwise made the responsibility of the coordinating agency.

– The constitutional change would be to create a coordinating entity, either as a new agency or by changing the charter of the Commission on Postsecondary Education (CPE).

– Implementation of actions necessary to shape missions of institutions, ensure collaboration, and maintain balance among institutions will be much more difficult. The tools in a coordinating board tool kit are fewer than those in the toolkit of a governing board.

– Achieving efficiencies through creation of shared services is much more difficult in this model.

– It would likely create a significant imbalance between the interests of the three universities and the highly diverse interests and needs of Alaska's widely dispersed population. The Board of Regents currently has the power to counter –balance institutional interests with the interests of the state's population and regions.

Coordinating boards generally lack the power and policy tools to achieve this balance.

– The level of staff sophistication needed at a coordinating agency to successfully utilize available policy levers is beyond that found in most such agencies. This leads to attempts to control through regulation, not incentives

The distribution of authority and responsibilities under this arrangement is shown in Figure 6.

**Figure 6.    Distribution of Decision Authority When Organized as Independent Institutions with a Coordinating Board**

| Functions | Legislature | Coordinating Commission | Governing Board | Institutions | Service Corp |
|---|---|---|---|---|---|
| 1. Statewide Goals | | X | | | |
| 2. Approve Missions | | X | | | |
| 3. Prog. Approval | | X | | | |
| 4. Hire CEOS | | | | X | |
| 5. Strat. Finance | | X | | | |
| 6. Allocate $ | | X | | | |
| 7. Tuition Pol.* | | X | | X | |
| 8. SFA Policy | | X | | X | |
| 9. Fund-raise | | | | X | |
| 10. Coll. Bargaining | | | | X | |
| 11. Legal | | | | X | |
| 12. Gov. Rel. | | | | X | |
| 13. Manage SFA | | | | X | |
| 14. Operations** | | | | X | X |
| 15. Ac. Pol.*** | | X | | X | |
| 16. Accountability**** | | X | | | |
| 17. Instruction | | | | | |
| 18. Research | | | | | |
| 19. Public Service | | | | | |
| 20. Direct Student Service Support | | | | | |

* Tuition ranges established by the coordinating agency; specific rates determined by institutional boards.

** Efficiencies can be gained by voluntary multi-campus collaboration or by contracting with a service corporation/vendor.

*** Academic policy that requires standardization developed collaboratively with guidance from the coordinating agency. Policy unique to a single institutions developed at the campus level.

****Coordinating agency accountable for state goals; institutions accountable for contributions to state goals and for institutional goals.

e.  Create independent institutions with no state higher education entity – neither governing nor coordinating

The only positive to this arrangement is the elimination of red tape that might be imposed by an overarching state entity. There are, however, numerous downsides to this arrangement.

- It makes the legislature the de facto coordinating entity – a part-time legislative body doing the work required of a full-time executive branch agency.

- It would require a constitutional amendment to eliminate the University System and establish procedures for creating campus-level governance mechanisms.

- The legislature will not have the on-going capacity to sustain attention to a state higher education agenda – they have too many other issues to contend with – nor will they have the staff capacity to devote to the necessary implementation and monitoring functions.

- Since the tool available to legislatures is the enactment of statutes, there will be a tendency to turn what would be policy under other structures into legislation. This makes control mechanisms much more rigid.

- It increases the likelihood that some institutions will find political favor and others will be inequitably treated in the process. Particulars in this regard will change with changes in political leadership. The ability to sustain momentum across changes in political leadership will be compromised.

- The ability to create conditions for collective action will be diminished; the environment will become one in which all institutions will seek advantages that benefit them at the expense of others.

- This alternative would unleash the centrifugal forces of competition among institutions and regions and lead to diminished service to Alaska's widely different regions and dispersed populations.

The delegation of authority under this arrangement is shown in Figure 7.

**Figure 7.    Distribution of Decision Authority when organized as Independent Institutions with no Statewide Entity**

| Functions | Legislature | Coordinating Commission | Governing Board | Institutions | Service Corp |
|---|---|---|---|---|---|
| 1. Statewide Goals | X | | | | |
| 2. Approve Missions | X | | | | |
| 3. Prog. Approval | | | | X | |
| 4. Hire CEOS | | | | X | |
| 5. Strat. Finance | -- | -- | -- | -- | -- |
| 6. Allocate $ | X | | | | |
| 7. Tuition Pol. | | | | X | |
| 8. SFA Policy | | X | | X | |
| 9. Fund-raise | | | | X | |
| 10. Coll. Bargaining | | | | X | |
| 11. Legal | | | | X | |
| 12. Gov. Rel. | | | | X | |
| 13. Manage SFA | | | | X | |
| 14. Operations* | | | | X | |
| 15. Ac. Pol. | | | | X | |
| 16. Accountability** | | | | X | |
| 17. Instruction | | | | | |
| 18. Research | | | | | |
| 19. Public Service | | | | | |
| 20. Direct Student Service Support | | | | | |

\* Efficiencies can be gained by voluntary multi-campus collaboration or by contracting with a service corporation/vendor.

\*\* No entity would exist that would develop accountability reports for state goals. Institutions would be accountable for contributions to state goals (if metrics were established by the legislature) and for institutional goals.

# Recommendations

Based on our review of the situation in Alaska, NCHEMS makes the following set of recommendations:

1. Alaska maintain a statewide entity that can perform the functions indicated in the statement of principles. There is no evidence that the collective actions of institutions acting in their own self-interest will adequately address the needs of the state. There is a list of functions that can be adequately performed only by an entity having a statewide perspective.

2. Conceptually, these state-level functions could be performed by either a governing board (University) or a coordinating board (an enhanced CPE, for example). In the case of Alaska, it is recommended that these statewide functions be performed by the existing governing board. This for several reasons:

   - Most of the capacity needed to perform the critical statewide functions exist at the University, not CPE. Dismantling capacity at the University and rebuilding much of the same capacity at CPE would be a time- and resource-consuming process.

   - The University is a constitutional body (and a single corporate entity). Successfully making a case for a constitutional change when the imperative of such a change will not be readily apparent to voters would likely be difficult.

   - Some of the functions that must be performed can be better achieved by an entity with direct management authority. Moral suasion is less likely to be effective in, for example, taking the steps necessary to

     o More sharply defining institutional missions (including some steps that may put brakes on institutional aspirations).

     o Develop and implement strategic finance policies and procedures.

     o Develop truly systemic approaches to delivery of educational services, especially approaches requiring alternative delivery modalities.

3. Having said this, there are some issues that require attention by the UA System if the collective enterprise is to function as efficiently and effectively as it needs to:

   a. Clarify institutional missions – especially deal with the following questions

     o What is the UAF role in serving rural communities?

     o More broadly, which institution is assigned the responsibility to serve rural communities and to build the special expertise required to do so effectively? In short, how do mission statements reflect services to particular audiences (residents of Anchorage, Southeast Alaska, rural communities, etc.) as well as type and level of program?

     o How are the community college missions of the three universities assured their appropriate place

   b. Develop a systemwide philosophy and strategy by which technology can be integrated into approaches to:

     o Sharing of educational programs among institutions

  o Delivering programs to remote communities.

 c. Create a strategic finance plan that

  o Factors in all components of funding – state appropriations, tuition, student financial aid, institutional productivity enhancements

  o Allows differential treatment of institutions – e.g., allocation of appropriations and determination of allowable tuition increases may differ among the institutions.

  o Provides some measure of funding for investments in capacity needed to achieve statewide goals

  o Helps institutions understand a consistent set of fiscal ground rules.

  o Rationalizes tuition pricing decisions—especially for "community college" programs

 d. Develop and widely communicate an agreed-upon set of metrics for measuring

  o Progress toward attainment of state goals

  o Contribution of each institution to state goals that are consistent with its mission

  o Progress toward achievement of institution-specific goals.

4. In centralizing functions, ensure that allocation of authority and responsibility for institutional functions are not inappropriately (maybe unknowingly) centralized in the process. From the standpoint of both good academic governance and accreditation requirements, the responsibility for design and delivery of academic programs and the assurance of quality of these programs should rest at the level of the three independently accredited institutions. As the Thomas report (2016) the University of Alaska System is not now an "accreditable" institution. The search for efficiencies should not compromise the appropriate assignment of authority and responsibility.
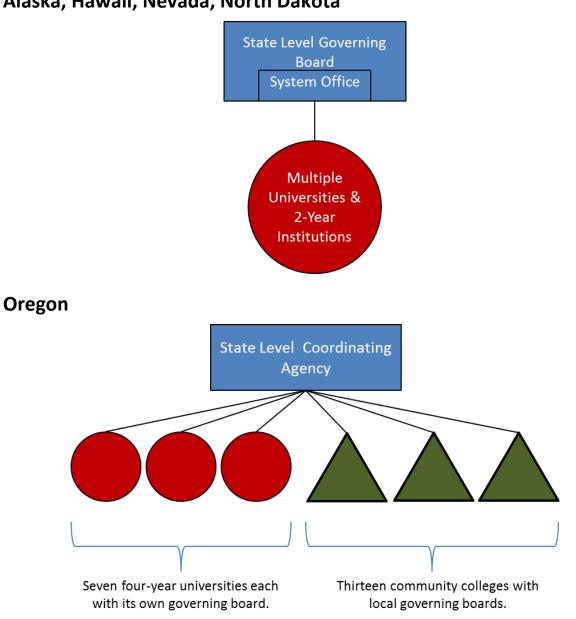
As a general rule, the System/statewide entity is responsible for establishing goals/priorities/expectations and for monitoring progress toward accomplishment – the "what" and the "whether." Campuses/operating units are responsible for "how" goals are achieved.

5. Aligning the capacity of institutions with needs of the state, in the case of Alaska

- Concentrating globally competitive research capacity at UAF

- Ensuring that UAA is able to meet the needs to Anchorage and surrounding areas.

- Transitioning UAS to an institution that serves rural Alaska by not only continuing its current educational role but expanding its capacity to serve as a platform to draw in courses from other providers to serve students throughout the sparsely populated parts of the state. [Note: this is a suggestion requiring much more discussion at UA.]

- Providing a venue for developing and implementing new modes for delivery of content and supporting mediated learning at multiple sites; managing the "market" for content development and delivery for benefit of the state's population (drawing on local and global sources). In this context, it is important to note that, in Alaska, the System has no
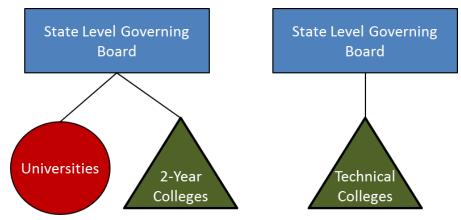
authority/capacity to develop and deliver content as if it were a separately accredited institution. This responsibility must be grounded in one of the three accredited institutions. The System role is to lead, facilitate and incentivize faculty to develop programs and "content" that can be delivered to multiple sites. It also could develop a new "accreditable" entity (e.g., Colorado State's CSU Global or Charter Oak in Connecticut) that is separate from the other campuses.

- Achieving economies-of-scale in system-wide services but increasing the emphasis on providing incentives for services to be provided on a purchase of service/market basis.

- Recognizing the community college function appropriately

# Appendix A – Alternative Models

## Alaska, Hawaii, Nevada, North Dakota



## Oregon



Seven four-year universities each with its own governing board.

Thirteen community colleges with local governing boards.
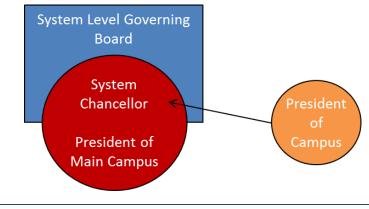
## Georgia & Wisconsin



Explanation: Two separate boards govern public institutions, one board for the Research University and other university campuses as well as 2-year (primary transfer) colleges, and the other board for technical colleges.
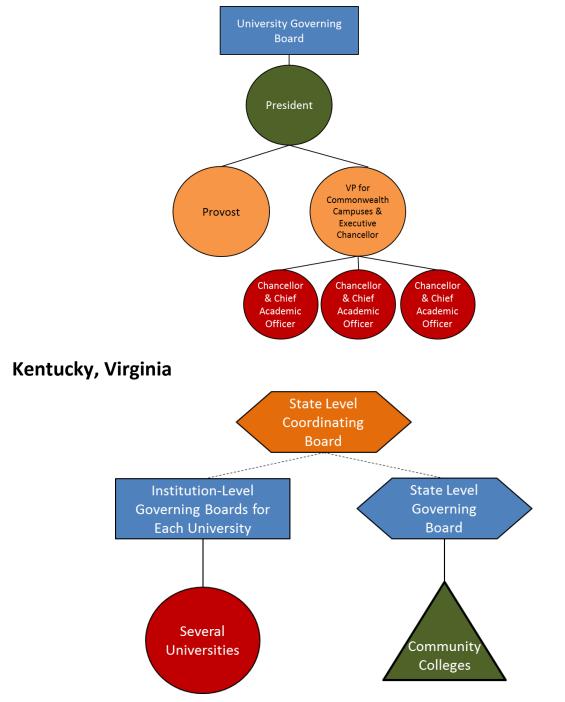
## North Carolina



Explanation: One statewide governing board for universities. Governing Board for Community Colleges. Each University has a board with power delegated by Statewide Governing Board.
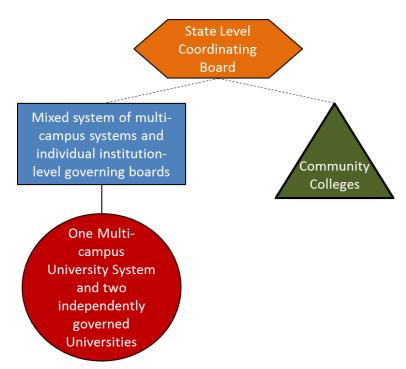
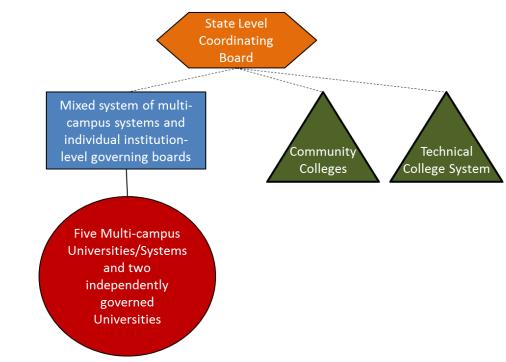## Colorado State University

## Penn State University – Integrated University



## Kentucky, Virginia



**Explanation:** Each public university has a governing board. State board for community colleges governs community colleges. Coordinating board plans and coordinates the whole system.
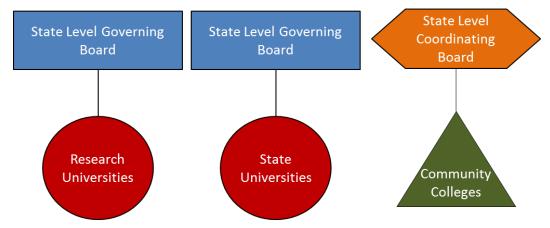
## Maryland



**Explanation**: Each public university or system has a governing board. Coordinating board plans and coordinates the whole system and coordinates locally governed community colleges.
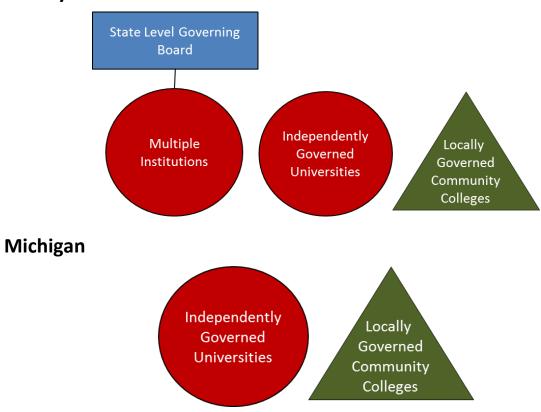
## Texas

**Explanation**: Each public university or system has a governing board. Coordinating Board coordinates locally governed community colleges and technical college system. Coordinating board plans and coordinates the whole system.

## California



**Explanation:** Public institutions are organized under two state-level boards, one for research universities and one for comprehensive state universities. Locally governed community colleges are coordinated by state board.

## Pennsylvania



## Michigan