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Memorandum

Date: October 31, 2016
To: UA Board of Regents
From: Daniel M. White, UA Vice President for Academic Affairs and Research 
Re: Schools/College of Management/Business One Dean Model Cost/Benefit Analysis

At the September 2016 Board of Regents meeting a cost/benefit analysis was requested for a possible one dean, one School/College of Management/Business model. The attached report was prepared by UAF and UAA in collaboration. Since the discussion at the September meeting was about consolidation to Anchorage, the report specifically addresses the cost/benefit of eliminating the UAF dean's position.

Please let me know if you have any questions.

Cost/Benefit Analysis of Eliminating the UAF School of Management Dean

October 2, 2016

Introduction and Executive Summary

This white paper is a response to the following request by President Johnsen: “While the regents approved the approach of keeping deans/schools at both UAA and UAF, they asked that a cost analysis be done to compare a two-dean structure to a one-dean structure.” For the cost and revenue analysis it is assumed that the dean eliminated would be UAF School of Management dean, because Strategic Pathways named Anchorage as the “Comprehensive metropolitan university in Alaska’s economic hub.” This is also the conclusion the Strategic Pathways Management committee came to when it analyzed the one school option. It is unclear if this structure would mean that one or two distinct administrative units would remain, in terms of institutional organization, but it’s assumed that functionally there would be only one college of business, with program delivery at both UAA and UAF.

Moving from a two-school two-dean model (at UAA and UAF) to a two-site, one-school, one-dean model would mean the non-retention of the UAF Dean and current Associate Dean. However, both are tenured faculty members, and their current salaries are comparable to market salaries for business and accounting faculty, so their return to the faculty would result in only modest net savings. UAA could not manage the substantial numbers of UAF faculty, staff, and students without adding any administration; minimally a full-time UAA Associate Dean responsible for UAF programs (and, preferably, located in Fairbanks) would be needed. If that position were filled by a new hire it is estimated that the current operational costs would *increase* by over \$170,000 for the next several years. The cost change would be close to zero if the current dean (after returning to the faculty) retired or left UAF after a few years.

The reorganization would be a serious risk to the fastest growing school at UAF. Under the one-dean model, the UAF SOM would lose both its school and specialized accounting accreditation from the Association to Advance Collegiate Schools of Business (AACSB). The UA system, at least for now, would not have a business school that holds the prestigious specialized AACSB accounting accreditation. Accreditation is important for a school’s national and international reputation, and some employers and graduate schools prefer or require a degree from an AACSB-accredited program. Loss of UAF SOM autonomy and accreditation would mark it as second-class. This would jeopardize private fundraising (averaging more than \$500,000/year over the past several years), enrollment, and tuition revenue. If the 85% enrollment growth (in student credit hours) over the past seven years is attributed largely to UAF SOM leadership and the School’s strong reputation, then over \$4M in tuition and fee revenue could be at risk, counting both SOM revenue and other schools’ and colleges’ revenue from SOM students. Therefore, as detailed in the following report, eliminating the UAF SOM and its Dean would probably lead to a substantial *increase* in net costs, not a decrease. Further, building UAA-UAF collaboration requires strong leaders, respected and trusted by faculty, at both universities.

This report has four parts. First, potential cost differences due to reorganization are quantified. Second, revenues that are at risk under a one dean model are discussed. Third, a conclusion summarizes the report. Fourth is an addendum containing a brief description of UAF SOM and UAA CBPP.

Quantifiable Changes in Costs with a Single Dean

The cost savings are difficult to quantify as it would depend on the structure of the school. In this analysis we specify a structure with assumptions. Other structures are possible, but likely without much significant change to cost.

Dean Savings: The UAF School of Management Dean is Mark Herrmann. Besides his normal administrative duties he also teaches and does research. This year he will teach two courses. Last year he was the major professor for a graduate student thesis, published two journal articles (one co-authored with a student) and wrote a research grant proposal. If Dr. Herrmann were relieved of his Dean position, being tenured, he would continue to be a UAF employee as a faculty member on a nine-month contract. Dr. Herrmann's Dean salary with SOM is \$195,905 for 12-months. (The UAF SOM Dean's salary is significantly less than the 2015-2016 average for an AACSB-accredited school, which is \$293,200). Dr. Herrmann's nine-month salary if he were moved back to faculty, because of the fact that he is a full-professor and a 26-year employee, would be approximately \$163,000. Therefore, the net salary savings from eliminating Dr. Herrmann as Dean would be the difference of \$32,905; with benefits that would be \$39,611.

Associate Dean Savings: The Associate Dean, Kevin Berry, has indicated that he would step down under the one-dean model. Dr. Berry is an accounting faculty member whose administrative duties are 51%. The savings from Dr. Berry would be due to the reduction of his contract from twelve to nine months. Dr. Berry, in all likelihood, will be promoted to full professor this year and therefore his nine-month faculty salary next year will be \$169,738, or with benefits, \$221,508. His associate dean's salary is \$191,589, which with benefits is \$246,767. The difference would be a savings of \$25,259. In time faculty vacancies will occur, and due to the dean and associate dean returning to faculty, some positions might not be replaced. However, we note that Ph.D. level accounting faculty would be essential to any effort to regain AACSB accreditation in accounting, and the sum total of UAA and UAF faculty with that qualification would be insufficient without Dr. Berry's position. We also note that even a new Ph.D. in accounting would command a salary similar to Dr. Berry's.

Elimination of AACSB Dues and Fees: Because the UAF SOM would lose its school-wide and specialized accounting accreditation if it did not have a dean, there would be a savings of \$11,700 from not paying dues or accreditation fees.

SOM Staff: The School of Management operates with a small but extremely efficient staff, with a collective sixty years of experience. SOM staff/faculty ratio is smaller than the UAF average for schools and colleges, because SOM has consolidated staff for all programs in a central office. All current staff are absolutely needed to maintain function at current enrollments and faculty numbers. Eliminating the dean would not change staff needs. The positions and their duties are briefly summarized below.

Administrative Assistant: The administrative assistant for the School of Management is the only staff member in the front office. The SOM Dean does not have an assistant assigned to him alone; this individual assists him and the Associate Dean as well as other faculty and staff. A partial list of duties includes reception, administrator, faculty and staff member appointments, coordination of the tenure and promotion process, faculty workloads and activity reports, arranging and providing staff support for SOM meetings and Business Advisory Council meetings, updating the SOM Faculty Handbook, maintaining faculty contact and committee assignments listings, coordinating the Assurance of Learning (AOL) process each semester and recording faculty publications. This staff position has already been reduced to three-quarters time and the School would not function without it.

Two Staff Advisors/Recruiters: SOM has two staff advisors for the students. These advisors are responsible for over 800 undergraduate and graduate students and for many other duties such as recruitment, enrollment management planning and graduation. For advising, each advisor must meet individually (in person or over the phone) with each student each semester. It would not be possible to eliminate either one of these positions.

Fiscal Officer: The fiscal officer is responsible for the SOM budget, with revenues and expenses of nearly \$7 million. This staff member is fully responsible for the preparation, management, and closeout of all SOM budgets (Fund 1 and restricted), creating multiple year budget projections and contingency budgets and work directly with the Dean on strategic planning. The fiscal officer is also responsible for all pre-award and post-award grants and contracts, and carries out all personnel and payroll functions for over 75 employees. Losing this position would be devastating to many of the school's operations.

Travel and Procurement: One staff member does all SOM employee recruitment, procurement, travel (approximately 75 to 100 trips a year, including privately supported student trips to competitions and conferences), and supervision of student workers; provides back-up coverage for the front office; staffs the Accounting Advisory Board; and coordinates Accounting week and many other school-wide events. This position has been reduced to three-quarters time. If these duties were to be performed and managed from UAA it would be very inefficient and result in significant losses to SOM operations.

Outreach and Development Officer: The Outreach (40%) and Development (60%) Officer at SOM is invaluable. Since SOM hired the current incumbent for that position there has been tremendous advancement in students' experiential and active learning. A good example is the Business Leader of the Year dinner, for which the Outreach and Development Officer coordinates up to 50 students who work on the event, using academic and professional development skills learned in classes. She also coordinates the Artic Innovation Competition, the Northrim Roast and Boast and the KPMG Etiquette seminar and dinner. When the current dean and development officer first began working together, UAF SOM was raising just a few thousand dollars each year (\$10,207 in 2005 and \$49,557 in 2006). This has increased substantially and SOM raised \$587,832 in 2016, off from a high of \$731,364 in 2014. The Outreach and Development Officer is in many ways the face of SOM to the business community and the public. She also teaches two marketing courses for SOM.

Marketing Specialist. The marketing specialist directs the school's marketing efforts as well as carrying out the website design, social media postings, event planning, preparing brochures and other printed publications, writing the news releases, electronic newsletters, and biweekly e-mail announcements, coordinating all eleven of the student organizations, being the staff member on the Student Advisory Council and much more. This position is invaluable to a business school and would need to remain as well.

UAF SOM Faculty: We are assuming that faculty numbers would remain unchanged from a two-dean structure, as classes in SOM are fully enrolled. SOM currently has the largest average class size of any school or college at UAF, and the lowest average cost per student credit hour for any school or college at UAF Fairbanks campus.

UAA Associate Dean located at UAF: A UAA Associate Dean would be needed to take on many of the duties of the vacated Dean and Associate Dean (currently 1.5 FTE). In addition, all business schools with MBA programs have MBA Directors. UAF SOM did not rehire when its last MBA Director left and instead gave those duties to the current UAF Associate Dean. The

new UAA Associate Dean would need to take on those duties as well, for a total of 2.0 FTE of work, in terms of how SOM was staffed for the past several years. The average AACSB-accredited school Associate Dean makes \$189,000 annually. With benefits the total compensation would be \$243,432.

UAA Dean Travel: Although some of the Dean duties at SOM could be handled by an Associate Dean, there are still functions that need a Dean’s presence. These include community and student events such as the Accounting Advisory Board meetings (twice a year), Business Advisory Council meeting (twice a year) Student Advisory Council meetings (5 times a year), the Business Leader of the Year event, the Arctic Innovation Competition, some in-person meetings of the Strategic and Executive Management Committee, a fall school-wide faculty meeting and spring school-wide retreat, and development visits. This would be a minimum of 15 trips a year.

Conclusion on short-term changes in costs: The estimated cost change from two business schools with two deans to one business school with one dean, offering programs at two sites, is shown in Table 1a. Assuming a net reduction of one business faculty position over time (due to the dean’s return to the faculty), Table 1b shows the net cost savings after several years.

Table 1a. Estimated short-term changes in costs from the elimination of the UAF Dean.

Position/Item	Difference
Elimination of UAF Dean (net salary and benefits)	(\$39,611)
Elimination of UAF Associate Dean (net salary and benefits)	(\$25,259)
AACSB dues and fees for UAF	(\$11,700)
UAA Associate Dean located at UAF (salary and benefits)	\$243,432
UAA Dean travel to UAF	\$6,118
Total increase in costs	\$172,980

Table 1b. Estimated longer-term changes in costs from the elimination of the UAF Dean.

Position/Item	Difference
Elimination of UAF Dean (net salary and benefits) ¹	(\$195,905)
Elimination of UAF Associate Dean (net salary and benefits)	(\$25,259)
AACSB dues and fees for UAF	(\$11,700)
UAA Associate Dean located at UAF (salary and benefits)	\$243,432
UAA Dean travel to UAF	\$6,118
Total increase in costs	\$16,686

¹This assumes that the position vacated is the faculty position held by the former dean. If another faculty departure occurred, the savings could be slightly less.

UAF SOM is very efficient. Much of this has to do with the fact that the dean, associate dean, accounting director, executive management team and staff are long-term employees whose passion for student success, coupled with attention to business detail, have created a very successful business school and the most financially sustainable school or college at UAF. Reorganizing to one dean, one school, and two sites would increase annual costs by at least \$172,000 a year in the short term, and would yield no significant savings even in the longer term. This does assume that the UAA Associate Dean at UAF would not be a current UAA or UAF faculty member or administrator. Should a UAA or UAF employee be hired as UAA Associate Dean, added costs for that position could be near zero *if that individual’s faculty position did not need to be replaced*, and that would mean a net savings on the close order of \$150,000.

However, it seems likely that the UAA Dean would want to appoint an external Associate Dean who had no history with either UAA CBPP or an independent UAF SOM.

Risks to Revenues and University Support

The UAF School of Management has achieved extraordinary success since the current administrative team was put in place in 2007. This success is largely the result of the dedicated leadership of the current dean, associate dean, accounting director, the rest of the leadership team and the staff, who have forged strong bonds with the business community and the SOM alumni. This leadership has led to significant increases in student quality, enrollment and resources for the school, which would be at significant risk by the elimination of the UAF dean position.

Tuition Revenue Risk

The School of Management had been the fastest growing UAF school or college over both the last five- and ten-year period (Table 2). This has been a time when many programs at UAF have seen stagnant or declining enrollments.

Table 2. Tuition and Fees returned to the UAF SOM (AY12 to AY17) (thousands of dollars)

Fiscal Year	Tuition & Fees (includes TSA)	Tuition Percent of Total SOM Revenue
FY12	\$1,395	25%
FY13	\$1,692	28%
FY14	\$1,837	30%
FY15	\$2,498	38%
FY16	\$2,952	44%
Proj. FY17¹	\$3,385	52%

¹Based on a Fall 2016 increase in SCH of 9.7% and a 5% increase in the tuition rate.

The School of Management recovers 60% of the tuition it generates and 100% of the fees (such as the tuition surcharge). Over the last five years, tuition and fee revenue for the School of Management has increased from \$1,395,000 to an estimated \$3,385,000 in academic year 2017. Not only does the tuition revenue support the UAF SOM, but 40% goes to UAF facilities and student services. Also, other schools and colleges receive tuition from business students taking their courses.

The revenue increase is a result of a growth in student credit hours, the recent addition of the tuition surcharge, and tuition rate increases. However, much of the tuition revenue increase is due to increases in enrollment. Student credit hours have grown from 9,335 in 2009 to 17,267 in 2016, a seven-year growth of 85% or an annual average growth of 9.2%.

Table 3. Student Credit Hours for UAF SOM (AY09 to AY16)

	2009	2010	2011	2012	2013	2014	2015	2016
UAF	9,335	8,683	9,605	10,500	12,203	14,183	15,044	17,267

Much of this growth is due to a focused increase in the quality and marketing of the undergraduate and graduate programs. When Dr. Herrmann became Interim Dean in 2007, he changed the focus of the school from a traditional school of student lectures and research to one

focused on experiential and active learning for students, including substantial investment in student organizations and bringing the business community into the educational and professional development process. The School’s Executive Committee has met twice a month for a decade to devise strategies to improve the quality of the students’ in class and out-of-class experiences and professional development. This effort has paid off in enrollment increases.

In Academic Year 2006, SOM had just 381 majors, nearly the same number it had in 2000. Since that time the majors have grown to 893 (Figure 1 and Table 4). The ten-year growth of 512 majors is an annual growth rate of 8.9%.

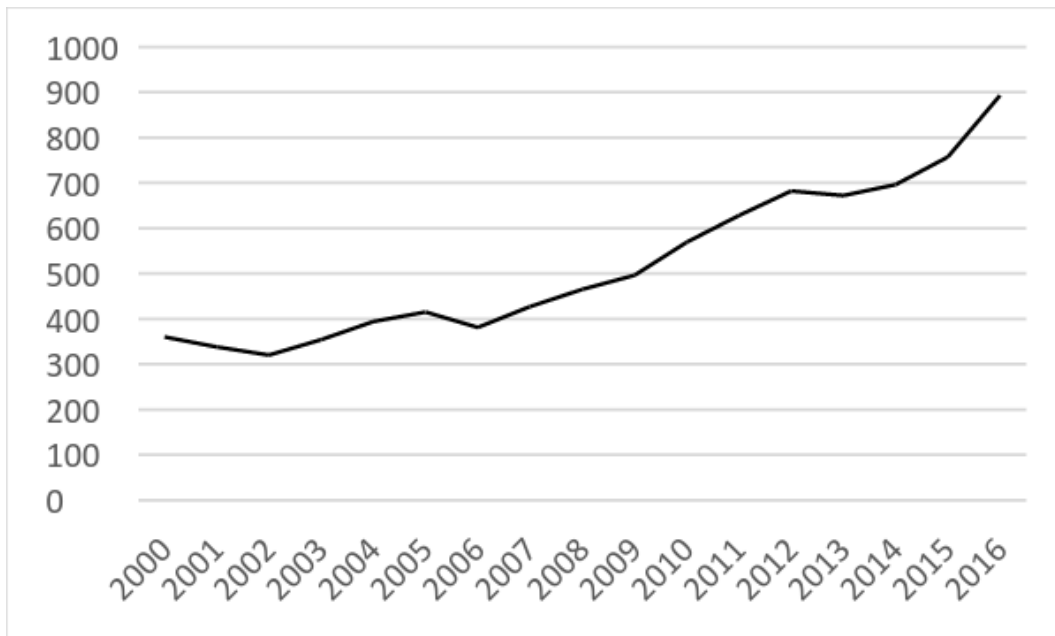


Figure 1. Total Majors UAF SOM (Academic Year 2000 to 2016)

The largest growth in number of majors has been in the Homeland Security and Emergency Management (HSEM) and the MBA programs (see Table 4). The MBA program continues to grow and has more than 120 students today. The new Masters in Security and Disaster Management (MSDM) program now has 25 majors, as of fall 2016 (AY 2017)

Table 4: Majors by Program (AY 2016).

Degree Program	UAF
Bachelor	773
Accounting (AACSB)	173
Business Administration	340
Economics, BA and BBA (AACSB)	37
Homeland Security and Emergency Management (HSEM)	223
Graduate	120

MBA (AACSB)	95
Masters Security and Disaster Management (MSDM) ¹	7
MS Resource and Applied Economics	18

¹ New degree in spring 2016. Enrollment in fall 2016 grew to 25.

School of Management graduates have risen from 60 in 2006 to 130 in 2016, an 8.0% annual increase (Figure 2).

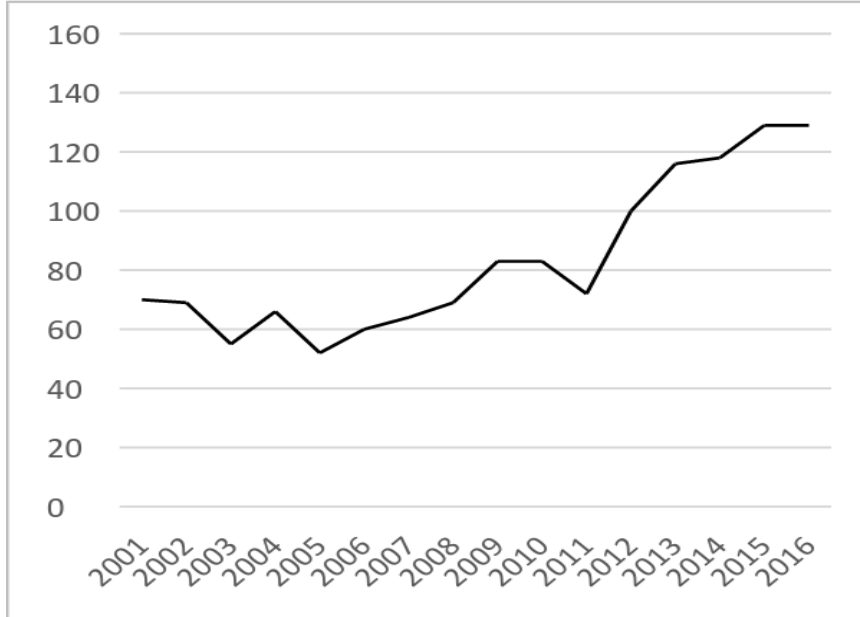


Figure 2. Graduates UAF SOM (2001 to 2016)

The increases in tuition revenue, majors and graduates are due to the SOM dean and his leadership team and the decisions that they have made in new programs, course scheduling, technology, curriculum, student organizations and forging articulations with two-year colleges up and down the Pacific West Coast. The HSEM program, alone, has grown from 5 students in 2007 to over 200 today, with students from 27 different states, bringing new money into the UA system. SOM has also been given the right to be the sole provider of Transportation and Security Administration (TSA) training in Alaska and the Pacific Islands, which brings in additional revenue of over \$100,000 annually. These gains (and future gains) would be at tremendous risk if UAF did not have a dean and leadership team focused on the success of UAF's programs.

Philanthropy Revenue Risk

During the last ten years UAF SOM has greatly increased its private fundraising (see Table 5 and Figure 3). In 2005, the school raised just over \$10,000. A dedicated effort has led to substantial increases that peaked in 2014 at \$731,000 and has held steady in the half-million dollar per year range since 2013. This increase is largely the result of having a dean and development officer who have meticulously forged long-standing relationships. These relationships continue to grow and it is expected that the private fundraising will as well. Removing the UAF dean would likely cripple these relationships with the business community and alumni and greatly reduce the school's fund-raising.

Table 5. Charitable giving trend (thousand dollars).

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
UAF	10	50	160	298	205	211	324	446	554	731	458	587

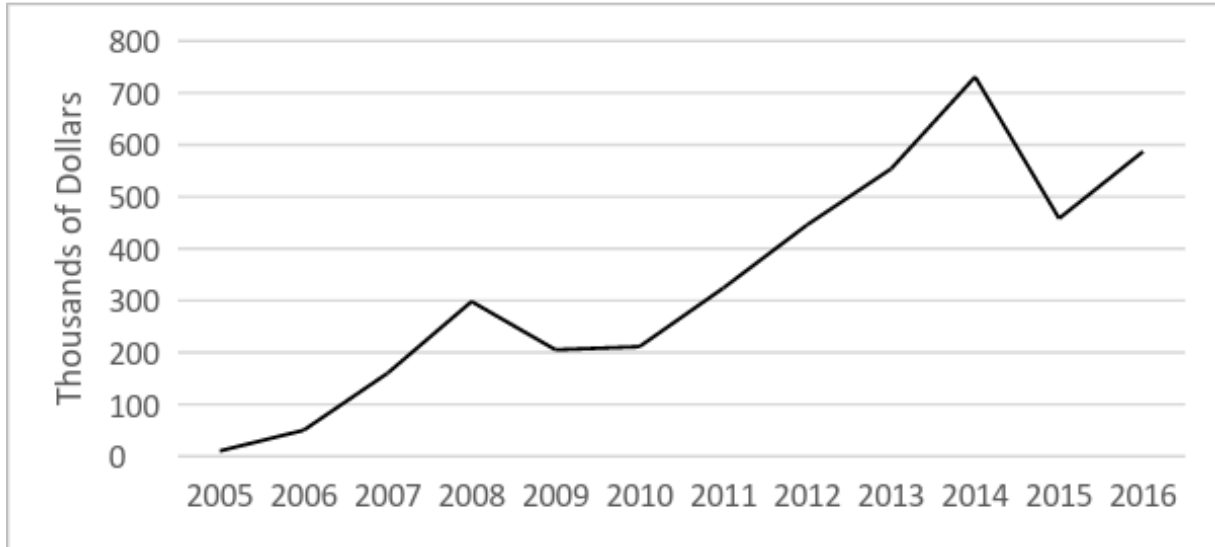


Figure 3. Charitable Giving Trend (2005 to 2016).

In just under a six-year period, the time that SOM has accurate records, its UA foundation endowments have increased from \$953,332 to \$2,712,874 (see Table 6).

Table 6. UAF School of Management Endowments.

	June 2010	March 2016
Scholarships	\$249,054	\$1,049,883
Spendable Funds	\$240,219	\$497,723
Student Investment Fund	\$464,059	\$1,165,268
Total	\$953,332	\$2,712,874

This includes the Student Investment Fund; students, with dean and faculty oversight, manage this fund and have achieved a very good rate of return. The endowment for scholarships has increased from a quarter of a million dollars to over a million dollars during this time period. Again, it is the dean who has built many of these relationships that garner these gifts. For example, a student scholarship that SOM worked hard to initiate and maintain is the Alyeska Pipeline Service Company Alaska Native Scholarship. Since 2009, 25 Native Alaskan undergraduate and MBA students have received \$212,000 in scholarships. The dean and the development officer travel every year to Anchorage and interview before a panel to continue this scholarship. These endowments would be at risk if the nature of the business school were to drastically change.

Loss of AACSB Accreditation

The School of Management is accredited by the Association to Advance Collegiate Schools of Business (AACSB International). This is the highest accreditation that a business school can

receive. There are 777 business schools in 52 countries that have earned accreditation for their school (4.9% of the 16,000 recognized business schools worldwide). Additionally, UAF SOM has earned the specialized accounting accreditation, the only business school in Alaska to do so, which has been attained by just 185 institutions in the world (1.1%). *If UAF loses its dean, whether the school remains or not, it would lose its AACSB accreditation that it has held since 1988.* Loss of accreditation will cost the school students and private funding. It seems inevitable that UAF's business programs would be viewed as inferior to UAA's. While some students might choose to attend UAA, and so be retained in the UA system, others might decide to pursue other universities' distance programs, leave Alaska, or not enroll in college at all.

Risk to Program Quality

The School of Management students continue to excel. The independent documentation of the high quality of the program is a boost to recruiting additional students from Alaska and around the nation and also greatly assists with private fundraising. One of the most telling documentation of the quality of the program is its performance on the premier benchmarking exam for business schools – the Educational Testing Service (ETS) business field exam (see Table 7). In spring 2016, the UAF School of Management scored at the 99th percentile on the ETS business field exam for BBA students out of 601 schools across the nation that took the exam. At the MBA level, SOM scored at the 84th percentile out of 261 schools (see Table 8.)

Table 7. Educational Testing Service (ETS) BBA Business Field Exam.

Field	Spring 16 (percentiles)	Average since 2005 (percentiles)
Accounting	99	92
Economics	93	92
Management	98	81
Quantitative Business Analysis	99	84
Finance	91	89
Marketing	98	85
Legal and Social Environment	98	84
Information Systems	95	82
International Issues	78	88
Overall School	99	91

Table 8. Educational Testing Service (ETS) MBA Business Field Exam.

Field	Spring 16 (percentiles)	Average since 2005 (percentiles)
Marketing	88	79
Management	76	84
Finance	86	71
Accounting	90	69
Strategic Integration	91	75
Overall School	86	74

These scores are the result a dean and management team that have an in-depth knowledge of SOM students and interact on a daily basis with both the faculty and students. Maintaining high quality needs leadership that knows how best to implement the latest in management education best practices in a way that resonates with the school's students and faculty. This cannot be done nearly as effectively from afar.

Not only do UAF SOM students excel on the ETS exam but its students, over the last five and ten years, have the highest average CPA exam pass rate in the state. UAF SOM has the most Permanent Fund interns of any school in the nation. Its student organizations also excel in national competitions. For example, the student group Native Alaskan Business Leaders (NABL) has been selected as the Chapter of the Year (three times), won the Business Plan Competition (twice), and won the Student of the Year and Advisor of the Year awards at the American Indian Business Leaders annual conference.

The SOM Dean is also very involved in the school's eleven student organizations, regularly attends student events and interacts with the students on a daily basis. All of the student organizations are fully funded from private donations. The Dean also regularly attends student class presentations such as business and marketing plans, business continuity plans and student investment fund presentations. These are often presentations of student work that is done in partnership with the business community. The UAF SOM internship program thrives and that its students upon graduation are placing in high-demand jobs. These efforts have resulted in international recognition. In September 2015, SOM was honored by AACSB in Chicago as one of our nation's two schools (along with Youngstown State) that best exemplifies community

engagement. SOM presented its partnerships with the Fairbanks business community at the conference which was attended by 600 deans from 35 countries.

Risk to Budget Management

Eliminating the SOM dean position would risk the most financially sustainable school or college at UAF. The Dean and his leadership team have planned and overcome the budget cuts by increasing revenue and greatly reducing costs. For example, in just the last three years, the school of management has had over a \$2-million-dollar reduction in its budget from pullbacks and fixed cost increases (see Table 9).

Table 9. UAF SOM Pullbacks and Unfunded Fixed Cost Increases (\$000)

Fiscal Year	Pullback	Unfunded S&B	Total	Running Total
FY15	218	120	338	338
FY16	483	228	710	1,048
FY17	749	233	982	2,030

It is anticipated that the FY18 pullbacks will be another \$500,000 to \$1,000,000. Anticipating major reductions in General Fund several years ago, SOM invested heavily into increasing its tuition and private fundraising revenue while reducing costs. As mentioned previously, tuition revenue has increased by \$2 million since 2012, privately raised funds by another \$500,000 and the school has reduced salary and benefit expenditures by \$752,000 since 2011 (see Table 10).

Table 10. Annual UAF SOM Salary Savings Achieved (2011-2016)

Year	Salary Savings	Notes
2011	\$253,456	Replaced three tenure-track faculty with term instructors, did not fill one position
2012	\$26,440	Replaced one tenure-track faculty with term instructor, added a term instructor
2013	\$2,636	One part-time instructor moved to adjunct status
2014	\$145,553	Non-retained a tenure-track faculty, replaced another at lower salary.
2015	\$199,246	One tenure-track faculty reduced to three-quarters time, one tenure-track faculty replaced with term instructor, non-retained one tenure track faculty
2016	\$125,530	One term instructor non-retained, reduced two full-time staff to three-quarters time
TOTAL	\$752,861	A 6-year salary savings of \$752,861

The UAF School of Management is an example to the rest of the university on how to plan to overcome General Fund reductions. This type of planning needs an on-site dean who is intimately knowledgeable of the workings of the school.

Risk to the Athletics Program

The majority of the UAF student athletes are students in SOM. UAF student athletes could not enroll in a UAA program, according to NCAA rules, even if it was located at UAF, although we are not certain what the implications of an athletics consortium would be. UAF might not be able to recruit competitive teams if it could not offer a business major.

Conclusions

Moving from a two-school two dean model (at UAA and UAF) to a two-school one dean model would mean the non-retention of the UAF dean and the current UAF associate dean. However, both are tenured faculty members, and their current salaries are comparable to market salaries for senior business and accounting faculty, so their return to the faculty would result in only very modest net savings. UAA could not manage the substantial numbers of UAF faculty, staff, and students without adding any administration; minimally an Associate Dean responsible for UAF (and preferably, located in Fairbanks) would be needed. Assuming the UAA Associate Dean for UAF is a new hire, the current operational costs would *increase* by over \$170,000.

In addition, the reorganization would bring tremendous risk to the fastest growing school at UAF, a school that has increased its revenue base substantially. Despite significant budget pullbacks over the last few years at the university, SOM has thrived. There have been significant increases in enrollment and tuition revenue as well as private fundraising. The program quality has never been higher as evidenced by national benchmarking exams. The school is receiving national and international recognition. The school has a high retention rate and its graduates are very successful in the job market. And, in many ways, the UAF School of Management is the face of UAF to the community. All of this would not be possible without an autonomous dean and dedicated leadership team and staff who are located at UAF. UAF needs a dean who leads, manages and interacts with its students, faculty, and community on a daily basis, and who develops a sustainable budget by increasing revenues and making the tough choices when needed. The dean has been important to building support for UAF collaboration and cooperation with UAA and UAS during the Strategic Pathways process. The loss of the dean, or any part of his team, would result in increases to operating expenses and would jeopardize millions of dollars of tuition and fundraising revenue. The school losing its autonomy and accreditation would also be a tremendous morale blow to the faculty, staff, students, the University and the business community.

ADDENDUM

UAF School of Management (SOM)

SOM History: A degree in business administration was first offered at UAF in 1924 with specialty areas of general business, accounting and secretarial science. In 1975, the School of Management was formed as one of five professional schools at UAF. In 1988, the Association to Advance Collegiate Schools of Business (AACSB) accredited the School of Management's graduate and undergraduate business administration and accounting programs.

SOM Today: The School of Management offers undergraduate degrees in accounting, business administration, economics and homeland security and emergency management. It offers master's degrees in both business administration and resource and applied economics, and a doctorate in natural resources and sustainability. SOM also houses three centers: the Center for the Study of Security, Hazards, Response and Preparedness (C-SSHRP), the Northern Leadership Center (NLC) and the Army Reserve Officers Training Corps (ROTC).

SOM Management: SOM has been under the leadership of Dean Mark Herrmann (since 2007), Associate Dean Kevin Berry (2008) and Accounting Program Director Charlie Sparks (2009). Kevin Berry also serves as the MBA Director. Including faculty service, they collectively have fifty-eight years of experience in the UAF School of Management. Duties of the Dean include leading strategic planning, enrollment management, budget planning, Assurance of [Student] Learning (AOL), impact analysis, both AACSB and Northwest Accreditation reports and functions, supervising the faculty and staff including annual evaluations and tenure and promotion, community outreach, fundraising, university service, attending student functions, public speaking, mediation of faculty and student problems and more. If the UAF dean position was eliminated many of these are duties would still need to be carried out.

SOM Size: The School of Management has over 800 majors. The BBA in Business Administration awarded the second most UAF undergraduate degrees in 2016 and the BBA in Accounting degree the third most. The MBA degree awarded the most graduate degrees in 2016. In terms of headcount and student credit hours, the School of Management is the third largest school or college at UAF. For example, the SOM headcount in spring 2016 was 62% greater than that of the College of Engineering and Mines. Not only is SOM a large school, over the last decade it has been the fastest growing school at UAF. Its number of majors has more than doubled since 2006 for a 7.3% annual growth rate. During this time, its growth in graduates has been 115% or an 8.0% annual growth rate. During much of this time the enrollment in the UA system as a whole has been flat or declining.

SOM Quality: By all accounts, the quality of the program at SOM is unmatched for a school of its size. As an example, in spring 2016, SOM achieved a 99th percentile on the premier benchmarking ETS business BBA field test taken by more than 600 schools nationally. Since 2005 its average percentile on the exam has been 91. At the MBA level, the school achieved the 86th percentile in spring 2016. SOM leads the nation in Alaska Permanent Fund interns with 110 since 1988. The Homeland Security and Emergency Management (HSEM) Program is the nation's 5th ranked online HSEM program according to BestColleges.com, and HSEM was selected as the "School of Choice" to deliver the TSA associates program through the extended Pacific Rim Region. In September 2015, SOM was honored by the AACSB in Chicago as one of our nation's two schools (along with Youngstown State) that best exemplifies community

engagement. SOM presented its partnerships with the Fairbanks business community at the conference which was attended by 600 deans from 35 countries.

University of Alaska Anchorage (UAA)
College of Business and Public Policy (CBPP)
Central to Supporting Businesses, Economic Development, and
Policy Research and Analysis in Alaska

The College of Business and Public Policy plays an essential and pivotal role in developing Alaska's professional and managerial workforce, supporting businesses and economic development, and providing economics and policy research vital to the state during this transitional period in its history. CBPP educates a large majority of business students in the UA system. Of the roughly 3,600 students taking business courses at the three Universities in the UA system, 2100 or 58% were UAA/CBPP students. CBPP is home to the Institute for Social and Economic Research, one of the jewels of the UA system, and to an Economics department that ranks in the top 25% of all such departments worldwide. CBPP's strength in economics and policy research is an indispensable resource for Alaska, especially in the present economic transition. CBPP also produces graduates in vital areas such as Computer Information Systems and Supply-Chain Management, essential to Alaska's economic functioning, but not produced by any other business school in the state.

CBPP is a thriving and exceptionally well-managed institution and is among the elite 6% of business schools worldwide that is accredited by the AACSB. In its most recent accreditation review conducted in November, 2014, the AACSB peer review team cited CBPP for best practices in areas of strategic management, innovative methods of recruiting diverse faculty, community-engaged projects to assist non-profit organizations, and initiating an innovative program in Alaska Native Business.

1957 marked the first offerings of accounting, business and economics courses by the Anchorage Community College, which was later merged by the University of Alaska Board of Regents with the University of Alaska, Anchorage in 1987. Since those early beginnings, business education in Anchorage has evolved and the College of Business and Public Policy has grown alongside Anchorage into the largest school of business located in Alaska, generating an average of 29,540 student credit hours over the past four years and awarding 409 certificates, associates, baccalaureate and master's degrees in AY15/16. Anchorage represents the largest population concentration in the State of Alaska, with 60% of Alaskans living within a 50 mile radius of the city and serves as the center for business, trade and transportation logistics, and health services.

Relevance and Quality:

The College's seven baccalaureate degree programs, along with the MBA in General Management and the MS in Global Supply Chain Management are accredited by the Association to Advance Collegiate Schools of Business (AACSB International), whose mission is to promote continuous quality improvement in business education.

CBPP has over 1500 majors in the following undergraduate and graduate programs:

Certificate or Degree	Discipline		Degrees Awarded AY15/16
Associate of Applied Science	Accounting	94	18
Associate of Applied Science	Business Computer Information Systems	28	3
Associate of Applied Science	Logistics and Supply Chain Operations	26	8
Associate of Applied Science	Small Business Management	108	15
Bachelor of Business Administration	Accounting	328	75
Bachelor of Arts	Economics	62	
Bachelor of Business Administration	Economics	56	24
Bachelor of Business Administration	Finance (Investment)	134	33
Bachelor of Business Administration	Global Logistics and Supply Chain Management	70	19
Bachelor of Business Administration	Management (with concentration in Management and Property Management and Real Estate-39)	448	83
Bachelor of Business Administration	Management Information Systems	65	12
Bachelor of Business Administration	Marketing	187	47
Master of Business Administration	General Management	68	33
Master of Science	Global Supply Chain Management	5	14
Master of Public Administration		32	10
Totals		1711	394

The College also offers the following minors and certificates:

- Accounting,
- Alaska Native Business Management,
- Business Administration,
- Computer Information Systems,
- International Business,
- Economics,
- Real Estate,
- Logistics and Supply Chain Operations, Occupational Endorsement
- Logistics and Supply Chain Operations, Undergraduate Certificate

According to the NACE 2015 Job Outlook, CBPP offers six of the top ten degrees in demand at the bachelor's level.

Figure 1: Top degrees in demand (bachelor's degree level)

Major	% of Total Respondents That Will Hire
Finance	57.4%
Accounting	56.1%
Computer Science	53.8%
Mechanical Engineering	52.0%
Business Administration/Mgmt.	47.5%
Electrical Engineering	46.6%
Information Sciences & Systems	45.3%
Marketing	41.7%
Logistics/Supply Chain	40.8%
Management Information Systems	39.0%

Source: *Job Outlook 2015*, National Association of Colleges and Employers

CBPP students compete successfully in national competitions against some of the best. CBPP teams regularly participate in the AITP National Competitions and have been recognized as honorable mentions or placed in the top three in each of the last 10 years. In 2014, they placed first among 68 competing teams in the ‘Database Design’ competition with teams from Purdue and Brigham Young University finishing second and third.

In 2016, UAA’s team of Management Information Systems and Computer Science majors won 1st place at the “At Large Regional Collegiate Cyber Defense Competition” and were invited to participate in the National Championship.

A CBPP team finished first among 607 competing teams worldwide in the 2014 Capstone Business Competition, a simulation-based business strategy competition. In 2015, six CBPP MBA students finished in the top 10 of 520 teams.

One of UAA’s accounting majors, along with a UAF graduate, were selected in September 2016, as two of only 50 individuals nationwide to participate in KPMG’s new program which will pay full tuition, along with room and board for selected students entering master’s programs emphasizing data and analytics (D&A) in accounting at Ohio State University Max M. Fisher College of Business and Villanova School of Business. Upon completion of the program, our UA students will join KPMG’s audit practice in an advanced entry position. Selection of a CBPP student is an indication that our program produces graduates who can compete on a national level.

The CPA exam pass rates for 2014 and 2015 for UAA graduates closely mirror the national pass rate and are the highest amongst Alaska’s business schools, another indicator of the quality of the education and experience our CBPP students receive.

The College is developing an emerging international reputation for expertise in Experimental Economics (<http://ideas.repec.org/top/top.exp.html>), resulting from the establishment of the Rasmuson Endowed Chair in Economics and the Experimental Economics Lab. The interest in experimental economics has been instrumental in developing partnerships with Chinese

institutions for the development of student exchange programs and faculty research collaborations.

Based on publication records, our Economics Department is rated in the top quarter of all departments housed in a business school worldwide and is rated in the top 10% of Experimental Economics Research worldwide.

The Institute for Social and Economic Research (ISER) is housed within CBPP and is recognized as a leader for non-partisan policy research. ISER staff studies all the major public policy issues facing Alaska and work to help Alaskans better understand the state's changing economy and population—and the challenges and opportunities that come with change. On March 21, 2011, the Alaska State Legislature passed a resolution of recognition of the research center commending its contribution to the social and economic progress of the State of Alaska.

Student Success, Community Engagement and Impact

The College's strategic management plan focuses on creating pathways of student success and having a local and global impact. The College has developed a number of academic support systems, programs and curriculum that are relevant and appropriate to the current business environment and meet employer needs, with minimal financial resource implications:

- Alaska Native Business
- An inter-disciplinary minor in Entrepreneurship
- Property Management and Real Estate concentrations
- CBPP's award-winning Student Advising Center
- Job Shadowing and Leadership Fellows
- International Programs, including study abroad and partnerships with overseas universities
- Nine very active student clubs/associations.
- Award winning community-engaged curriculum and co-curriculum: Justice for Fraud Victims, Leadership Fellows, and Information Systems Capstones, Clark Middle-School Academies

Size and Scope

Besides it's over 1500 majors, the College also services degree programs in other colleges, including Aviation Technology, Construction Management, Applied Technology Leadership and Culinary and Hospitality and Restaurant Management and provides general education courses to non-business majors. This results in an average of 500 non-business students taking our courses.

In terms of credit hours, CBPP generates an average of almost 30,000 student credit hours per academic year, which translates to approximately \$5.1 million in tuition revenue, which is net of the 20% central administration charge.

Among UAA units, CBPP produces the highest average class size of 23.7 students, over 20% greater than the next largest class size, resulting from careful review of schedules and enrollments, along with efficient allocation of faculty resources.

