

# University of Alaska

## *Investing in Alaska's Future*

University House Finance Subcommittee  
January 31, 2017

# UA Mission

"The University of Alaska inspires learning, and advances and disseminates knowledge through teaching, research, and public service, emphasizing the North and its diverse peoples."

*Regents' Policy 01.01.01*

# Celebrating Our History – Planning Our Future



July 1915 - Laying the Cornerstone



July 2015 – Our 100 year Commemoration

# 100 Years of Service to Alaska

Established in 1917 as a small agricultural college and school of mines, today:

- ✧ World's #1 research university on the Arctic
- ✧ Alaska's #1 higher education institution – in education, research, and workforce preparation
- ✧ America's #1 higher education institution - affordability
- ✧ One campus in 1922 – 15 statewide campuses today
- ✧ One graduate in 1923 – 4,600 graduates in 2016

# UA Benefits Alaska

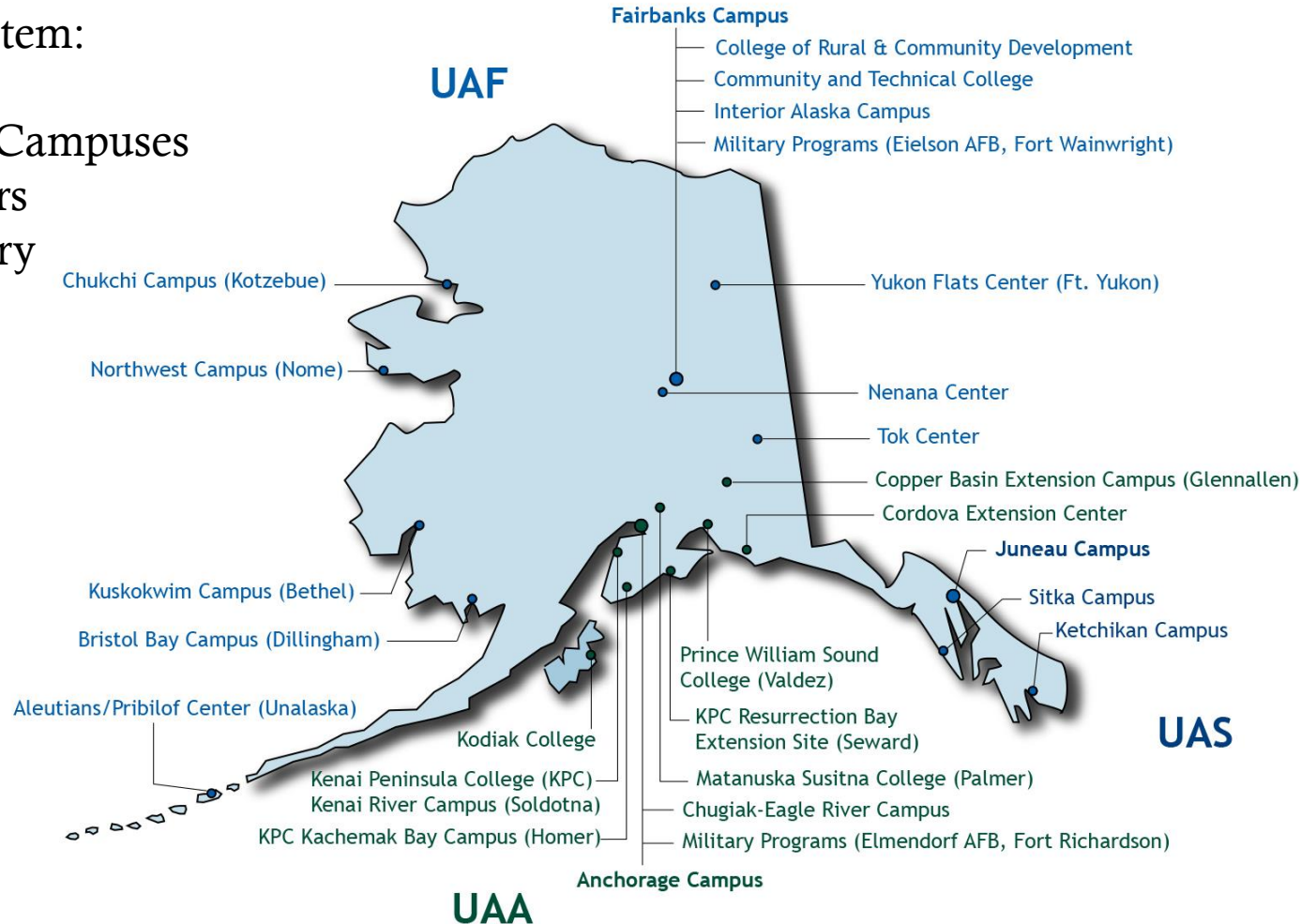
A major economic engine in Alaska generating direct and indirect benefits:

- ✧ 15,740 jobs result from UA activities
- ✧ \$1.1 billion in annual economic/employment impacts statewide
- ✧ \$43.7 million in economic impacts to rural Alaska alone
- ✧ \$1 dollar of investment generates \$3 dollars in economic activity
- ✧ \$1 in state research investment generates \$3 to \$7 in federal research dollars

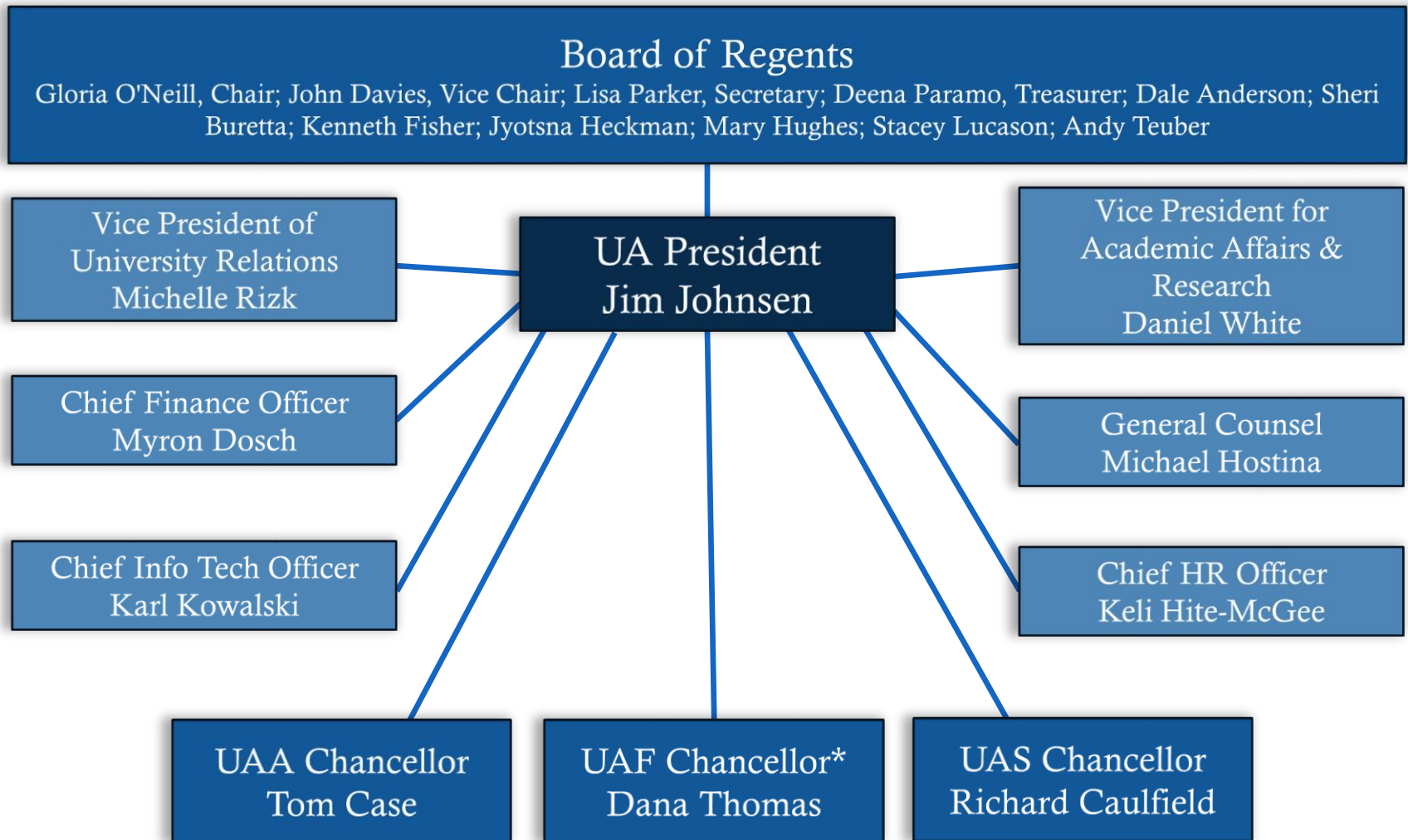
# Serving All Alaskans

## One Integrated System:

- 3 Universities
- 12 Community Campuses
- Outreach Centers
- Distance Delivery



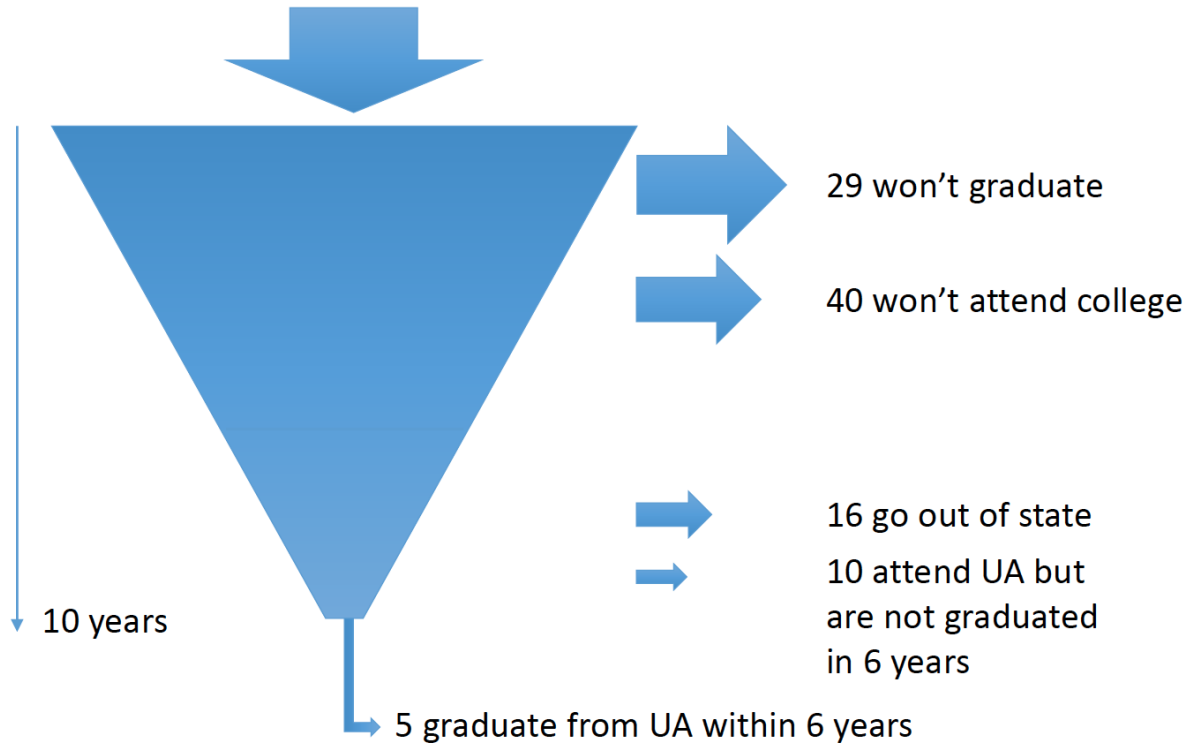
# Organizational Chart



# Alaska's Brain Drain

100 average Alaska 9<sup>th</sup> graders

Of 100 average 9<sup>th</sup> graders only 5 will graduate from UA within 10 years.





# Challenges

- ✧ Geography – location, size, regionalism
- ✧ Students – low high school graduation rate, low college going rate, low college completion rate, half require developmental education
- ✧ Economy – high in natural resources - low in new economy, historically high wage to education ratio, industry workforce gaps
- ✧ Structure – 4 administrative structures, 3 institutional accreditations, geographic spread
- ✧ Budget – heavy reliance on resource-dependent state funding, 3rd year of budget reductions
- ✧ Revenue – public land trust deficit, private giving, comparatively low tuitions

# University Mission

## ✧ Student Instruction

*Academic and vocational instruction*



## ✧ Research

*Scientific and academic research*



## ✧ Service

*Outreach and service to meet Alaskan needs*



# Education Mission

- ✧ Increase access to quality, affordable education
- ✧ Partner with K-12 and with employers to meet post-secondary expectations
- ✧ Produce highly qualified Alaskans to teach in Alaska's schools
- ✧ Develop the right workforce for Alaska's diversifying economy
- ✧ Build a culture of education in Alaska

# Proactively Addressing the State's Needs

- ✧ Strategic Pathways focus on reducing unneeded redundancy and investing in strategic priorities
- ✧ Establishing single College of Education
- ✧ Expanded dual enrollment policy
- ✧ Recruiting high quality students – UA Scholars, Alaska Performance Scholarship
- ✧ Providing additional needs based financial aid
- ✧ Partnering with school districts on teacher prep and professional development
- ✧ Supporting K-12 outreach, mentoring, advocacy / public awareness
- ✧ Growing UA enrollment to meet future workforce demands – 65% by 2025
- ✧ Partnering with K-12 to improve high school graduation rates and college/work readiness
- ✧ Planning strategy to attract adults (possible market of 115,000 adult Alaskans) with some college but no degree
- ✧ Developing a knowledge economy and promoting and supporting innovation

# Research Mission

- ✧ Grant funded research expenditures increased to \$117 million, an improvement of 4.8%
- ✧ Increased invention disclosures can lead to commercialization of technologies valuable to Alaska; working to move “science to services”; building partnerships with business and private sector on real world applications.
- ✧ Even in lower budget environment, continuing to grow research capacity in areas with high impact and importance in Alaska:
  - ✧ energy efficiency to improve building techniques in cold climate regions
  - ✧ petroleum engineering to improve access to resources
  - ✧ marine biology to understand and maintain the health of our fisheries
  - ✧ impacts and opportunities resulting from change in the Arctic
  - ✧ Health research to improve health status of Alaskans
  - ✧ economic research to inform public fiscal policy
  - ✧ crime and justice studies to help make Alaskans more safe

# Key Research Initiatives

- ✧ Build upon our well-established reputation as the powerhouse in high latitude and Arctic research
- ✧ Serve our state and nation by addressing critical issues related to our strategic global position
- ✧ Assist our military in developing the domain awareness to function capably and safely in the Arctic
- ✧ Expand economic development and diversity in Alaska by increasing discoveries, patents and business partnerships
- ✧ Improve the lives of Alaskans through research in health and social sciences

# Service Mission

- ✧ Cooperative Extension agents continue their 86-year history of work in communities throughout Alaska. Extension makes a significant impact through science, technology, engineering and math (STEM) school programs, youth mentoring, working with rhodiola and peony growers, or helping families with food preservation or gardening.
- ✧ Cooperative Extension is part of the largest informal education system in the world, connecting Extension programs at land-grant colleges and universities in every U.S. territory and state.
- ✧ Extension offers hundreds of publications, written and produced by university specialists, which contain practical information of interest to Alaska residents.
- ✧ Major program areas include: agriculture and horticulture; health, home and family development; natural resources and community development; 4-H and youth development.

# Measurable Goals

- ✧ Broaden access to higher education for Alaskans
- ✧ Focus research on issues of importance and potential commercial application in Alaska
- ✧ Prepare Alaskans for Alaska's high-demand jobs
- ✧ Develop capacity to meet Alaska's increasingly diverse, knowledge based economy
- ✧ Build a strong education pipeline from K-12 to the workforce
- ✧ Diversify revenues and moderate reliance on state general funds



# Strategic Pathways

- ✦ Our economy is experiencing a historic transition and our budget is reduced – we must find ways to serve our purpose as cost effectively as possible.
- ✦ Strategic Pathways is the framework we are using to improve our service to the state.

# Strategic Pathways

How do we optimize our university system to achieve our higher educational goals for Alaska?

<b>OUR MISSION</b>		"The University of Alaska inspires learning, and advances and disseminates knowledge through teaching, research, and public service, emphasizing the North and its diverse peoples." (Regents' Policy 01.01.01)		
<b>OBJECTIVE</b>		Maximize value to Alaska through excellent, accessible, and cost effective higher education funded by diverse and growing revenue sources		
<b>CORE PRINCIPLES</b>		Focus, Access, Diversity, Excellence, Consistency, Fiscal Sustainability		
<b>STRATEGY</b>		Prepare, Restructure, Implement, Refine		
<b>WHO WE ARE</b>		<b>UA ANCHORAGE</b> Comprehensive metropolitan university in Alaska's economic hub	<b>UA FAIRBANKS</b> Research university renowned for leadership in Arctic and the North	<b>UA SOUTHEAST</b> Comprehensive university focused on e-Learning & interdisciplinary studies
<b>CAMPUS LEAD FOR THE STATE*</b>	<b>Research</b>	Social and economic sciences, health	Arctic, physical, and natural science; engineering, applied energy	Interdisciplinary / environmental
	<b>Teaching</b>	<ul style="list-style-type: none"> <li>• Health professions**</li> <li>• Social and economic sciences**</li> <li>• Business and public policy</li> <li>• Engineering</li> <li>• Logistics</li> <li>• Project Management</li> </ul>	<ul style="list-style-type: none"> <li>• Physical, natural, and related sciences**</li> <li>• Arctic / Northern Studies</li> <li>• Management</li> <li>• Engineering</li> <li>• Rural development / tribal mgmt</li> <li>• Doctoral education</li> <li>• Mine training**</li> <li>• Fisheries**</li> </ul>	<ul style="list-style-type: none"> <li>• Marine Biology/fisheries (undergraduate)**</li> <li>• Teacher education</li> <li>• Marine trades</li> <li>• Mine training**</li> <li>• Interdisciplinary degrees/ degree completion</li> </ul>
	<b>Outreach</b>	<ul style="list-style-type: none"> <li>• Aligned with Research and Teaching Focus</li> </ul>		
<b>COURSES / PROGRAMS AVAILABLE ACROSS THE UNIVERSITY SYSTEM</b>		<ul style="list-style-type: none"> <li>• Common General Education Requirements</li> <li>• Liberal Arts and Humanities**</li> <li>• Nursing**</li> <li>• Distance Education**</li> <li>• Career and Technical Education (Community Campuses)**</li> <li>• Alaska Native Studies</li> <li>• Teacher Education</li> <li>• Management</li> <li>• Wide choice of non-major courses</li> <li>• Dual credit with K-12</li> <li>• Developmental Education</li> </ul>		

\* To the extent areas of research, teaching, and outreach at campuses other than the "lead" campus may be high quality, cost effective, and core to mission, they may continue to be supported.

\*\* Under review Winter 2016 / Spring 2017.

# Initial Outcomes/Directions

- ✧ Consolidation of 3 research administration offices into 1;
- ✧ Consolidation of 3 procurement offices into 1;
- ✧ Consolidation of information technology (IT) functions at each of the universities, with governance at Statewide;
- ✧ Collaboration and efficiencies between the two schools of engineering;
- ✧ Collaboration between the UAA and UAF management and business programs;
- ✧ Consolidation of the UAS management programs into the School of Arts and Sciences;
- ✧ Consolidation of three schools of education into one at UAS, serving all of UA

# Session Priorities

- ✧ Supporting University's FY18 budget
  - ✧ Operating - \$325M Governor vs \$341M Regents
  - ✧ Capital - \$0 Governor vs \$50M Regents
- ✧ Securing Alaska's Education Tax Credit reauthorization
- ✧ Securing Technical Vocational Education Program (TVEP) reauthorization
- ✧ Initiating education and dialogue on University Trust land deficit

# 10-Year Glide Path Framework

The University's 10-year framework uses benchmarked goals to incorporate gradual, sustainable reductions in state general fund appropriations while increasing university revenues through enrollment and diversified revenue

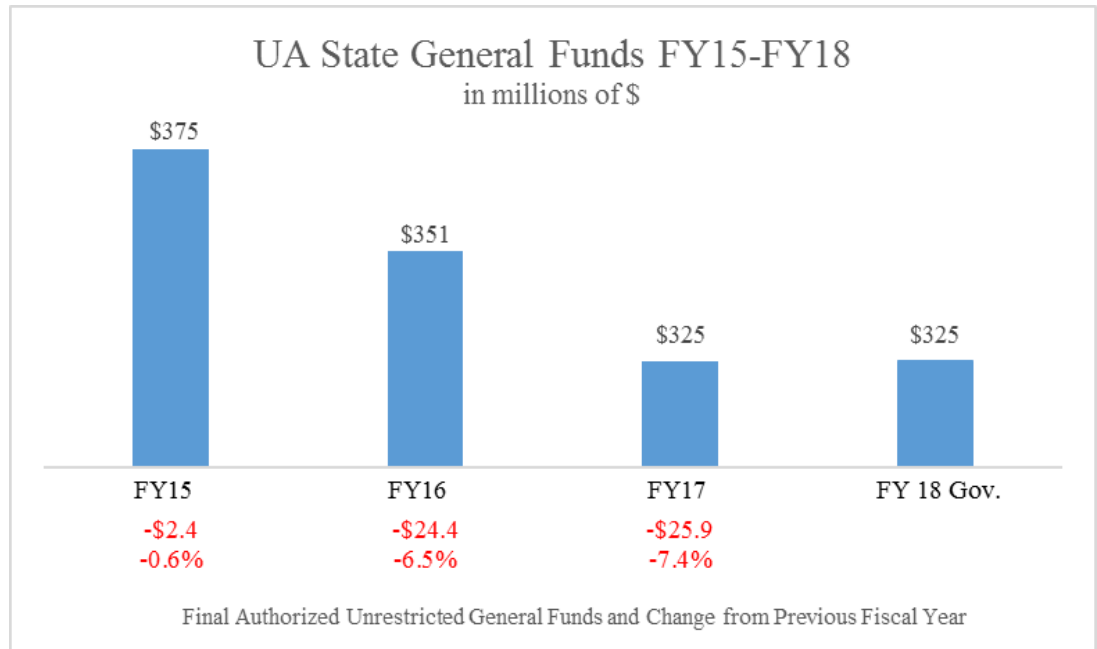
Moderating State General Fund Support



# State Budget Reductions

The university's budget has been reduced \$53 M (14 percent) over the past three years.

The overall institutional impacts are greater than just the reduction of programs and personnel.



# Budget Reduction Impacts

## ✧ Jobs impacted

- ✧ Cumulative FY15-FY17 headcount reduction: over 900
- ✧ More than 250 reduced assignments or increased workload

## ✧ Academic program reductions

- ✧ Since January 2016, 50 academic programs eliminated or suspended
- ✧ Fewer sections and larger class sizes
- ✧ Increases in faculty instructional workloads

## ✧ Administrative function consolidation and service reductions

- ✧ Closed Galena, McGrath, & Shishmaref Learning Centers
- ✧ Reduction of faculty travel and professional development funding
- ✧ Reduced research faculty start-up/seed availability
- ✧ Telecommunications contract cost reduction
- ✧ Reduced owned & leased space; defeased & refinanced debt

# Regents' FY18 Budget

## University of Alaska FY18 Operating Budget Investment

*(Unrestricted General Funds in millions of \$)*

FY17 Mgmt Plan	\$324.9
FY18 Budget Items	
Compensation	0.6
Fixed Costs & Adjustments	2.5
Strategic Investments	13.2
Student Success	4.4
Workforce Development	3.3
Facilities Maintenance (Current & Deferred)	2.5
Research	1.5
Economic Development	1.0
K-12 Partnership	0.5
	<hr/>
FY18 Budget Increment	\$ 16.3
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FY18 State GF Support	\$341.2
	<hr/>
% Change from FY17 Mgmt Plan	5.0%



# Strategic Investments

## ✧ Student Success

- ✧ Extend recruitment to attract more students and target Alaskans with some college but no degree
- ✧ Expand localized programs proven successful in retaining students and improving graduation rates
- ✧ Increase scholarship opportunities and expand Honors College to attract top-quality students

## ✧ Workforce Development

- ✧ Expand programs to meet state workforce goal (65% by 2025) including nursing, engineering, maritime trades/fisheries, and process technology

## ✧ Facilities Maintenance

- ✧ A multi-year plan to incrementally increase the annual funding dedicated to facilities maintenance (current and deferred), to slow the accumulation of deferred costs and reduce the risk of localized mission failure.

## ✧ Research

- ✧ Grow competitive capacity and invest in critical research for Alaska at ISER and ACEP
- ✧ Sustain world-class leadership of Arctic research

## ✧ Economic Development and Diversification

## ✧ K-12 Partnership

- ✧ ANSEP, teacher education, standards alignment, and dual enrollment

# It Takes a Great University to Create a Great State

- ✧ It is a simple truth all over the world, past and future
- ✧ The University of Alaska is committed to making it happen in Alaska
- ✧ It must happen if Alaska is to have a bright and prosperous future



# Conclusion



UA is becoming a stronger, more effective institution to better meet Alaska's educational and workforce needs.