



University of Alaska

For Alaska

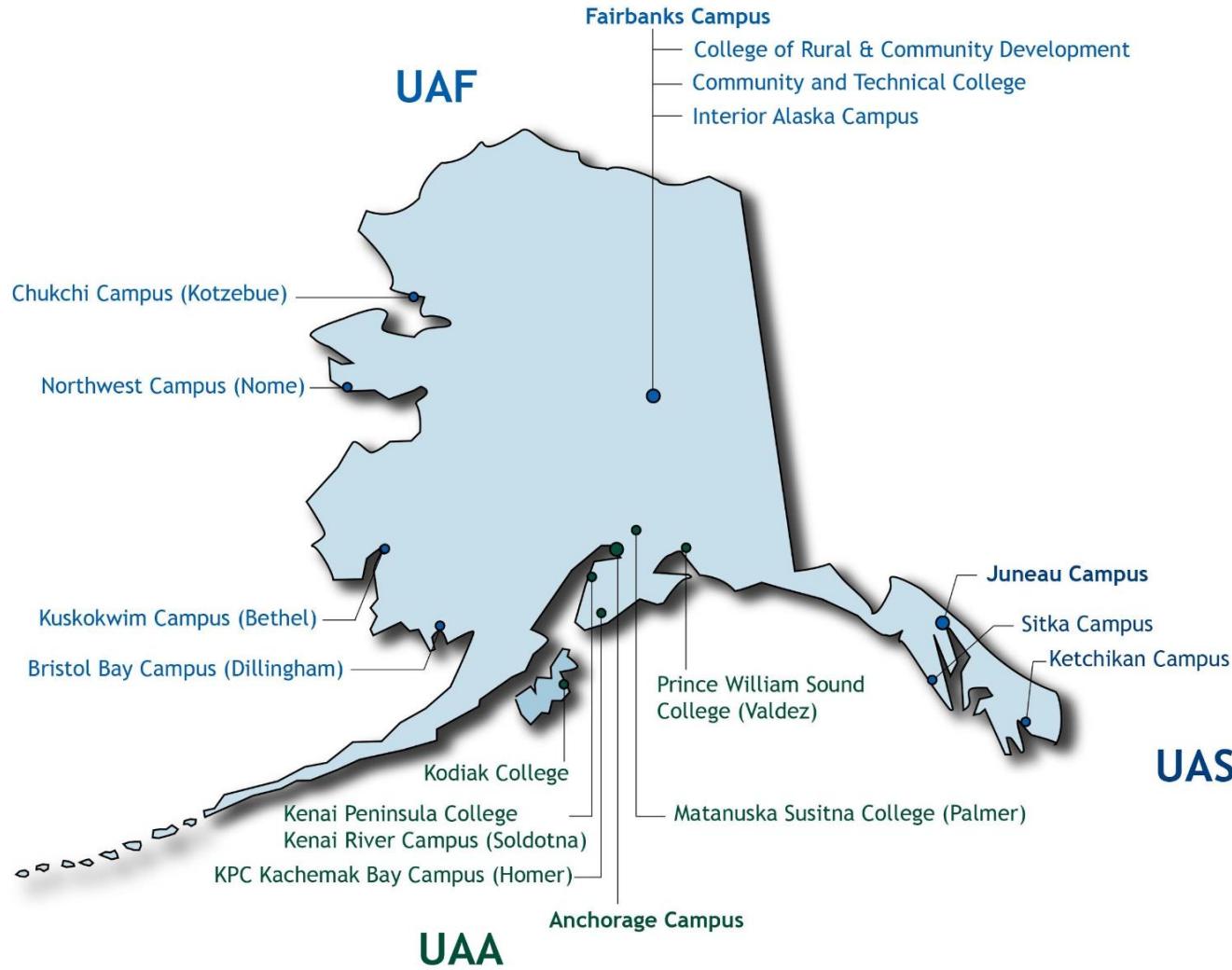
House Finance Subcommittee - UA

January 28, 2022



UNIVERSITY
of ALASKA
Many Traditions One Alaska

University of Alaska Alaska's System of Higher Education



Three universities:

- Diverse missions
 - Research
 - Open access, comprehensive
 - Regional

-Unique experiences

- Shared value
 - Serving their communities
 - Offering a breadth of programs from workforce credentialing to doctoral degrees





Essential to Alaska's economic recovery, diversity and growth

- STABILITY
- CONFIDENCE
- TRUST

Strive to:

- Meet Alaska's workforce needs through increased skill and degree attainment
- Perform world-class nationally competitive research
- Operate more cost effectively



Discussion

- The numbers: Employees, students, graduates
- Academics – Workforce
- Operating & Capital Budget



Students and Employees

	Fall 2013	Fall 2021	# Change	% Change
Employees – Full Time/Regular	4,577	3,568	(1,009)	(22.0%)
Employees – Part Time/Temporary ¹	4,026	2,617	(1,409)	(35.0%)
Students	32,696	20,745	(11,951)	(36.5%)
Graduates	4,908 (FY14)	3,996 (FY21)	(912)	(18.6%)

1. Fall 2021 includes contact tracers at UAA



Enrollment Highlights

- Enrollment fall 2021 semester
 - Systemwide enrollment decline of 6 percent, initial projection given budget and COVID was down 10 percent
 - Students enrolled exclusively at community campuses up 2.4 percent
 - Many academic units saw increases over last year:
 - UAA: Kodiak and Prince William Sound College
 - UAF: College of Liberal Arts, College of Natural Science and Mathematics, College of Business and Security Management, College of Fisheries and Ocean Sciences, Bristol Bay, and Rural College
 - UAS: School of Career Education
- Enrollment spring 2022 semester (preliminary)
 - Applications up ~3 percent, Admissions up ~ 1 percent
 - Overall headcount down ~ 6 percent
 - UA Scholars, newly admitted enrolled for spring up 5 percent
 - WUE and Come Home to Alaska program usage up 11 percent and 12 percent, respectively
 - Enrollment increases:
 - UAA: Prince William Sound College, Fast Track Programs
 - UAF: College of Fisheries and Ocean Sciences, College of Liberal Arts
 - UAS: School of Education, College of Arts and Sciences
- Graduation rates are at all-time high
- Focus on Alaska Native student recruitment and retention
 - Retention of first-time indigenous students up 4 percent at UAA, 16 percent at UAS in the last year.
- edX courses – focus UAF research strengths: <https://www.edx.org/school/alaskax>
 - 12 courses and two professional certificate programs
 - total enrollment of over 20,000 learners from over 170 countries



Dual Enrollment/Middle College

Partnerships with K-12 districts across Alaska provide a variety of dual enrollment options to meet student and district needs

On-Campus programs

- UAA Alaska Middle College continues to serve over 200 students, with 229 students in fall 2021.
- UAA Mat-Su Middle College saw an increase over last year, with 153 students currently enrolled, and another 26 in ANSEP.
- UAA Kenai Peninsula College JumpStart Program offers juniors and seniors the opportunity to complete up to 30 credits or an associate degree at a discounted rate (program is subsidized by the Kenai Peninsula Borough). In Fall 2021, KPC enrolled 132 JumpStart students for a total of 599 credit hours, and in Spring 2022 enrolled 76 JumpStart students for a total of 385 credit hours. KPC's middle college, launched in Fall 2020, currently has 33 students enrolled, an increase of 73% since Fall 2020 and an increase of almost 142% in credit hour.
- UAF North Star College, a middle college with FNSBSD started in-person in fall 2020 with a full cohort of 40 senior students. UAF and FNSBSD are working to expand the offering to juniors and seniors as soon as possible.
- UAA ANSEP offers a Middle School Academy, High School Acceleration Academy, and Summer Bridge program
- UAS Supporting Transitions and Educational Promise Southeast Alaska (STEPS) grant with the Alaska Association of School Boards
- 56% of Middle College graduates go on to enroll in a UA degree program

“Virtual” Middle College

- The Alaska Advantage program is a “virtual” middle college program. UAF and UAS have partnered with more than 40 school districts and homeschool programs across Alaska. Enrollment has grown over 30% this year. We have more than 400 secondary students participating this spring semester. Through this program, secondary students enroll in actual online college courses and earn college credit directly. So far, Advantage students have achieved an overall success rate of 95%.



Reduced budget-reduced footprint/asset monetization

- GF operating base down \$104 million (30%) from 2015
- Since FY19 down \$72.5 million unrestricted funding (GF+TF)
- Smaller footprint with a foundation of high-quality core programs and research
- Facility owned and leased space reductions since 2013
 - Sold 25 facilities
 - Demolished 24 aged facilities
 - Non-renewal 58 leases
- Faculty and staff reductions since 2014
 - Over 2,400 fewer employees
 - Reduced administrative personnel costs by 12 percent
- Leasing space to third parties (University Center and Sustainable Village)
- Public-private partnership opportunities
 - Health Lab and Workforce Demand Renovation (UAA)
 - Welcome Center and Student Services (UAA)
 - Utility privatization (UAF)
 - Student housing improvements or new suite-style (UAF)
 - Expanding childcare employees/students (UAF)
- Benefits
 - Source of new revenue
 - Reduce maintenance costs
 - Reduce risk of ownership





UA Academic Programs – Putting People to Work

“What are we doing to help Alaska?”



UA Workforce Reports – Industries Highlighted



Administration & Finance



Aviation



Construction



Fisheries & Marine Science



Health



Information Technology



Mining



Oil & Gas



Teacher Education



Percent of UA Graduates Working in Alaska

96.3%

of working graduates
are Alaska residents



For comparison, residency
for all Alaska workers is

79.3%

Aggregate of all 17,725 UA graduates included in the 9 industry workforce reports

UA Construction Programs



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ANCHORAGE™

- Architectural & Engineer Tech
- Architectural Technology
- Civil Engineering
- Civil Technology
- Construction Management
- Diesel Power Technology
- Geomatics
- Heavy Duty Trans & Equipment
- Mechanical & Electrical Tech
- Nondestructive Testing
- Occupational Safety & Health
- Residential Air Cond, Ref, Heat
- Refrigeration & Heat Tech
- Structural Technology
- Welding



- Basic Carpentry
- Civil Engineering
- Construction Management
- Drafting Technology
- Facility Maintenance
- Welding



- Construction Technology
- Power Technology
- Welding



37 Programs

- **19 OEC/Certificates**
- **11 Associates**
- **4 Bachelors**
- **3 Masters**



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UAA Meets State Workforce Needs

- Construction Management/Project Management/Civil Engineering
- Occupational Safety & Health
- Renewable Energy – Geosciences
- Cultural, Natural & Resource Management
- Information Technology
- Early Childhood Education – demand in both private and P-12 settings
- Principal Prep & Licensure statewide demand
- Nursing (all levels)
- Behavioral health
- Finance/Accounting
- Logistics/Supply Chain



UAF Meets State Workforce Needs

- Graduates with science, engineering, and technology degrees
- Business and accounting/finance professionals
- Alaska Native and Indigenous Programs
- Fisheries and mariculture, food security professionals
- K12 teachers with licensure degrees
- Liberal arts majors (esp. psychology, social work, justice).
- Health care/Emergency management personnel (incl. fire, police, paramedicine/EMS, law)
- Mining and oil/gas professionals
- Cybersecurity and IT professionals
- Skilled employees for construction, automotive, and airframe trades

UAS Meets State Workforce Needs

- Teacher Education
- Maritime Training/Marine Transportation
- Mine Training
- Mariculture
- Construction Technology
- Fisheries
- Accounting
- Health Programs
- Behavioral Health



FY19-FY23 Operating Revenue & Budget Summary (in millions of \$)

Funding Source	Actuals			Projected		FY23 Proposed	
	FY19	FY20	FY21	FY22	FY19-FY22	BOR	Gov
General Funds	\$327.0	\$302.0	\$277.0	\$272.7	(\$54.3)	\$280.8	\$276.8
Earned Revenue							
Tuition & Fees Revenue	131.5	123.5	117.7	110.7	(20.8)	107.2	107.2
Other Unrestricted Funds	76.8	81.7	79.0	79.4	2.6	80.8	80.8
Unrest. Earned Rev.	\$208.3	\$205.2	\$196.7	\$190.1	(\$18.2)	\$188.0	\$188.0
Total Unrestricted Revenue	\$535.3	\$507.2	\$473.7	\$462.8	(\$72.5)	\$468.8	\$464.8
Federal Funds	122.6	124.9	141.3	160.3		175.3	175.3
Designated & Restricted Funds	92.5	81.3	74.1	86.7		84.7	107.5 ¹
Total Revenue	\$750.4	\$713.4	\$689.1	\$709.8		\$728.8	\$747.6
Budget Reporting-Not Realized Revenue ²	138.1	143.3	143.2	84.7		123.8	123.8
Management Plan Budget ³	\$888.5	\$856.7	\$832.3	\$794.5		\$852.6	\$871.4

1. Gov's budget includes State of Alaska discretionary funds from the American Rescue Plan Act of 2021 (ARPA) – Coronavirus State and Local Fiscal Recovery Fund (CSLFRF); UA requested in the capital budget.
2. Permission to expend revenue received
3. Excludes COVID-related activity



Gov Proposed FY23 Operating Budget – State Unrestricted General Fund

FY23: \$276.8M

- Up \$4.1M from FY22 Budget (\$272.7M)
 - BOR request \$8.0M
- Increase of 1.5%
 - BOR request 3.0%



Gov Proposed FY23 From American Rescue Plan (Governor's Discretionary Authority)

- \$22.8M for specific programs that help Alaska
 - UA Drone Program: \$10.0M
 - Critical Minerals and Rare Earth Elements: \$7.8M
 - Heavy Oil Recovery Method: \$5.0M



FY23 Capital Budget Summary (in millions of \$)

	BOR Request			GOV's Proposed		
	General Funds	Other Funds*	Total	General Funds	Other Funds*	Total
Facilities Deferred Maintenance/ Renewal & Repurposing	\$50.0		\$50.0	\$18.7	G.O. bond funds ¹	
Student IT Systems Modernization and Security Upgrades	\$20.0		\$20.0	\$20.0	SoA/federal funds ²	
Economic Development ³		\$31.5	\$31.5	\$22.8	in Operating Budget	
Total	\$70.0	\$31.5	\$101.5			

* Seward Marine Center Research Vessel (Sikuliaq) Infrastructure - \$94.4 federal budget authority for UAF/CFOS grant proposal to NSF

1. Gov's proposed funding - general obligation transportation and infrastructure bond bill

2. Gov's proposed funding - State of Alaska Coronavirus Capital Projects Fund

3. SoA discretionary funds from the American Rescue Plan Act of 2021 (ARPA) – Coronavirus State and Local Fiscal Recovery Funds (CSLFRF).



Gov Proposed FY23 Capital Budget

- UAF – Bartlett Hall and Moore Hall Modernization and Renewal: \$18.7M (G.O. Bond funds)
- Student Information Technology Systems: \$20.0M (SoA Coronavirus Capital Projects federal funds)
- Seward Marine Center Research Vessel (Sikuliaq) Infrastructure: \$94.4M (UAF CFOS NSF federal funding authority)



Proposed FY23 Gov Amend Requests

- \$4M Fixed Cost Increases
- \$2.5M UAF Emerging Energy Opportunities
- \$3.75M UAA Health Program
- \$50M DM/R&R
 - +\$550K Bartlett/Moore Hall



FY23 Gov Amend \$50M DM/R&R (top 5 \$33m)

1. UAF Fairbanks Campus Building Interior & Systems Renewal \$20,500.0

Modernize both residence halls' (Bartlett & Moore) restrooms, laundry facilities and associated sanitation infrastructure by replacing the plumbing systems and reconfiguring the restrooms to comply with current building codes, ADA standards and modern student resident expectations; replace the entire Bunnell elevator unit with a modern elevator within the same structural shaft; renovate one to two restrooms within each Duckering, Elvey, and Bunnell buildings with new fixtures, finishes, partitions, lighting, etc.

2. UAA Campus Building Interior & Systems Renewal \$11,171.0

Replace failing piping, inadequate electrical systems, inefficient lighting, boilers, fans, deficient variable air volume (vav) boxes and upgrade building automation system controls. This energy savings performance project will incorporate mechanical and electrical system improvements to three critical facilities, the Professional Studies Building (PSB), the Wendy Williamson Auditorium (WWA), and the Social Sciences Building (SSB).

3. UAS Deck Mansards Replacement Paul Building \$100.0

Replace the siding/roofing material with a Bermuda metal material that is more resistant to constant rain.

4. UAA Consortium Library and Arcade & Bridge Lounge Roof Replacement \$900.0

This project will demolish the existing roof system, increase parapet cap height, upgrade structural components for seismic restraint, replace roof decking as required and install a new roofing system.

5. UAF Moore-Bartlett-Skarland Residence Exterior Lighting \$325.0

The project will replace inadequate exterior lighting with new, energy efficient LED fixtures on all four sides of the building.



FY23 Gov Amend \$50M DM/R&R continued

	Project Name	Amount
6.	UAA Campus Security & Safety (replace exterior/interior doors)	\$429.0
7.	UAF Safety & Regulatory Compliance (renew HVAC and hydronic system, pool refurbishment, fire alarms, door replacement)	\$7,775.0
8.	UAS Safety Improvements and Regulatory Compliance (fix or replace retractable bollards, emergency exit canopies and notification improvements)	\$1,266.0
9.	UAA Community Campus HVAC Healthy Building Upgrades	\$3,100.0
10.	UAF Rural and Community Campus Renewal (fire rated corridor egress & alarms, electrical distribution, fuel tank repair/replace)	\$2,200.0
11.	UAS Exterior Infrastructure (fuel tank replacement, covered stairways, sidewalk repairs & drainage improvements)	\$1,157.0
12.	UAS Interior Systems (elevator and HVAC replacement)	\$577.0
13.	UAF Community and Technical College Renewal (CTC) (renovate restrooms)	\$300.0
14.	UASO Replace Emergency Egress Lighting Power Supply (Butrovich)	\$200.0



Higher Education Investment Fund (HEIF)

- \$410M HEIF should be considered independently and separate from the Constitutional Budget Reserve (CBR).
- Legal complaint from four students. Instability with scholarships/grants/WWAMI (Washington, Wyoming, Alaska, Montana, Idaho) medical program, during budget negotiations, was harmful to Alaska students.
- Litigation on expedited schedule. Feb. 22, 2022 - May have a decision on summary judgment. Requested by parties.
- Legislative options may also be available.





QUESTIONS?





Appendix



FY23 Gov Amend \$4M Fixed Cost Increases

UA's FY23 operating budget includes a modest adjustment of \$8.0M (3.0%) in state funds to partially fund \$11.1M in fixed cost increases common across the system; plus any additional university specific operating cost increases.

The Governor's proposed budget provides \$4.0M in state funds for UA FY23 fixed cost increases.

The remaining \$4.0M in state funds is necessary to help fund the following cost increases:

- Compensation increases for non-union staff and firefighters - in the past five years, except for a market adjustment in FY20, there has only been one across the board increase of 1% for employees. Union contracts expiring in FY22 are not included in the FY23 budget, but once a collective bargaining agreement has been approved a request for funding will be made through the appropriate legislative process.
- Information technology operating cost increases necessary to reduce the risk associated with operating in-house hardware systems and increase the University's capabilities in terms of systems availability, agility, disaster recovery and business continuity.
- The rising cost of insurance is a national issue. Insurance premiums have doubled for property coverage and other insurance coverages, such as cybersecurity coverage, have also seen significant increases.
- Facilities maintenance funding is necessary to preserve capital assets critical to UA's mission. Several years of reduced operating budgets and minimal capital funds has increased the on-going risk and evidence of building closures.



FY23 Gov Amend \$2.5M UAF Emerging Energy Opportunities

- The global energy landscape is transitioning to lower carbon resources, and Alaska has the opportunity to meet demand for and profit from clean energy-derived products and services, both domestically and internationally.
- Alaska is home to abundant renewable energy resources and is well situated geographically to meet global export markets.
- Alaska has been identified as an ideal location for next generation small-scale transportable nuclear reactors, with one of the first commercial demonstration projects in the U.S. scheduled for deployment in 2027 at Eielson Air Force Base.
- Alaska Center for Energy and Power (ACEP) will focus on filling needs and developing research products that help address critical gaps and unknowns, as well as developing targeted roadmaps for positioning Alaska at the forefront of next-generation energy technologies.
- This work will benefit from leveraging existing and new partnerships with industry, electric utilities, national laboratories, and international partners.



FY23 Gov Amend \$3.75M UAA Health Program

- \$2.1M FY22 Governor's Emergency Education Relief Fund (GEER) award
 - One-time funds for nursing faculty retention and recruitment: signing bonuses, relocation allowance, loan repayment, and tuition assistance
- \$3.75M FY23 Base Funding Request
 - \$1.8M salaries, benefits and costs of the new faculty hired in FY22
 - \$1.7M add faculty in the following programs:
 - Medical imaging programs (diagnostic medical sonography and radiologic technology)
 - Certified nurse aide program
 - Surgical technology program
 - Pharmacy technology program
 - Medical assisting program
 - Behavioral health programs (social work and human services)
 - \$0.25M upgrade and expand use of manikins and technology

UAF Bartlett Hall and Moore Hall Modernization and Renewal: \$19.2M(\$18.7M)

- General Obligation Bond funding
- Bartlett and Moore Hall are UAF's largest residence halls.
- Housing 644 undergraduate and graduate students throughout the academic year.
- Built in the mid 1960's, the original sanitary plumbing infrastructure is corroded to the point of failure throughout both buildings, causing multiple partial building closures over the previous four years.
- Due to regional cost escalations the estimated cost has increased from \$18.7M to \$19.2M (\$550 thousand) from last year. Additional funds will be requested through the legislative process.



Student Information Technology Systems: \$20M

- State of Alaska Coronavirus Capital Projects federal funds
- Upgrade student information system to serve the entire university and compete in a post-covid environment.
- Implement a modern system capable of facilitating student recruitment, retention, and success.
- Allow autonomy, when possible, where business practices are differentiated between campuses.
- UA would retain the benefits of a single system and a common reporting structure, while allowing each university to innovate and adapt the system more quickly to their changing requirements.



Seward Marine Center Research Vessel Infrastructure: \$94.4M

- The UAF Seward Marine Center is located at the head of Resurrection Bay.
- One of the primary docking facilities for visiting research vessels and home-port of the NSF-owned and UAF-operated Global Class R/V Sikuliaq, the only ice-capable research vessel in the University-National Oceanographic Laboratory System (UNOLS).
- Construction and renovation of modern forward-looking sea and shore-side infrastructure is needed to support future Arctic Ocean observing, prediction and scientific breakthroughs.
- This project will provide construction of a new dock for year-round servicing/berthing of the R/V Sikuliaq, along with new warehouse and shop facilities constructed to directly support efficient and effective high-latitude maintenance, operations and research.



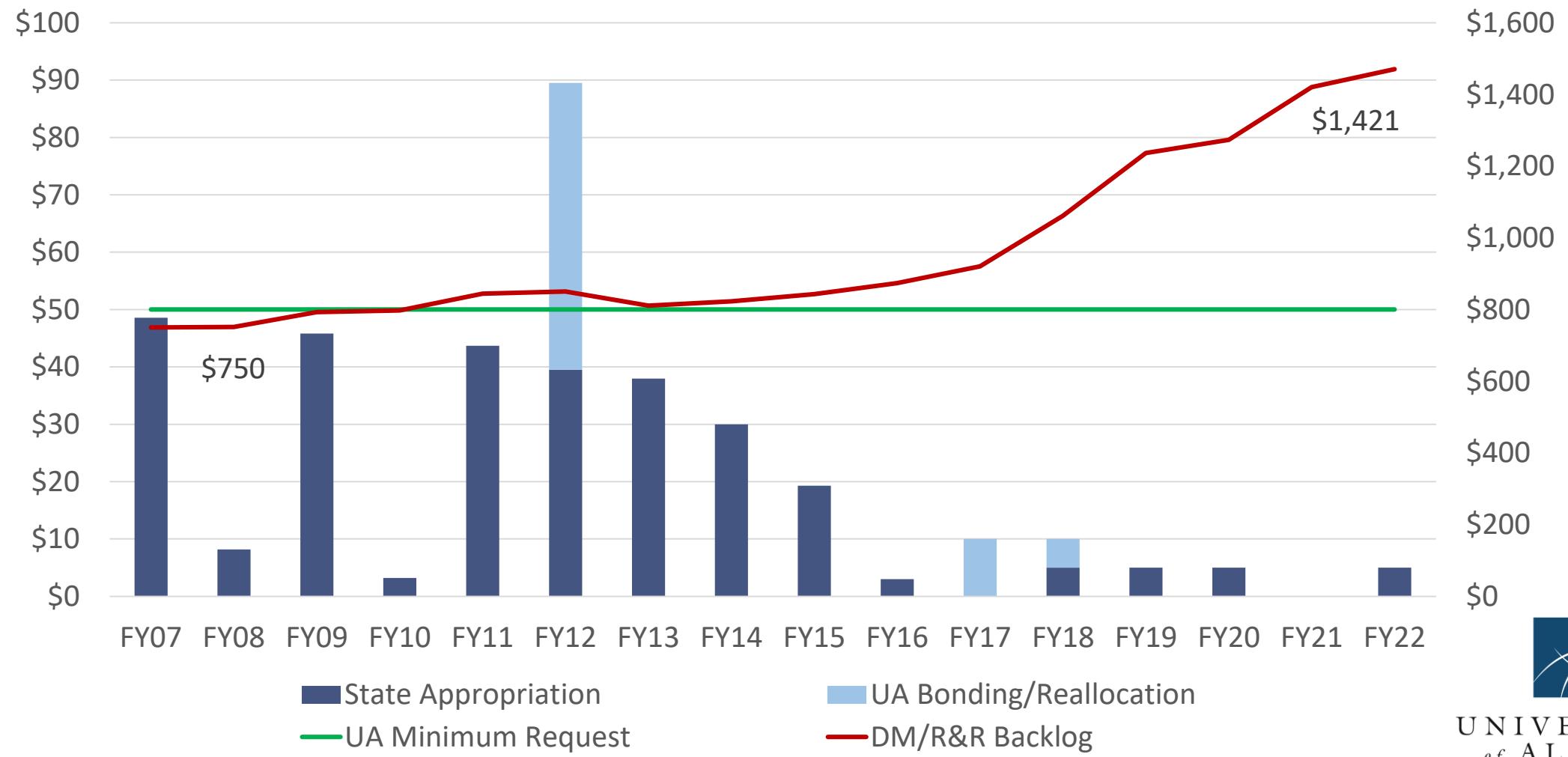
UA Facilities

- UA facilities are extensive and a unique subset of public facilities.
 - 397 facilities totaling over 8.3 million square feet, valued at over \$4 billion
 - Average age of UA's buildings is 36-years old
 - Deferred maintenance backlog over \$1.4 billion
- UA's physical footprint serves academic, research, and community service focused mission priorities.
 - Facility type varies from residential housing, general offices and classrooms to complex laboratories
 - UA continues to reduce owned and leased space while exploring ways to monetize facilities
- Through active stewardship, UA leverages shrinking maintenance operations budgets to lengthen the service life of buildings beyond the typical age for major renewal.
- Emergency repairs are becoming more common place as major components and systems surpass their normal life-span. Resources are going toward reactive maintenance.



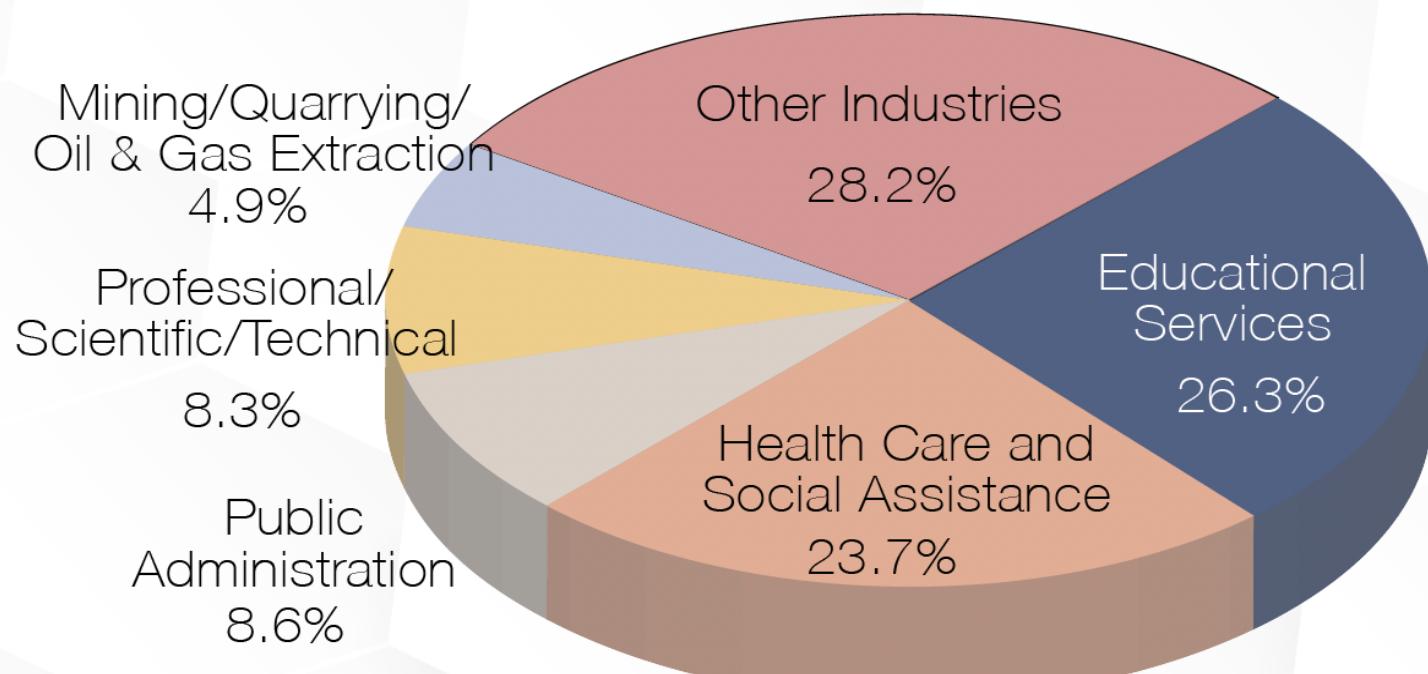
Capital Budget DM/R&R Funding History

Unrestricted General Funds & Backlog (in millions of \$)



Summary of First-Year Employment

The industries where
first-year graduates work



Aggregate of all 17,725 UA graduates included in the 9 industry workforce reports



Average Wages of UA Graduates

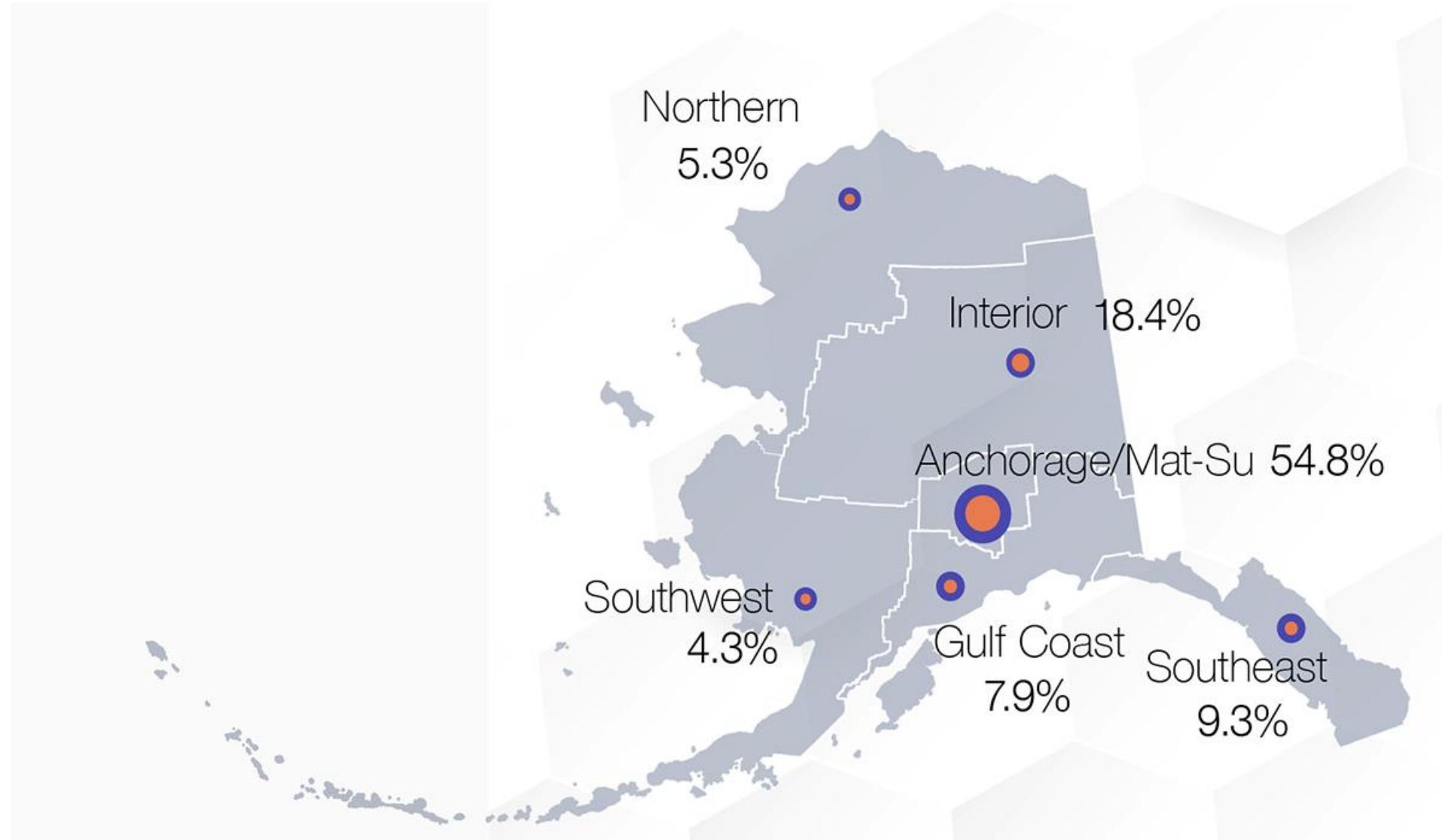
UA grads' average wages



Aggregate of all 17,725 UA graduates included in the 9 industry workforce reports



Where UA Graduates Work in Alaska



UA Drone Program

- \$10.0M
- On path to make “best in North America”
- Increase staffing, partnerships, educational opportunities at private/state/federal levels



ACUASI's SeaHunter UAS



Critical Minerals and Rare Earth Elements

- \$7.8M
- Initiate a Critical Minerals Group (CMG) within the existing Mineral Industries Research Lab (MIRL) at UAF.
- Enhanced Recovery of Alaska Rare Earth Elements through Bio-Weathering Technology through the UAA College of Arts & Sciences (CAS).
- Expansion of Mining Workforce Development programs.
- Compare Petroleum and Mineral Development in Alaska to World Standards through the Institute of Social & Economic Research (ISER).



Heavy Oil Recovery Method

- \$5.0M
- This project is intended to develop technology enabling the production of heavy oil in the Ugnu formation, for which no production technique currently exists.
- Development of this technology requires lab improvements and increased faculty research capacity.
- Contingent upon the procurement of polymer for field trials in partnership with industry via procurement by industry partners.

