



University of Alaska

For Alaska

Senate Finance Subcommittee - UA

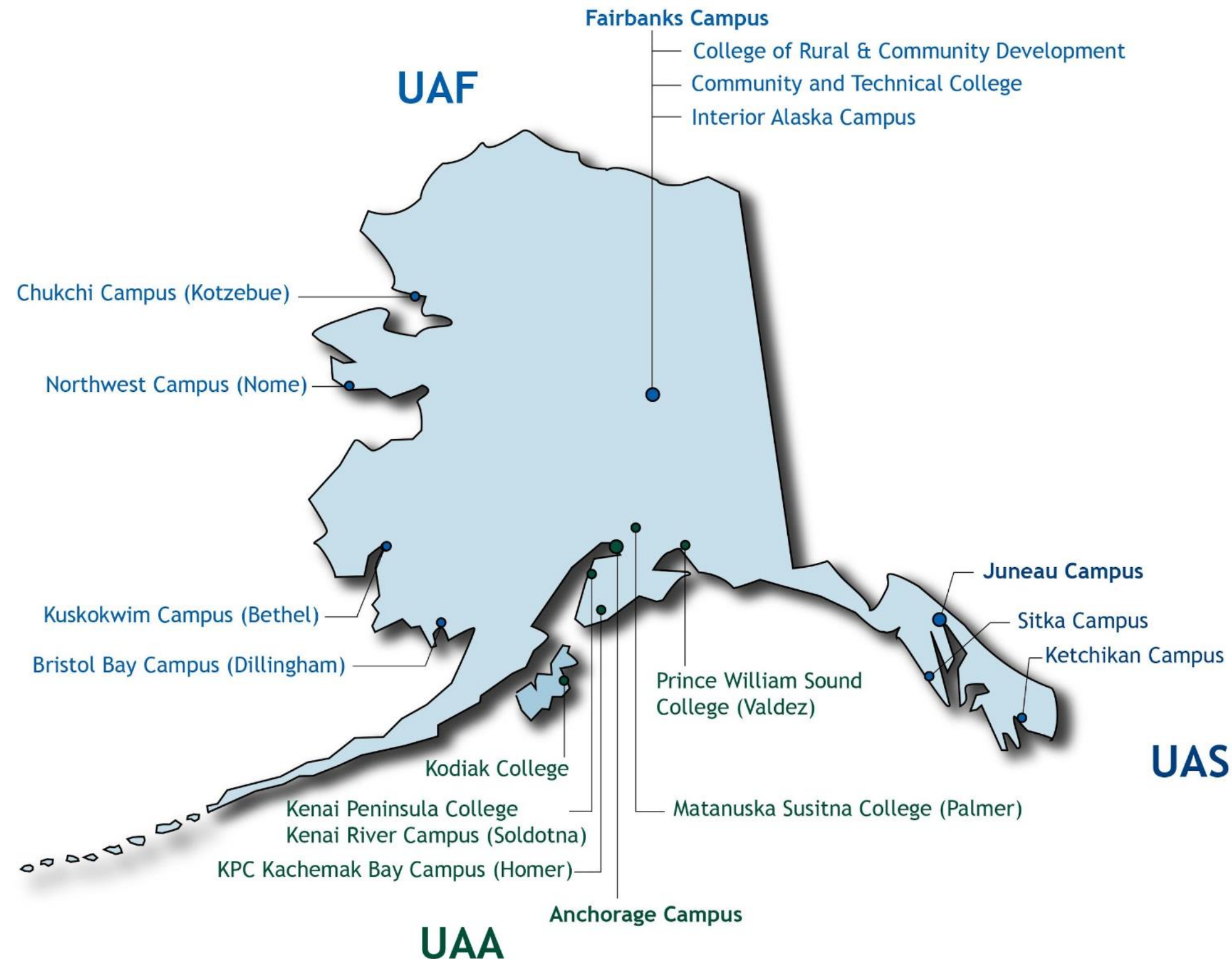
March 14, 2022



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



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



FY23 Operating Request



FY19-FY23 Operating Revenue & Budget Summary

(in millions of \$)

	Actuals			Projected		FY23 Proposed	
Funding Source	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



UA FY23 Operating Budget

FY23: \$280.8M UGF

- Up \$8.0M (3.0%) from FY22 Budget (\$272.7M)
- Total fixed costs needs \$11.1M
- Governor's proposed UGF budget \$4.1M (1.5%)
 - \$4.0M UA fixed cost increases
 - \$0.1M Mental Health Trust recommendation
- Union contracts currently in negotiations – additional amounts once negotiations reached
- Economic development projects \$36.1M
- Single Appropriation



FY23 \$11.1M Fixed Cost Needs

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.

UA fixed cost increases common across the system (\$11.1M):

- Compensation increases (\$4.7M) 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 (\$1.0M) necessary to reduce the risk associated with operating in-house hardware systems and increase the University's capabilities in terms of systems availability, agility, cybersecurity, 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 (\$2.0M).
- Facilities maintenance funding (\$3.4M) 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.



UA Economic Development Projects

- \$36.1M 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*
 - Mariculture, North Pacific Fisheries, Arctic and Pacific North Ocean Sciences \$7.0M
 - Health \$3.75M**
 - Alternate Energy \$2.5M***

* In Governor's proposed FY23 operating budget

** Added in other body's subcommittee process

*** In the Governor's amended FY23 capital budget



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

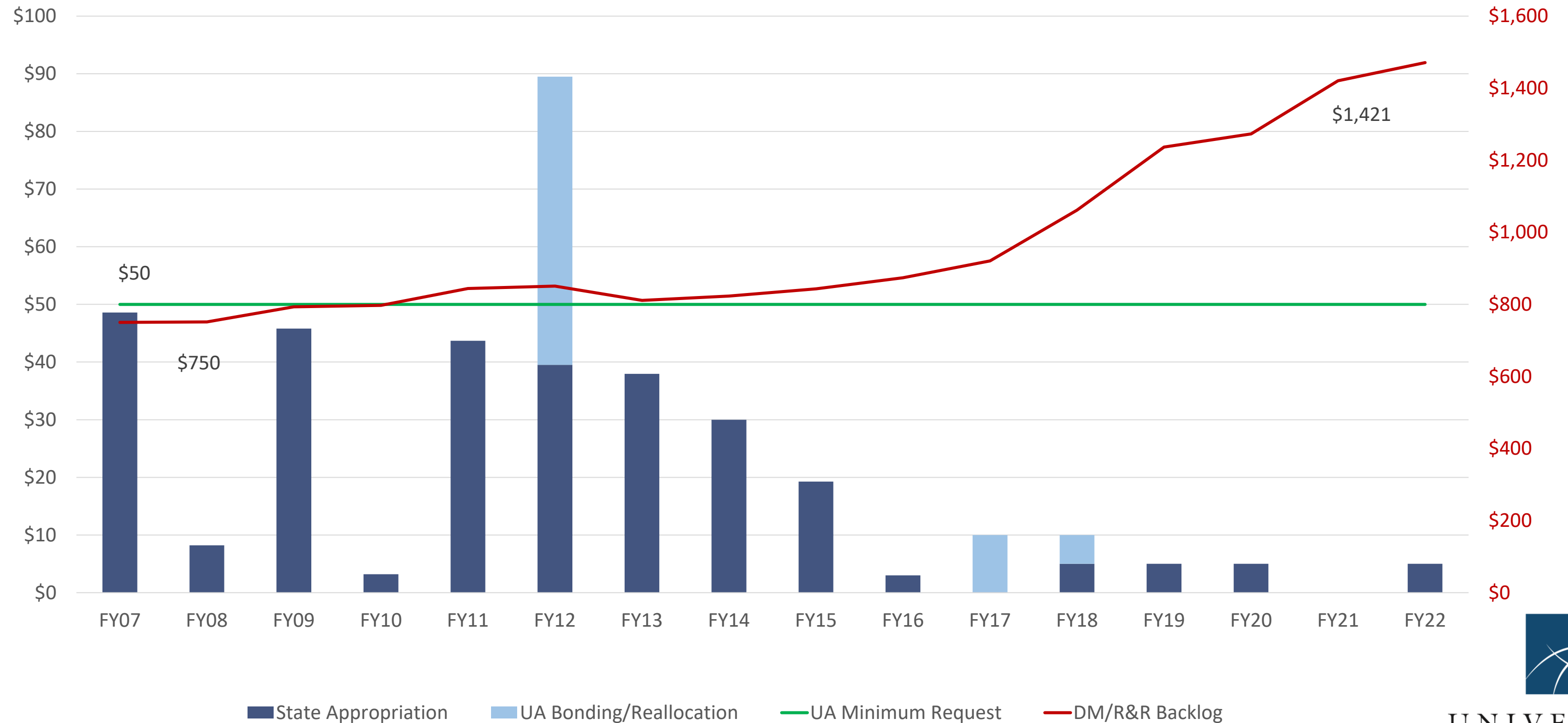
1. Gov's proposed funding - general obligation transportation and infrastructure bond bill

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).

Capital Budget DM/R&R Funding History

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



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)



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.



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



UA BOR Strategic Guidance Stability Scenario (10-year plan)



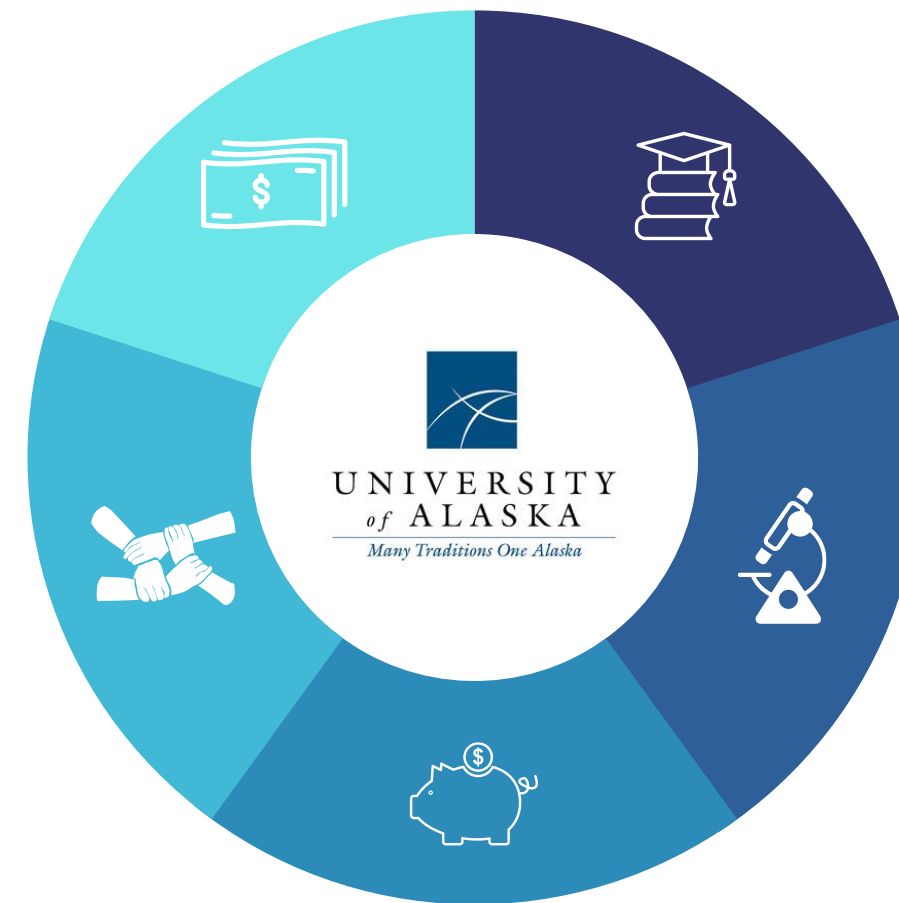


UA Goals

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

Contribute to Alaska's economic development, skilled workforce and engaged citizenship

Foster academic excellence for student success



Grow our world-class research

Operate cost effectively

Promote diversity, equity and inclusion in students, faculty and staff

Priority Focus Areas



Increase student enrollment



Develop workforce and focused economic development initiatives



Promote Arctic policy, research and leadership



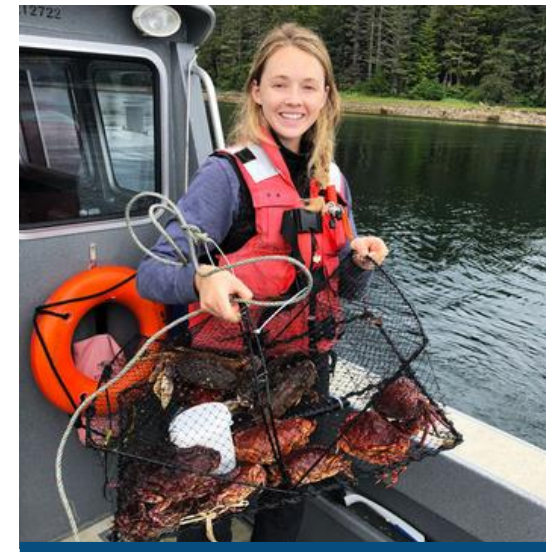
Strengthen Teacher Education through the Alaska College of Education Consortium



Advance the Alaska Native Success Initiative



Build finance industry partnerships to expand business workforce



Increase Fisheries and Ocean Sciences presence in Southeast Alaska



Revise business models for efficiency and modernization



Contribute to Alaska’s Economic Development, Skilled Workforce and Engaged Citizenship

Measure	Current Baseline	Three-year Average (FY19-21)	FY27 Target
Student Credit Hours – Total Enrollment, Fall Semester (closing)	169,127	207,000	218,000
Headcount – Total Enrollment, Fall Semester (closing)	20,745	25,000	26,000
Graduates – Total Degrees Awarded (academic year basis)	3,996	4,196	4,500

Additional measures will be included for high-demand workforce areas, health and teacher education.

Foster Academic Excellence for Student Success

Measure	Current Baseline	Three-year Average (FY19-21)	FY27 Target
Graduation Rate – Undergraduate Degree-Seeking First-Time, Full-Time Freshman (six-year rate)	41%	39.1%	41%
Student Retention Rate (first year)	66%	51.1%	70%
Capture Rate of UA Scholars, Top 10% of High School Graduates, Fall Semester (closing)	30%	33%	45%
Number of Students in Dual Enrollment Programs	2,117	2,248	3,640

Grow Our World-Class Research

Measure	Current Baseline	Three-year Average (FY19-21)	FY27 Target
Annual Expenditures from Research Grants and Contracts (\$000s)	\$154,957	\$136,874	\$154,400

Operate Cost Effectively

Measure	Current Baseline	Three-year Average (FY19-21)	FY27 Target
Administrative Cost as a Proportion of Total Expenditures*	9.9%	8.8%	8.8%
Earned Revenue Dollars (\$000s)	\$412,000	\$416,000	\$439,400
Total Number of Donors	5,047	5,284	6,500
Private Philanthropic Dollars Raised (\$M)	\$28.34**	\$24.78**	\$34.58
% of Students Graduating with Debt	48%	47%	<50%
Average Debt of Graduating Students	\$25,925	\$25,804	<WICHE median

*Administrative cost defined as institutional support personnel expenditures

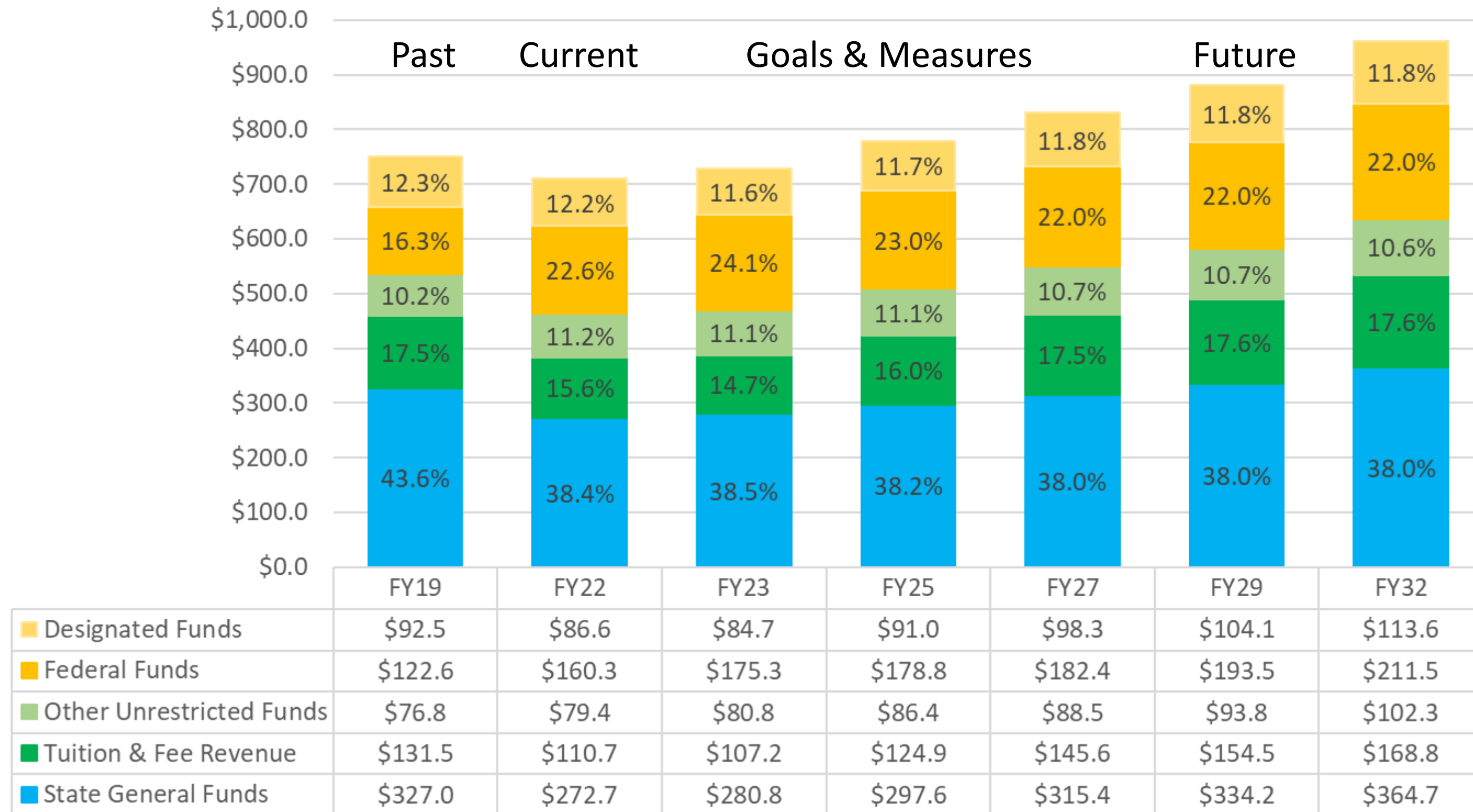
- Institutional Support - Includes expenditures related to executive services and other institutional support functions. These services include the following: the office of the President, chancellors' offices, business offices, accounting, budget, EEO/AA, educational properties management, facilities planning and construction, finance, human resources, information services, institutional research, internal audit, investment properties management, legal counsel, payroll, procurement, records, risk and hazardous materials management, systems maintenance, university relations, support for the assemblies and the Board of Regents.
- Personnel Expenditures - Expenditures for the staffing costs of the budget request unit or allocation. The costs include salaries, premium pay and benefits for all permanent and non-permanent positions.

**FY21 includes largest estate gift of approximately \$15M

Promote Diversity, Equity and Inclusion in Students, Faculty and Staff

Measure	Current Baseline	Three-year Average (FY19-21)	FY27 Target
% of Students Receiving Pell Grants	14%	15.2%	18.4%
Graduation Rate – Undergraduate Degree-Seeking, Indigenous, First-Time, Full-Time Freshman (six-year rate)	18.7%	21.5%	24.2%
% of Students – Indigenous Heritage	15%	21.5%	23.2%
% of Faculty – Other Underrepresented Heritage	8%	8%	11%
% of Faculty – Indigenous Heritage	6%	6%	9%
% of Staff – Other Underrepresented Heritage	8%	8%	13%
% of Staff – Indigenous Heritage	9%	9%	14%

FY19-FY32 Operating Revenue Baseline (in millions of \$)



Questions?



UAA Health Program Faculty \$3.75 million

- \$1.8M salaries, benefits and costs of the new faculty hired in FY22
- \$1.7M will be used to add faculty in the following programs:
 - Medical imaging (diagnostic medical sonography and radiologic technology)
 - Certified nurse aide
 - Surgical technology
 - Pharmacy technology
 - Medical assisting
 - Behavioral health (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.



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.

