

# ALASKA STATE LEGISLATURE

## HOUSE FINANCE COMMITTEE

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**DATE:** February 24<sup>th</sup>, 2021  
**TO:** House Finance Members Subcommittee Chairs  
**FROM:** Representative Neal Foster, Co-Chair  
House Finance Committee  
**RE:** FY22 Operating Budget Subcommittees

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This memo provides a high-level framework for reviewing the operating budget by the House Finance Operating Budget Subcommittees. The subcommittee process is meant to increase members' understanding of the responsibilities and challenges facing the agencies and make relevant recommendations to the Fiscal Year 2022 (FY22) budget. Our goal will be ensuring that basic services are provided in an efficient and focused manner.

This year's *Legislative Fiscal Analyst's Overview of the Governor's Request* is available at <http://www.legfin.akleg.gov/Overview/Overview2022.pdf> Please begin reviewing and working with your Legislative Finance Analyst.

### **SUBCOMMITTEE ADMINISTRATION AND OPERATION**

Subcommittees should begin meeting the week of March 1<sup>st</sup>. The first subcommittee meetings should reach the following goals:

- 1) Understand budgetary actions taken over the past 10 years and the impact to the Department.
- 2) Understand the FY21 budget along with impacts and responses from agencies throughout the COVID pandemic.
- 3) Review the FY22 Budget; including increments, decrements, and any requests related to the overall success in completing the department's mission offered in the Governor's budget.
- 4) Provide a report to the House Finance Committee on the actions and recommendations of the subcommittee.

The subcommittees will utilize the Legislative Finance Division (LFD) and various materials specific to the Departments to help subcommittee members understand the historic significance of previous Legislatures and review of the Departments. An all-inclusive approach should be applied to the subcommittees action as they make decisions on the FY22 budget.

## **SUCOMMITTEE BUDGET REVIEW PROCESS & REQUIREMENT**

Subcommittees are to review the numbers section of their agency budgets and discuss budget detail transactions such as increments, decrements, transfers, new positions or position changes, fund source changes, etc. It is the expectation that all subcommittees will work with the LFD Budget Analyst to ensure a comprehensive and succinct schedule is created for each Subcommittee. This will ensure the necessary budget actions are addressed as the Subcommittee moves through the process.

The main tool of the Subcommittee will be the Subcommittee Binders. Should include the following:

- 1) *Statewide Budget Items*
  - a. *Fiscal Summaries*
  - b. *Budget History Graph*
    - i. *Long Term*
    - ii. *Short Term*
  - c. *Swoop Graph (specifically reflecting the departments relation to the overall budget)*
  - d. *Approximate Fund Balances*
- 2) *Agency FY12-FY22 Look Back Graphs*
  - a. *All Funds Graph*
  - b. *GF Only Graph*
  - c. *GF Only Appropriation/Allocation Summary*
- 3) *Transaction Comparison (FY22 Adjusted Base to FY22 Governor's Amended Request)*
- 4) *Department Program Priority Matrix*
- 5) *FY22 Subcommittee Book*
- 6) *FY21 CC Book*
- 7) *Individual Subcommittee Meeting materials*

Binders and the detailed information should be made available to all subcommittee members online by the first meeting of the subcommittee. At least one physical binder with the essential material should be provided to the office of each subcommittee member. The OMB Operating Budget Details reports <https://omb.alaska.gov/fiscal-year-2022-amended-budget/> should be made available to all subcommittee members online.

During the subcommittee process members should consider:

1. The subcommittee will not add any increments that increase the budget above the Adjusted Base (Unrestricted General Funds) unless there is a corresponding decrement to offset the additional funds or a valid fund source change.
2. The Governor's FY22 Amendments should be considered as part of the overall review of each subcommittee.
3. Accepting and/or declining Interdepartmental Transfer-Ins (ATrIns) and Transfers-Outs (ATrOuts) require coordination between both subcommittees impacted, LFD, and the Operating Budget Co-chair before a decision is made.
4. Budget items not to be considered by the Subcommittee are as follows:
  - a. Governor's Supplemental Budget
  - b. Changes to the Language section of the Operating Budget
  - c. Structure changes to appropriations

- i. Structure changes is reserved for House Finance Committee. A subcommittee can recommend structure changes to a specific appropriation, but the House Finance Committee will vote and approve the change.
5. How the past year's FY21 budget changes were implemented in each Appropriation/ Results Delivery Unit (RDU), and how they impact the future budget of the department? (example: Past veto Impacts, COVID Funding, continued efficacies identified during the response to the COVID pandemic, impacts to programs and divisions from funding reductions).
6. FY22 services the department provides, what it costs, and the results Alaskans receive for their investment; along with any reductions or improvement of services expected due to budgetary actions.
7. Changes the department anticipates in the future and the sustainability of services the department provides.
8. (as applicable) Any budget actions that would require statutory changes that could change funding or decrease expenditures.
9. (as applicable) Indirect Expenditures, what are the priority statutory could increase revenue?
10. *Regarding Items 8 & 9, the subcommittee should not discuss the legislation, instead review the potential fiscal changes that would impact the department's operating budget and make recommendations to the House Finance Committee if potential legislation is required.*

#### **SUBCOMMITTEE CLOSE-OUT**

The agency budgets should be reported out of the subcommittee and subcommittees closed out no later than March 26<sup>th</sup>.

Subcommittee chairs should use the Budget Action (BA) sheets provided by Legislative Finance as part of the close-out procedures. In addition to the BA sheets and the associated reports, Chairs will also need to prepare a subcommittee narrative that highlights actions taken in subcommittee. Detailed Close-Out Memo will be provided before subcommittees close out.

#### **MEETINGS**

Subcommittees should be given the highest priority possible during the scheduled time frame for standing and special committees until the subcommittee closes out. Subcommittees are not to be scheduled during the normal House Finance Committee meeting time of 1:30 to 3:30 p.m., Monday through Friday without prior approval and notification.

#### **CLOSING**

Please feel free to contact me or my staff, Brodie Anderson at 465-4858 or Patrick Fitzgerald at 465-6841, if you have questions or suggestions.

# Short Fiscal Summary - FY21/FY22 Budget

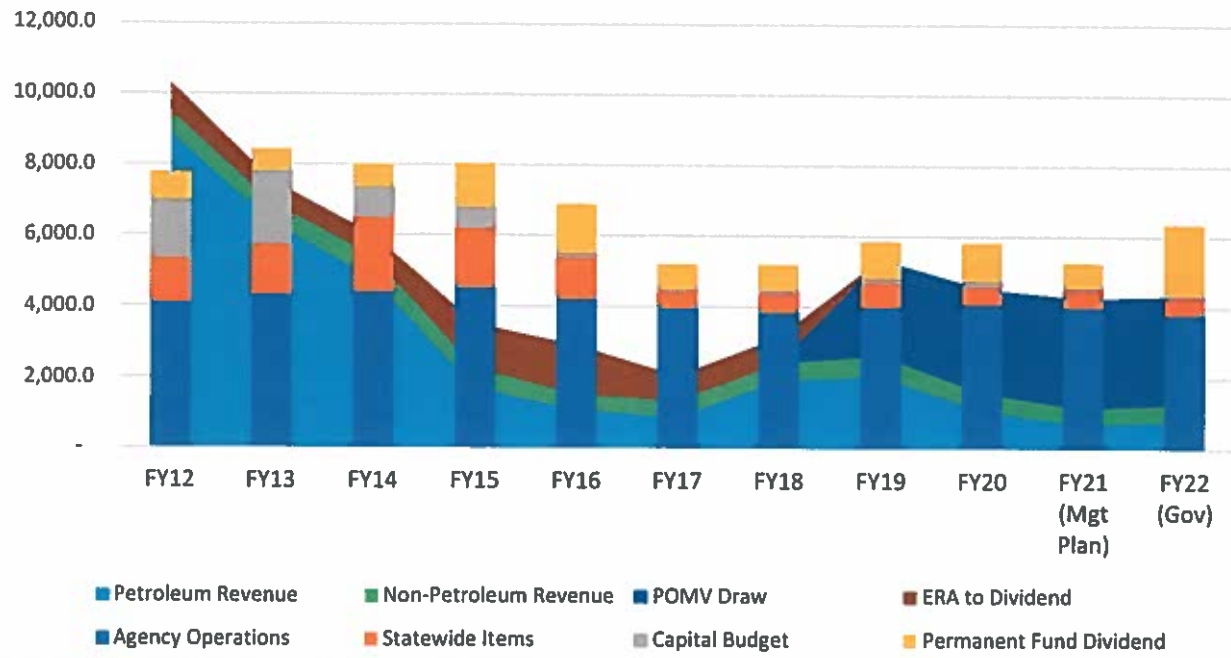
| (\$ Millions)<br>(Non-duplicated Funds) |                                         | FY21 |                  | FY22 GOV<br>Amd |                  | Change in UGF  |             |
|-----------------------------------------|-----------------------------------------|------|------------------|-----------------|------------------|----------------|-------------|
|                                         |                                         | UGF  |                  | UGF             |                  |                |             |
| 1                                       | <b>Revenue</b>                          |      | <b>4,443.2</b>   |                 | <b>4,271.9</b>   | <b>(171.3)</b> | <b>-4%</b>  |
| 2                                       | UGF Revenue (Fall 2020 Forecast)        |      | 1,243.1          |                 | 1,202.6          | (40.5)         | -3%         |
| 3                                       | POMV Draw                               |      | 3,091.5          |                 | 3,069.3          | (22.2)         | -1%         |
| 4                                       | Misc/Adjust/Non-UGF Revenue             |      | 108.6            |                 | -                | (108.6)        |             |
| 5                                       | <b>Appropriations</b>                   |      | <b>6,537.6</b>   |                 | <b>6,368.9</b>   | <b>(168.6)</b> | <b>-3%</b>  |
| 6                                       | <b>Operating Budget</b>                 |      | <b>4,502.8</b>   |                 | <b>4,282.8</b>   | <b>(220.1)</b> | <b>-5%</b>  |
| 7                                       | Agency Operations                       |      | 4,008.9          |                 | 3,818.6          | (190.3)        | -5%         |
| 8                                       | Statewide Items                         |      | 446.3            |                 | 464.1            | 17.8           | 4%          |
| 9                                       | Supplemental Appropriations             |      | 47.6             |                 | -                | (47.6)         |             |
| 10                                      | <b>Capital Budget</b>                   |      | <b>129.2</b>     |                 | <b>62.2</b>      | <b>(67.0)</b>  | <b>-52%</b> |
| 11                                      | Current Year Appropriations             |      | 120.3            |                 | 62.2             | (58.1)         | -48%        |
| 12                                      | Supplemental Appropriations             |      | 8.9              |                 | -                | (8.9)          |             |
| 13                                      | <b>Permanent Fund</b>                   |      | <b>1,905.5</b>   |                 | <b>2,023.9</b>   | <b>118.4</b>   | <b>6%</b>   |
| 14                                      | Permanent Fund Dividends                |      | 1,905.5          |                 | 2,023.9          | 118.4          | 6%          |
| 15                                      | Inflation Proofing/Other Deposits       |      | -                |                 | -                |                |             |
| 16                                      | <b>Pre-Transfer Surplus/(Deficit)</b>   |      | <b>(2,094.4)</b> |                 | <b>(2,097.0)</b> |                |             |
| 17                                      | Permanent Fund Earnings Reserve Account |      | (1,225.5)        |                 | (2,023.9)        |                |             |
| 18                                      | Other Fund Transfers                    |      | 40.9             |                 | 19.9             |                |             |
|                                         | <b>Post-Transfer Surplus/(Deficit)</b>  |      | <b>(909.8)</b>   |                 | <b>(93.0)</b>    |                |             |
| 19                                      | CBR Direct Appropriations               |      | (1,064.2)        |                 | -                |                |             |
| 20                                      | Draw After Direct CBR Appropriations    |      | 154.4            |                 | (93.0)           |                |             |
| 21                                      | <b>Total CBR Draw</b>                   |      | <b>(909.8)</b>   |                 | <b>(93.0)</b>    |                |             |

## Reserve Balances (EOY)

|     | FY21     | FY22     |
|-----|----------|----------|
| CBR | 914.2    | 846.8    |
| ERA | 12,052.8 | 10,955.6 |

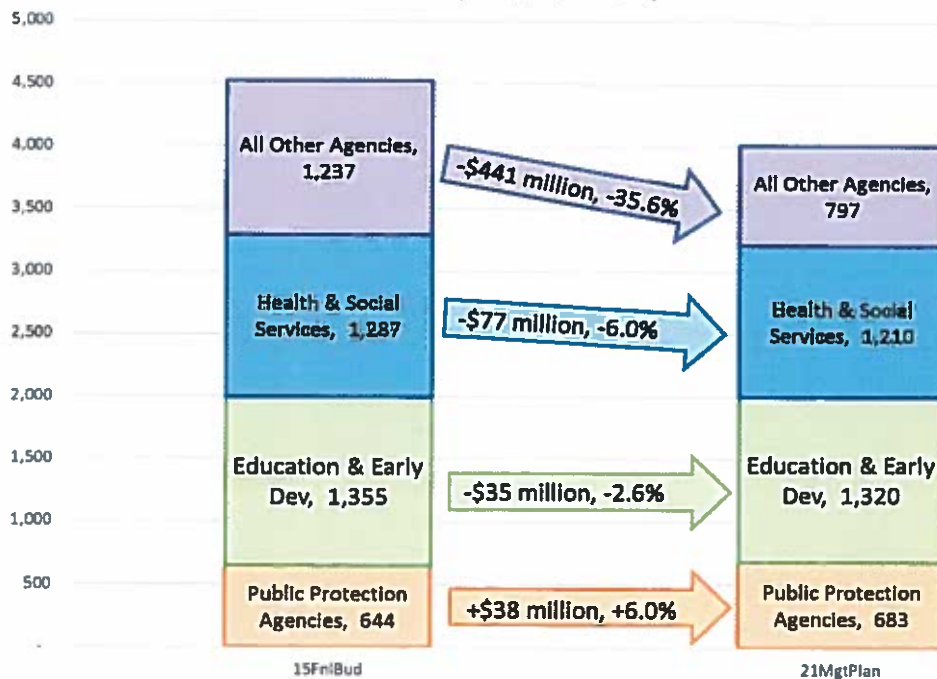
February 23, 2021

## UGF Budget and Revenue, FY12 - FY22



## UGF Agency Budget Changes, FY15 to FY21

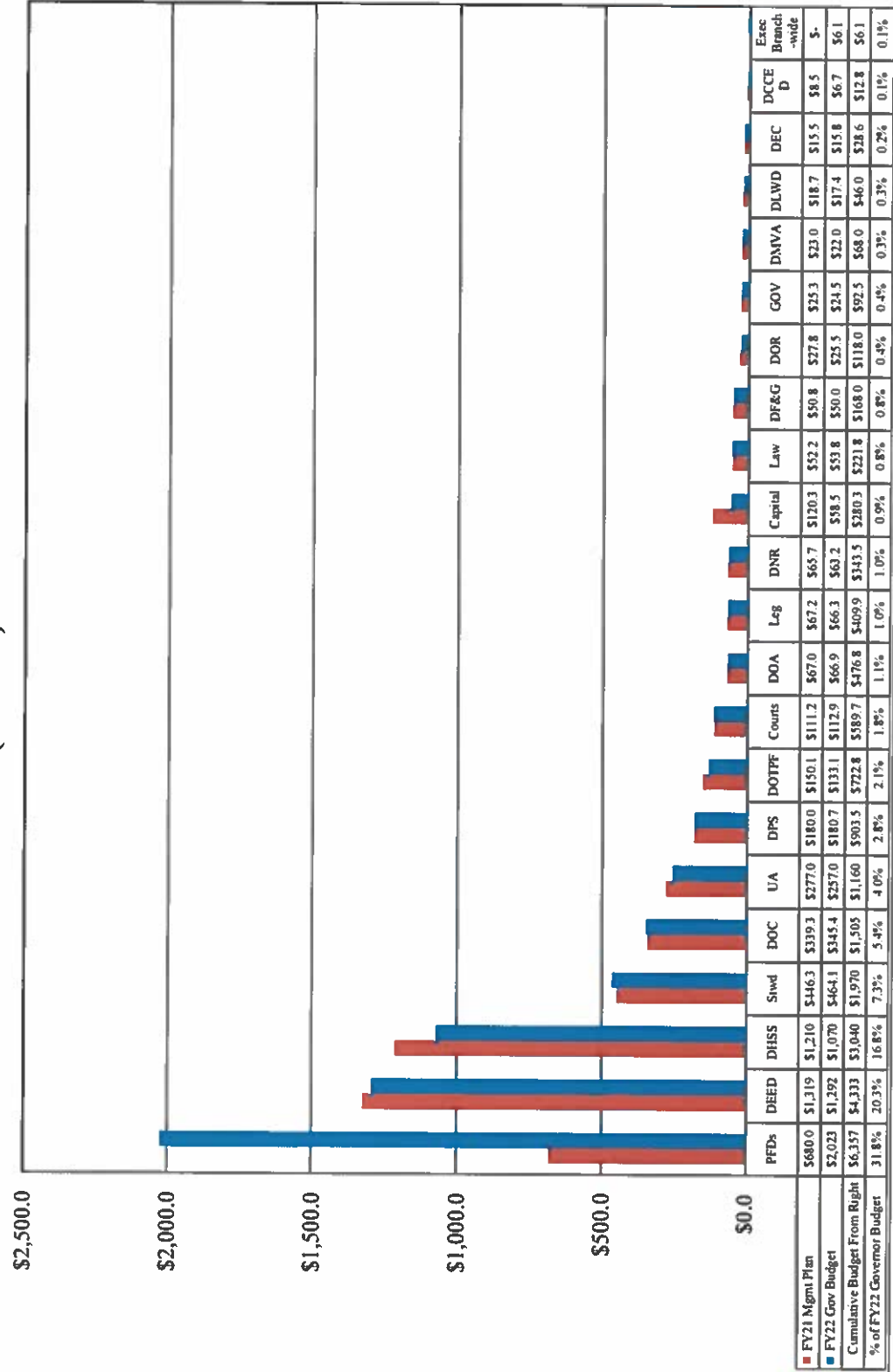
(in millions of dollars)



# Swoop Graph - UGF Only

## FY22 Governor Compared to FY21 Management Plan

(Millions)

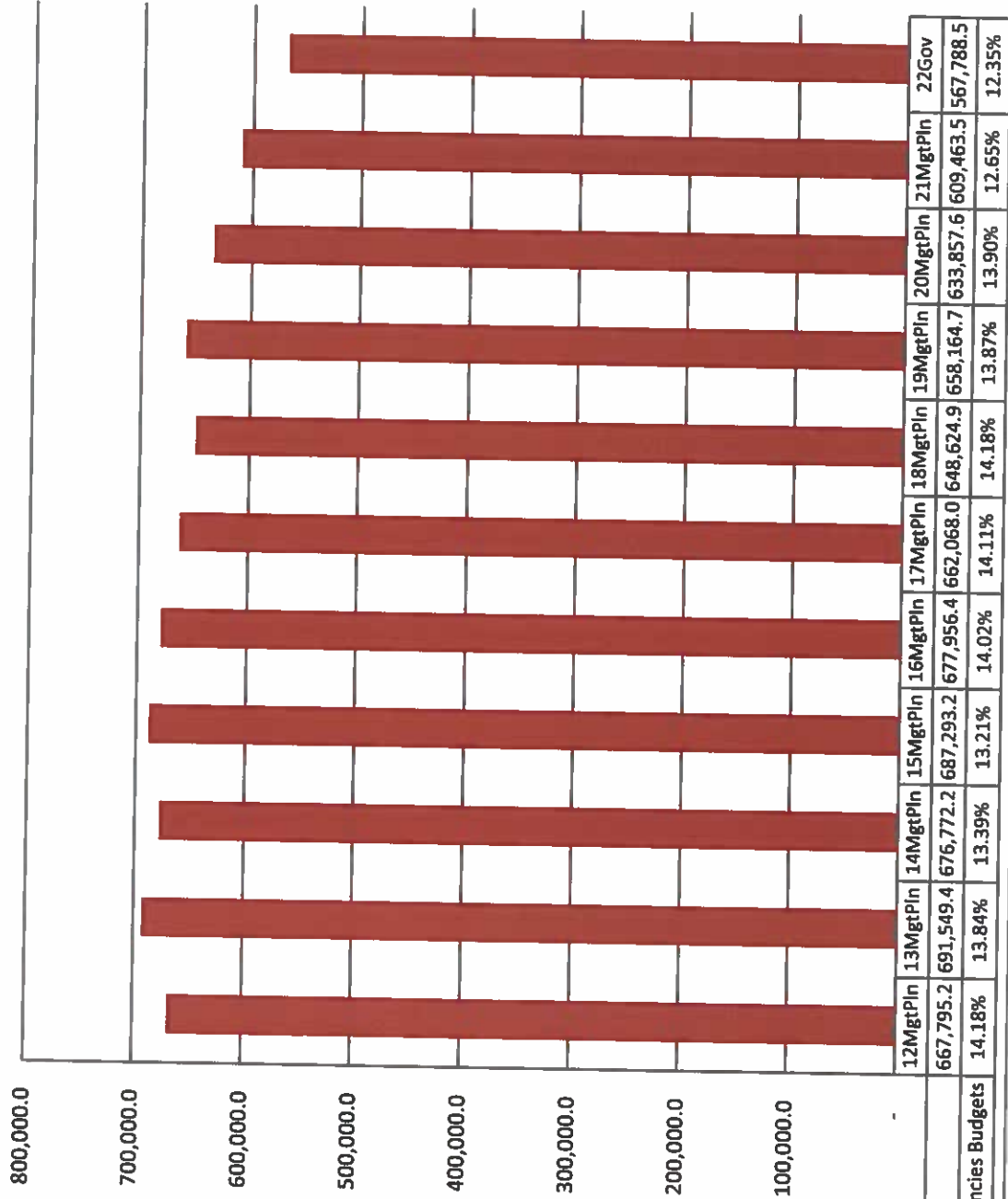


**Projected Fund Balances -- FY21 and FY22**  
**(\$ millions)**

|                                                                                                         | FY21        |         |         | FY22        |             |         |         |             |
|---------------------------------------------------------------------------------------------------------|-------------|---------|---------|-------------|-------------|---------|---------|-------------|
|                                                                                                         | BoY Balance | In      | Out     | EoY Balance | BoY Balance | In      | Out     | EoY Balance |
| Total Budget Reserves and Designated Funds                                                              | 16,134.1    | 4,946.7 | 6,594.8 | 14,486.0    | 14,486.0    | 5,444.0 | 6,553.8 | 13,376.2    |
|                                                                                                         |             |         |         |             |             |         |         |             |
| Undesignated Reserves                                                                                   | 1,763.9     | 63.0    | 894.1   | 932.8       | 932.8       | 25.6    | 38.6    | 919.7       |
| Constitutional Budget Reserve Fund                                                                      | 1,762.0     | 62.0    | 893.1   | 930.9       | 930.9       | 25.6    | 37.9    | 918.6       |
| Statutory Budget Reserve Fund                                                                           | 0.0         | -       | -       | 0.0         | 0.0         | -       | -       | 0.0         |
| Alaska Housing Capital Corporation Fund                                                                 | 1.9         | 1.0     | 1.0     | 1.9         | 1.9         | -       | 0.8     | 1.1         |
|                                                                                                         |             |         |         |             |             |         |         |             |
| Select Designated Funds                                                                                 | 14,370.2    | 4,883.8 | 5,700.7 | 13,553.2    | 13,553.2    | 5,418.4 | 6,515.2 | 12,456.4    |
| Total Excluding Permanent Fund                                                                          | 1,476.0     | 142.1   | 117.8   | 1,500.4     | 1,500.4     | 152.4   | 152.0   | 1,500.8     |
| Alaska Capital Income Fund                                                                              | (5.9)       | 23.1    | 17.4    | (0.3)       | (0.3)       | 49.0    | 49.8    | (1.0)       |
| Alaska Higher Education Investment Fund                                                                 | 343.8       | 20.6    | 21.0    | 343.3       | 343.3       | 20.5    | 21.8    | 342.0       |
| Community Assistance Fund                                                                               | 60.0        | 28.7    | 20.0    | 68.7        | 68.7        | 12.4    | 22.9    | 58.2        |
| Power Cost Equalization Endowment                                                                       | 1,078.2     | 69.8    | 59.3    | 1,088.6     | 1,088.6     | 70.4    | 57.5    | 1,101.5     |
| Permanent Fund Earnings Reserve Account*                                                                | 12,894.2    | 3,498.7 | 4,340.0 | 12,052.8    | 12,052.8    | 4,023.0 | 5,120.2 | 10,955.6    |
|                                                                                                         |             |         |         |             |             |         |         |             |
| Unrestricted General Fund Appropriations                                                                |             |         |         | 6,520.8     |             |         |         | 6,313.8     |
| Reserves Ratio (Undesignated Reserves / Pre-Transfer Budget)                                            |             |         |         | 14%         |             |         |         | 15%         |
| Pre-Transfer Deficit                                                                                    |             |         |         | (2,077.7)   |             |         |         | (2,041.9)   |
| Years of Deficit Coverage (Undesignated Reserves / Pre-Transfer Deficit)                                |             |         |         | 0.45        |             |         |         | 0.45        |
| Permanent Savings                                                                                       |             |         |         |             |             |         |         |             |
| Permanent Fund Principal – Market Value *                                                               | 52,408.1    | 768.7   | 0.0     | 53,176.8    | 53,176.8    | 481.0   | 0.0     | 53,657.8    |
| * Alaska Permanent Fund Corporation (APFC) median projection for FY21 and FY22 as of November 30, 2020. |             |         |         |             |             |         |         |             |

# University Share of Total Agency Operations

(GF Only)  
(\$ Thousands)



UA GF budget decreased by \$100.0 million between FY12 and FY22 Governor - an average annual decline rate of (1.6%).

The FY22 GF budget equates to \$1,754 per resident worker (based on 323,711 Alaskan workers).



# University Total Funding Comparison by Fund Group (All Funds) (\$ Thousands)

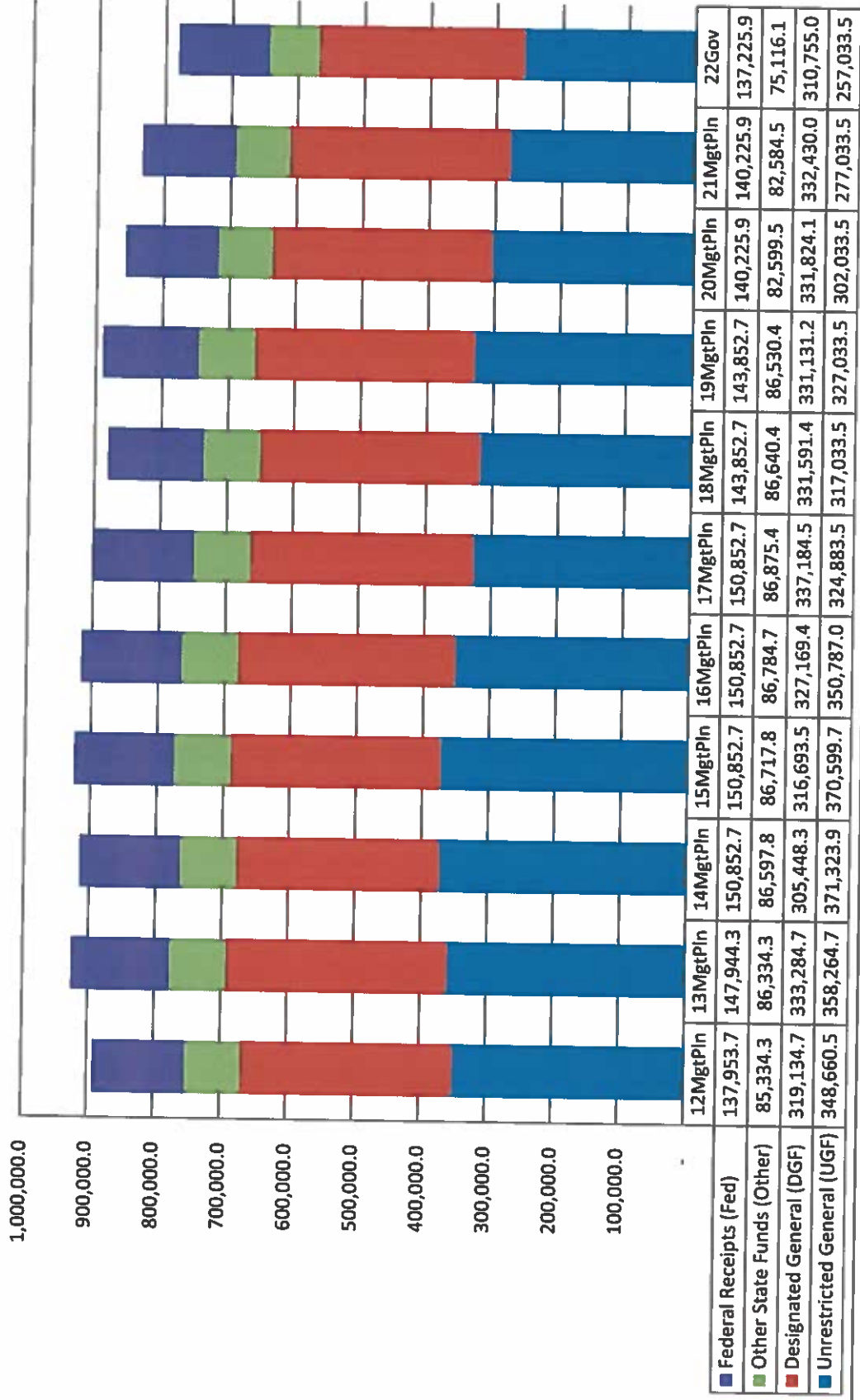
Between FY12 & FY22 Gov:

--UGF decreased by \$91.6 million (-26%)

--DGF decreased by \$8.4 million (-3%)

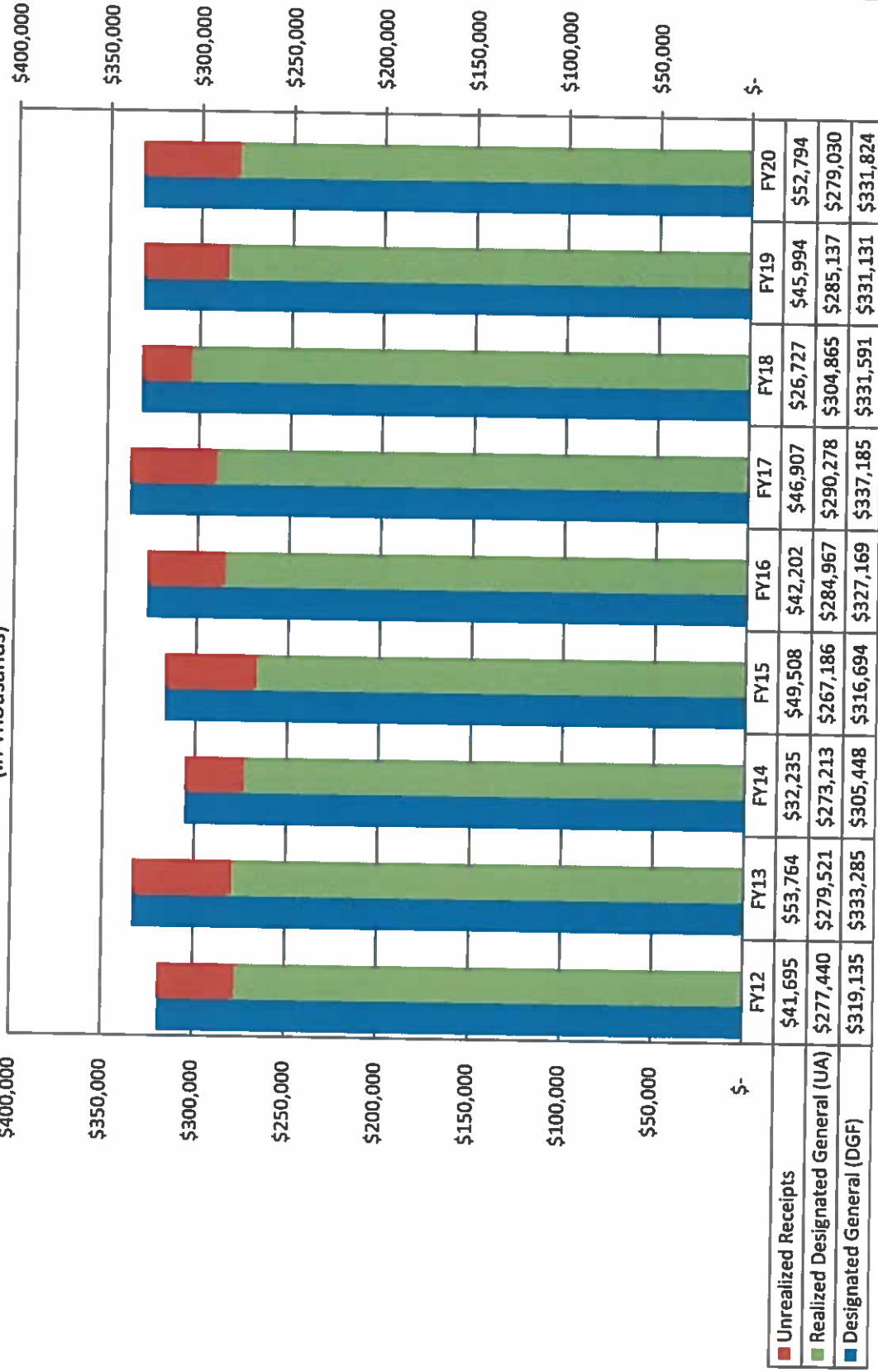
--Other funds decreased by \$10.2 million (-12%)

--Federal Funds decreased by \$0.7 million (-1%)



# University DGF Budget vs. Realized Receipts

(In Thousands)



# 2021 Legislature - Operating Budget Transaction Compare - Governor Structure Between AdjBase+ and 22GovAmd

Numbers and Language  
Differences  
Agencies: Univ

Agency: University of Alaska

| Column                                                                                 | Trans Type | Total Expenditure | Personal Services | Travel | Services  | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | THP |
|----------------------------------------------------------------------------------------|------------|-------------------|-------------------|--------|-----------|-------------|----------------|--------|------|-----|-----|-----|
| <b>University of Alaska</b>                                                            |            |                   |                   |        |           |             |                |        |      |     |     |     |
| <b>Budget Reductions/Additions - Systemwide</b>                                        |            |                   |                   |        |           |             |                |        |      |     |     |     |
| UA General Fund Reduction                                                              |            |                   |                   |        |           |             |                |        |      |     |     |     |
| 1004 Gen Fund (UGF)                                                                    | Dec        | -20,000.0         | 0.0               | 0.0    | -20,000.0 | 0.0         | 0.0            | 0.0    | 0.0  | 0.0 | 0.0 | 0.0 |
| Reduce University of Alaska Receipt Authority to Align with Anticipated Expenditures   | Dec        | -17,214.5         | 0.0               | 0.0    | -17,214.5 | 0.0         | 0.0            | 0.0    | 0.0  | 0.0 | 0.0 | 0.0 |
| 1048 Univ Rcpt (DGF)                                                                   | Dec        | -4,000.0          | 0.0               | 0.0    | -4,000.0  | 0.0         | 0.0            | 0.0    | 0.0  | 0.0 | 0.0 | 0.0 |
| Reduce Capital Improvement Project Receipt Authority                                   | Dec        | -3,500.0          | 0.0               | 0.0    | -3,500.0  | 0.0         | 0.0            | 0.0    | 0.0  | 0.0 | 0.0 | 0.0 |
| 1061 CIP Rcpts (Other)                                                                 | Dec        | -3,000.0          | 0.0               | 0.0    | -3,000.0  | 0.0         | 0.0            | 0.0    | 0.0  | 0.0 | 0.0 | 0.0 |
| Reduce State Inter-Agency Receipt Authority to Align with Anticipated Expenditures     | Dec        | -3,000.0          | 0.0               | 0.0    | -3,000.0  | 0.0         | 0.0            | 0.0    | 0.0  | 0.0 | 0.0 | 0.0 |
| 1007 IIA Rcpts (Other)                                                                 | Dec        | -3,000.0          | 0.0               | 0.0    | -3,000.0  | 0.0         | 0.0            | 0.0    | 0.0  | 0.0 | 0.0 | 0.0 |
| Reduce Federal Receipt Authority to Align With Expenditures                            | Dec        | -3,000.0          | 0.0               | 0.0    | -3,000.0  | 0.0         | 0.0            | 0.0    | 0.0  | 0.0 | 0.0 | 0.0 |
| 1002 Fed Rcpts (Fed)                                                                   | Dec        | -3,000.0          | 0.0               | 0.0    | -3,000.0  | 0.0         | 0.0            | 0.0    | 0.0  | 0.0 | 0.0 | 0.0 |
| Consolidate All University Allocations Into One Appropriation                          | Dec        | -3,000.0          | 0.0               | 0.0    | -3,000.0  | 0.0         | 0.0            | 0.0    | 0.0  | 0.0 | 0.0 | 0.0 |
| <b>* Allocation Difference *</b>                                                       |            | -47,714.5         | 0.0               | 0.0    | -47,714.5 | 0.0         | 0.0            | 0.0    | 0.0  | 0.0 | 0.0 | 0.0 |
| <b>Anchorage Campus</b>                                                                |            |                   |                   |        |           |             |                |        |      |     |     |     |
| MH Trust: Microenterprise Capital (FY18-FY25)                                          | IncT       | 25.0              | 0.0               | 0.0    | 25.0      | 0.0         | 0.0            | 0.0    | 0.0  | 0.0 | 0.0 | 0.0 |
| 1092 MHTAAR (Other)                                                                    | OTI        | -984.0            | 0.0               | 0.0    | -984.0    | 0.0         | 0.0            | 0.0    | 0.0  | 0.0 | 0.0 | 0.0 |
| Reverse MH Trust: Workforce - The Alaska Training Cooperative                          | IncT       | 885.6             | 0.0               | 0.0    | 885.6     | 0.0         | 0.0            | 0.0    | 0.0  | 0.0 | 0.0 | 0.0 |
| 1092 MHTAAR (Other)                                                                    | IncT       | 100.0             | 0.0               | 0.0    | 100.0     | 0.0         | 0.0            | 0.0    | 0.0  | 0.0 | 0.0 | 0.0 |
| MH Trust: The Alaska Training Cooperative (FY14-FY23)                                  | IncT       | 105.0             | 0.0               | 0.0    | 105.0     | 0.0         | 0.0            | 0.0    | 0.0  | 0.0 | 0.0 | 0.0 |
| 1092 MHTAAR (Other)                                                                    | IncT       | 225.0             | 0.0               | 0.0    | 225.0     | 0.0         | 0.0            | 0.0    | 0.0  | 0.0 | 0.0 | 0.0 |
| MH Trust: The Alaska Training Cooperative (FY22-FY23)                                  | IncT       | 356.6             | 0.0               | 0.0    | 356.6     | 0.0         | 0.0            | 0.0    | 0.0  | 0.0 | 0.0 | 0.0 |
| 1268 MHTReserve (DGF)                                                                  | Dec        | -4,785.5          | -3,287.2          | -95.6  | -1,364.8  | -37.9       | 0.0            | 0.0    | 0.0  | -29 | -1  | 0   |
| MH Trust: Traumatic & Acquired Brain Injury (TABII) Advisory Council Staff (FY22-FY25) |            | -4,785.5          | -3,287.2          | -95.6  | -1,364.8  | -37.9       | 0.0            | 0.0    | 0.0  | -29 | -1  | 0   |
| 1092 MHTAAR (Other)                                                                    |            | -52,143.4         | -3,287.2          | -95.6  | -48,722.7 | -37.9       | 0.0            | 0.0    | 0.0  | -29 | -1  | 0   |
| MH Trust: Alaska Justice Information Center (FY22-FY23)                                |            |                   |                   |        |           |             |                |        |      |     |     |     |
| 1268 MHTReserve (DGF)                                                                  |            |                   |                   |        |           |             |                |        |      |     |     |     |
| <b>* Allocation Difference *</b>                                                       |            |                   |                   |        |           |             |                |        |      |     |     |     |
| <b>University of Alaska Foundation</b>                                                 |            |                   |                   |        |           |             |                |        |      |     |     |     |
| UA Foundation Transition to Non-Profit                                                 |            |                   |                   |        |           |             |                |        |      |     |     |     |
| 1048 Univ Rcpt (DGF)                                                                   |            | -4,785.5          |                   |        |           |             |                |        |      |     |     |     |
| <b>* Allocation Difference *</b>                                                       |            |                   |                   |        |           |             |                |        |      |     |     |     |
| <b>** Appropriation Difference **</b>                                                  |            |                   |                   |        |           |             |                |        |      |     |     |     |

**2021 Legislature - Operating Budget  
Transaction Compare - Governor Structure  
Between AdjBase+ and 22GovAmd**

Numbers and Language  
Differences  
Agencies: Univ

| Agency: University of Alaska    |               |                      |                      |        |           |             |                   |        |      |     |     |
|---------------------------------|---------------|----------------------|----------------------|--------|-----------|-------------|-------------------|--------|------|-----|-----|
| Column                          | Trans<br>Type | Total<br>Expenditure | Personal<br>Services | Travel | Services  | Commodities | Capital<br>Outlay | Grants | Misc | PFT | THP |
| *** Agency Difference ***       |               | -52,143.4            | -3,287.2             | -95.6  | -48,722.7 | -37.9       | 0.0               | 0.0    | 0.0  | -29 | -1  |
| *** All Agencies Difference *** |               | -52,143.4            | -3,287.2             | -95.6  | -48,722.7 | -37.9       | 0.0               | 0.0    | 0.0  | -29 | -1  |

**University of Alaska**  
**FY22 Subcommittee Book - Significant Transactions**  
(\$ thousands)

| Item | Appropriation / Allocation                                       | Description                                                                                                         | Amount / Fund Source                                                                                                                                                                   | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1    | University of Alaska / Budget Reductions/ Additions - Systemwide | UA General Fund Reduction                                                                                           | (\$20,000.0) Gen Fund (UGF)                                                                                                                                                            | <p>This decrement represents year three of a three-year agreement between the Governor and the University of Alaska Board of Regents. The agreement calls for a reduction of \$20 million (7.2%) unrestricted general fund (UGF) in FY22. The allocation of the reduction will be finalized by the Board of Regents after the FY22 budget is enacted, potentially in June of 2021.</p> <p><b>Fiscal Analyst Comment:</b> The University of Alaska and the Governor signed a compact agreement to reduce the University's UGF budget over a three-year period by \$70 million. There was a \$25 million UGF reduction in FY20, a \$25 million UGF reduction in FY21, and this final \$20 million UGF reduction proposed for FY22. As part of the compact agreement the Governor agreed to support a single appropriation and not to seek additional reductions through veto. The \$70 million UGF reduction from \$327 million in FY19 to \$257 million in the FY22 proposed budget is a 21.4% decrease.</p> |
| 2    | University of Alaska / Budget Reductions/ Additions - Systemwide | Reduce University of Alaska, Federal, Interagency, and CIP Receipt Authority to Align with Anticipated Expenditures | <p>Total: (\$27,714.5)</p> <p>(\$3,000.0) Fed Repts (Fed)</p> <p>(\$3,500.0) I/A Repts (Other)</p> <p>(\$17,214.5) Univ Rcpt (DGF)</p> <p>(\$4,000.0) CIP Repts (Other)</p> <p>n/a</p> | <p>Items 1 and 3 are related.</p> <p>In addition to the \$20 million UGF budget reduction, corresponding reductions in other fund sources are reflected in the FY22 proposed budget.</p> <p><b>Fiscal Analyst Comment:</b> As the general fund budget is reduced, the University's ability to generate revenues from other sources is also reduced. Tuition and other revenue has declined as programs are cut or eliminated. The University was already facing significant budget reductions before the pandemic, which has exacerbated revenue decline and has increased costs. Additional federal stimulus funding will be available to the University but the amount is unconfirmed at the time of this publication.</p>                                                                                                                                                                                                                                                                                |
| 3    | University of Alaska / Budget Reductions/ Additions - Systemwide | Consolidate All University Allocations Into One Appropriation                                                       | n/a                                                                                                                                                                                    | <p>The Governor's budget proposes one appropriation instead of the two-appropriation structure adopted by the legislature for FY21. The primary advantage of the one appropriation model is that it limits the amount of necessary internal billing between different parts of the university system and provides more financial and budgetary management flexibility.</p> <p><b>Fiscal Analyst Comment:</b> The two-appropriation structure passed by the legislature for FY21 consists of the University of Alaska appropriation and the University of Alaska Community Campuses appropriation, which also includes the University of Alaska Southeast Juneau campus.</p> <p>Maintaining the FY21 structure would put the entire \$20 million budget reduction to the University of Alaska appropriation (see Item 1). The movement of funding between the two appropriations would be limited to the use of Reimbursable Services Agreements (RSAs), in which the Anchorage</p>                          |

**University of Alaska**  
**FY22 Subcommittee Book - Significant Transactions**  
**(\\$ thousands)**

| Item | Appropriation / Allocation                                       | Description                                                   | Amount / Fund Source                                                  | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------|------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3    | University of Alaska / Budget Reductions/ Additions - Systemwide | Consolidate All University Allocations Into One Appropriation | n/a                                                                   | (continued)<br>and Fairbanks campuses and statewide system will have to bill the community campuses and Juneau university campus for services provided to them. Previously, the main campuses provided a number of services to smaller campuses that they will now need to charge for using RSA's in order to recoup costs. The two-appropriation structure also limits the Board of Regent's and University Administration's options in implementing the budget reduction.                                                                                                                                                                                                                                                                                                   |
| 4    | University of Alaska / University of Alaska Foundation           | UA Foundation Transition to Non-Profit                        | (\$4,785.5) Univ Rcpt (DGF)<br>(29) PFT Positions<br>(1) PPT Position | Items 1 and 3 are related.<br>This adjustment transitions the UA Foundation budget and staffing from the University of Alaska to the non-profit UA Foundation. The principal purposes for the proposed change are to better reflect in UA's budget that both Foundation costs and expenses (staff and otherwise) are principally borne by the Foundation and not UA, and to clearly communicate that staff of the Foundation are not those of UA administration.<br><br>Fiscal Analyst Comment: The transition of the UA Foundation is in the planning stage and the implementation process is still being developed. Additional information will be available for the legislative subcommittee process. The implementation plan is expected to be available by July 1, 2021. |

**University of Alaska**  
**FY21 Conference Committee Book - Significant Transactions**  
(\$ thousands)

| Item | Appropriation / Allocation                                       | Description                                             | Governor Request            | Amount Enacted                                                                    | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------|------------------------------------------------------------------|---------------------------------------------------------|-----------------------------|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1    | University of Alaska / Budget Reductions/ Additions - Systemwide | GA 51 Alaska Technical and Vocational Education Funding | \$605.9 VoTech Ed (DGF)     | \$605.9 VoTech Ed (DGF)                                                           | At the time that the budget was passed the FY21 estimated receipts of the Alaska Technical and Vocational Education Program account available for statewide distribution was \$13,833.8. As defined by statute, the University of Alaska receives 45 percent (or an estimated \$6,225.2) of total receipts. The University's estimated portion of the FY21 distribution was \$605.9 more than the FY20 distribution level of \$5,619.3. After the budget was passed the estimated total distribution of TVEP funding was revised down to \$12,102.8 to reflect reduced employee contributions due to the Covid-19 crisis. The University's revised estimated distribution is now \$5,446.3. This is a reduction of \$173.04 from FY20 levels. The Technical Vocational Education Program (TVEP) is a set-aside of employee contributions to unemployment insurance. The receipts are transferred to a separate account in the general fund and, subject to appropriation, are used to support vocational training around the State. Legislative appropriations occur in several departments and are based on a formula set out in statute [AS 23.15.835(d)].                                                                                                                                                                                                                                                                                            |
| 2    | University of Alaska / Budget Reductions/ Additions - Systemwide | Compact Agreement Reduction                             | (\$25,000.0) Gen Fund (UGF) | Total: (\$25,000.0)<br>(\$12,500.0) CBR Fund (UGF)<br>(\$12,500.0) Gen Fund (UGF) | Fiscal Analyst Comment: According to the University, TVEP funding has been instrumental in the University's ability to meet Alaska's workforce training and educational needs and continues to be a key source of funds for that purpose. The entirety of TVEP receipt authority is reflected in the Budget Reductions/Additions - Systemwide allocation. Individual University campuses submit requests for TVEP funds to the UA Workforce Development Committee. A review process occurs to determine which projects/campuses will receive TVEP funding in each fiscal year.<br><br>The Governor's budget included a \$25 million UGF reduction to the University of Alaska. The Legislature instead made a \$12.5 million UGF reduction in the System Wide Budget Reductions/Additions allocation. After the legislature made a fund source change from UGF to CBR (see item 6) the Governor then vetoed another \$12.5 million in CBR funding from that allocation for a total reduction of \$25 million in state support funding. The FY21 \$25 million reduction represents an 8.3% reduction to the University's UGF budget.<br><br>Fiscal Analyst Comment: In August of 2019, the University of Alaska and the Governor signed a compact agreement to reduce the University's UGF budget over a three-year period by \$70 million. The Governor agreed not to veto more from the University's budget in FY20. This resulted in a final FY20 UGF |

**University of Alaska**  
FY21 Conference Committee Book - Significant Transactions  
(\$ thousands)

| Item | Appropriation / Allocation                                       | Description                                                                                                 | Governor Request            | Amount Enacted                                                                    | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2    | University of Alaska / Budget Reductions/ Additions - Systemwide | Compact Agreement Reduction                                                                                 | (\$25,000.0) Gen Fund (UGF) | Total: (\$25,000.0)<br>(\$12,500.0) CBR Fund (UGF)<br>(\$12,500.0) Gen Fund (UGF) | (continued)<br>reduction of \$25 million (7.6%). In FY21, the Governor's budget included another \$25 million dollar reduction, and per the compact the Governor agreed to support a single appropriation and not to seek additional reductions through veto. In FY22, the compact proposes an additional \$20 million UGF reduction.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 3    | University of Alaska / Various                                   | Maintain Two Appropriation Structure for University                                                         | n/a                         | n/a                                                                               | (Items 2, 3, and 6 are related)<br>In August of 2019, the University of Alaska and the Governor signed a compact agreement to reduce the University's UGF budget over a three-year period by \$70 million. Per the compact the Governor agreed to support a single appropriation structure for the University and submitted a budget with a single University of Alaska appropriation. The legislature instead maintained the two-appropriation structure first adopted in the FY20 budget. This consists of the University of Alaska appropriation and the University of Alaska Community Campuses appropriation, which also includes the Juneau university campus.<br><br>Fiscal Analyst Comment: The two-appropriation structure limits the \$25 million budget reduction (see item 2) to the University of Alaska appropriation. The movement of funding between the two appropriations will be limited to the use of Reimbursable Services Agreements (RSA's), in which the Anchorage and Fairbanks campuses and statewide system will have to bill the community campuses and Juneau university campus for services provided to them. The primary advantage of the one appropriation model is that it limits the amount of necessary internal billing between different parts of the university system. Previously, the main campuses provided a number of free services to smaller campuses that they will now need to charge for using RSA's in order to recoup costs. |
| 4    | University of Alaska / Budget Reductions/ Additions - Systemwide | FY20 RPL 45-2020-02 Coronavirus Aid, Relief and Economic Security (CARES) Act Federal Funding Opportunities | \$5,000.0 COVID Fed (Fed)   | \$5,000.0 COVID Fed (Fed)                                                         | (Items 2 and 3 are related)<br>RPL 45-2020-02 adds authority for receipt of CARES act funding from the Higher Education Emergency Relief Fund (section 18004(a)(1)), under the Education Stabilization Fund, providing grants directly to higher education students and institutions.<br><br>Fiscal Analyst Comment: Under the CARES act the university received \$7,885.0. It only needed an additional \$5,000.0 in authority due to excess                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |



**University of Alaska**  
**FY21 Conference Committee Book - Significant Transactions**  
(\$ thousands)

| Item                        | Appropriation / Allocation                                       | Description                                                                                                 | Governor Request          | Amount Enacted                                                       | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4                           | University of Alaska / Budget Reductions/ Additions - Systemwide | FY20 RPL 45-2020-02 Coronavirus Aid, Relief and Economic Security (CARES) Act Federal Funding Opportunities | \$5,000.0 COVID Fed (Fed) | \$5,000.0 COVID Fed (Fed)                                            | (continued)<br>federal authority being available in their budget. The first 50% (\$3,940.0) of the total funds can only be used for emergency financial aid grants to UA students, and cannot be used for any institutional costs or to recoup student aid already provided by institutions.                                                                                                                                                                                                           |
| 5                           | University of Alaska / Fairbanks Campus                          | Consolidate Fairbanks Organized Research into Fairbanks Campus                                              | n/a                       | n/a                                                                  | The legislature consolidated the Fairbanks Organized Research allocation into the Fairbanks Campus allocation. The total amount transferred into Fairbanks Campus was \$140,789.6 in various fund sources and resulted in a net zero change to the University of Alaska appropriation as a whole.                                                                                                                                                                                                      |
| 6                           | Various                                                          | Replace UGF with CBR Direct 1001                                                                            | n/a                       | Net Zero<br>\$59,681.9 CBR Fund (UGF)<br>(\$59,681.9) Gen Fund (UGF) | The legislature funded 25% of numbers section UGF items directly from the Constitutional Budget Reserve (CBR) using fund code 1001. For the University, that resulted in \$72.1 million being switched from 1004 (UGF) to code 1001. Because both sources are counted as UGF, this change will have no impact on the agency's operations. Subsequently, the Governor vetoed \$12.5 million in CBR (see item 2). The total CBR amount for the University in the Enacted FY21 budget was \$59.7 million. |
| (Items 2 and 6 are related) |                                                                  |                                                                                                             |                           |                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |



# University of Alaska

## *Serving Alaska*

### Senate Finance Committee

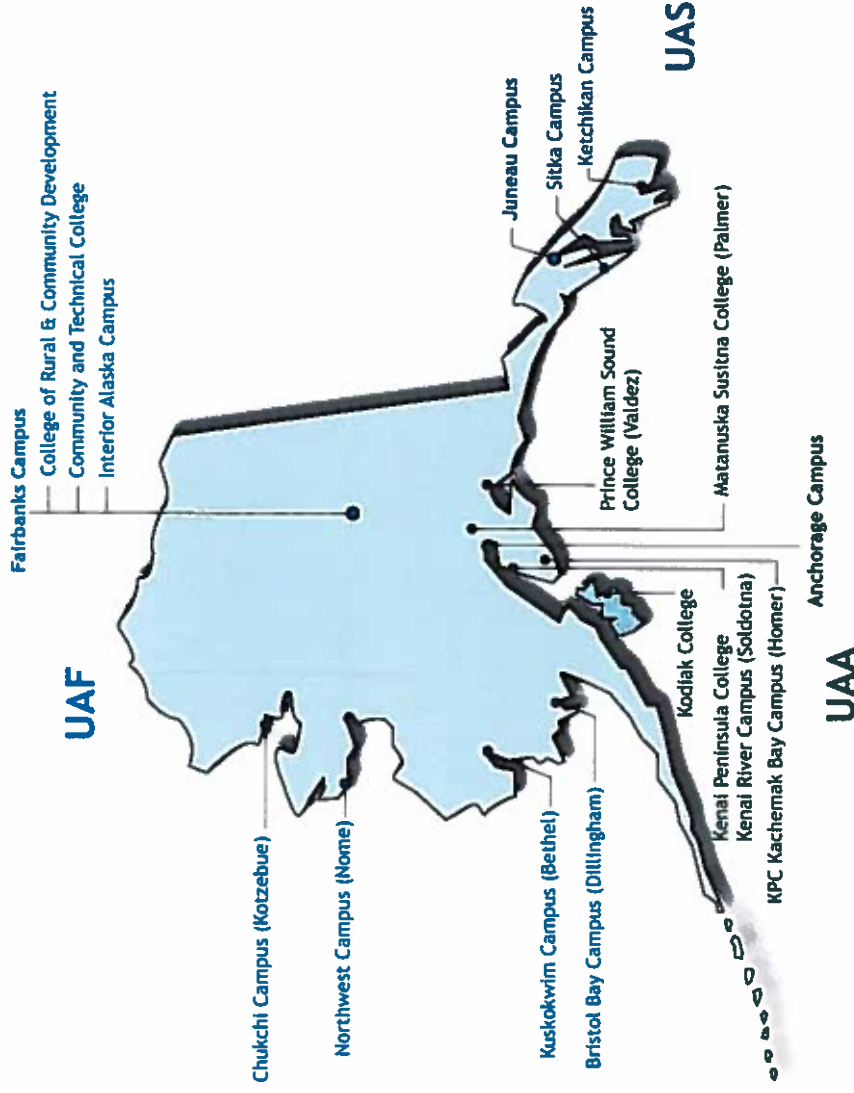
February 11, 2021



UNIVERSITY  
of ALASKA  
*Many Traditions One Alaska*

# University of Alaska Alaska's System of Higher Education

- Three universities:
  - different missions
  - research,
  - urban comprehensive,
  - regional
- different experience
- all valued
  - serving their communities
  - offering a breadth of
  - programs from workforce
  - credentialing to doctoral
  - degrees



# To meet the needs of Alaska...

- *STABILITY*
- *CONFIDENCE*
- *TRUST*

- Meet Alaska's workforce needs and increase degree attainment
- Essential to Alaska's economic recovery, diversity and growth
- World-class nationally competitive research
- Operate more cost effectively



# Reduced budget – reduced footprint

- At the end of the Compact in FY22, UA will be down \$120 million UGF from FY14
- Smaller footprint with a foundation of high-quality core programs and research
- Facility and lease reductions
- Faculty and staff reductions since 2014
  - 2,500 fewer employees
  - Reduced administrative personnel costs by more than 20 percent



# Legislative Priorities

- Financial Stability
  - To grow enrollment and diversify revenue through additional tuition revenue, we need budget certainty
  - A single appropriation is necessary to provide the Board the most flexibility with budget decisions





# Legislative Priorities

- Capital Requests
  - Deferred Maintenance
    - General Obligation Bond
  - Debt Relief
  - COVID Impact Mitigation



# Debt Service Relief- \$15.1 million Request

- Annual Debt Service = \$24 million (UGF component is \$19.3 million)
  - \$10.5 million (43%) UAF Combined Heat & Power Plant
- Principal Outstanding = \$288.5 million
- Debt service is 5% of UA's unrestricted revenues, and has increased as revenue (UGF & Tuition) decline
- Fixed costs reduce management's capacity to make strategic reductions as revenues decline
- Examples of debt-financed projects: UAF Power Plant, UAF Engineering Building, Deferred Maintenance
- UA's debt capacity is limited
- Debt relief, in the form of principal payoff or debt service reimbursement, is a prudent financial move
- Debt relief would strengthen UA's financial position, and increase its capacity to respond to current and future revenue pressures





# Deferred Maintenance - \$50 million Request

- Facilities across the University of Alaska are extensive and a unique subset of public facilities.
  - 397 facilities totaling over 8 million square feet, valued at over \$4 billion
  - Average age of UA's buildings is 35-years old
  - Deferred maintenance backlog over \$1.3 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
- 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.



# Deferred Maintenance

- Board of Regents Request: \$50 million
- Senate Bill 74 includes \$29.9 million for:
  - UAF Bartlett and Moore Hall Modernization and Renewal - \$18.65 million
  - UAA Building Energy Performance Upgrades - \$10.9 million
  - UAA Integrated Sciences Building Energy Savings Project - \$428,000



# Serving Alaska during COVID-19

- Training and employing 400+ contact tracers
- UA experts in epidemiology, economic impacts and modeling, small business, and mental health assist state response
- Manufacturing PPE (e.g. hand sanitizer, 3D printed face shields, ventilator parts, viral transport media)
- Small Business Development Center and Business Enterprise Institute support small businesses – PPP loans and community small business relief
- Graduated and licensed 75 senior nursing students early in order to meet the increased demand
- NSF has funded four RAPID awards to UA researchers



# COVID-19 Support and

# Impacts (March 2020 – present)

| Support                                                   | Amount       |
|-----------------------------------------------------------|--------------|
| CARES Act - Institutional Support                         | \$ 3,942,388 |
| HEERF-I: Title III/Minority Serving/Strengthening Inst.   | 2,626,299    |
| HEERF-II: Title III/Minority Serving/Strengthening Inst.* | 4,349,765    |
| HEERF-II - Institutional Support                          | 13,466,748   |
| CARES Act - via DHSS Coronavirus Relief Fund              | 2,921,479    |
| CARES Act - via Fairbanks North Star Borough              | 2,000,000    |
| Governor's Emergency Education Fund - UA                  | 1,500,000    |
| Governor's Emergency Education Fund - ANSEP               | 200,000      |
| Cities of Soldotna and Homer                              | 224,633      |
| Bethel Community Services Foundation                      | 76,000       |
| Alaska Community Foundation - to Museum                   | 92,524       |
| City of Fairbanks                                         | 23,977       |
| Institutional Support - Total                             | \$31,423,813 |
| CARES Act - Student Support                               | \$ 3,942,388 |
| CRRSA Act - Student Support                               | 3,942,388    |
| Student Support - Total                                   | \$7,884,776  |

\* estimate

| Impacts                                         | Amount       |
|-------------------------------------------------|--------------|
| Expenditures                                    | \$ 3,743,520 |
| COVID administrative & emergency leave          | 2,762,426    |
| Cancellations and refunds                       | 4,818,807    |
| Lost Revenue - Auxiliaries and Other activities | 22,555,559   |
| Lost Revenue - interest income                  | 1,549,400    |
| Lost Revenue - FY21 tuition and fees            | 11,683,500   |
| Institutional Impacts - Total                   | \$47,113,212 |

## COVID Funding Requests: \$15.7M

1. UA is working with OMB and Legislature on a COVID supplemental appropriation.
2. UA submitted a request to Governor's office on January 29, 2021 from the Governor's Emergency Education Fund
3. UA has applied for funding from Federal Emergency Management Agency (FEMA). In process.



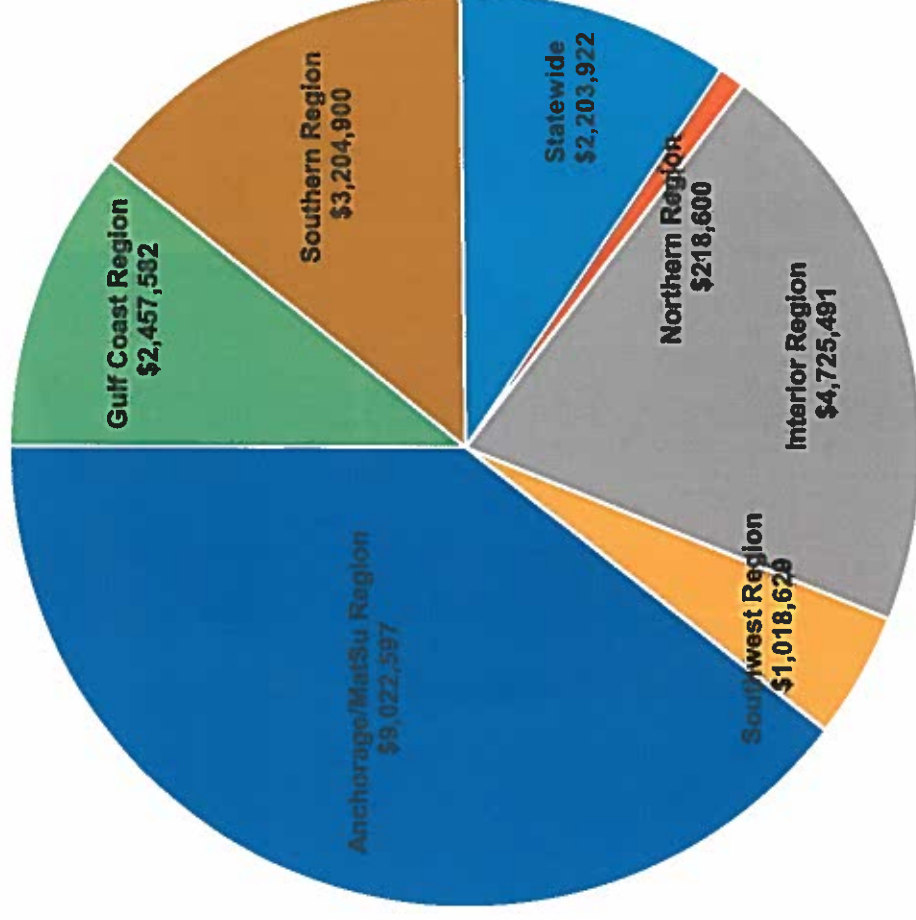
# Legislative Priorities

## Technical Vocational Education Program Reauthorization

- Program is funded annually from a portion of unemployment insurance contributions
- UA receives 45 percent of program dollars, \$5.8M in FY21 (46% of participants)
- Funds high-demand career and technical training marine, mining, oil & gas, health care, construction, and IT
- Seeking a five-year reauthorization of the current program



# UA TVEP Supports Alaska Economic Regions FY2015 - FY2019



# Legislative Priorities

## Higher Education Investment Fund

- Preserve full funding of these important programs:
  - Alaska Performance Scholarship program ~ \$12M
  - Alaska Education Grant ~ \$6M
  - WWAMI Medical School program ~ \$3M





# University of Alaska – Total Budget

|              | FY14        | FY21        | FY22        |
|--------------|-------------|-------------|-------------|
| UGF          | 377,609.2   | 277,033.5   | 257,033.5   |
| Non-UGF      | 544,053.5   | 555,240.4   | 523,097.0   |
| Total Budget | \$921,662.7 | \$832,273.9 | \$780,130.5 |

\*Figures shown in thousands





# State appropriations (UGF) are the base on which all programs operate

## - programs generate all other revenue Funding Sources

| Funding Source (in millions of \$) | FY14                                                    | FY19           | FY20           | FY21            | FY22             | FY23 and forward                                                                                                                                                                              |
|------------------------------------|---------------------------------------------------------|----------------|----------------|-----------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>UGF</b>                         | <b>\$377.6</b>                                          | <b>\$327.0</b> | <b>\$302.0</b> | <b>\$277.0</b>  | <b>\$257.0</b>   |                                                                                                                                                                                               |
| <b>Earned Revenue</b>              |                                                         |                |                |                 |                  |                                                                                                                                                                                               |
| <b>DGF</b>                         | <b>276.5</b>                                            | <b>289.5</b>   | <b>274.4</b>   | <b>261.8</b>    | <b>258.0</b>     | UA keeps a high quality core foundation maintained on the reduced state support. UA is trusted and central to industry, communities, and the state for economic recovery and diversification. |
| <b>Federal</b>                     | <b>125.5</b>                                            | <b>122.7</b>   | <b>130.9</b>   | <b>132.2</b>    | <b>132.2</b>     | The legislature and governor assure stable state funding from which UA will grow enrollment, research, service, partnerships and philanthropy.                                                |
| <b>Other</b>                       | <b>13.9</b>                                             | <b>11.3</b>    | <b>10.3</b>    | <b>10.3</b>     | <b>10.3</b>      |                                                                                                                                                                                               |
| <b>Subtotal Earned Revenue</b>     | <b>415.9</b>                                            | <b>423.5</b>   | <b>415.6</b>   | <b>\$404.3*</b> | <b>\$400.5 +</b> |                                                                                                                                                                                               |
| <b>Total Revenue</b>               | <b>\$793.5</b>                                          | <b>\$750.5</b> | <b>\$717.6</b> | <b>\$681.3</b>  | <b>\$657.5 +</b> |                                                                                                                                                                                               |
|                                    | earned revenue as a percent of total revenue is growing |                |                |                 |                  | Federal \$132M, Other ~\$9M, DGF \$65M are restricted grants, scholarships, or contracts.                                                                                                     |
|                                    |                                                         |                |                |                 |                  | ~\$200M of the \$400.5M is restricted to a specific purpose by the entity providing the revenue                                                                                               |
| <b>Intra-UA Transactions</b>       | <b>59.8</b>                                             | <b>67.5</b>    | <b>89.1</b>    |                 |                  |                                                                                                                                                                                               |
| <b>State Reported Actuals</b>      | <b>\$853.3</b>                                          | <b>\$818.0</b> | <b>\$806.7</b> |                 |                  |                                                                                                                                                                                               |

\* Includes estimated COVID impact on auxiliary gross receipts.

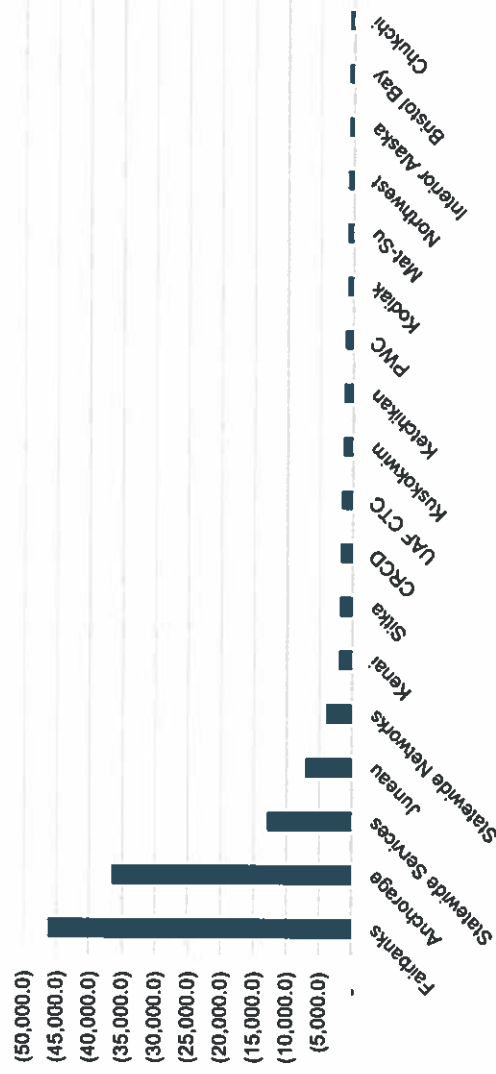


# Unrestricted General Funds Reductions

| Budget in thousands of \$ | FY14      | FY21*     | FY22      | Change FY14-FY22 |        | Change FY21-FY22 |        |
|---------------------------|-----------|-----------|-----------|------------------|--------|------------------|--------|
|                           |           |           |           | \$               | %      | \$               | %      |
| UA Anchorage              | 135,806.5 | 100,080.5 | 94,872.7  | -40,933.8        | -30.1% | -5,207.8         | -5.2%  |
| UA Fairbanks              | 182,282.9 | 136,432.4 | 129,273.4 | -53,009.5        | -29.1% | -7,159.0         | -5.2%  |
| UA Southeast              | 30,088.7  | 21,220.2  | 20,020.6  | -10,068.1        | -33.5% | -1,199.6         | -5.7%  |
| UA System Office          | 29,448.7  | 19,300.4  | 12,866.8  | -16,581.9        | -56.3% | -6,433.6         | -33.3% |
| UA                        | 377,626.8 | 277,033.5 | 257,033.5 | -120,593.3       | -31.9% | -20,000.0        | -7.2%  |

\* Includes intra-agency agreements between universities and community campuses and the System Office and UA Southeast. This estimates the multiple appropriation structure effect on budgets across the UA system.

FY14-FY22 UGF Reduction by \$



# Students and Employees

|                                 | Fall 2014    | Fall 2020    | Change  | % Change |
|---------------------------------|--------------|--------------|---------|----------|
| Employees – Full Time/Regular   | 4,510        | 3,633        | (877)   | (19.4%)  |
| Employees – Part Time/Temporary | 3,920        | 2,440        | (1,480) | (37.7%)  |
| Students                        | 31,522       | 22,044       | (9,478) | (30%)    |
| Graduates                       | 4,908 (FY14) | 4,278 (FY20) | (630)   | (12.8%)  |



# Enrollment Highlights

- Enrollment fall 2020 semester:
  - Decline less than 10%,
    - We had projected a 15-30 percent decline due to COVID-19 on top of year over year declines since 2011
  - Enrollment increased in UAF College of Fisheries and Ocean Science, UAF School of Management, UAA College of Health, UAS Sitka and Ketchikan campuses
- Improved freshman retention rates compared to 2018-19 levels
- Enrollment spring 2021 semester (preliminary):
  - Applications up ~10 percent
  - Admissions up ~ 5 percent
  - Enrollment increases in UAF School of Management, UAF Rural College, Alaska College of Education, UAS School of Career Education, and UAA College of Health
    - Overall headcount down ~ 9 percent
- Long-term growth in engineering and health care programs to meet state demand
- edX courses – focus UAF research strengths
  - 5,000 learners and scholars from over 120 countries in first four months



# Asset Monetization

- Reduced owned space (2019-2020)
  - Sold 10 facilities (~38,000 gross-square feet)
  - Demolished 13 aged facilities (~28,000 gross-square feet)
- Leasing space to third parties
  - 95,000 gsf in University Center 50% of the available space is leased
  - 30,000 gsf in the Alaska Airlines Center to aid in community covid-19 response
- Exploring public-private partnership opportunities
  - UAA COH Innovation Hub
  - UAF to sell excess power and considering other monetization of the plant
  - UAF to consider P3 for expanded childcare in Fairbanks for employees and students
  - UAF to explore combined heat and power plant asset monetization
- Benefits
  - Source of new revenue
  - Reduce maintenance costs
  - Reduce risk of ownership



# Administration Review

- Administrative reviews across the university system
  - Analyze roles and responsibilities of each executive/leadership position
- Frame a sustainable, stable, core organization by:
  - Identifying opportunities to leverage existing resources
  - Identifying potential areas of savings
  - Creating administrative cost transparency
  - Streamlining and improving back-office processes
  - Investing in IT necessary to automate and improve efficiencies
- System Office
  - University of Alaska (UA) is a single legal and financial entity created in Alaska's constitution.
  - Governed by a Board of Regents, UA is a single employer, and the provider of public higher education in the state.
  - The has the fiduciary responsibility for UA as a corporate entity, and to fulfill the Board of Regents' policy and direction.
  - The System Office provides central services for efficiency and economies of scale. Programs are operated on a case by case basis.





# System Office Positions (FY14 vs. FY22)

|                                    | Policy Role |      | Corporate Function(s) |      | Shared or Central Services |      | Program |      |
|------------------------------------|-------------|------|-----------------------|------|----------------------------|------|---------|------|
|                                    | FY14        | FY22 | FY14                  | FY22 | FY14                       | FY22 | FY14    | FY22 |
| President's Office                 | 5           | 5    |                       |      |                            |      |         |      |
| Academic Affairs                   | 4           | 3    | 6                     | 5    | 13                         | 1    |         |      |
| Univ. Relations, Strategy & Budget | 4           | 4    | 21                    | 17   |                            |      |         |      |
| General Counsel                    | 3           | 3    | 4                     | 4    |                            |      |         |      |
| Finance                            | 3           | 3    | 30                    | 20   | 13                         | 20   |         |      |
| Human Resources                    | 2           | 2    | 6                     | 6    | 17                         | 42   |         |      |
| Information Technology             | 2           | 2    | 3                     | 3    | 79                         | 48   |         |      |
| University of Alaska Foundation    |             |      |                       |      | 22                         |      |         |      |
| Education Trust of Alaska          |             |      |                       |      |                            |      | 5       | 7    |
| Other programs (MAPTS, K-12, UACP) |             |      |                       |      |                            |      | 38      |      |
| Total Number of Positions          | 23          | 22   | 70                    | 55   | 144                        | 111  | 43      | 7    |
| Percent                            | 8%          | 11%  | 25%                   | 29%  | 52%                        | 57%  | 15%     | 3%   |



# System Office Funding Comparison

| (\$ in thousands)          | FY14<br>(actual) | FY21<br>(projected) | FY22<br>(budget) | Comments                  |
|----------------------------|------------------|---------------------|------------------|---------------------------|
| Unrestricted General Fund  | \$ 29,447.9      | \$ 15,082.0         | \$12,866.8       |                           |
| Indirect Cost Recovery     | 4,148.1          | 4,480.0             | 4,480.0          |                           |
| Interest income            | 638.3            | 2,900.0             | 2,300.0          |                           |
| Student Tuition and Fees   | 974.5            | 1,715.0             | 1,715.0          |                           |
| UA Receipts                | 11,286.5         | 12,584.0            | 7,798.4          | UA Foundation out in FY22 |
| TVEP                       | 1,615.0          | 988.2               | 988.2            |                           |
| UA Intra Revenue           | 12,039.4         | 14,300.0            | 15,100.0         |                           |
| State grants and contracts | 1,227.9          | 0.0                 | 0.0              | Programs moved out        |
| Federal Receipts           | 3,923.9          | 0.0                 | 0.0              | Programs moved out        |
|                            | \$ 65,301.5      | \$ 52,049.2         | \$ 45,248.4      |                           |







# Research

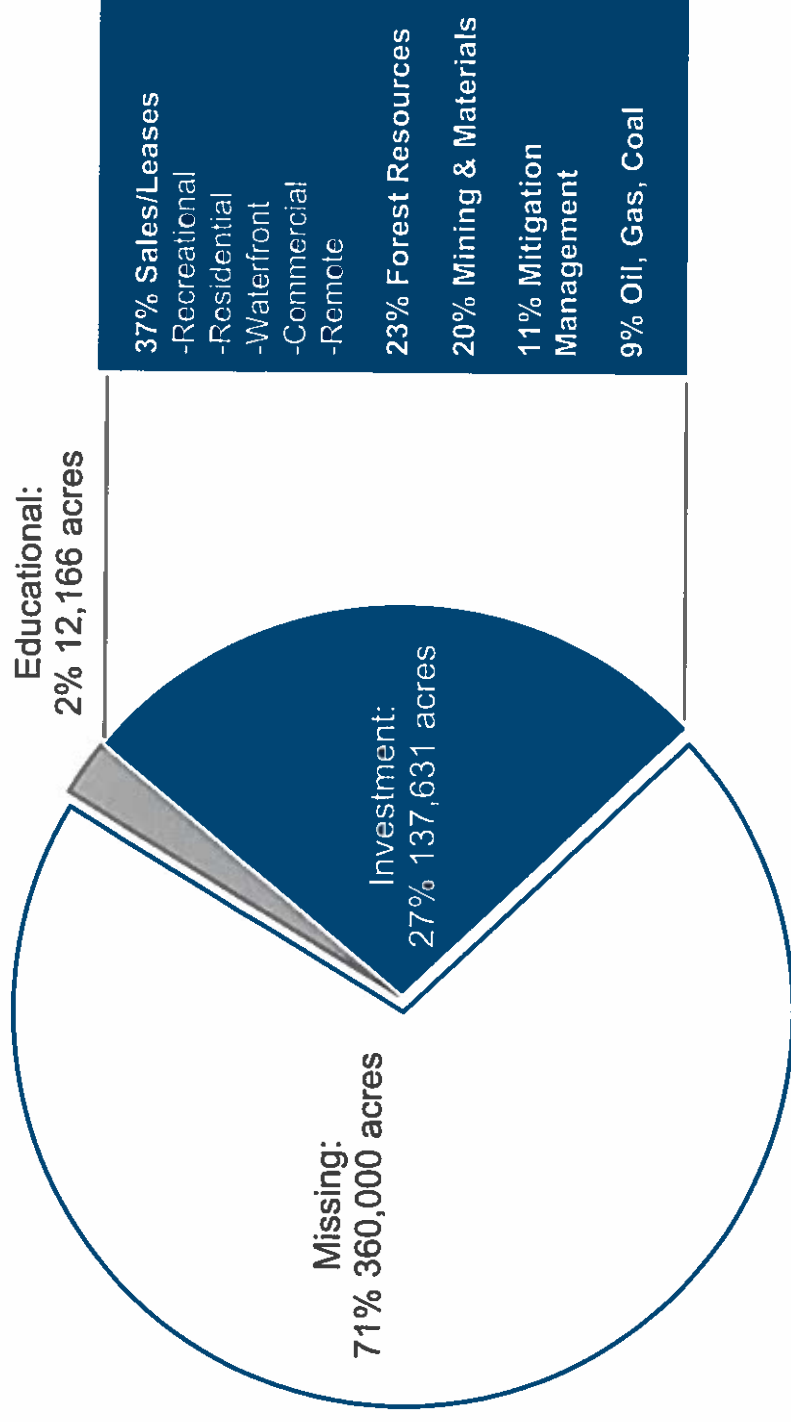
Nationally Competitive

High Economic Impact: \$160M external funds -

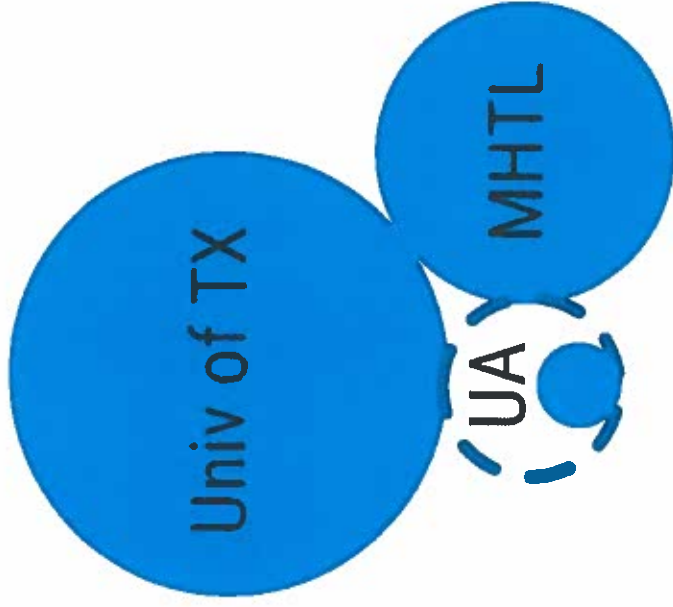
- Arctic
  - Infrastructure
  - Security & Defense
  - Culture & Health
- Energy
- Climate Modeling, Adaption and Mitigation
- Health Research
- Unmanned Vehicles (applications, systems and policies)
- Fisheries, Ocean Sciences and the R/V Sikuliaq
- Pilot Safety/FAA



# University Land Holdings ~150k Acres



# UA Land Grant Acreage Comparison



| University of Texas              | University of Alaska                      | Mental Health Trust              |
|----------------------------------|-------------------------------------------|----------------------------------|
| 2.1 Million Acres (1876)         | 150,000 Acres (1987)<br>(360,000 missing) | 1 Million Acres (1994)           |
| Generated \$21.4 billion in 2019 | Generated \$6.8 million in 2019           | Generated \$10.6 million in 2019 |

Note: The State of Alaska received 104.5 Million Acres (1959) and generated \$11.2 billion in 2019



# UA Land Legislation

- 360,000 acres missing from UA's land grant
- Alaska's Congressional Delegation introduced the "University of Alaska Fiscal Foundation Act," that would establish a formal federal program under which the land conveyances would be executed
- UA is working with the Alaska Department of Natural Resources to identify lands suitable for conveyance to the University
- UA is also considering diversifying its real property portfolio including lands that have potential for mineral, oil & gas, timber, and other natural resource values, lands with residential, recreational, or commercial value, and wherever possible, lands that are near communities with a need for expansion or economic development
- UA endowment is \$409.5 million
- UA Land Grant Trust Fund \$165 million



# QUESTIONS?



# Appendix

## Bartlett and Moore Hall Modernization and Renewal - \$18.65M

Bartlett and Moore are UAF's two largest residence halls. The halls are highly utilized and showing a half-century of wear. This project will renew the sanitation infrastructure of each building, update finishes in resident rooms, and modernize the student experience.

The sanitary sewer lines within each building are at risk of imminent total system failure that would require UAF to close one or both halls with no notice to occupants should a failure occur. Over the last four years, plumbing that supports the restrooms has failed a number of times, leaving portions of each building without sanitation facilities while repairs are completed.

Work will completely demolish stacked restrooms on all floors, rebuild the plumbing, electrical, and ventilation systems, and reconstruct code compliant restroom facilities on each floor.

The project will also replace outdated and worn flooring and provide fresh paint in each hall. These facilities require these critical updates in order to serve as an attractive option for enrolling new students with a promise of safe and modern living conditions.



# UAA Building Energy Performance Upgrades - \$10.9M

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).

- PSB scope will include LED lighting upgrades, electrical safety upgrades, boiler replacement, replacement of the existing Air Handling Unit Fan with a Fan Wall system, and convert outdated pneumatic controls to DDC.
- WWA scope will include LED Lighting upgrades, electrical safety upgrades, conversion of pneumatic controls to DDC, and hot water pump replacements.
- SSB scope will include LED lighting conversion, electrical safety upgrades, the addition of hydronic heating to the 2nd & 3rd floors of the building, conversion of pneumatic controls to DDC, and fin tube repairs.





## UAA Integrated Sciences Building Energy Savings Project - \$428,000

This project will construct a combined heat and power (CHP) plant in support of the Conocophillips Integrated Science Building (CPSIB), reducing the building's combined electrical and natural gas utility cost. Total project cost \$1.1M, partnering with AEA on a federal grant.

The UAA CPSIB operates continuously on a 24/7 schedule and requires continuous, reliable power, while electricity in Alaska is quite expensive. As a laboratory operating in an arctic environment, with much of the building requiring 100% exhaust ventilation, it also has a very large heating demand, and this makes the CPSIB an ideal host site for a CHP Plant.



# Workforce Reports

<https://www.alaska.edu/research/wd/reports/index.php>



Administration & Finance



Aviation



Construction



Fisheries & Marine Science



Health



Information Technology



Mining



Oil & Gas



Teacher Education



UNIVERSITY  
of ALASKA  
*Many Traditions One Alaska*

# 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 enrollments are currently 273, an 84.5% increase over the life of the program
- UAA Mat-Su Middle College has 133 students currently enrolled
- UAF North Star College, a middle college with FNSBSD started in-person in fall 2020 with full cohort of 40 senior students. UAF and FNSBSD are working to expand the offering to juniors and seniors.
- UAA ANSEP offers a Middle School Academy, High School Acceleration Academy, and Summer Bridge program
- 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); KPC has also launched a middle college
- 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 UAF Alaska Advantage program, a “virtual” middle college, is partnered with more than 30 school districts and homeschool programs, UAS also participates



# Focus on teacher education

## Meet critical state need

- Online, “face-to-face” and hybrid accredited initial licensure teacher education programs
- Educators Rising program (UAF/UAS)
- Coordinated advanced certification programs
- SILKAT (Sustaining Indigenous Local Knowledge, Arts and Teaching) & Alaska Indigenous Teacher Initiatives grants (UAF) launched to establish cross-organization alliances and partnerships with rural school districts to prepare more Indigenous teachers
- UA will be launching a new website and awareness campaign aimed at attracting more students to our education programs
- Improving access in Anchorage and South Central, AK
- Mentoring to address teacher turnover

