

ALASKA STATE LEGISLATURE
JOINT MEETING
SENATE EDUCATION STANDING COMMITTEE
HOUSE EDUCATION STANDING COMMITTEE

January 29, 2020

8:31 a.m.

MEMBERS PRESENT

SENATE EDUCATION STANDING COMMITTEE

Senator Gary Stevens, Chair
Senator Shelley Hughes, Vice Chair
Senator John Coghill
Senator Mia Costello

HOUSE EDUCATION STANDING COMMITTEE

Representative Harriet Drummond, Co-Chair
Representative Andi Story, Co-Chair
Representative Tiffany Zulkosky
Representative DeLena Johnson

MEMBERS ABSENT

SENATE EDUCATION STANDING COMMITTEE

Senator Tom Begich

HOUSE EDUCATION STANDING COMMITTEE

Representative Grier Hopkins
Representative Chris Tuck

COMMITTEE CALENDAR

PRESENTATION: THE STATE OF THE UNIVERSITY BY UA PRESIDENT JIM
JOHNSEN

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

JIM JOHNSEN, Ph.D., President
University of Alaska
Fairbanks, Alaska

POSITION STATEMENT: Presented on the state of the university.

ACTION NARRATIVE

[8:31:18 AM](#)

CHAIR GARY STEVENS called the joint meeting of the Senate and House Education Standing Committees to order at 8:31 a.m. Present at the call to order were Senators Costello, Hughes, Coghill, and Stevens and Representatives Zulkosky, Johnson, Drummond, and Story.

**PRESENTATION: The State of the University by UA President Jim
Johnsen**

[8:32:00 AM](#)

CHAIR STEVENS announced the annual presentation "The State of the University" by University of Alaska (UA) President Jim Johnsen.

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JIM JOHNSEN, Ph.D., President, University of Alaska, Fairbanks, Alaska, began by reflecting on the previous year. "Yes, the effects of it will be long lasting, but we're really pivoting to the positive," he said.

PRESIDENT JOHNSEN presented the agenda for the presentation:

- Introduction
- Institutional Overview
- Organizational & Budget Update
- Key Data
- 2020 Legislative Priorities
- Conclusion

PRESIDENT JOHNSEN said that 2019 was a tough year, probably the toughest year in the history of the University of Alaska (UA). No other state in the last 10 years, certainly not since the great recession, so threatened its university. That said, with strong leadership from the Board of Regents, the university made

it through 2019 and is here today, a strong and committed University of Alaska with a relentless focus on its mission of teaching students, doing research that's important and relevant to Alaska, and reaching out to serve communities all across the state.

PRESIDENT JOHNSON said that this three-part mission is every bit as relevant today as it was in 1862, when Abraham Lincoln signed the Morrill Act creating land-grant universities. UA is a land-grant university as of 1915, when Congress established the Alaska Agricultural College and School of Mines. Alaska did not get its proper land grant. Only Delaware got a smaller land grant than Alaska. The university is still working on it and good progress is being made on that front. The whole intent of the bill in 1862 and the intent of land-grant universities today is that there is no great state without a great university.

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SENATOR HUGHES said she had heard of the comparison to Delaware. She asked if that is a percentage of the state or actual acreage.

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PRESIDENT JOHNSON answered that it is actual acreage, so states so small that their names have to be written out in the Atlantic Ocean got bigger land grants in actual acreage than Alaska.

PRESIDENT JOHNSON displayed a map on slide 6 showing the university serves students from Kotzebue to Ketchikan and through its online programs, every place in between. The University of Alaska is one legal, financial, and constitutional entity; three separately accredited universities; 13 community campuses, which previously were separately accredited and now are part of the accreditations of the three universities; roughly 16,700 full-time equivalent students; and 92 percent of the higher education that happens in Alaska every year happens at the University of Alaska.

PRESIDENT JOHNSON said the university strives to be as affordable as it can be and is the third most affordable in the United States. Only 46 percent of students have debt upon graduation, the second lowest in the country. Students' share of the costs at 28 percent is the fifth lowest in the country. Eight of the 16 campuses are not accessible by land. If a map of Alaska were transposed onto the lower 48, campuses would be in

South Carolina, Iowa, and Oklahoma, and a research vessel would be operating off the coast of Montana. The university serves a big state. Through its online programs, it serves students across the country and, increasingly, international students.

CHAIR STEVENS asked if the year's tuition increase would impact these affordability figures.

PRESIDENT JOHNSEN answered that the increase would not. The university is still quite low when compared to the universities of the 15 other states in the Western Interstate Commission for Higher Education, so UA is still competitive.

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CO-CHAIR DRUMMOND referred to President Johnsen's description of where campuses would be if a map of Alaska were transposed over the lower 48 states and observed that the suggestion to consolidate the three main campuses would not have made sense.

PRESIDENT JOHNSEN replied that the suggestion was not about consolidating physically. Many universities operate globally and yet have consolidated administrations.

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SENATOR COSTELLO said that when President Johnsen first came on as president, he proposed a plan that included a soft landing with the acknowledgement that state support would be declining. That plan included tuition increases and increases in enrollment. However, from 2015 to 2019, the enrollment has dropped by 20 percent. She asked what specific actions he has taken to increase enrollment at the university and could he explain the decline in enrollment.

PRESIDENT JOHNSEN responded that his presentation would have a lot of information about that. The university enrollment peaked in 2011 and has declined every year since. There are multiple factors. The first is that Alaska, unlike virtually every other state, is what he would refer to as a high-income, low-education state. An abnormally large number of jobs in Alaska that pay very well do not require postsecondary education. Alaska has the lowest college-going rate in America and has had for many years. The budget cuts starting in 2015 certainly do not help because the university had had to cut many academic programs. The university has 1,727 fewer faculty and staff due to budget cuts than in 2015. Another factor is the general, national downward

trend in enrollment. There are both Alaskan factors and national factors. He acknowledged that it is very concerning.

PRESIDENT JOHNSEN said that steps were taken to address declining enrollment. One is increasing funding for middle college programs, so that there is dual enrollment for high school students. Every year that he has been at the university it has cut deeper in order to invest in strategic priorities, including enrollment priorities. One of the five strategic goals of the Board of Regents is education attainment, which is enrollment and completion. The university has invested disproportionately into that area. A couple of weeks ago the three universities laid out enrollment strategies for increasing recruitment and attainment of students. The university has made specific investments to develop programs suited to the military. Alaska leads the country in the percentage of population with some college and no degree. Those students are not going to quit their jobs and go to campuses full time. As a result, the university invested in online programs and today has more than 30 completely online programs, ranging from Master of Arts in Teaching to psychology, to business, and the list goes on and on.

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PRESIDENT JOHNSEN said that one of the challenges, although he does not have data to prove this, is that people's expectations of how technology will mediate their experience with organizations have increased in terms of convenience and smoothness. The university has not made the necessary investment in its systems. The enterprise software system is 25 years old with a design life of 12 years. The university is cumbersome to deal with and that has to be changed. People have become accustomed to doing all kinds of things on phones. Until students can register and do more a lot more processes on phones, the university will continue to have enrollment challenges. The university is doing many things and he will outline more in the presentation, but the decline started well before the budget cuts. It is a national condition, and the university is doing all it can about its number one priority.

CHAIR STEVENS asked President Johnsen to introduce his colleagues in the audience.

PRESIDENT JOHNSEN pointed out University of Alaska Southeast Chancellor Rick Caulfield, Executive Dean of the Alaska College of Education Steve Atwater, Vice President of University

Relations and Chief Strategy, Planning and Budget Office Michelle Rizk, and Associate Vice President of Government Relations Miles Baker. He noted that student interns with the Senator Ted Stevens Legislative Internship Program were also present.

8:46:40 AM

CO-CHAIR STORY asked if there were any areas or programs of growth, which programs were at capacity or had high student interest.

PRESIDENT JOHNSEN answered clearly nursing and other health care professions are growing areas. The university has invested differentially there. Even though there were deep cuts last year, a million dollars of base recurring funding was added to the health programs at UAA (University of Alaska Anchorage). The engineering programs at both UAA and UAF (University of Alaska Fairbanks) are strong and growing. The Homeland Security and Emergency Management Program is off the charts and booming.

PRESIDENT JOHNSEN continued with the presentation and said the organizational structure of the university has not changed since 1987, which is one legal, constitutional, and financial entity and three accredited universities. In the late 80s the system consolidated 11 separate community colleges, which had their own accreditations. The system office supports the Board of Regents, provides cost effective system-wide services, and focuses the universities on Alaska's statewide priorities. The statewide office is 5.5 percent of the university's budget.

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PRESIDENT JOHNSEN presented Strategic Pathways on slide 9, which is a living matrix or framework for the university. It lays out the tension, but hopefully balanced relationship, between oneness and threeness. In terms of oneness, there is a common mission, objective, core principles, and strategy. In terms of threeness, each of the three universities has a different mission. They overlap with each other, but they have distinct missions. All three universities are open admission, and they all have a community college mission. That is rare across the country. There are big upsides to that. He commends those who made that decision in the late 80s. It has increased access for students through the community colleges to the universities and on. Finally, there are courses, programs, and administrative processes that are in common and becoming more common across the

university system since the university went through the pathways process. Some examples are common general education requirements (GERs) and common course transfer--every credit transfers in the system. Engineering, for example, now has a common advisory council between the two schools of engineering and extensive course sharing. The math departments at UAA and UAF have common course numbers. Juneau has fisheries and ocean science faculty. Nursing faculty for UAA are in Ketchikan, Fairbanks, Juneau, Kodiak, and all across the state. There are specialties at each university and a great deal that is shared among the three universities.

PRESIDENT JOHNSEN presented slide 10, Did You Know?

- UA operates more campuses per capita than any other state university
 - 1,282 miles between our Ketchikan and Kotzebue campuses
- Alaska's large size and low population density mean higher costs
- Only system in the country that combines land-grant institution, regional universities and community colleges
 - Hawaii is one system, but with separately accredited community campuses
- Unlike other states, UA's community campuses do not all receive local government funding
 - Valdez, Kodiak and the Kenai Peninsula Borough contribute - but not through property or other taxes as is typical nationally
- Our three accredited universities - UAF, UAA and UAS - are not easily compared to each other due to their fundamentally different missions
- On average, every \$1 the state invests in research generates \$6 in nonstate revenue

PRESIDENT JOHNSEN continued with Did You Know? on slide 11.

- UA is an open-access, open-enrollment post-secondary institution
- General Education Requirements (GER) are fully transferable across the system - students can take them from any campus
- Community campuses are local "nodes" for statewide program delivery

- Students may be enrolled in courses or programs from multiple campuses
- In Fall 2018, cross-enrollment by university ranged from 22% to 44%
- 10% of our students are dual enrolled

PRESIDENT JOHNSEN noted that dual enrolled means students are high school students enrolled at the university, and the university wants to increase that number.

PRESIDENT JOHNSEN presented a chart on slide 12 showing how UA compares to other land-grant institutions. Alaska received only 25 percent of the land that it was due and is still owed 360,000 acres. The reason why has a long history that began over 100 years ago. The university is working closely with the governor's office, the federal delegation, and the Department of the Interior to remedy this problem. The university is confident that, if it is successful with the issue soon, that it will see benefits in 10-20 years. The single biggest recipient of proceeds from land development now is the Alaska Scholars program, the tuition scholarship for Alaska's top 10 percent of high school graduates every year. The university is tying its land-grant mission right to its single most important priority, students.

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CHAIR STEVENS reconvened the meeting.

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PRESIDENT JOHNSEN noted again that the university had a rough year in 2019 but is back up in Fiscal Year 2020 and the legislature has been supportive. The Board of Regents has taken the helm and done great coming out of a tumultuous time. The road ahead is bumpy, but the board has made positive and strong decisions on behalf of the university, including signing the three-year compact agreement with the governor. The agreement still has reductions to come, but they are manageable. The board terminated its declaration of financial exigency, which was the only responsible choice to make when the university was looking at a 41 percent in-year budget reduction. In light of the

compact agreement, the board appropriately withdrew that declaration.

PRESIDENT JOHNSEN said the board has also taken steps to review concerns raised by the Northwest Commission on Colleges and Universities (NWCCU), which provides institutional accreditation, so good progress is being made on that front. The board has ceased consideration of a single accreditation until UAF completes its accreditation process in 2021. The committee has a report from the board about that. The board governance committee is commencing a policy audit.

PRESIDENT JOHNSON said the board did decide to increase tuition 5 percent for the next academic year, Academic Year 2021, with the proviso that \$1.5 million be allocated to financial aid for needy students.

CHAIR STEVENS asked for an update about accreditation status. Legislators were shocked at the loss of the accreditation for the education program in Anchorage. He asked if there is anything on the horizon that legislators should be aware of.

[9:00:26 AM](#)

PRESIDENT JOHNSEN replied that the university has taken steps to stay aware of all of that. The Academic and Student Affairs Committee receives a report on accreditation status at every one of its meetings. In terms of programmatic accreditation, such as engineering, business, and teacher education, the university is in good shape in all those areas. For institutional accreditation, UAS just got a shiny reaccreditation for another seven years. UAA got reaccredited last year with commendations. UAF is going through the reaccreditation process now, which will conclude in 2021. The site visit from the outside peer review team will be this fall. All three universities have strong institutional accreditation today, and he is confident that will be the case next year as well.

CHAIR STEVENS asked how many programmatic accreditations the university has.

PRESIDENT JOHNSEN answered that he would have to get the answer. It is dozens, certainly. Some are legally mandated, such as for teacher education and nursing. Some are best practice. Graduating from a school that is not ABET-accredited will raise eyebrows. Some are for quality and competitive purposes, such as for the business schools.

[9:02:18 AM](#)

PRESIDENT JOHNSEN presented the details of the three-year budget compact, the agreement reached between the board and Governor Dunleavy on August 13. Six weeks prior, on June 28, the governor's announcement of his veto created real turmoil. The vetoes not only included the operating budget, but \$12 million for the Alaska Performance Scholarships, mere weeks before the academic year, and \$6 million in the Alaska Education Grant. He said, "These are scholarships and grants that these students worked for, and prepared for, and qualified for. So, it was a very tumultuous time, but once the compact agreement was signed, then a breath, and "moving" forward. We still have reductions to take. They will be difficult, no question about it. I would note that if the veto had stayed in effect and lasted for three years, the cumulative hit to the university would have been \$405 million. By virtue of the agreement that we were able to reach with the governor, that cumulative reduction is \$145 [million]. Still very serious, but not nearly as devastating as the \$405 million number."

CHAIR STEVENS said, "So, Dr. Johnsen, I want you to help me understand this. The legislature writes the budget. We are the only ones who write a budget. And the governor has made an agreement with you. I assume what he is saying is that if there is anything different than what you've agreed to, he would veto that. How else is the governor controlling years in the future?"

PRESIDENT JOHNSEN replied that the governor did not say what Senator Stevens just said, but the university has an understanding with the governor and the Board of Regents abided by that understanding when it submitted its FY 2021 operating budget to him in the fall. That is the operating budget the governor transmitted to the legislature in December.

[9:04:31 AM](#)

CHAIR STEVENS said he appreciated the position that Dr. Johnsen was put in, but he wanted to make it clear that the legislature writes the budget.

SENATOR HUGHES asked about the figures in the second bullet on slide 15:

- \$70M (22%) reduction over 3-Yrs versus single-year cut of \$134M (41%)

- o FY20 \$302M (Down \$25M or 7.6% from FY19)
- o FY21 \$277M (Down \$25M or 8.3% from FY20)
- o FY22 \$257M (Down \$20M or 7.2% from FY21)

SENATOR HUGHES commented that they were in comparison to state funding. She asked for the figures in comparison to the overall university budget, since the university receives federal funding, tuition, etc.

9:05:00 AM

PRESIDENT JOHNSEN replied those are elsewhere in the presentation, but those percentages are of the university's total actual FY19, which was \$818,000,000. These reductions come off the UGF [unrestricted general funds] portion. She is correct. There is tuition and other revenue sources. That presentation about revenue was made to the Finance Committee. It is definitely a smaller percentage. A ballpark figure could discount this by two-thirds. Three hundred is about a third of the total budget. Much of that budget is restricted. The state's UGF is not restricted. Tuition is not restricted, but all of the research money is restricted for this specific contract that the university is working on.

SENATOR HUGHES said the size of the cuts was misleading to people. In relation to state funding, they are what they are. In relation to the overall budget, it was different.

PRESIDENT JOHNSEN added that the compact agreement has commitments made by the governor to pursue a single appropriation. Last year the university moved from a single appropriation to two appropriations. The governor has committed to moving back to a single appropriation and to support the Alaska Education Grant, the performance scholarships, WWAMI funding, dual-enrollment initiatives, and the land-grant initiative. Of course, the university is seeking additional cost-savings and revenue enhancement initiatives, such as tuition, philanthropy, and additional research grants and contracts.

9:07:01 AM

PRESIDENT JOHNSEN presented slide 16, a chart showing the funding history of UGF only. The red [representing cuts] begins in 2015, a modest amount, and continues out to FY22. So, the chart not only includes a backward look, but the current year and subsequent years of the compact agreement.

PRESIDENT JOHNSEN moved on to the topic of accreditation on slide 17. He noted the NWCCU accredits all public and private higher education institutions in the Pacific Northwest.

- UA universities receive their institutional accreditation from the Northwest Commission on Colleges and Universities (NWCCU)
- Board took a number of steps in consideration of legislative intent to move to a single institutional accreditation
- Board directed UA president to develop plan for evaluating options
- Convened group of state leaders for advice
- Held workshops across the system and provided opportunities for input from faculty, staff, students and the public
- Conducted extensive public opinion survey ~ 3,900 participants
 - Even split between those favoring "uniqueness" and those favoring "integration"
- Established working group to engage NWCCU and U.S. Dept. of Education on issues and timelines
- On Oct 7, after full consideration, Board ceased consideration of a single accreditation until UAF secures its NWCCU accreditation renewal in 2021
- All three universities (including community campuses) are fully accredited

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PRESIDENT JOHNSEN said the Board of Regents directed that the universities conduct academic program reviews. Chancellors will provide recommendations to the president regarding reduction, consolidation, or discontinuation of any programs on March 23. Then the Student and Academic Affairs Committee will review those from a statewide perspective. In June 2020, the Board of Regents will decide what programs to continue and what programs to reduce or discontinue. Some of the cost savings from those reviews will take effect next fiscal year, FY21. However, because of teach out responsibilities, a mandate from the accreditors, and faculty notice requirements, much of the savings may not be accomplished until FY22.

CO-CHAIR STORY asked when job trends and workforce development needs are looked at during the academic program reviews.

PRESIDENT JOHNSEN replied that is one of the criteria specified by the Board of Regents policy for the evaluation. The chancellors and their teams will be looking at those criteria, in addition to cost, demand, faculty, technology opportunities, etc. Workforce demand is a key criterion. At the regent level, they will be looking through the lenses of the five strategic goals: contribute to Alaska's economic development, provide Alaska with a skilled workforce, grow world-class research, increase degree attainment, and operate more cost effectively.

PRESIDENT JOHNSEN said there are many ways of looking at the negative impacts of the budget cuts. Slide 21 is a short list. Enrollment is definitely another negative impact.

- Student support and administrative services have borne large share of \$76M reduction over last 6 years
 - o HR and procurement restructuring and integration
 - o Head count reductions due to attrition and terminations
 - o KUAC Radio/TV Base Funding Reduction
 - o Fairbanks Administrative Services Building Sale
 - o Chugach Eagle River Building Lease Non-Renewal
 - o Kenai Peninsula College Residential Housing Paused
- \$45M additional reduction over FY21-22 will necessitate significant impacts to academic programs
- Universities aggressively working to achieve FY20 cuts while conducting academic and administrative program reviews

CHAIR STEVENS asked President Johnsen to comment on why there is no Kenai Peninsula College dorm. He remembers that a dormitory there was sought after for years.

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PRESIDENT JOHNSEN responded that it is a beautiful facility. It is underutilized because of enrollment declines. Several dorms at UAF have also been closed, or paused because they can be reopened, in light of enrollment declines. This is a natural effect of enrollment decline. When the university must reduce cost of operation, that is one way to do it.

[9:13:21 AM](#)

SENATOR COSTELLO said slide 21, Budget Impacts, is really looking at the university's involvement with the state and the

state's contribution to its university, but again, she wanted to bring up that the university has a role in increasing enrollment. Part of his plan was to increase enrollment, but instead it is declining. She asked if he is surveying students about why they are leaving.

PRESIDENT JOHNSEN responded that everybody's job at the university is enrollment. The university does survey students periodically to find out what is going on and why they are not returning or coming, and their perceptions of cost. Many students are the first person in their families to go to college, so there are challenges financially. Most students are part-time across the UA system. That is consistent across the campuses. The average student is not 18, 19, or 20. The average student is 26 or 27 with at least one job and people in the family. Financially, those are big issues for the university. Availability of programs based on students' time schedule and life events are major factors. He can provide copies of surveys to the committee. Those have been conducted statewide, and each university, because of the keen interest in enrollment, conducts its own data analysis. Data from those reviews was presented to the Board of Regents in January.

SENATOR COSTELLO answered that she would be interested in those reviews. She asked if he had anything to share about those results. She further asked if he had identified the number one reason students are not enrolling or staying.

PRESIDENT JOHNSEN replied that a big factor recently was that news of severe budget reductions was very negative, although that does not explain the decline from 2011 through 2015 when budgets were going up. And the threat to state-funded scholarship programs, the Alaska Education Grant and Performance Scholarship, did not help communicate to Alaskan students that the university is strong with a certain future.

[9:16:51 AM](#)

SENATOR COSTELLO said the declines in enrollment preceded budget challenges. She is looking forward to hearing what the university is doing proactively to attract more students.

SENATOR HUGHES said that the loss of accreditation for the teaching program in Anchorage impacted credibility. Regarding the Chugiak Eagle River building lease nonrenewal, she noted the middle college met there and she assumed, and the president affirmed, that the Anchorage School District had taken over that

space and the middle college was still meeting there. Senator Stevens has been interested in middle college being expanded. She was amazed that one in 10 students is a high school student in middle college programs. There is potential to expand that. She remembered from a report that it was cheaper for a student to go through the middle college program than to stay in high school. That could be a win-win. She loved that the middle college program has students who might not otherwise go to university after graduation. She would think that to increase enrollment the university should be going after high school students and working with districts to expand middle college programs. She asked if he has an aggressive plan to increase middle college enrollment.

PRESIDENT JOHNSEN said yes and again yes. The university testified at a legislative hearing that fall on middle college programs. There is one at Mat-Su College. They have been expanded at the UAA campus. It was just announced last week that a middle college high school will be standing up this fall at the UAF campus. In addition, the university has established a virtual middle college high school with agreements with 31 of the 54 school districts, so those students have access to dual enrollment opportunities. It is absolutely a high priority for the university. The target is 20 percent. Colorado is at 20 percent, so that is reasonable in Alaska. Besides dual enrollment, there are outreach programs like ANSEP [Alaska Native Science and Engineering Program], an outreach program to K-12. Despite budget cuts for the last five years, the university has invested differentially in ANSEP.

PRESIDENT JOHNSEN added that twice as many middle college completers come to UA for university than is the average. Those students come with 30 semester credit hours, which is a year of college. They require zero remedial education, and the university tuition is less than the Base Student Allocation that the school district gets for each student.

[9:21:07 AM](#)

SENATOR HUGHES asked if there is any way the legislature can help with virtual education. She was excited to hear about the agreement with 31 school districts for the virtual middle college. She has been promoting virtual education, especially for students who are located where they cannot be on a campus. She is trying to keep tabs on the technology that can increase the speed and access for students in remote parts of the state. Things are changing rapidly and evolving in the world of

technology. Having access to things that kids really want to do and study throughout the state is a game changer for the future of those students.

PRESIDENT JOHNSEN observed that in addition to those middle college and dual enrollment programs, Rural Alaska Honors Institute (RAHI) and ANSEP are programs that reach into high school to generate enrollment, which is really a means to another end, the success of those students in building the state's future and economy. There are more than 30 complete online degree programs. He did not think the university has done a good job as it needs to do in telling its story, so more marketing and recruiting will be done to tell a good story throughout Alaska.

SENATOR HUGHES said she hoped that marketing includes reaching out to students for the middle college program.

PRESIDENT JOHNSEN replied that the university wants to work closely with legislators on legislation. Senator Stevens has sponsored a bill to expand middle college and dual enrollment opportunities throughout the state. The university stands ready to work with legislators on that important and exciting initiative for Alaska.

CHAIR STEVENS said the committee has been holding hearings on SB 6, the reading program. It is very expensive, but if the state is going to make improvement in children's reading abilities, the state has to move ahead with it. Alaska is the lowest of all the states right now, but the department plans include up to 40 reading teachers. The state need assistance from the university to make sure those folks are available here in Alaska.

PRESIDENT JOHNSEN shared that is why he was pleased that the Executive Dean of the Alaska College of Education was there at the hearing. He is keenly interested in that and working with K-12 leadership. Tim Parker [president of NEA-Alaska], one of the state's important education leaders, is also working on that priority.

[9:25:18 AM](#)

REPRESENTATIVE STORY opined that the legislature has a role in showing strong support for the university and the brain power in the state. Through her conversations with high school students in Juneau, she knows that the budget cuts and the possibility of scholarships not being funded impacted their decision last year

about where to go to college. The takeaway is that the legislature's commitment and what it appropriates for the universities should be strong. When the university is conducting its academic program review, she hopes the university comes to the legislature about any needs because legislators want to be responsive.

PRESIDENT JOHNSEN continued with a graph on slide 24 showing enrollment trends since 2010. Enrollment ticked up a bit in 2011 but has slid fairly continuously since then for a 29 percent reduction over the entire period systemwide. UAA's reduction rate was 28 percent, UAF 26 percent, and UAS 37 percent. Factors, which he discussed earlier in the presentation, include these: Alaska has had the highest unemployment rate in the country for some years. Budget reductions, not initially but subsequently. Population loss. The Fairbanks Borough population has been declining since 2011. The economy has high-wage, low-education types of jobs. Regarding technology, the state has not made the investments it needs to make in transforming the student experience at UA to match the level of expectations that students thinking of going to UA or another university have, or, the much larger number of students who are not going to college anywhere. That is the biggest concern from his standpoint: what is the state building in term of the state's future and the knowledge economy.

[9:28:49 AM](#)

PRESIDENT JOHNSEN presented a table on slide 25 showing tuition rates over time. The table reflects the 5 percent increase since Academic Year (AY) 17, the difference between graduate and undergraduate tuition, and resident and nonresident rates. Roughly 10 percent of students are nonresidents. In addition to the other planning work this spring, the chancellors, and universities, in conjunction with student organizations, are evaluating the possibility of differential tuition among the universities and differential tuition between the university and community campuses. They will be looking at whether fees should be consolidated or continue to be separated and whether there are ways that tuition can be increased but aid can be increased at the same time so that the net impact on the average student is minimized, if not eliminated. They will look at whether they can drive enrollment as a result of those options. So, in addition to the program review coming to the Board of Regents in June, there will also be a tuition review.

PRESIDENT JOHNSEN added that while UA tuition is very competitive compared to other public universities, community campus tuition is high compared to community colleges across the country. The chancellors want to bring that tuition down as they make sure the university tuition is competitive and maintains affordability through increased provisions for needs-based financial aid.

PRESIDENT JOHNSEN presented the chart on slide 27, which looks at enrollment and tuition back to FY07. The enrollment shown is full-time equivalent. The amount shown is for tuition revenue, so the rate times the enrollment. The chart shows that through modest tuition increases over time, tuition revenue has been maintained in the face of enrollment decline.

PRESIDENT JOHNSEN presented Key Data: Workforce on slide 28 and noted that UA has 1,727 fewer employees than five years ago. These are not position counts. These are individuals who, for whatever reason, are no longer at the university. That includes involuntary layoffs, terminations, end of contract, and voluntary departures.

SENATOR COSTELLO shared that she had spoken with President Johnsen before the meeting about the faculty turnover. The Chronicle of Higher Education's annual survey on the best colleges to work for show a 12.3 percent turnover at UAA. She asked President Johnsen to respond to that.

PRESIDENT JOHNSEN pulled up slide 29 that looks at average annual turnover rate from 2015 to 2020. The faculty turnover rate across the UA system is 11 percent over that time. The overall turnover rate, both voluntary and involuntary, is 14 percent. The turnover rate that is most concerning is voluntary turnover. Certainly, the budget forces involuntary turnover. But it is concerning when people opt to leave when they do not have to. That is why the university looked at voluntary turnover from 2015 to 2019, which is shown on slide 30. The voluntary turnover rate is 11.1 percent. The category Pursuing Other Employment at 2.3 percent is the lowest out of three categories, including Retirement and Other, for turnover. Out of administration staff, and faculty, faculty has the lowest percentage for turnover at 7.8 percent. Administration is the highest at 13.5 percent. Pursuing Other Employment at 2.3 percent is most concerning. The university does not like this, but he does not think it is out of the norm for turnover rates.

[9:34:19 AM](#)

SENATOR COSTELLO disagreed and stated that it was in excess of anything that would be considered normal. The Chronicle of Higher Education's annual survey on the best colleges to work for show that between 2014 and 2018, the average faculty turnover is 4.8 percent. At UAA the faculty turnover rate 12.3 percent, at UAF it is 11 percent, and at UAS it is 7.25 percent. The elephant in the room is faculty morale and why faculty are not staying at the university. The quality of faculty and staff is integral to the programs that are offered. Representative Story indicated how important that is to attract students. Senator Costello sees these problems as interrelated. An explanation is owed the Alaska public and the Alaska Legislature as to why this turnover rate is so exceedingly high compared to similar universities across the country.

PRESIDENT JOHNSEN said that answer number one is slide 16, Funding History and Projection. There is no other university in the country that has taken reductions like the ones UA has taken over the last six years. It would be interesting to compare UA to other universities that have gotten their budgets cut as deeply as UA has. Number two, he would like to break down those numbers. His team can look at voluntary and involuntary reductions. He does not believe that another university has laid off as many people as UA has had to because of budget reductions, over 20 percent of faculty and staff. With such huge numbers of reductions, there are going to be morale challenges and turnover, whether voluntary or involuntary. Again, the voluntary turnover concerns the university the most. More detailed and full information can be provided. This analysis was just done and presented to the Board of Regents in the last couple of weeks.

SENATOR COSTELLO asked if faculty are surveyed when they leave and if they cited the budget as their number one reason for leaving the university.

PRESIDENT JOHNSEN answered exit surveys are completed. He would follow up with additional detail.

SENATOR COSTELLO replied that she looked forward to receiving that information.

[9:37:50 AM](#)

SENATOR HUGHES asked of the 21 percent over the last five years who have been laid off, more than 1,700 employees, how many

would be administration vs. instruction and what is the ratio now of administration vs. instruction. Although people bristle when she brings this up, there was U.S. census data comparing apples to apples with Alaska's K-12 system, and Alaska had the highest percentage spent on administration vs. instruction. She was wondering what the UA ratio is and how that compares across the nation.

PRESIDENT JOHNSEN replied that he could give her some of that information as early as the afternoon. Information on reductions by group--instructional, administration, part time, full time--and by university over time was presented recently to the Board of Regents. Some analyses were done comparing UA to other states in terms of administration and instruction. The university is continuing to do that research this spring, but Alaska is unique. There are no other university systems structured like Alaska's. There are no UAA's across the country with community colleges mixed in. The comparisons to UAA are often Portland State, San Jose State, Boise State, metropolitan comprehensive universities. None of those three have built-in community colleges. When UAF is compared to other research universities, none of them include community colleges. It makes comparisons challenging, but nonetheless the university is doing that analysis this spring.

SENATOR HUGHES asked if he had the breakdown of the 1,727 employees that were no longer with the university by administration vs. instruction. Anecdotally, and it relates to the question of morale, she had heard from professors who had the sense that the first to go were the ones doing the instruction, not the administration.

PRESIDENT JOHNSEN said absolutely, he could provide that information since it was just provided it to the board a few weeks ago.

SENATOR HUGHES said, "I would just say I am surprised you cannot just say that. That's a pretty basic thing."

[9:41:21 AM](#)

PRESIDENT JOHNSEN replied, "Administration is the highest loss, Senator, by far. Statewide administration has taken cuts more than double the average across the university system. We try to protect faculty as much as we can. A lot of our adjunct faculty have been laid off." The regular faculty have picked up those courses and increased their instructional workload as a result.

The university has the complete breakdown, but it is over a five-year period by three universities by several categories, administration, faculty, and staff, fulltime and part time. It is on a piece of paper with 30 or 40 numbers, but he can assure her that administration has borne the brunt of reductions, which is not to say that faculty have not. The budget reductions cannot be done just with administration.

CO-CHAIR STORY stated that she would appreciate seeing that information also. She noted that it is hard to do comparisons and mentioned the national studies that Senator Hughes had referred to regarding 51 percent of funding going to K-12 instruction. At a presentation that Senator Hughes was also at, staff presented 76 percent as the amount going to instruction. The national studies did not include paraeducators who are in the classrooms as part of daily instruction. She was just pointing out that different numbers are cited for different things. It is important to look at those figures while trying to get the local information.

PRESIDENT JOHNSEN continued with Key Data: Teacher education on slide 31, which showed teacher education program completions over the last three years at the three universities, FY17-F19. This was prior to the accreditation issue at UAA. Completions are down 27 percent at UAA and 16 percent at UAF during this period and are essentially flat at UAS. These are completions, so decisions students made that resulted in these numbers were made at a minimum of one to four or five years prior. That was well before any accreditation concerns. This can be ascribed in large part to budget challenges and budget decisions made at the universities because of state budget cuts.

CHAIR STEVENS observed that this is an issue the legislature is concerned about. The state needs more teachers in Alaska. It is hard to find teachers Outside willing to come to Alaska as teaching has become more competitive throughout the country. He suggested that perhaps at a later date the joint committee could go into more detail about this issue.

PRESIDENT JOHNSEN said he appreciated that. This is a huge issue. The Academic and Student Affairs Committee is focused like a laser beam on this issue. Under the leadership of Regent Karen Perdue, Executive Dean Atwater, and Vice President of Academic Affairs President Paul Layer, reports are being prepared as they speak. This is a top priority for the university. The university would be happy to return and share

the analysis of what has happened, and a summary of the steps being taken to address this critical priority for Alaska.

[9:45:24 AM](#)

CO-CHAIR STORY said she hoped that the report would include information about cohorts, such as how many stay with the program and reasons for exiting if they do not stay.

PRESIDENT JOHNSEN responded that he saw that data in the draft report, so the committee will see that.

PRESIDENT JOHNSEN presented a chart showing education program enrollment by university on slide 32. The enrollment decline happened before the loss of accreditation at UAA. It is very concerning; hence the laser focus that the board and the three universities have taken on teacher education. Many initiatives are under way to address this issue. One is recruiting current students who might want to become teachers for the one-year Master of Arts in Teaching program that is online. That is the fastest, single way to train a teacher. Educators Rising, which reaches into junior high school to recruit students, is in about 30 school districts. The university has short-, mid-, and long-term strategies to turn this around.

PRESIDENT JOHNSEN said that UAF and UAS stepped in very quickly to deal with the accreditation challenge so that students who were seniors in UAA's initial licensure programs were able to complete the programs. The two accredited programs at UAF and UAS have a stepped-up presence in Southcentral Alaska. He has reallocated funding for UAF and UAS for increased marketing and recruiting efforts in Southcentral Alaska.

[9:48:00 AM](#)

CHAIR STEVENS asked whether he planned to attempt to reaccredit UAA or did he plan on the other institutions to pick up that loss.

PRESIDENT JOHNSEN responded that the plan is to continue to use UAF and UAS to meet the needs for teachers in Southcentral for those initial licensure programs, just as UAA meets the needs for nurses across Alaska. The university can meet this need with technology and the physical presence of faculty and staff from other universities. The board grappled with the challenge of reaccreditation, which is a minimum of a three-year period. During that period, UA could not ensure UAA students in the

program a certain path to licensure from an accredited and approved program, so the board decided to continue a model like UAA's nursing program.

CHAIR STEVENS asked if faculty and administrators from the education department in Fairbanks would be in Anchorage.

PRESIDENT JOHNSEN answered yes.

CHAIR STEVENS noted that the state was grappling with the loss of accreditation, but the main point is that students find access to programs. He asked if enrollment at UAF and UAS increased because they picked up students from the UAA program.

PRESIDENT JOHNSEN responded that was part of it, but not all of it. The university is starting to see the fruit of emphasis on teacher education and outreach programs on UA campuses and K-12.

[9:50:19 AM](#)

SENATOR COSTELLO asked if the students in the program at UAA changed their degree aspirations.

PRESIDENT JOHNSEN replied that that detailed information could be provided at the follow-up committee meeting. Her question will be answered student by student. The university knows which students left for another university outside of Alaska, how many went to UAF, how many went to UAS, how many stayed at UAA and changed majors. All that data will be included in the report.

CHAIR STEVENS said that the meeting would be scheduled as soon as possible.

SENATOR HUGHES noted that since the legislature is talking about a serious investment in reading, she would like to know if there have been discussions and plans for adjusting teacher training in how to teach reading using evidence-based, science-based methods as opposed to something like whole language, which has been problematic, so that the legislators know that teachers coming out of the program will be ready to hit the ground running. [SB 6, Alaska Reads Act] is going to provide coaching and professional development for the teachers who did not have that kind of training. At the meeting, she would like to learn what he will be doing about preparing teachers to teach kids to read in a different kind of way.

[9:52:12 AM](#)

CHAIR STEVENS added that, as Senator Hughes mentioned, it is not just about new teachers but also helping teachers in the district get up to speed as well.

PRESIDENT JOHNSEN continued to slide 33, K-12 Bridge Programs, to review the university's outreach programs. The university must keep the pipeline going all the way from K-12 through the university and community colleges and workforce.

CO-CHAIR STORY related a story of efforts by the Juneau School District Board of Education to increase the number of students qualifying for the Alaska Performance Scholarship. By working with counselors, the board increased the number from only 24 percent of high school students qualifying to 34 percent. She suggested other districts could work on increasing the number of students who qualify for the Alaska Performance Scholarship. She also suggested finding ways for counselors to increase the number of students completing the Free Application for Federal Student Aid (FAFSA) because many kids find they are eligible for federal aid if they complete the FAFSA.

PRESIDENT JOHNSEN said that he absolutely agrees, and the university would be talking to the Alaska Commission on Postsecondary Education (ACPE) about the Alaska Performance Scholarship (APS). The APS has made a positive difference, but one challenge is that students do not find their final eligibility until after graduation from high school. Oftentimes that is way after they have made their decisions. The university needs to coordinate with ACPE about when the university wants to recruit students. Alaska ranks last in the country for completion of FAFSA. The three universities and K-12 are trying to raise the completion rate because it directly correlates to federal grants and loans. Another driver of going to college is financial literacy. Those students who have received some financial literacy are more inclined to go to school, so UA has created an online financial literacy course. Embedded in that course is FAFSA completion.

[9:57:17 AM](#)

PRESIDENT JOHNSEN continued to legislative priorities on slide 15. The operating budget is consistent with the compact agreement. For the capital budget, the university has consistently proposed this level of support for deferred maintenance. The governor's budget did not include deferred maintenance, and the university has asked for some money for

deferred maintenance in the governor's amended budget. The governor did include \$2.5 million for the Alaska Earthquake Center for purchase of seismic sensors across the state. As the nation's, arguably the world's most seismically active location, this is important, and the governor's support is appreciated. The university has close to \$300 million of debt. The annual payment is \$28 million, so the university will be working on various options about how to relieve that debt.

CHAIR STEVENS pointed out \$50 million for deferred maintenance for a backlog of \$1.2 billion is great but not enough to solve the problem. He asked if any structures are in danger of not being useable.

PRESIDENT JOHNSEN responded that they are not in danger of not being usable but of questionable utility going forward. The university is knocking buildings down, when the cost-benefit analysis says the building cannot be renovated and selling buildings. The modeled number to stay even with the \$1.2 billion backlog is \$60 million a year, and the university has not received that for many years. Frankly, at this point, the university is reallocating about \$35 million a year of other funds to keep things up so that all life-safety issues are addressed. That is not something the university compromises on, but the oldest public buildings in Alaska are university buildings.

[10:00:17 AM](#)

SENATOR HUGHES shared that she was pleased to see that the governor included money for the USArray. She has been fighting for that since the Parnell administration. The window was closing for that. The National Science Foundation put these monitors in, and they would get pulled and lost [without that funding].

SENATOR COSTELLO asked how many buildings the university manages and if the committee could get the list of deferred maintenance projects.

PRESIDENT JOHNSEN answered that it is just over 400 buildings and he would provide the detail to the committee. He appreciated Senator Hughes' comments about the USArray. This commitment on the university's part will strengthen its partnership with NOAA and the United State Geological Survey and allow additional funded research. It is very positive.

PRESIDENT JOHNSEN presented slide 36 on 2020 legislative priorities. This is the year for the Technical Vocational Education Program (TVEP) reauthorization. TVEP is funded through unemployment insurance payroll deductions. A portion of that goes into TVEP, which has been very successful over the years.

PRESIDENT JOHNSEN said the Alaska Higher Education Investment Fund for the Alaska Performance Scholarship, Alaska Education Grant, and WWAMI Medical School Program is managed by ACPE. Last year these were vetoed but were reinstated. Part of the compact agreement with the governor is that they would continue, so the university would appreciate support for that from the legislature as well.

SENATOR HUGHES shared that she had been alarmed when she learned at a national conference that across the country, 60 percent of high school graduates need remedial coursework in college. She would like to know if any students who receive the Alaska Performance Scholarship need any remedial coursework.

[10:03:55 AM](#)

PRESIDENT JOHNSEN replied that ACPE has a newly available report that he could provide to her. One of the tremendous benefits of APS is that it does reduce that. The university is very happy with the results of its own initiatives to reduce the need for developmental educational.

PRESIDENT JOHNSEN presented the graphic UA: Your Way on slide 37. The university did a lot of vision work a few years ago about what does the university want to be as of 2040. The university went through the process unconstrained by any thoughts of budget and asked questions such as "What if we found out where the king salmon are going, what if we could figure out how to get heavy oil out of Prudhoe Bay, what if, why not." It was a powerful and inspirational process. A web site reflects all of that and provides an opportunity to envision how to create a university and how to create a state.

[10:07:16 AM](#)

CHAIR STEVENS asked for his thoughts on adjusting the tuition for university and community college campuses.

PRESIDENT JOHNSEN responded that community campuses offer a 25 percent discount for certain occupational endorsements. The university reallocates to fund those and makes whole the lost

tuition for those campuses that provide the discount. Often those students are the most price sensitive, so the discount can increase enrollment in those programs. The university works with employers because many of those degree programs are feeding employers. The university has great relationships with the mining industry, health care, and others. The opportunity is there to step up that relationship even more so that employers are participating in directly in some of the costs that meet their workforce needs. The university can talk to local governments about advantages of community campuses. The Kenai Peninsula Borough kicks in over \$700,000 a year to its local campus. Valdez and Kodiak also contribute to their campuses.

[10:09:31 AM](#)

There being no further business to come before the committees, Chair Stevens adjourned the House Education Standing Committee and the Senate Education Standing Committee at 10:09 a.m.