

**ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE**

February 3, 2021

9:03 a.m.

MEMBERS PRESENT

Senator Roger Holland, Chair
Senator Gary Stevens, Vice Chair
Senator Shelley Hughes
Senator Tom Begich

MEMBERS ABSENT

Senator Peter Micciche

COMMITTEE CALENDAR

PRESENTATION: UPDATE ON THE UNIVERSITY OF ALASKA SYSTEM

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

PAT PITNEY, Interim President
University of Alaska
Anchorage, Alaska

POSITION STATEMENT: Provided an update on the university system.

ACTION NARRATIVE

[9:03:23 AM](#)

CHAIR ROGER HOLLAND called the Senate Education Standing Committee meeting to order at 9:03 a.m. Present at the call to order were Senators Begich, Hughes, Stevens, and Chair Holland.

PRESENTATION: Update on the University of Alaska System

[9:04:01 AM](#)

CHAIR HOLLAND announced the committee will hear an overview from Interim President Pat Pitney, University of Alaska (UA), on current UA operations, how the university is managing through the pandemic, and her vision for the university system going forward.

9:04:27 AM

PAT PITNEY, Interim President, University of Alaska, Anchorage, Alaska, referenced slide 2 from her presentation, Alaska's System of Higher Education. She said one of the key messages she wants to get across is UA is not a university, UA is Alaska's system for higher education with three distinct universities.

She detailed the University of Alaska Fairbanks (UAF) is a research university, the University of Alaska Anchorage (UAA) is a comprehensive urban university, and the University of Alaska Southeast (UAS) is a small regional [inaudible] university.

She said unlike any universities in the nation, each UA university also has the responsibility for the community campus and the vocational education responsibility for their region. UA has campuses and extension sites throughout the state and takes serving Alaska seriously.

She noted UA has a breadth of programs from the short-term vocational certificate all the way through doctoral degrees. UA has bachelorette degrees primarily at the three main campuses, but through the university's community campuses and through distance delivery programs, those bachelorette degrees are available statewide, and several master's degrees are available statewide as well.

9:08:10 AM

SENATOR BEGICH noted the governor's proposed budget incorporates part of the agreement between the [UA Board of Regents (board)] and the governor in terms of cuts to the budget. He asked her if the budget cuts presently proposed in the governor's submitted budget threatens any of the UA campuses.

PRESIDENT PITNEY answered the budget cuts do not threaten the campuses. The campuses are thinner, and UA is working very hard to adjust its footprint.

She referenced slide 3 and said her primary goal in conjunction with the board is to bring stability to the system. There is no doubt the reductions have been significant; however, UA has a path forward.

PRESIDENT PITNEY said UA is managing down to its new footprint while bringing stability, confidence, and trust back to the institution. UA went through program reductions and those programs are not going to be at the university, but the programs the university has are here to stay. That confidence allows students to know when they walk on to UA campuses, those programs are there for them through their graduation.

She added the programs also provides confidence within the institution that as people are working to build back their programs, as they are working across the system to fill in the gaps created by the budget reduction, that their program is here to stay. Also, to [the confidence to Alaska's] employers that yes, UA has those workforce programs that create qualified individuals to go to work in one's industry.

9:10:59 AM

PRESIDENT PITNEY said COVID-19 has dramatically impacted all states. Alaska has a recovery period to go, some jobs lost during the pandemic will come back but not all will come back. UA is in the business of creating the opportunities for upward mobility. Focusing on those unemployed or under-employed and having those programs available is the university's focus and that is going to make a big difference for Alaska's economy going forward.

She added another piece that is going to make a big difference in Alaska's economy is maintaining the university's competitive external research, which has done remarkably well during the pandemic.

PRESIDENT PITNEY stated that UA must always focus on operating more cost effectively. She said her focus is very much on the university doing as much as it can administratively in terms of reductions to preserve its program access. UA's programs are the business the university is in. Having the available engineering programs, process technology programs, teacher education programs, nursing, and certified nurse health is the university's business.

9:12:38 AM

PRESIDENT PITNEY referenced slide 4 and noted UA has recently gone through an analysis and partnership with the Department of Labor and Workforce Development (DOLWD) on the nine industry sectors listed on the slide:

- Administration & Finance
- Aviation
- Construction
- Fish & Marine Science
- Health
- Information Technology
- Mining
- Oil & Gas
- Teacher Education

PRESIDENT PITNEY said UA has tracked its programs against the jobs in Alaska. Seventy to ninety percent of UA graduates out of its programs are going to work in the state. That is what employers are telling UA they want. Employers want people who are graduates from Alaska because they know what the state is like, they have stayed here and want to stay here versus when employers have to hire somebody from outside, they get a two-year timeline, something that she hears from oil and gas companies, school districts, and hospitals. UA wants Alaska graduates because they are here to stay and invested in their community.

[9:14:00 AM](#)

She noted UA graduates' jobs examples and referenced the aviation area. Within the university's aviation maintenance, out of 400 graduates across a 10-year period, 300 are working in the state and in the first 5 years their wage growth is 40 percent. Civil engineering graduates, 85 percent stay in state and their average wage after 5 years employment is \$100,000. Marine biology graduates from UAS, 51 out of 58 are working in state. Some of the higher percentages are in UA's health fields, certified nurse assistants at 93 percent, nursing at 89 percent—one of UA's largest workforce programs with 2,300 in-state nurses within the last 10 years.

PRESIDENT PITNEY said UA creates that workforce. There are many more [examples] out there and she invites committee members to look at the university's job reports. She stated, "To me, this more than anything highlights the business we are in. Allowing individuals to invest in themselves and be ready for the jobs that our employers and our industry needs."

[9:15:52 AM](#)

SENATOR BEGICH noted his comments from the previous week about the university's education school, pointing out she has done a lot of work to stabilize that sector. The committee saw some

dramatic declines noted in presentations made the previous year by the university's prior president.

SENATOR BEGICH said in terms of the number of education students who stay in state, he asked her if the department is tracking that as it does with nursing.

He commended her work to stabilize a fairly rough sector, especially given the accreditation issue.

PRESIDENT PITNEY replied education is one of the more direct for employment [degrees]. Ninety percent of students that seek their teaching credentials are working in state, and 78 percent are in the local school districts. She noted the 90 percent are working in the state, some potentially in [private schools]. The university actually sees some of its teachers going into the healthcare area, which is a similar fit whereby they help people manage their health.

She said she has additional information on teacher education in her presentation and will go much more in-depth with what the university is trying to accomplish in stabilizing and growing its teacher education.

[9:18:05 AM](#)

SENATOR BEGICH disclosed that he runs a scholarship fund that provides scholarships for those pursuing education degrees or public service degrees. He said his inquiries about the education system have nothing to do with the scholarship he runs, and he makes no monetary gain from that.

SENATOR HUGHES stated she loves when President Pitney talks about the higher education system being a way for upward mobility for Alaskans. She related that she experienced that as a UA graduate. As a young mother without a degree, she was below the poverty level, but she received a degree and here she is in the legislature. She said she loves the fact that UA provides that opportunity.

She noted last week the governor gave his State of the State Address and talked about the need to diversify the state's economy, and to look for new industries and innovative things. She asked her if UA is having any conversations with the administration about things that perhaps the university could do to expand opportunities and open the gateway for new industry development in Alaska.

SENATOR HUGHES said the governor mentioned unmanned aircraft systems—noting she was one of the champions of that early on when people were skeptical about it. She inquired if the university's aviation program is doing that because that is an innovative technology with possible opportunities.

She referenced Dr. Helena Wisniewski—UAA faculty member, Fellow of the National Academy of Inventors, and founding director for the Arctic Domain Awareness Center—as an individual for consideration in the conversation for diversifying the economy.

9:21:20 AM

PRESIDENT PITNEY answered yes, UA is having that conversation. She detailed the university recently had a conversation on the unmanned aerial systems, noting she will provide additional information in her overview.

She pointed out another area of significant opportunity [for unmanned aerial systems] is in the mining arena for strategic minerals. She explained the mining of strategic minerals in much more discreet and less like coal or gold mining. She stated UA is in the mining business which involves a lot of innovation and science opportunity to make the industry more profitable.

PRESIDENT PITNEY said regarding the unmanned aerial vehicles, UAF has the Alaska Center for Unmanned Aerial Systems Integration (ACUASI). She noted [Dr. Cathy Cahill] runs ACUASI, a program that has been around for about 10 years. She added UAF is part of a consortium of universities that are partnering with the [Federal Aviation Administration] (FAA) to create the policies and regulations to make unmanned aerial vehicle flight possible, policies that will open the whole transportation sector for Alaska.

She noted ACUASI has the largest university fleet of unmanned aerial vehicles and because ACUASI is in Alaska, the center has a lot of airspace freedom. Unmanned aerial vehicles could make a huge difference in fisheries counting, fire management, etcetera. The center is also building systems which involves cameras, engines, and the interface between people.

PRESIDENT PITNEY added ACUASI is working with the University of Alaska Anchorage (UAA) Business Enterprise Institute (BEI), which Dr. Wisniewski is involved with. She noted ACUASI works with business owners or entrepreneurs via BEI.

PRESIDENT PITNEY said regarding space and the Alaska aerospace industry, the State no longer supports the aerospace industry in an operating way. However, the industry is now being very successful at attracting private space launches due to more affordable and profitable rockets that launch smaller satellites. The space sector is another key area where UA is looking forward to, and the university is working with the Alaska Space Corporation. She referenced a UAF graduate who worked with SpaceX and has now started a company in Alaska to build space module equipment.

She said part of an education is providing the opportunity for people to have that broad education from which their enthusiasm builds the next business that we have not talked about, an exciting aspect that she gets to work with at the university.

[9:27:05 AM](#)

SENATOR HUGHES replied that she has worked with ACUASI and [Dr. Cahill] a lot, noting that is very much resource based in working with the FAA.

She asked her if UA offers actual courses on unmanned aerial vehicle systems where students can work on a certification in preparation for being a part of an industry if the state were able to develop to a greater degree.

PRESIDENT PITNEY answered she believes UA likely integrates unmanned aerial vehicle systems in a class, but there may not be a single class that does that. She said she will get back to the committee with more information.

She addressed slide 5 on reduced budget and reduced footprint. She said the Compact was a \$70 million reduction on top of a \$50 million reduction prior to the Compact. Since 2014, UA has seen a reduction in its State funding by \$120 million which represents 30 percent of the university's base funding. The general fund is the base on which UA can earn other revenues.

PRESIDENT PITNEY stated the 30 percent reduction in its core foundation has been difficult to manage. She said she is impressed that the universities and the UA System Office have worked through that and preserved as much program as possible. She reiterated that UA wants to focus on its programs and quality research.

[9:29:27 AM](#)

SENATOR HUGHES referenced the first bullet point on slide 5 as follows:

- At the end of the Compact in FY22, UA will be down \$120 million UGF from FY14

She asked her if the \$120 million reduction is from overall funding, all revenue sources.

PRESIDENT PITNEY replied when looking at just the general fund and earned revenue, it is about 17 percent. She said she will get back to the senator on the exact percentage.

She explained there are three pieces of the budget: general fund, earned revenue, and intra-agency receipts. Intra-agency receipts is the money paid within the university. For example, UA charges for human resources. Also, the UAF heat and power plant is a utility charge, but that is not new revenue. It is money paid inside.

PRESIDENT PITNEY said the general fund plus the earned revenue is \$120 million from an approximate \$750 million base. UA's tuition and fee revenues has also begun to decline because the university has had enrollment decreases.

[9:31:37 AM](#)

SENATOR HUGHES asked her to clarify that her reference to "earned revenue" refers to tuition and fees.

PRESIDENT PITNEY replied tuition and fees, and the competitive research grants and contracts, but the grants and contracts are restrictive. When UA competes in the research world, that money comes in for a specific purpose and there is no flexibility in being able to use that money for anything else.

She continued with slide 5 and noted UA reduced its facilities, sold them, and had lease reductions.

PRESIDENT PITNEY said a big part of UA's reduction comes through the reduction of faculty and staff. UA has 2,500 fewer employees than it did in FY2014, that is almost 900 regular faculty and staff, and the rest were adjunct and temporary workers, student workers, and graduate assistants.

PRESIDENT PITNEY added that UA has experience more than a 20 percent reduction in personnel in administration.

[9:33:08 AM](#)

SENATOR BEGICH asked her if the reduction in facilities, leases, and operating facilities has reduced UA's reported \$1 billion in deferred maintenance.

PRESIDENT PITNEY answered the university's deferred maintenance is now \$1.27 billion, and the average age of its facilities is 35 years. Fairbanks, Kodiak, and Kotzebue have facilities with an average age over 40 years.

She explained the university reduces its backlog when demolishing an older facility. However, in the past seven years there has been only small components of deferred maintenance funding and the deferred maintenance backlog has continued to grow. The university's capital budget request includes \$50 million towards its deferred maintenance backlog. Under a \$50 million deferred maintenance approach on an annual basis, the university could maintain its facilities and slowly tick down their backlog, just based on the size of its facilities footprint.

PRESIDENT PITNEY said UA is taking down its older facilities that are less usable and leaving facilities like engineering buildings, libraries, and core campus facilities that are here to stay.

She detailed UA has sold a lot of its outlying facilities, anything not on its campuses. UAA used the University Center Mall for student services and several programs. However, UAA has consolidated all that on campus and leased the facility to the Division of Motor Vehicles (DMV) and the Department of Health and Social Services (DHSS). Both have better lease arrangements plus there is lease revenue. UAA has reduced its footprint by putting its programs back into their core campus facilities.

[9:36:49 AM](#)

PRESIDENT PITNEY referenced slide 6 and noted last year there was a lot of angst and tension between faculty and administration. One of the things she did, at the direction of the board, was to open the books on administration.

She said she firmly believes UA is in the business of programs and the university must have programs. However, there is an administration cost that exists, but providing clarity allows people to see into that.

PRESIDENT PITNEY noted UA invited its faculty and governance group to come in and do an administrative review and analyze roles and responsibilities of each of the university's leaders—both in the UA System Office and at the university level. She said that process is ongoing, and she looks forward to it. However, she is also not waiting for recommendations and is taking action.

She detailed she has made three distinct actions that reduces their executive footprint. When Miles Baker was working at the university, he was an associate vice president and now that is not an executive position. UA had an associate vice president of student affairs in the UA System Office and that position no longer exists since. UA had another associate vice president in the institutional research and planning area and that has become a director position. She said she is reducing the rest of the executive roles every chance she gets.

[9:39:01 AM](#)

PRESIDENT PITNEY said in terms of the long-term sustainability, UA has done two major administrative changes: centralization of procurement and human resources. However, the changes have not come without pain points, but both actions have saved money and now the university is working on that service model. UA will continue to look at other things like accounts payable, accounts receivable, grants, contracts, and maintenance to find more streamlining in those areas. Again, similar to its [building backlog], those [changes] are on the margins and the university is looking every day for the next savings.

She noted another kind of administrative pain point is at the UA System Office. She reiterated UA is not a university, it is the state's system for higher education. The UA System Office serves as both the policy role for the board and as the corporate role. UA is a single employer with one [Employer Identification Number] (EIN). UA has one set of policy in terms of finance and human resources; however, its accreditation lies with the three universities, each of those have a level of independence.

[9:41:08 AM](#)

PRESIDENT PITNEY referenced slide 7 and said there is an internal and external criticism or push on the UA System Office. The first column in the slide shows the systemwide policy role that UA does on behalf of the board. For instance, in the president's office there is herself, an assistant, the board's secretary with an assistant, and a Title IX officer that is in direct service to the board. Also, within the program core—the

policy function for what UA does—includes academic affairs, university relation, strategy and budget-Vice President Rizk's area—general counsel, finance, human resources, and technology.

PRESIDENT PITNEY said the second column is corporate function. Because UA is a single legal entity, the university has an academic affairs function, and this is largely data oriented. The university relations and strategy includes: the university's land management office; corporate functions; communications function; budget function; general counsel; finance; auditor; human resources; and information technology.

She noted the third column shows shared or central services, things that the UA System Office does for the entire system. For instance, finance in FY2014, there was 13 people in that shared service function—this is largely the university's enterprise system—the Division of Finance is an example where they run the finance system for the State of Alaska and that is what the university is doing there. Personnel for finance grew from 13 to 20 in FY2020. Finance centralized procurement systemwide and that resulted in saving three positions, but now they are all reporting into the "Statewide" and serving the procurement operations for all the campuses. In all respects, UA has reduced.

PRESIDENT PITNEY addressed the bottom line on slide 7, "other programs." Statewide used to run programs, but not anymore. Statewide programs included: K-12 mentoring, that is now at UAF; the mining training system is through the cooperative extension at UAF; and UA corporate programs just went away.

[9:44:54 AM](#)

PRESIDENT PITNEY addressed the Education Trust of Alaska on slide 7; this is the [Alaska 529], a completely self-funded program—a national program—that is a tax plan for college and education savings. There are about 20,000 Alaskans with an account in Alaska 529 with roughly \$1 million in management; these are nationwide, very competitive plans with over \$10 billion under management. The Alaska 529 started in the early 2000s via a legislative change that allows the university to offer the plan. However, the plan does not draw on any State funds and is completely self-funded.

SENATOR BEGICH commended President Pitney for doing something that the committee has been asking for long before he was a member. The committee has asked UA to reduce its overhead, get rid of redundancies, and to provide more autonomy to the local

campuses. He said her overview shows a reduction in raw positions that makes him believe—that she has done the job.

[9:46:58 AM](#)

PRESIDENT PITNEY referenced slide 8 that showed a comparison of funding for FY2014 vs. FY2022. In FY2014, the UA System Office had \$29 million of general funds. The budget the legislature will be reviewing has a proposed a FY2022 budget of \$12.8 million, a 56-percent reduction. In total funds—noting the Education Trust of Alaska is completely self-funded—\$65 million is down to \$45 million, a 30-percent reduction.

She said one of the significant changes the university is making—noted in the previous slide under the University of Alaska Foundation and in this slide under the UA Receipts category—is the University of Alaska Foundation is a separate nonprofit organization that works on behalf of UA universities that they operate through the funds they raise, and a portion of the funds that they raise also helps the UA Foundation operate.

PRESIDENT PITNEY explained that all foundation funding—with the exception of two joint leadership-level positions that the university shares with the foundation—is through the foundation. UA is proposing to move the foundation and its operations into the nonprofit. Right now, the nonprofit raises all its funding, but UA is moving the foundation operations off the university's budget into a separate 501(c)(3) nonprofit entity.

She said UA is working through the foundation change and that is one of its proposed budget differences that makes a difference. There were 22 people in the foundation in FY2014 and there are about 29 people in the foundation today. She reiterated UA is proposing in FY2022 that the foundation is not within the university budget but accounted for within the existing foundation 501(c)(3).

PRESIDENT PITNEY explained that UA is going to continue to focus on fund raising. However, the change provides the foundation the flexibility to advance in that area as well. UA is working through the details and will provide the committee with more information on that transition.

[9:50:28 AM](#)

She referenced slide 9, Asset Monetization. She detailed UA has sold a number of facilities, demolished 13 facilities, and leased 95,000 gross square feet (GSF) at the University Center Mall to third parties. UA has been leasing the Alaska Airlines

Center to aid in community COVID-19 response. Hopefully, UA will capture that back and have its athletic teams back up and rolling for next season.

PRESIDENT PITNEY noted UA is also looking at public-private partnerships. The University of Alaska Anchorage College of Health "innovation hub" would be a major health stimulation facility in connection with Providence Health and Services Alaska (Providence) and the Alaska Native Tribal Health Consortium (ANTHC).

She said UAF is also looking at a public-private partnership around childcare. UAF does not have childcare on campus due to COVID-19 and UA is looking at that, but COVID-19 has stopped that.

PRESIDENT PITNEY said UA is looking at a power sales agreement for the excess power out of the recently built heat and power plant at UAF. The plant is built for future energy use, but the excess capacity is sufficiently large for Golden Valley Electric Association to utilize now.

She explained that because of the cost of the UAF heat and power plant and the \$120 million reduction in State funding during the project, UA is exploring monetizing the new asset. UA is working with Bruce Tangeman to explore what other universities have done in terms of selling or doing a concession on the power plant where somebody else operates it and the campus gets stable power. UA is asking for two years of debt relief to work through that process.

[9:53:58 AM](#)

PRESIDENT PITNEY addressed Senator Hughes and said UA is continuing to understand the value of the [Matanuska Experiment Farm and Extension Center] and has not evaluated alternatives, but there are no projects pending. The board looks at that every meeting as an information item.

SENATOR HUGHES thanked her for the update, noting there is a lot of community concern. She noted a proposal for a task force to come up with alternative revenue ideas for the land. She asked her if there is any conversation about a task force for revenue proposals.

PRESIDENT PITNEY answered conversations are happening with good dialogue. She noted [UAF Vice Chancellor Julie Queen] met with

[Amy Pettit, Executive Director, Alaska Farmland Trust] last week.

SENATOR BEGICH said on the exploring public-private partnership opportunities, one of the things that the State has done is to partner with companies like Siemens on an energy audit and retrofit for buildings of 10,000 feet or greater. The audit reveals things to do to significantly reduce costs. There is no net cost because the State used the accrued savings to pay the private company to retrofit the building. The State retrofitted buildings in 2010, the process escalated, and work completed ahead of schedule.

He noted there is legislation that extended retrofitting to 5,000 square feet, legislation that he introduced. He asked her if the university is aware of the retrofit program to reduce energy costs without costing the State.

[9:57:37 AM](#)

PRESIDENT PITNEY answered prior to her work with the Office of Management and Budget, she was the Vice Chancellor for Administration. UA entered into a public-private partnership to do just that but decided the university's financial status and bonding capacity was less expensive to go through with the program.

PRESIDENT PITNEY said before leaving slide 9, she wanted to mention UA's land grant status, which is that it is land granted without the land. The university has 110,000 acres from a federal land grant. In terms of land under management, the university has about 150,000 acres. Recently, the Alaska congressional delegation introduced a bill to allow the federal government to grant the university another 350,000 acres from 5 million acres left for conveyance to the state. The governor supports the bill and UA is working with the Department of Natural Resources (DNR) to identify the acreage.

She detailed UA annually receives \$7 million in revenue generated via a 4.5 percent market valuation of assets from the land grant trust fund. Approximately \$150 million is in the fund from land sales. For comparison, the Mental Health Trust has 1 million acres, and their annual revenue is about \$10.6 million. Also, the University of Texas has 2.1 million acres—acquired in 1876—and their annual revenue is \$21 billion.

PRESIDENT PITNEY said UA's land grant process eventually could rise to the \$20 million range, but it is going to take time to

receive the land, sell the land, and get the market-value proceeds from the fund. The land fund is an important piece of stability, but not a replacement like the \$21 billion a year is at the University of Texas.

[10:02:11 AM](#)

SENATOR HUGHES asked her to confirm that the federal government is supposed to grant Alaska five million acres from federal lands.

PRESIDENT PITNEY replied the state has roughly 100 million acres of land from the federal government at statehood, but the federal government has yet to convey another 5 million acres to the state. The university would receive 350,000 acres from the federal government's 5-million-acre conveyance to the state.

SENATOR HUGHES asked if the 350,000-acre conveyance is all that is coming to the university.

PRESIDENT PITNEY answered that is all that the university would have. A series of events during statehood left the university out and it will never see a land grant like the two million acres that the University of Texas received. UA is excited about the 350,000-acres, but the university will not have the dependency level that other states have had, largely due to timing during statehood and other land issues during that time.

[10:04:35 AM](#)

SENATOR HUGHES commented that a land grant is supposed to help with the university's autonomy and its budget. She asked what it would take to get more than 350,000 acres out of the 5 million acres that the state is supposed to receive.

PRESIDENT PITNEY replied the 350,000 acres was kind of a negotiated agreement supported by the governor and DNR. However, because the acreage is coming straight from the federal government, it is not subject to what happened in the early 2000s when the Supreme Court overrode the legislature's 250,000 land grant to the university.

[10:06:08 AM](#)

She explained slide 10 references the university's COVID-19 response and some of the things outside of its instructional area, but she wanted to talk about how the university managed through the pandemic.

PRESIDENT PITNEY said all of UA's universities pivoted to the online environment when the pandemic struck, but there are still a lot of hands-on-dependent classes. For example, welding class has 12 welding machines, but only 6 people could attend to assure social distancing. UA anticipated a 20 percent enrollment impact from COVID-19, but the university felt fortunate to be down just 10 percent.

She said UA still has about 30 percent of its class sections offering face to face with social distancing such as: welding, process technology, certified nurse assistants, med-tech, dental hygiene, chemistry labs, and mechanical labs for engineering, etcetera; all of those are still onsite.

PRESIDENT PITNEY noted all the universities are trying to ease back, but what UA found was the programs that were more used to distance had less impact. For example, the Ketchikan and Sitka campuses were stable because they have been in the distance mode for a long time due to their course sharing with the Juneau campus. The School of Management has several distance programs and actually saw an increase in enrollment. The School of Fisheries and Ocean Sciences has been offering classes in just three to five different locations within the state, they saw an increase in enrollment.

PRESIDENT PITNEY said those places that had to pivot had a bigger impact. However, UA felt it did reasonably well in holding enrollment through the COVID-19 period.

10:09:08 AM

PRESIDENT PITNEY said UA allowed for on-campus housing because there are places people did not have internet access, so the universities had their dorms operating. However, some dorms were at 25 percent capacity to assure social distancing and that, along with auxiliary services, had a significant budget impact.

She pointed out UA's foundation of programs allowed for the university to contribute to the State's response to COVID-19. The College of Health provided training and employed more than 400 contact tracers. [Dr. Tom Hennessey] has been a tremendous advisor to many entities throughout the state. The [Alaska Small Business Center-University of Alaska Anchorage Enterprise Institute] helped in the Paycheck Protection Program (PPP) loan process and in the State's distribution process. UA had a mental health assistant for responding to mental health assistance, manufactured personal protection equipment, and allowed its nurses to graduate early to get them into the workforce.

PRESIDENT PITNEY said the [National Science Foundation] (NSF) helped UA with following up and studying the spread of the disease. UA was significantly involved in the COVID-19 response as well as dealing with the COVID-19 response.

[10:11:13 AM](#)

PRESIDENT PITNEY referenced slide 11 and addressed enrollment at the UAA Mat-Su campus, noting they had an increase in the number of people taking classes, but the enrollees took fewer classes. She said UA thinks students taking fewer courses was due to flexibility related to kids being home or not having a job to afford paying for more than one class. However, the Mat-Su enrollment was an interesting dynamic.

She noted UA's retention rate for freshmen coming from last year into this year was better than the year before. UA is seeing good signs in terms of program applications for spring 2021, but UA's spring enrollment continues to be down about the same as the fall.

[10:12:29 AM](#)

PRESIDENT PITNEY referenced edX courses, [Massive Open Online Course] (MOOC) learning via a national portal of course content available worldwide. UAF went into the edX process of putting some of their specialized courses online: climate change, Arctic security, and a couple of others. UAF has five sections up on edX and over 5,000 people have viewed those courses. UAF is only monetized when somebody desires to get a certificate of completion and 200 people have asked for a certificate. However, over 5,000 people in 120 countries have viewed the courses and edX is a new way to showcase those things that are unique at UAF.

She said committee members will hear more in the future about the UAF Center for One Health Research online program, a holistic approach to an interdisciplinary approach to health. She noted people from Pennsylvania have applied to the One Health program. Online learning allows UA to get the word out about courses via UAF's edX and other universities throughout the system putting their course content up as well.

[10:14:26 AM](#)

SENATOR HUGHES asked if UA has explored using the Khan Academy which has a huge online, worldwide audience, typically with free content.

PRESIDENT PITNEY answered UA will get back to the committee with an answer, but everyone is aware of the Khan Academy.

CHAIR HOLLAND asked if UA received CARES Act funding and if so, were the funds directed towards personal protective equipment (PPE), enrollment loss, or were the funds restricted.

PRESIDENT PITNEY answered UA received different sources of COVID-19 funding. In the first CARES Act in March/April 2020, there was a formulaic-driven amount of funds that went to each university: 50 percent to students' aid and emergency aid, and 50 percent to the institution. Additionally, through DHSS for those things that were additional expenses—like any other state agency—UA received money through the public health COVID-19 amount. In the recent COVID-19 Act that just passed, there is a smaller amount of funding, but it is formulaic based with some going to students for emergency aid and some going to the institution. UA also had some campuses receive local contributions from the community CARES Act.

PRESIDENT PITNEY noted UA has an accounting of its cost and lost revenue, and all revenue that came in from various sources. Last estimate there was a \$15 million delta, which is also one of UA's capital budget requests for COVID-19 relief, which is on top of the state's budget reductions—then UA had the COVID-19 impact—that was significant.

She said as UA gets final numbers on the new COVID-19 bill, the university is going to refine that as well as refine its capital budget request.

[10:17:53 AM](#)

PRESIDENT PITNEY referenced slide 12 and noted UA's enrollment effort—a significant three-to-five-year effort—is really paying off. UA has seen increases both in the onsite middle college and dual enrollment. Also, UA recently offered the Alaska Advantage Program and its package of distance education courses has been timely during the current COVID-19 environment.

She said many of UA's on-campus middle colleges remained face to face, but some did not. The feedback UA is getting from school districts is, "Everybody is all in." UA is seeing much better college-going rates out of the middle college cohort, and UA is getting a much better in-state-college-going rate. More importantly, the time to degree and their preparation is stellar.

PRESIDENT PITNEY stated UA's dual credit middle college approach is something the university will continue to grow organically in time. She said, "UA is meeting districts where the districts' needs need to be met."

10:19:46 AM

She addressed slide 13 regarding UA's focus on teacher education. She noted day three into her tenure, the board announced big initiatives due to the accreditation loss at UAA. UAF and UAS immediately began to offer their education programs onsite in Anchorage, but the turmoil of that left uncertainty. UA pulled all three of its education programs together with the focus of increasing enrollment with the resources it has, understanding that its budget constraint exists. The challenge was determining how UA maximizes its resources while providing a place at the table for UAA without their programs.

PRESIDENT PITNEY detailed UAA is starting a 2+2 Education Degree Program and is in discussion on pre-kindergarten (pre-K) education. UA has associate degrees in early childhood, but currently does not offer a bachelorette. However, the 2+2 program will be a pre-education program at UAA focused on the southcentral market, and then there are pathways into elementary or secondary education, depending on the program modality a person wants. Prior to COVID-19, teacher education at UAF is much more face to face and UAS is much more distant. However, with the accreditation issue, UA's teacher education enrollment and number of graduates are down.

She referenced elementary licensure at UA versus the state of Montana. UA only has two elementary and secondary licensure programs since UAA lost accreditation. By comparison, Montana has 13 different universities teaching elementary education.

PRESIDENT PITNEY said she believes UA can significantly come up with its existing programs and the 2+2 program, but in the future, there is going to be a demand for teachers. However, UA must get through its budget timeframe, get to stability, and then proceed with evaluation. Currently, UA want to get as many teachers as possible into its existing programs.

She noted UA is placing a big effort into advertising its aligned education programs to students throughout the state so they find the program they want. The advertising program will start in April or May 2021, with a corresponding website finished in March.

[10:24:11 AM](#)

SENATOR BEGICH thanked her for providing a level of detail that helps in showing UA has a plan in place to meet the teacher education need. He asked what the legislature can do to help UA with its effort in building the College of Education and ensuring Alaska grows its own teachers.

PRESIDENT PITNEY answered that one challenge UA faces is the number of people that choose to be teachers. She suggested loan forgiveness, grant funding for the mentor program, and efforts to elevate the profession. She added funding for reading specialist would provide more of an impact as well.

[10:29:01 AM](#)

SENATOR HUGHES asked whether UA has or is open to adding a revised reading component for each teacher because the state's grade schools are not doing so well on a national or global scale regarding reading achievement. UA is training a lot of teachers who are going into the schools and yet there are problems in successfully teaching children to read. She mentioned reading specialists, but every teacher needs to know how to teach reading at the primary level in a way that is successful. Based on the scores, there is tremendous room for improvement at the university.

She noted the governor, Department of Education and Early Development (DEED), Senator Begich, and she want to work on the "read by nine" concept. She said she believes the university and the teacher education program needs to step up and do a better job training teachers in how to teach children to read.

SENATOR HUGHES pointed out President Pitney mentioned that during COVID-19 campuses familiar with distance learning were more versatile and did better than campuses not trained with that. She noted K-12 level schools had the same issue where some teachers did well, and others struggled. Also, some families had a bad experience with virtual learning and others had a good experience. She suggested a virtual delivery training component for K-12 teachers so they know how to do it and do it well.

She said her hope is that virtual delivery training could become a required component of the teacher education program as well as a better reading component in how to teach a child to read. She asked President Pitney if she is open to adding any of the suggested components.

[10:32:17 AM](#)

PRESIDENT PITNEY replied the university's technology training is robust for its new teachers and is a significant component in what they are doing. She suggested UA experts address Senator Hughes' question to explain what the university is doing. However, there is a breadth of teachers who do virtual teaching.

PRESIDENT PITNEY noted Senator Hughes' comment on campuses that were impacted more and said the issue was not distance education agility. The issue was their programs were site-based like welding, auto mechanic, and diesel.

She said she would be excited to put some of the education program leaders in front of the group at some point to talk about the specializations and the expectations. She noted finding encouragement with the quality of UA's program because school districts are saying the university's graduates were good teachers. However, UA just needs more teachers.

PRESIDENT PITNEY added she missed one thing to ask from the legislature, which is that the salary compression for teachers relative to other states has been significant in Alaska over the last 15 years.

[10:35:11 AM](#)

PRESIDENT PITNEY referenced slide 14 and said research has held strong for UA, which is good news for Alaska. Research funding comes from corporate and federal government grants. If UA is not nationally competitive, that funding would go to other universities. UA currently has about \$160 million in external funding for research. UA has been able to hold that and grow it slightly over this period, so research is a strength that UA has. For example, unmanned aerial vehicle research contributes directly to new industry in the state and aerospace is another area. She said she cannot understate the value of UA research to Alaska's economy and would love to go into greater detail at a future time.

She reiterated research is one thing the state should celebrate about UA's strength and its position now with the new administration and the university's strength in the Arctic and climate. UAF is the number-one cited university for climate research with its International Arctic Research Center, a strategic strength in Alaska that dovetails with the Department of Defense. UA has a lot of partnerships, including health, one of the university's big workforce areas. UA's opportunities are huge, a strength for celebration.

[10:37:29 AM](#)

PRESIDENT PITNEY referenced slide 15 and said UA is looking for financial stability to a level of detail that does not probably resonate at the education table, but a single appropriation is an important thing.

She referenced slide 17 and said the technical vocational program has a sunset date this year. Programs reauthorization is important not only for UA, but for every vocational technical provider in the state.

PRESIDENT PITNEY addressed slide 18 and said the Higher Education Investment Fund is important to students throughout the state and for access to affordable education. Providing long term stability in terms of action on the fund is a huge priority.

CHAIR HOLLAND stated the committee recognizes the importance of the University of Alaska system and all that President Pitney is doing to strengthen it during these difficult times. He expressed appreciation for the many proactive actions the university has been working on.

[10:39:37 AM](#)

There being no further business to come before the committee, Chair Holland adjourned the Senate Education Standing Committee meeting at 10:39 a.m.