

State of Alaska FY2024 Governor's Operating Budget

University of Alaska

University of Alaska

Mission

University of Alaska System (UA)

The University of Alaska inspires learning, and advances and disseminates knowledge through teaching, research, and public service, emphasizing the North and its diverse peoples. AS 14.40.010, AS 14.40.060

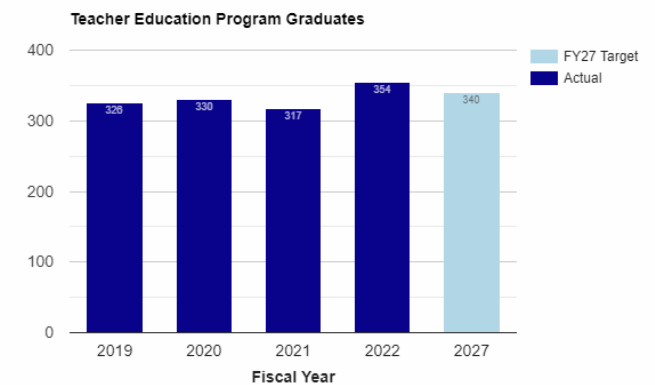
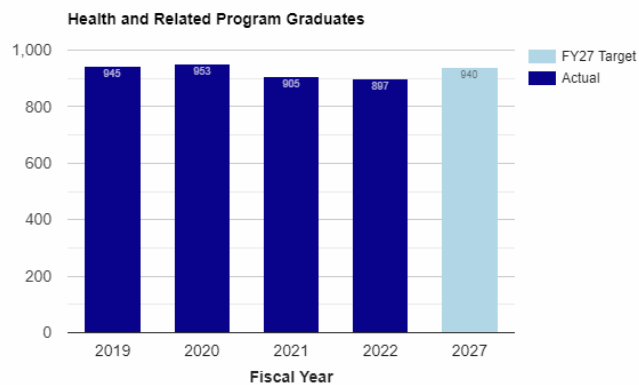
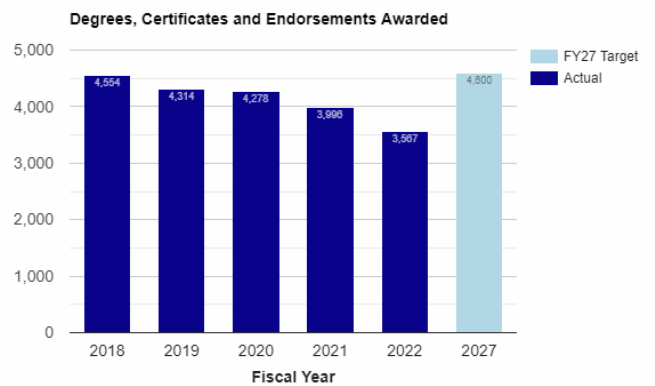
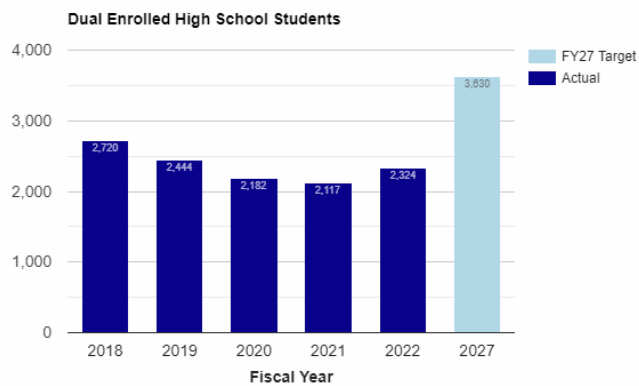
University of Alaska Mission Statement
 Board of Regents' Policy 01.01.010
 Adopted 10-06-00

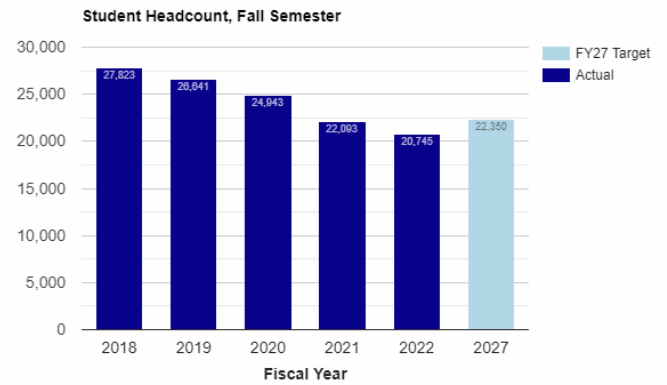
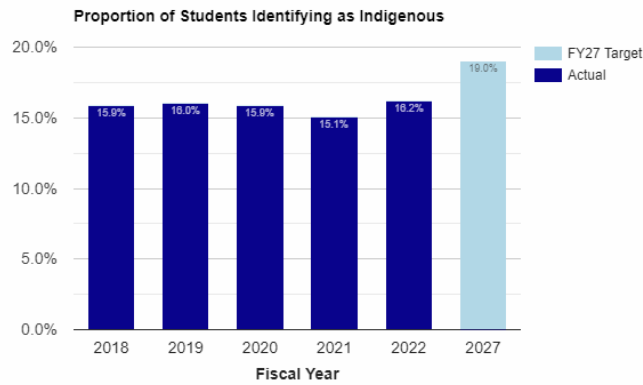
	Core Services (in priority order)	UGF	DGF	Other	Fed	Total	PFT	PPT	NP	% GF
1	Student Instruction	255,721.6	234,333.6	53,939.1	47,558.7	591,553.0	2,646.5	124.2	0.0	77.9%
2	Research: Advancing Knowledge, Basic and Applied	45,021.2	52,239.1	15,013.6	114,675.3	226,949.2	809.8	45.9	0.0	15.5%
3	Service: Sharing Knowledge to Address Community Needs	17,998.3	23,799.4	6,163.4	24,991.9	72,953.1	302.7	14.9	0.0	6.6%
	FY2023 Management Plan	318,741.1	310,372.1	75,116.1	187,225.9	891,455.2	3,759.0	185.0	0.0	

Measures by Core Service

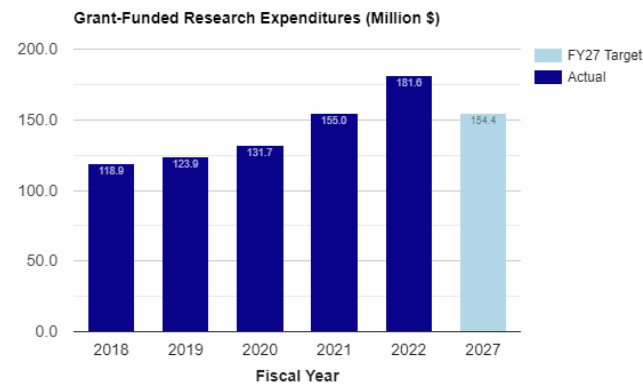
(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)

1. Student Instruction

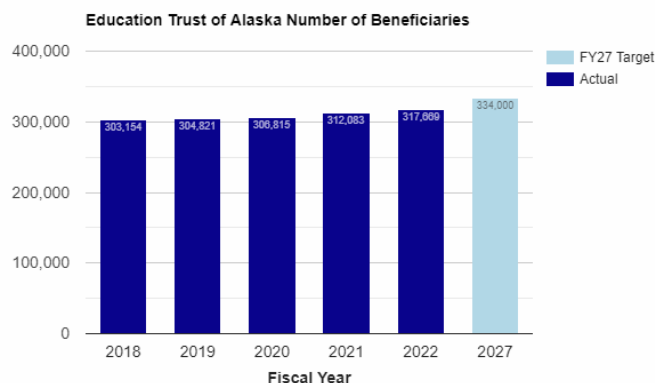
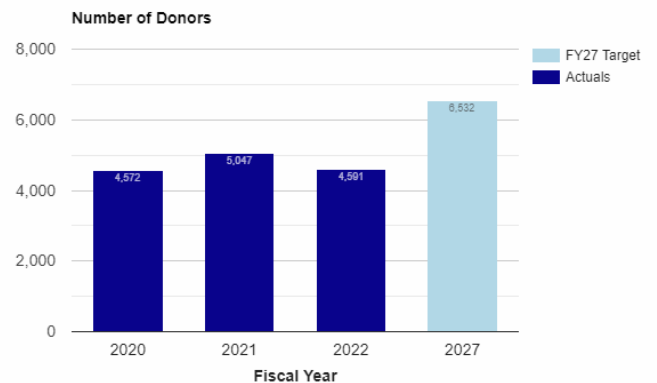
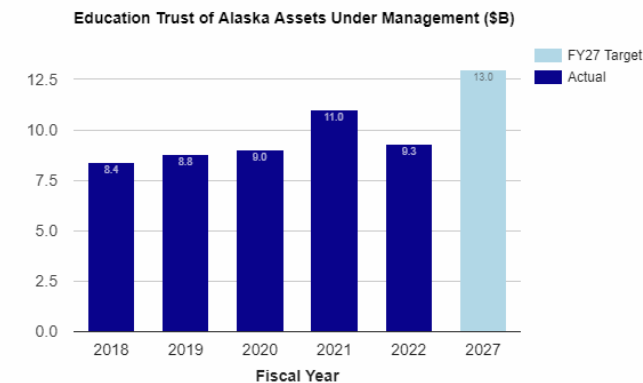




2. Research: Advancing Knowledge, Basic and Applied



3. Service: Sharing Knowledge to Address Community Needs



Major Department Accomplishments in 2022

Over the last few years, the University of Alaska (UA) has seen many changes which make it an appropriate time to re-examine goals, measures, and targets as UA looks to the future. This will be accomplished through five-year strategic guidance to establish and achieve UA goals that serve Alaska. In February 2022 the UA Board of Regents (BOR) approved the following five goals and priority focus areas:

Goals

- Contribute to Alaska's economic development, skilled workforce, and engaged citizenship
- Foster academic excellence for student success
- Grow our world-class research
- Operate cost-effectively
- Promote diversity, equity, and inclusion in students, faculty, and staff

Focus Areas

- Increase Student Enrollment through Retention in Degree Programs for Alaska's Workforce
- Develop Workforce and Focused Economic Development Initiatives
- Promote Arctic Policy, Research, and Leadership
- Strengthen Teacher Education through the Alaska College of Education Consortium
- Advance the Alaska Native Success Initiative
- Build Finance Industry Partnerships to Expand Business Workforce
- Increase Fisheries and Ocean Sciences Presence in Southeast Alaska
- Revise Business Models for Efficiency and Modernization

Educational Attainment

Credentials Awarded

The number of program credentials awarded fell 22 percent in the last five years and 11 percent in the last year, with a decline observed at each of the three universities. Some moderate declines in program completion numbers were anticipated as a result of overall enrollment levels dropping during the pandemic. However, recent degree award changes are anticipated to be temporary, with future growth expected as student enrollment stabilizes and rebounds.

The University of Alaska is fundamental to Alaska's economic recovery, delivering relevant programs that qualify graduates to take current and future jobs in the state. Of program graduates remaining in Alaska one year after graduation, 90 percent were employed in-state. About one in ten Alaska workers are graduates of University of Alaska Anchorage (UAA), University of Alaska Fairbanks (UAF), or University of Alaska Southeast (UAS).

The University of Alaska remains optimistic that improvement is on the horizon, as stabilized enrollment translates into increased program completions with investments aimed to improve student retention and offer more innovative and online program delivery options.

Student Headcount fall semester

Over the last five years, the fall semester student headcount dropped 25 percent. Seventy percent of the decline was associated with the global pandemic, occurring in FY2020 and FY2021.

Between fall semester FY2021 and FY2022, enrollment declined by six percent, a relative improvement from recent years. In FY2023, fall enrollment is projected to hold nearly steady with a 1.6 percent decline in headcount.

Over the last five years, student enrollment has declined due to fewer high school graduates entering postsecondary education, fewer programs, and budget uncertainty, coupled with significant enrollment losses from the onset of the pandemic. Bachelor's degree seekers accounted for nearly half the decline; 2-year and shorter program degree seekers for more than one-quarter; and non-degree seeking students one-fifth. Graduate degree seekers had the least impact, accounting for less than five percent of the overall decrease.

Looking forward, the focus is on adding student enrollment, by continuing to foster new students as well as working with continuing students to encourage re-enrollment. The UA is committed to seeing this measure improve over the

next few years. To this end, internal reallocation investments have been made in marketing and recruitment; partnerships with K-12, including very successful options for dual enrollment; expansion of online programs; and innovative program delivery.

Workforce Development

Teacher Education Program Graduates

Alaska faces a critical shortage of qualified teachers, especially in rural Alaska. The practicum/student teaching portion of the licensure process was identified as a barrier to entry into the profession, due to the significant time involved in this critical training element with no compensation available for the time in the classroom. Living wages have been difficult for many, and this may have a significant impact on Alaska's future education workforce.

In an effort to strengthen Teacher Education, the UA Board of Regents established the Alaska College of Education Consortium (ACEC) in June of 2021. This consortium consists of the education schools at UAA, UAF and UAS, with the goal of providing a framework and mechanism for communication, collaboration, and resource/information sharing among the programs. The consortium is implementing strategies to increase enrollment and graduates, communicate the breadth of existing programs, assess Alaska's needs, and ensure that academic pathways and opportunities for students are maintained or expanded by ensuring that a full array of programs and services are available to educate students across Alaska and online through faculty in Schools of Education and affiliated programs at each university.

Performance has improved relatively quickly in this area, with the number of teacher education programs graduates growing 12 percent between FY2021 and FY2022. More than 350 credentials were awarded to graduates of teacher education programs in FY2022. The UA trained new and continuing K-12 educators, which are in high demand within Alaska, with nearly 90 percent working in Alaska within a year of graduating.

An unrestricted general fund investment of \$1 million in FY2023, supporting teacher education internship scholarship programs, is expected to result in further near-term growth in teacher education program graduates in FY2023. These internship scholarships support students who are to graduate from a University of Alaska institution with a Bachelor's degree, those who have not pursued a teaching degree as well as those students who have graduated with a 60-credit Associate of Arts degree or a 60-credit Associate of Applied Science in Early Childhood Education. Prioritization is given to funding for Alaska residency of 5+ years, with an intended internship in an off-road-system community. Program Goals include:

- Encourage new students to complete an initial licensure Bachelor's degree or enter a postbaccalaureate program in the UA system
- Incentivize participation in a high-quality UA teacher preparation program that includes a yearlong internship under a qualified mentor
- Off-set program costs during the final two years of degree completion, and off-set living costs during the year-long internship of the initial licensure program
- Target individuals who can complete in two years, in order to show proof of concept

Health and Related Program Graduates

Alaska's healthcare costs are among the highest in the nation. One way to reduce down high costs is to grow our own healthcare workforce. The number of health and related program awards held relatively steady between FY2021 and FY2022, declining less than one percent. Some UA health programs operate on a rolling cohort cycle, which can result in annual peaks and drops in the total number of health and related graduates.

The UA's program participants are able to find jobs directly after graduation in high-demand health and related occupations necessary for Alaska's economic stability and growth. For example, about 90 percent of the UA nursing and certified nurse aid program graduates are working in Alaska within one year.

The healthcare field is facing significant expansion. A competent skilled workforce is indispensable to support the health of residents across Alaska, especially in rural Alaska. Health Care Clinicals provide valuable experience to students entering the industry, whether the occupation is as a Certified Nurse Assistant (CNA), Medical Assistant, Emergency Medical Technician (EMT), or Registered Nurse (RN). Unfortunately, living while learning to become a health professional has been a significant challenge.

An unrestricted general fund investment of \$1 million in FY2023 is for paid healthcare clinicals, to provide support to the next generation of health professionals as healthcare clinicals further help Alaska. The clinical support will help balance payments for necessary expenses. This funding will aid in the further growth of UA trained healthcare professionals helping to meet health workforce needs.

Student Access

The University of Alaska continues to improve and expand access to higher education; key enrollment strategies include:

- Recruitment of new students (through financial aid leveraging, niche markets in western states, dual enrollment, and massive open online courses (MOOCs));
- Retaining existing students (advising interventions and academic success center);
- Promoting student success (living-learning communities and internships);
- Supporting workforce development (focusing on education, mariculture, health, and other community and technical college (CTC) niche programs);
- Outward facing activities (modernizing business models); and
- Explore ways to reduce textbook and material costs for students

Dual enrollment pathways, including Middle Colleges, the Alaska Advantage program, North Star Middle College, Alaska Native Science and Engineering Program (ANSEP) Acceleration Academies, and other programs, provide a great benefit to Alaskans by improving both high school graduation rates and smoothing pathways to a successful college career -- 56 percent of middle college graduates go on to enroll in a UA degree program. The UA is satisfying a growing demand for dual enrollment programs by offering an increasing number of accessible options for every Alaskan.

In the last year headcount of dual-enrolled high school students increased by ten percent, indicating a strong recovery from a temporary pandemic-related decline the prior two years. Internal reallocation investments focused on partnerships with K-12, including very successful options for dual enrollment; expansion of online programs; and innovative program delivery support for continued expansion of dual enrollment participation.

Continued state support of the Alaska Performance Scholarship (APS) and the Alaska Education Grant (AEG) is good for students and Alaska, as both programs are recognized to improve the college-going rate, preparedness for college, and retention and graduation rates for Alaska high school students. Significant, multi-year scholarship support is associated with an increased probability of graduation within six years for all students, with enhanced graduation rates for students who are better prepared for college.

Alaska's investment to modernize the UA's Student Information Systems (SIS) is underway. The SIS Steering Committee and the project team engaged with Strata Information Group (SIG) and more than 50 stakeholders across the University of Alaska to understand the following:

- Identify gaps between current UA business processes and industry best practices for the Banner Enterprise Resource Planning (ERP) system
- Identify potential quick wins through the implementation of existing baseline software capability
- Provide UA with the information necessary to evaluate and determine whether the Banner ERP system can meet UA's current and future business requirements

Participant feedback on the SIG engagement was highly favorable. The report provided a good overview of current market solutions and UA's best options to move forward, as well as specific near-term improvements to Banner processes that could be made. As a result, the decision was made to develop an Request for Proposal (RFP) with the intention of either evolving our current system and processes to meet our future needs or determining if there is a different system that is a better fit for UA.

The SIS Steering committee and project team are now focused on hiring activities to support the RFP development and prioritizing a list of 56+ potential opportunities to improve enrollment ahead of the implementation of a new system.

Campus Culture

The University of Alaska System, guided by the Board of Regents, is committed to improving the participation and success of Alaska Natives through educational achievement statewide and improving Alaska Native representation and success throughout the University of Alaska System. One key step in addressing and overcoming challenges is increasing the diversity of the entire system. An aspect of this is growing the proportion of indigenous students who attend the UA to meet or exceed the proportion of the overall Alaska population who identify as indigenous.

Currently, more than 16 percent of UA students identify as having at least some indigenous heritage, compared to more than 19 percent of the State of Alaska population. The proportion of indigenous students attending the UA has held relatively steady over the last five years, with an eight percent increase between FY2021 and FY2022. In the context of major enrollment declines for all students, performance on this measure has been positive.

The UA is committed to increasing Indigenous voices and presence across all levels of work, study and research. The UA has woven this commitment into strategies and goals at every level throughout the university system. Highlights from the Alaska Native Success Initiative (ANSI) strategic plan include:

- Develop and Implement Racial Equity and Cultural Safety Training - commit to developing and implementing a systemwide training module on racial equity and cultural safety, being responsive to Alaska Native cultures
- Increase Alaska Native Visual Representation - commit to sending intentional messaging of ANSI to amplify and support the universities' work to strengthen a sense of place through art, signage, and other visible media
- Publish an Annual Report on Alaska Native Success - commit to publishing an annual report on Alaska Native success at the UA, to capture qualitative and quantitative measures, to ensure transparency and accessibility
- Increase Awareness of Institutional Change in Messaging - commit to promoting ANSI efforts and progress, and will work with each university to share successes within the university system and the greater Alaska community
- Establish a Cabinet-level Alaska Native Position within the Office of the President - create an executive-level position to support Alaska Native success, with the goal of building a sustainable and functional department

ANSI accomplishments from across the UA System include:

- University of Anchorage
Surveyed Alaska Native students, faculty, and staff to learn of representation priorities. Resulting from the survey, Indigenous place and space names are included in the facilities master plan to ensure belonging for Indigenous students, faculty, and staff. To promote a sense of belonging, UAA is developing an Alaska Native history training video for faculty, staff, and students, which will include Dena'ina place, space, plant, and animal names, all of which can be found on the Anchorage campus.
- University of Alaska Fairbanks
In June 2022, the UA Board of Regents voted unanimously to grant formal project approval to the Troth Yeddha' Indigenous Center and Park. The UAF has since contracted with Bettisworth North to facilitate the schematic design. Fundraising for the facility was kick-started thanks to a generous \$1 million donation from Kinross Alaska. Additionally, another \$96 thousand in private donations was recently raised at a UA Foundation Board reception. The UAF formed a Legacy Committee to guide the Troth Yeddha' fundraising campaign.
- University of Alaska Southeast
Began offering non-credit courses in Alaska Native languages free of charge, ensuring Indigenous People have access to learn their own language. Removing the barriers of cost is important in the work toward language revitalization and cultural healing. The UAS language course enrollment has gone up for both non-credit classes and for-credit classes. In 2011, enrollment was less than 50 students; now, enrollment is nearing 300. Partnership funding from Sealaska Heritage Institute is making this possible.

Safety and compliance are foundational issues at the University of Alaska. The UA ensures compliance with federal civil rights laws, working to prevent and address misconduct and discrimination under Title IX, Title VII, and the Americans with Disabilities Act among other laws. This also includes educating the UA community members to know how and when to report, efficiently and effectively addressing received reports, providing parties with appropriate supportive measures, implementing consistent processes across the university system, delivering quality student and employee sex and gender-based discrimination prevention training, and coalescing all of these efforts under federal guidance.

In 1996, congress approved section 529 of the Internal Revenue Code which allows families to save in a tax-advantaged way. The Education Trust of Alaska was formed by the University of Alaska in 2001 with the goal of

creating and offering high-quality 529 plans to help residents prepare for future education expenses. These plans are specialized savings vehicles that allow students and families to start saving for post-secondary education as early as possible. Contributions are invested in accounts that grow on a tax-deferred basis and are tax-free when used for qualified education expenses.

In its three 529 plans, the Alaska Education Trust currently holds more than \$9 billion in assets invested for more than 300,000 beneficiaries across the country. Despite recent market volatility, the Trust has continued to increase its new account acquisitions. Assets under management for the Education Trust of Alaska were \$9.3 billion at the close of FY2022, a decrease of about 15 percent from FY2021. Although investment returns last year were negative, assets under management in FY2022 represented growth of about 11 percent (about \$1 billion) over the last five years.

Research

Grant-funded research expenditures reached an all-time high of \$181.6 million in FY2022, growing 17 percent (\$26.6 million) from FY2021 and 53 percent (\$63.6 million) over the last five years. This performance level surpasses the University of Alaska Board of Regent's adopted FY2027 target for this mission area, with near-term performance growth expected to continue. FY2023 unrestricted general fund investment of \$2 million in alternate energy, and other major multi-year investments in the areas of drone technology, rare earth minerals, heavy oil recovery, and other areas are anticipated to help fuel future expansion of grant-funded research.

Federally funded research activities at the University of Alaska Fairbanks drove nearly all the increase in the last year. Research and academic units bringing in more than \$10.0 million in external grant-funded research revenue during FY2022 included the Geophysical Institute, College of Fisheries and Ocean Sciences, Institute for Arctic Biology, International Arctic Research Center, and Institute for Northern Engineering.

Scientific research is directly valuable to Alaskans because of investment in local economies and improvements in community life. A climate of innovation and collaboration also helps advance growth in research, creative works, and commercialization, as well as engaging undergraduate and graduate students, who continue to gain skills and knowledge in support of becoming tomorrow's leaders.

Economic Development

The University of Alaska's partnerships help meet the workforce needs of Alaska. In addition to creating the workforce – UA's research capacity is instrumental for Alaska's industry. The UA's researchers have 100 years of experience studying the Arctic, and are helping businesses plan for, adapt to, and compete for new opportunities in a changing climate. Examples include:

- Mariculture - is anticipated to be a \$100 million industry in five years. The recent United States Department of Commerce award to Southeast Conference to advance a sustainable mariculture economy included \$9.3 million for UA programs across the state that will train Alaskans and provide technical support to grow this emerging economy. The UA mariculture research which - among other things - will help Alaska understand how climate change factors could impact the industry, and how to establish kelp and seaweed farming stocks.
- Healthcare - In FY2022, 897 degrees were awarded across 50 programs leading to jobs in the clinical or behavioral health industries. Research shows that 91 percent of graduates in the health field found jobs in Alaska within one year.
- Mining - Over a ten-year period, 2,300 people graduated from one of 44 UA programs related to the mining industry, and Alaska needs more. The Institute of Social and Economic Research (ISER) reported that mining could employ 7,000 people by 2030. One reason is critical minerals. From mining operators to geological sciences – UA is providing a full suite of education and training for this industry. The Center for Mine Training at UAS offers mine simulators to give students a real feel for the job site. Faculty and students in UAA's biology department are developing new green extractive processes for the mining industry.
- Critical Minerals – In August 2022, in partnership with state and congressional leaders, the UA hosted a summit to explore Alaska's role in meeting the country's need for a domestic supply of critical mineral resources. The race for clean energy technologies places Alaska at the center of United States demand to develop domestic

sources. Critical minerals are plentiful in Alaska – copper, lithium, nickel, cobalt, and rare earth elements – serve as essential components in clean energy technologies, from wind turbines and electricity networks to electric vehicles. Securing a domestic supply of critical minerals is essential for both the country’s green energy goals and national defense.

- Oil and Gas - The UA operates 54 programs whose graduates are important to the oil and gas industry. More than half of those programs result in a certificate or associate degree. In a ten-year period, more than 3,600 people graduated from these programs and 76 percent were employed in Alaska within a year. The UA researchers believe the potential to recover billions of barrels of oil from existing fields, and through a partnership with the state and Hilcorp, the UA is working on a plan to make that happen.
- Travel and Tourism - The UA trains more than 125 pilots, aviation mechanics, air traffic controllers, and aviation administrators each year. Alaska Airlines has hired eight pilots who have graduated from UAA’s program with nine more students currently enrolled in pilot training.
- The UAF’s Alaska Center for Energy and Power partners with the industry to lower the cost of energy and develop Alaska’s new energy future. In the past few months, staff and faculty have shared the latest findings about solar and wind potential in Kotzebue; small-scale nuclear reactors for rural communities; hydrokinetic energy potential for McGrath; and energy efficiency developments for homes and buildings that would benefit all of Alaska.
- Drone research is already changing how resource managers assess and plan businesses and monitor operations. The Alaska Center for Unmanned Aircraft Systems Integrations (ACUASI) continues to leverage beyond-visual-line-of-sight flight capability that sets the program apart from its peers. It is one of the first steps towards proving the ability of technology to prevent unmanned aircraft from colliding with manned aircraft and opening Alaska’s airspace to routine unmanned aircraft operations.

On behalf of the State of Alaska (SoA), the University of Alaska was designated as the Implementing Entity to accept the State Small Business Credit Initiative (SSBCI) allocation. Through this process, UAA’s Small Business Development Center (SBDC) was designated to oversee the SoA’s SSBCI program.

The SSBCI allows states to build upon or create successful models for state small business lending programs. Alaska was eligible for \$59 million of funding to be deployed statewide. With these funds, the SSBCI program objective is to deploy the funds to lending institutions and expand access to capital for small businesses emerging from the pandemic, build ecosystems of opportunity and entrepreneurship, and expand the creation of high-quality jobs. The program will begin accepting loan applications from borrowers in January 2023.

Philanthropy

The UA Foundation was established to solicit, manage, and invest donations for UA’s exclusive benefit. It is a private nonprofit corporation that operates as a public foundation and operates on a fully self-support revenue model. It provides a critical service to students. More than 15 percent of degree recipients each year have been supported by scholarships administered by the UA Foundation. Nearly \$5 million in student support was awarded in FY2022 alone.

The number of individuals and the amount contributed to the UA Foundation vary from year to year. Although the number of donors has been relatively steady, averaging between 4,500 and 5,000 for the last three years, the total amount donated each year has increased from about \$25 million to around \$40 million.

The University of Alaska Foundation, UAA, UAF, UAS, and UA System Office began UA’s first systemwide philanthropic fundraising campaign in FY2017. The public launch of this campaign took place in March 2021, with the announcement of a total dollar goal of \$200 million to be raised by the end of FY2025. This is a comprehensive fundraising campaign with all private support counted including outright gifts and pledges, planned gifts, and private grants.

As of October 2022, \$205 million has been raised through generous contributions from individuals, corporations, and foundations to support students, faculty, and programs across the UA System. There have been more than 18,700 unique donors to the campaign, including more than 7,200 alumni donors. These private contributions are

predominately (more than 95 percent) designated by donors for specific restricted purposes such as scholarships, research, and supplemental programmatic support. Contributions cannot be directed to university operations or to replace budget reductions.

The University of Alaska Giving Day tradition, which launched in the fall of 2020, is a collaborative effort between the UA Foundation and the three universities. The 49 Hours for Alaska online event focused on the impact the universities make on thousands of lives and livelihoods across the state and encouraged philanthropic support for students, academic and training programs, and research.

Giving Day provides opportunities to engage the community and expand the system's donor base while increasing UA's brand awareness within and outside the state. Last year's event, held on November 9-10, 2021, was an even bigger success than the prior year, raising more than \$1 million from more than 1,600 alumni, community members, corporate partners, faculty, and staff. Donations came from 41 states and 12 countries and were designated to support specific programs, scholarship funds, or research enterprises.

Effective and Efficient Use of Resources

The University of Alaska has put over 71 percent of the funding appropriated for deferred maintenance, renewal, and repurposing projects between FY2014 and FY2023 to work, taking the opportunity to reduce operating costs as part of each capital renewal project.

The University of Alaska campuses are actively managing space to increase utilization and to reduce the cost of facility ownership. Space management strategies being used are:

- Selling, leasing, or public-private-partnerships (P3) of facilities and land to provide a source of capital for reinvestment, reduce recurring asset maintenance costs and potentially reduce ownership risk.
- Reviewing space utilization and management strategies across campuses.
- Identifying facilities for possible demolition that are beyond their useful life.
- Identifying facilities for possible adaptive reuse.

At the September 1, 2022 Board of Regents Facilities and Land Management Committee meeting, UA administration reported on capital asset monetization opportunities. The identified properties present opportunities for the selling, leasing, or public private-partnerships (P3) of facilities and land to provide a source of capital, reduce maintenance costs and potentially reduce ownership. The UA currently has facilities listed for sale, while other properties are being examined for monetization opportunities. Examples include: University Lake and Annex buildings in Anchorage; Natural Sciences Research Lab in Juneau; and a potential power purchase agreement for the UAF Combined Heat and Power Plant in Fairbanks.

The University of Alaska is making progress on a remedy to its historic land grant deficit, the late Congressman Young and Alaska's United States Senators introduced legislation (University of Alaska Fiscal Foundation Act) to address UA's unfair land-grant land allocation. In short, the bill establishes a federal program that would permit the State of Alaska to allocate up to 360,000 acres of federal land provided to the state that would be conveyed to UA. Passage of this federal legislation is necessary to overcome legal issues surrounding an Alaska Supreme Court ruling. The bill has passed the Senate Energy and Natural Resources Committee and now needs a House Member to advocate for the bill so it can move through the chamber's legislative process.

Technology

House Bill 363 (HB363) was signed into law on August 9, 2022, and established the State Broadband Office. This is the first step in preparing Alaska to engage with the federal government to start the process of evaluating and applying for the Infrastructure Investment and Jobs Act (IIJA) of the Bipartisan Infrastructure Law (BIL). The next steps are for the state to work with the Federal Communications Commission (FCC) on fabric mapping and service delivery areas, as this will be the foundation upon which awards will be made.

The University of Alaska is working with Alaskan telecom industry partners to identify workforce development opportunities and what role the University will play in training telecommunications workers to build, operate, and maintain new broadband infrastructure. Additionally, the Alaska Center for Unmanned Aircraft Systems Integration (ACUASI) has identified that broadband is a critical component in growing its programs and partnership with the

Alaska Department of Transportation and Public Facilities (ADOT&PF) on statewide aviation initiatives.

Awards for the National Telecommunications and Information Administration (NTIA) Connecting Minority Communities Pilot Program are beginning to be announced on a rolling basis. The UAF applied for a \$3 million grant to span two years of augmenting connectivity capacity and providing additional support for our rural community college locations. Additionally, there has been additional federal funding put towards the Affordable Connectivity Program, which provides discounts to households that meet eligibility requirements, including current-year Pell Grant recipients.

Key Department Challenges

Enrollment

The University of Alaska is emerging from the impacts COVID-19 pandemic and several years of budget reductions that led to significant enrollment declines. For Fall 2022, enrollment was down only one percent when compared to Fall 2021, with a five percent increase in enrollment of newly admitted students (freshmen and transfers). The University of Alaska universities continue to expand their online offerings and their partnerships with school districts leading to more dual enrollment opportunities for students.

Alaska has historically had one of the lowest college-going rates in the nation and consistently ranks last or second to last of all 50 states in the percentage of high school graduates going to college immediately after high school. The UA and the State of Alaska Department of Education and Early Development have a common goal of increasing the proportion of Alaska high school graduates who go on to college directly after graduating, however observable progress has been difficult to achieve. Within one year of graduation, 37 percent of Alaska public high school graduates (class of 2020) enrolled in college, this is down from 41 percent for the class of 2019 (Alaska Higher Education Almanac <https://acpe.alaska.gov/Portals/3/OTHER/Pubs/Almanac2022.pdf>) For comparison, the national average for the percent of graduates going directly to college following high school was 63 percent (class of 2020), this is down from 68 percent for the class of 2010. (National Center for Education Statistics https://nces.ed.gov/programs/coe/indicator_cpa.asp)

In addition, as of 2022, 39 percent of Alaskans have at least an associate degree, an improvement over 2018, but still below the national average of 43.8 percent. Overall, 55 percent of Alaskans have some post-secondary attainment (including short-term credentials) and the state is making progress toward its goal of 65 percent by 2025. (AlaskaCan! <https://65by2025.org/metrics/>).

Technology

Significant efforts continue to improve the University's cyber security posture. This is a critical focus area as institutions of higher education have become primary targets due to research activities and the possession of significant amounts of Personally identifiable information (PII) and other sensitive information and regulated data. Working with each university, the System Office of Information Technology (OIT) has planned and/or implemented several improvements to better protect UA's students, employees, and sensitive data.

Improvements include better account and information systems security and better detection and response to malicious activity. Ten new or expanded cyber security tools/capabilities were also introduced over the past 18 months or are in an active procurement/implementation phase. Two external providers were also engaged this past quarter to conduct gap assessments of aspects of UA's security. These activities identified various gaps, which the team is working to remediate. The team is also developing UA's formal information security and assurance program, which we expect to finalize in the next six months.

The University of Alaska has a significant cost burden to provide very limited bandwidth to several community campuses due to the high cost of service in rural areas. The University does not meet the 25 megabits "minimum bandwidth" standard for most K-12 institutions across Alaska. Unlike K-12 and libraries, the University is not eligible to receive Universal Service Administration Company (USAC) funding, also known as e-rate. This federal program typically provides up to a 90 percent subsidy for contractual services to eligible entities.

The UA's top five most impacted rural community campus locations are in Kotzebue, Nome, Bethel, Dillingham, and

Ft. Yukon, due to the high cost of service on a per megabit basis. Symmetric bandwidth (i.e. 25mb upload/25mb download) is required to ensure functionality and performance for real-time interactive usage such as instruction delivery, public outreach, and administrative use.

To provide adequate, functional, and reliable connectivity to rural community campuses, broadband network capacity needs to be increased to drive the academic mission to enable interactive remote learning, improve student engagement and expand research. Due to the high cost of service, rural community campuses typically have only ten percent of the broadband capacity compared to urban community campuses; increasing broadband capacity will reduce this digital divide and move towards parity for all University students in Alaska regardless of residence location.

Financial

The University of Alaska continues to request sustained capital funding to protect and maintain its aging physical assets. Aging facilities and functional obsolescence detract from student recruitment and retention. Although UA has worked to reduce its footprint by selling or demolishing underutilized facilities, the need for a continual state capital investment is critical to UA's ability to offer students a functional, modern, and safe learning environment.

The University of Alaska is responsible for maintaining facilities and infrastructure across the state, with nearly 400 facilities totaling 7.9 million gross square feet, an average age of 35.2 years, an inflation-adjusted value of \$4.9 billion, and a deferred maintenance/renewal & repurposing (DM/R&R) backlog of over \$1.5 billion. Annual funding is necessary to preserve these important state assets.

Due to many years of unfunded deferral of critical capital projects, there is increasing risk and evidence of building closures. There have been numerous unplanned closures causing significant hardship on student learning and research activities, as well as the associated lost productivity of university students, faculty/researchers, and staff.

Significant Changes in Results to be Delivered in FY2024

The University of Alaska has been developing a long-term plan focused on providing a high-quality student experience, building areas of national prominence, supporting the state's economic recovery, and strengthening close partnerships with businesses and state agencies.

Financial stability is an essential requirement for universities to focus on key state needs and address student demand in areas such as teacher education, business/accounting, engineering, and career/workforce training.

Despite challenges, University of Alaska is committed to seeing enrollment and completion rates improve over the next few years. To this end, investments have been made in marketing and recruitment; partnerships with K-12, including very successful options for dual enrollment; expansion of online programs; and innovative program delivery. Enrollment is key to serving Alaska and its workforce needs. The state's investment to modernize University of Alaska's student-facing information technology systems is a critical component to facilitating student recruitment, retention, and success for the three universities.

Currently, the system is planning its third annual University of Alaska Giving Day, 49 Hours for Alaska, which will be held in February 2023. Last year's online giving day was a tremendous success, raising more than \$1 million in 49 hours from over 1,600 alumni, community members, corporate partners, faculty, and staff.

The University of Alaska will continue the "Did You Know?" series to highlight the breadth, excellence, and collaboration of programs across the University of Alaska system. These messages will help communicate stability, confidence, and trust in the universities' programs; elevate the value of higher education in the state, and increase enrollment in higher education. <https://www.alaska.edu/news/did-you-know/>

The University of Alaska launched a three-year public awareness campaign to enhance the overall reputation of the university system and educate Alaskans about the university's role in fueling the economy and providing Alaska with an educated and well-trained workforce. The University of Alaska is here to empower Alaska. <https://empower.alaska.edu/>

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FY2024 Capital Budget Request

Project Title	Unrestricted Gen (UGF)	Designated Gen (DGF)	Other Funds	Federal Funds	Total Funds
UA Drones	10,000,000	0	0	0	10,000,000
UAA Alaska Leaders Archives and Consortium Library Renovation	0	6,000,000	0	0	6,000,000
UAA Health Workforce Diversity Expansion Project Phase 2 (WWAMI)	2,000,000	0	0	0	2,000,000
UAF University Park Early Childhood Development Center	0	2,500,000	0	0	2,500,000
Department Total	12,000,000	8,500,000	0	0	20,500,000

This is an appropriation level summary only. For allocations and the full project details see the capital budget.

Summary of Department Budget Changes by RDU

From FY2023 Management Plan to FY2024 Governor

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2023 Management Plan	318,741.1	310,372.1	75,116.1	187,225.9	891,455.2
One-time items:					
-Univ of Alaska Anchorage	-2,100.0	0.0	-1,698.1	0.0	-3,798.1
-Univ of Alaska Fairbanks	-25,800.0	0.0	0.0	0.0	-25,800.0
-Univ of Alaska Southeast	-2,250.0	0.0	0.0	0.0	-2,250.0
Adjustments which continue current level of service:					
-UA System Office	986.4	7.6	0.0	0.0	994.0
-Univ of Alaska Anchorage	4,886.6	503.7	2,092.5	100.0	7,582.8
-Univ of Alaska Fairbanks	5,928.2	820.7	0.0	1,000.0	7,748.9
-Enterprise Entities	0.0	21.1	0.0	0.0	21.1
-Univ of Alaska Southeast	998.1	87.9	0.0	0.0	1,086.0
Proposed budget increases:					
-Univ of Alaska Anchorage	48.0	534.0	0.0	0.0	582.0
FY2024 Governor	301,438.4	312,347.1	75,510.5	188,325.9	877,621.9

Department Totals
University of Alaska

Description	FY2022 Actuals	FY2023 Conference Committee	FY2023 Authorized	FY2023 Management Plan	FY2024 Governor	FY2023 Management Plan vs FY2024 Governor	
Department Totals	885,892.1	893,791.1	891,455.2	891,455.2	877,621.9	-13,833.3	-1.6%
Objects of Expenditure:							
71000 Personal Services	437,654.0	450,443.3	450,254.4	504,581.5	519,821.8	15,240.3	3.0%
72000 Travel	8,888.6	14,172.4	14,172.4	14,519.8	14,519.8	0.0	
73000 Services	270,192.5	300,936.4	298,789.4	236,738.1	207,914.5	-28,823.6	-12.2%
74000 Commodities	63,260.9	56,935.8	56,935.8	64,338.3	64,088.3	-250.0	-0.4%
75000 Capital Outlay	43,135.0	14,323.8	14,323.8	15,805.0	15,805.0	0.0	0.0%
77000 Grants, Benefits	45,989.4	32,663.0	32,663.0	32,522.6	32,522.6	0.0	0.0%
78000 Miscellaneous	16,771.7	24,316.4	24,316.4	22,949.9	22,949.9	0.0	0.0%
Funding Source:							
1002 Fed Rcpts (Fed)	166,504.2	187,225.9	187,225.9	187,225.9	188,325.9	1,100.0	0.6%
1003 G/F Match (UGF)	4,777.3	4,777.3	4,777.3	4,777.3	4,777.3	0.0	0.0%
1004 Gen Fund (UGF)	267,150.4	315,393.9	313,058.0	313,058.0	295,755.3	-17,302.7	-5.5%
1007 I/A Rcpts (Other)	13,991.1	11,116.0	11,116.0	11,116.0	11,116.0	0.0	0.0%
1037 GF/MH (UGF)	669.6	905.8	905.8	905.8	905.8	0.0	0.0%
1048 Univ Rcpt (DGF)	279,833.9	304,203.8	304,203.8	304,203.8	306,178.8	1,975.0	0.6%
1061 CIP Rcpts (Other)	1,678.0	4,181.0	4,181.0	4,181.0	4,181.0	0.0	0.0%
1092 MHTAAR (Other)	1,563.4	1,698.1	1,698.1	1,698.1	2,092.5	394.4	23.2%
1151 VoTech Ed (DGF)	6,095.0	6,167.3	6,167.3	6,167.3	6,167.3	0.0	0.0%
1174 UA I/A (Other)	112,033.0	58,121.0	58,121.0	58,121.0	58,121.0	0.0	0.0%
1234 LicPlates (DGF)	0.0	1.0	1.0	1.0	1.0	0.0	0.0%
1265 COVID Fed (Fed)	31,596.2	0.0	0.0	0.0	0.0	0.0	0.0%
Totals:							
Unrestricted Gen (UGF)	272,597.3	321,077.0	318,741.1	318,741.1	301,438.4	-17,302.7	-5.4%
Designated Gen (DGF)	285,928.9	310,372.1	310,372.1	310,372.1	312,347.1	1,975.0	0.6%
Other Funds	129,265.5	75,116.1	75,116.1	75,116.1	75,510.5	394.4	0.5%
Federal Funds	198,100.4	187,225.9	187,225.9	187,225.9	188,325.9	1,100.0	0.6%
Positions:							
Permanent Full Time	3,759	3,759	3,759	3,759	3,759	0	0.0%
Permanent Part Time	185	185	185	185	185	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Component Summary Unrestricted General Funds Only
University of Alaska

Results Delivery Unit/ Component	FY2022 Actuals	FY2023 Conference Committee	FY2023 Authorized	FY2023 Management Plan	FY2024 Governor	FY2023 Management Plan vs FY2024 Governor		
Budget Reductions/Additions								
Systemwide Reduction/Additions	0.0	29,800.0	29,800.0	0.0	0.0	0.0	0.0%	
RDU Totals:	0.0	29,800.0	29,800.0	0.0	0.0	0.0	0.0%	
UA System Office								
Systemwide Services	5,974.7	6,458.9	6,458.9	9,250.5	9,956.4	705.9	7.6%	
Office of Information Technology	3,765.1	4,896.1	4,896.1	6,698.0	6,978.5	280.5	4.2%	
RDU Totals:	9,739.8	11,355.0	11,355.0	15,948.5	16,934.9	986.4	6.2%	
University of Alaska Anchorage								
Anchorage Campus	83,622.4	89,446.1	88,610.2	92,662.1	94,807.1	2,145.0	2.3%	
Small Business Dev Center	959.6	959.6	959.6	959.6	959.6	0.0	0.0%	
Kenai Peninsula College	0.0	6,430.5	6,430.5	6,414.9	6,672.2	257.3	4.0%	
Kodiak College	0.0	2,351.3	2,351.3	2,349.4	2,436.3	86.9	3.7%	
Matanuska-Susitna College	0.0	4,682.3	4,682.3	4,658.7	4,877.4	218.7	4.7%	
Prince Wm Sound College	0.0	2,725.9	2,725.9	2,719.0	2,845.7	126.7	4.7%	
RDU Totals:	84,582.0	106,595.7	105,759.8	109,763.7	112,598.3	2,834.6	2.6%	
University of Alaska Fairbanks								
Fairbanks Campus	120,737.7	129,336.8	129,336.8	152,652.1	132,070.0	-20,582.1	-13.5%	
Bristol Bay Campus	0.0	1,145.0	1,145.0	1,122.0	1,151.0	29.0	2.6%	
Chukchi Campus	0.0	640.4	640.4	620.1	640.6	20.5	3.3%	
College of Rural and Comm Dev	0.0	4,843.7	4,843.7	4,830.1	5,009.4	179.3	3.7%	
Interior Alaska Campus	0.0	1,360.0	1,360.0	1,320.4	1,379.7	59.3	4.5%	
Kuskokwim Campus	0.0	2,451.3	2,451.3	2,369.9	2,471.6	101.7	4.3%	
Northwest Campus	0.0	1,221.2	1,221.2	1,184.9	1,236.5	51.6	4.4%	
UAF Community and Tech College	5,000.2	4,941.9	4,941.9	4,932.3	5,201.2	268.9	5.5%	
RDU Totals:	125,737.9	145,940.3	145,940.3	169,031.8	149,160.0	-19,871.8	-11.8%	
University of Alaska Anchorage CC								
Kenai Peninsula College	6,289.1	0.0	0.0	0.0	0.0	0.0	0.0%	
Kodiak College	2,303.3	0.0	0.0	0.0	0.0	0.0	0.0%	
Matanuska-Susitna College	4,568.7	0.0	0.0	0.0	0.0	0.0	0.0%	
Prince Wm Sound College	2,666.7	0.0	0.0	0.0	0.0	0.0	0.0%	
RDU Totals:	15,827.8	0.0	0.0	0.0	0.0	0.0	0.0%	
University of Alaska Fairbanks CC								
Bristol Bay Campus	1,204.8	0.0	0.0	0.0	0.0	0.0	0.0%	
Chukchi Campus	655.6	0.0	0.0	0.0	0.0	0.0	0.0%	
College of Rural and Comm Dev	4,331.6	0.0	0.0	0.0	0.0	0.0	0.0%	
Interior Alaska Campus	1,381.8	0.0	0.0	0.0	0.0	0.0	0.0%	
Kuskokwim Campus	2,510.7	0.0	0.0	0.0	0.0	0.0	0.0%	
Northwest Campus	1,190.7	0.0	0.0	0.0	0.0	0.0	0.0%	
RDU Totals:	11,275.2	0.0	0.0	0.0	0.0	0.0	0.0%	
University of Alaska Southeast								
Juneau Campus	21,896.4	23,212.1	21,712.1	17,845.8	18,626.1	780.3	4.4%	
Ketchikan Campus	1,602.9	1,899.8	1,899.8	2,274.4	1,879.6	-394.8	-17.4%	
Sitka Campus	1,935.3	2,274.1	2,274.1	3,876.9	2,239.5	-1,637.4	-42.2%	
RDU Totals:	25,434.6	27,386.0	25,886.0	23,997.1	22,745.2	-1,251.9	-5.2%	

Component Summary Unrestricted General Funds Only
University of Alaska

Results Delivery Unit/ Component	FY2022 Actuals	FY2023 Conference Committee	FY2023 Authorized	FY2023 Management Plan	FY2024 Governor	FY2023 Management Plan vs FY2024 Governor	
Unrestricted Gen (UGF):	272,597.3	321,077.0	318,741.1	318,741.1	301,438.4	-17,302.7	-5.4%
Designated Gen (DGF):	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds:	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds:	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Total Funds:	272,597.3	321,077.0	318,741.1	318,741.1	301,438.4	-17,302.7	-5.4%

Component Summary All Funds
University of Alaska

Results Delivery Unit/ Component	FY2022 Actuals	FY2023 Conference Committee	FY2023 Authorized	FY2023 Management Plan	FY2024 Governor	FY2023 Management Plan vs FY2024 Governor	
Budget Reductions/Additions							
Systemwide Reduction/Additions	0.0	30,755.2	30,755.2	1.0	1.0	0.0	0.0%
RDU Totals:	0.0	30,755.2	30,755.2	1.0	1.0	0.0	0.0%
UA System Office							
Systemwide Services	33,598.2	30,037.0	30,037.0	32,987.1	33,700.6	713.5	2.2%
Office of Information Technology	14,749.8	16,377.7	16,377.7	18,179.6	18,460.1	280.5	1.5%
RDU Totals:	48,348.0	46,414.7	46,414.7	51,166.7	52,160.7	994.0	1.9%
University of Alaska Anchorage							
Anchorage Campus	247,399.3	244,619.5	243,783.6	246,612.4	250,248.6	3,636.2	1.5%
Small Business Dev Center	2,810.1	3,684.6	3,684.6	3,684.6	3,684.6	0.0	0.0%
Kenai Peninsula College	0.0	16,345.8	16,345.8	16,402.0	16,684.9	282.9	1.7%
Kodiak College	0.0	5,606.7	5,606.7	5,563.3	5,657.2	93.9	1.7%
Matanuska-Susitna College	0.0	13,461.2	13,461.2	13,490.8	13,709.6	218.8	1.6%
Prince Wm Sound College	0.0	6,311.6	6,311.6	6,298.4	6,433.3	134.9	2.1%
RDU Totals:	250,209.4	290,029.4	289,193.5	292,051.5	296,418.2	4,366.7	1.5%
University of Alaska Fairbanks							
Fairbanks Campus	472,055.2	418,887.5	418,887.5	445,031.0	426,159.1	-18,871.9	-4.2%
Bristol Bay Campus	0.0	4,012.3	4,012.3	3,927.9	3,977.4	49.5	1.3%
Chukchi Campus	0.0	2,218.0	2,218.0	2,177.7	2,205.8	28.1	1.3%
College of Rural and Comm Dev	0.0	9,268.6	9,268.6	8,380.0	8,575.8	195.8	2.3%
Interior Alaska Campus	0.0	5,266.7	5,266.7	4,674.4	4,762.2	87.8	1.9%
Kuskokwim Campus	0.0	6,349.9	6,349.9	5,544.5	5,669.8	125.3	2.3%
Northwest Campus	0.0	4,981.5	4,981.5	4,689.6	4,753.1	63.5	1.4%
UAF Community and Tech College	11,000.9	12,466.5	12,466.5	12,437.6	12,708.4	270.8	2.2%
RDU Totals:	483,056.1	463,451.0	463,451.0	486,862.7	468,811.6	-18,051.1	-3.7%
Enterprise Entities							
Education Trust of Alaska	4,097.6	4,239.8	4,239.8	5,648.8	5,669.9	21.1	0.4%
RDU Totals:	4,097.6	4,239.8	4,239.8	5,648.8	5,669.9	21.1	0.4%
University of Alaska Anchorage CC							
Kenai Peninsula College	11,946.2	0.0	0.0	0.0	0.0	0.0	0.0%
Kodiak College	3,125.6	0.0	0.0	0.0	0.0	0.0	0.0%
Matanuska-Susitna College	9,061.2	0.0	0.0	0.0	0.0	0.0	0.0%
Prince Wm Sound College	5,109.3	0.0	0.0	0.0	0.0	0.0	0.0%
RDU Totals:	29,242.3	0.0	0.0	0.0	0.0	0.0	0.0%
University of Alaska Fairbanks CC							
Bristol Bay Campus	2,351.1	0.0	0.0	0.0	0.0	0.0	0.0%
Chukchi Campus	1,301.4	0.0	0.0	0.0	0.0	0.0	0.0%
College of Rural and Comm Dev	7,543.9	0.0	0.0	0.0	0.0	0.0	0.0%
Interior Alaska Campus	3,237.5	0.0	0.0	0.0	0.0	0.0	0.0%
Kuskokwim Campus	5,023.3	0.0	0.0	0.0	0.0	0.0	0.0%
Northwest Campus	2,117.6	0.0	0.0	0.0	0.0	0.0	0.0%
RDU Totals:	21,574.8	0.0	0.0	0.0	0.0	0.0	0.0%
University of Alaska Southeast							
Juneau Campus	40,188.1	46,378.3	44,878.3	41,068.8	41,910.1	841.3	2.0%
Ketchikan Campus	4,015.4	5,218.9	5,218.9	5,627.3	5,241.0	-386.3	-6.9%

Component Summary All Funds
University of Alaska

Results Delivery Unit/ Component	FY2022 Actuals	FY2023 Conference Committee	FY2023 Authorized	FY2023 Management Plan	FY2024 Governor	FY2023 Management Plan vs FY2024 Governor	
Sitka Campus	5,160.4	7,303.8	7,303.8	9,028.4	7,409.4	-1,619.0	-17.9%
RDU Totals:	49,363.9	58,901.0	57,401.0	55,724.5	54,560.5	-1,164.0	-2.1%
Unrestricted Gen (UGF):	272,597.3	321,077.0	318,741.1	318,741.1	301,438.4	-17,302.7	-5.4%
Designated Gen (DGF):	285,928.9	310,372.1	310,372.1	310,372.1	312,347.1	1,975.0	0.6%
Other Funds:	129,265.5	75,116.1	75,116.1	75,116.1	75,510.5	394.4	0.5%
Federal Funds:	198,100.4	187,225.9	187,225.9	187,225.9	188,325.9	1,100.0	0.6%
Total Funds:	885,892.1	893,791.1	891,455.2	891,455.2	877,621.9	-13,833.3	-1.6%
Permanent Full Time:	3,759	3,759	3,759	3,759	3,759	0	0.0%
Permanent Part Time:	185	185	185	185	185	0	0.0%
Non Permanent:	0	0	0	0	0	0	0.0%
Total Positions:	3,944	3,944	3,944	3,944	3,944	0	0.0%