

State of Alaska FY2025 Governor's Operating Budget

University of Alaska UA System Office Results Delivery Unit Budget Summary

UA System Office Results Delivery Unit

Contribution to Department's Mission

Through its support of the Board of Regents, the three universities with distinct missions, and their community campuses, the University of Alaska System Office advances higher education and honors the Indigenous and diverse peoples of Alaska. The University of Alaska System Office manages corporate responsibilities, strategically stewards shared resources, and works with the universities to implement Regents' policies and directions to align with current and future needs of the state.

University of Alaska Mission Statement
Board of Regents' Policy 01.01.010
Adopted 02-24-23

Results

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

Core Services

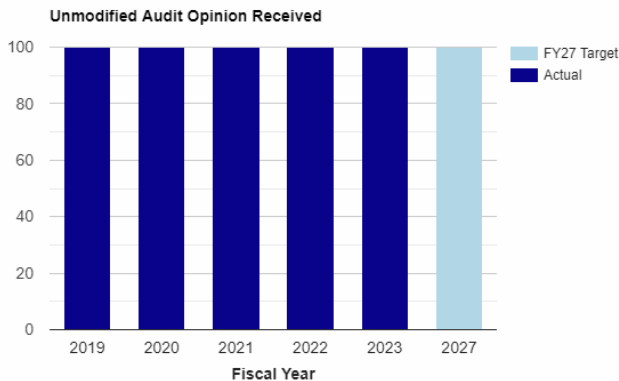
- Achieve clean financial statement audit opinions
- Achieve clean audit reports over federal financial assistance compliance and related internal controls

Measures by Core Service

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

1. Achieve clean financial statement audit opinions

2. Achieve clean audit reports over federal financial assistance compliance and related internal controls



Major RDU Accomplishments in 2023

University Structure

The University of Alaska (UA) is composed of four major units: the system office and three separately accredited institutions, University of Alaska Anchorage (UAA), University of Alaska Fairbanks (UAF), and University of Alaska Southeast (UAS).

The chancellor of each institution reports to the president of the university system, who in turn reports to the Board of Regents. The Board of Regents has ten members with eight-year appointments and a student regent with a two-year appointment; all members are appointed by the governor and confirmed by the legislature.

System administrators reporting to the president include the university's executives in the areas of finance and administration, university relations, academic affairs and research, information technology, human relations and legal counsel.

Enrollment/Student Access

- Worked with the universities to develop a process for creating differentiated tuition that: takes into consideration each university's mission, student population, and institutional peers and creates more opportunities for student aid to facilitate recruitment and retention.
- Engaged with key academic staff and programs to facilitate an improved pipeline and educational opportunities for students focused on earning academic credentials in cybersecurity, risk, and compliance areas.
- Continued 112 university programs, for a total of 317, to Department of Labor and Workforce Development Eligible Training Provider List. Thereby increasing access to Workforce Innovation and Opportunity Act funding for current and future students experiencing barriers to degree completion and employment.
- Development and execution of the statewide Empower Alaska Campaign, reaching over one million unique individuals across TV, Radio, and Online advertising to raise the University's profile and reputation.
- Special direct hire authority for Alaska Native Science and Engineering Program (ANSEP) students and recent graduates to work in any bureau or office of the U.S. Department of the Interior; and
- Passage in the U.S. Senate of a resolution congratulating the UAF Rifle Team for winning the 2023 National Collegiate Athletic Association (NCAA) championship.
- The U.S. Department of Labor has recently acknowledged teaching as an apprentice profession, emphasizing the importance of on-the-job training for teachers. The University of Alaska is pursuing approval of apprenticeships in several educator preparation programs.
- Expanding face-to-face and Dual online Enrollment programs to more than 40 school districts across Alaska.

Workforce Development

- Securing federal and state funding to expand health workforce activities at the University of Alaska Anchorage and Fairbanks.
- Sponsorship and participation in the Arctic Encounter Symposium, allowing University leadership and experts to connect and further relationships with key Arctic and international partners. Language in U.S. House of Representative's legislation that will reauthorize the UAS Test Site program at the Federal Aviation Administration (FAA).
- Continued support for the Alaska College of Education Consortium (AKCOE). AKCOE was established to coordinate academic programs for teacher preparation.
- Collaborating with Alaska's high schools to deliver dual enrollment credits, providing students with the opportunity to finish college and enter the workforce sooner.
- Established or expanded partnerships with federal, state, and local partners related to cybersecurity.
- Worked with the Department of Labor and Workforce Development to create more efficiencies between Job Center and University staff in processing invoices and payments related to Workforce Innovation and Opportunity Act (WIOA) funding, and continued adding programs to the Eligible Training Provider List (ETPL) to increase access to WIOA funding for current and future students experiencing barriers to degree completion and employment. UA programs now comprise nearly 50 percent of all programs on the ETPL.
- Worked with Legislative Audit to provide an in-depth overview of how the University of Alaska manages its allocation of the Technical Vocational Education Program (TVEP). In FY2023 TVEP served 3,163 adults and 1,246 high school students in university programs, along with 435 participants at the Fairbanks Pipeline Training Center. Through a competitive process, UA awarded 77 proposals for FY2024 TVEP funding to initiate or expand high-demand and regional workforce programs to support career and technical training and education statewide. These strategic investments include \$784,400 for fisheries, mariculture, agriculture, natural resource and green energy programs; \$607,100 for health care programs; \$504,000 for mining, process technology, and welding programs; and \$1.1 million for transportation programs such as aviation, diesel and heavy equipment, and maritime.
- Launched a collaborative implementation of the Economic Development Administration Build Back Better award, in partnership with Southeast Conference, that includes nearly \$10 million to support developing a workforce for the mariculture industry. University of Alaska programs are being developed or expanded through UAF Alaska Sea Grant, UAA Prince William Sound College, and UAS Sitka Campus.
- Implementation of a \$2 million state appropriation to support fisheries, seafood, and maritime programs across the University system and Alaska Vocational Technical Center (AVTEC). Highlights include upgrading U.S. Coast

Guard training equipment at AVTEC and UAS Ketchikan Campuses, launching an outboard motor technician program in partnership with Yamaha to train eleven instructors in five of Alaska's six economic regions, and standing up outboard motor training sites in Kenai, Dillingham, and Valdez with two more on the horizon in Southeast Alaska and Kodiak, helping to implement ammonia refrigeration training to support the seafood processing industry, and expanding career awareness of training and occupations.

- Collaborated with Alaska Municipal League, Department of Labor and Workforce Development, and several industry partners on multiple workforce grant applications to bring in federal funding to help meet Alaska's growing workforce needs. Through strengthening these partnerships, the University of Alaska are increasing Alaska's competitiveness for these awards and the ability to create more outcomes during implementation.
- Partnered with the construction industry to raise \$333,000 to invest in construction programs at all three universities, resulting in an increase in enrollment by an average of 75 percent.

Technology

- Continuous improvement of institutional cybersecurity capabilities.
- Building faculty, staff, and student awareness of cybercrime and regulatory responsibilities and providing support for federal and state compliance.
- Continuing the Office of Information Technology (OIT), Security and Telecommunications' ability to safeguard system-wide infrastructure and the digital computing experience for students, faculty, and staff, through a greater focus on information technology security projects.
- Conducted multiple requests for proposals (RFP) and selected and onboarded ten major cybersecurity/compliance tools including a security information and event management (SIEM) solution; endpoint detection and response (EDR); vulnerability management; data identification/protection; network traffic analysis password management; privileged access management; secure file transfer; cloud security; and email security tools. These tools are intended to meet current regulatory or contractual requirements and to more proactively position the University of Alaska System for evolving threats and regulatory requirements in the future.
- Expanded multi-factor authentication (MFA) deployment from less than 500 to 7,500 employees. MFA is a critical capability to help protect accounts and data from unauthorized access.
- Continuing support of initiatives that educate and heighten faculty, staff, and student workers' awareness of regulatory compliance, such as: the Family Educational Rights and Privacy Act (FERPA); Gramm-Leach-Bliley Act (GLBA); Health Insurance Portability and Accountability Act (HIPAA); Payment Card Industry Data Security Standard (PCI DSS); and General Data Protection Regulation (GDPR); and the designation of a Data Privacy and Compliance Officer to oversee these efforts.
- System Office IT has moved several IT services directly related to supporting students and faculty on the UAF campus under the leadership of UAF and revised its services to focus on systemwide enabling services.
- Banner Cloud Migration was successfully completed in March 2023, reducing dependence on aging hardware; work efforts towards stabilization of the platform, optimization of performance, and alignment of new Change Management processes in the new cloud environment are ongoing.
- Security
 - Finalized and published the GLBA-compliance Information Security Program.
 - Delivered the first GLBA-required annual report on the status of the Information Security Program to the Board of Regents.
 - Continued implementation of more than ten cybersecurity capabilities that improve visibility, reduce risk, and better align with external compliance requirements.
 - Began a formal IT Risk Management program; completed more than 25 assessments.
 - Coordinated with multiple external parties to conduct compliance and IT risk assessments.
 - Completed significant updates to data security and data privacy procurement contract language.
- Telecommunications and Data Center
 - Engaged with state, federal, and tribal partners as well as with the Alaskan telecommunications industry to ensure the University of Alaska is well positioned as a Community Anchor Institution for opportunities for improved community campus connectivity, workforce development, and economic development.
- Rural community campus connectivity capability improvements
 - Implemented \$2.9 million National Telecommunications and Information Administration (NTIA) Connecting Minority Communities Pilot Program grant.
 - Next generation hardware for all campus connectivity (Wide Area Network, Local Area Network, and Wireless services) in Bethel, Dillingham, Kotzebue, and Nome.

- Doubled terrestrial Wide Area Network capacity to each of these campuses, increasing capacity for remote learning.
- Low Earth Orbit (LEO) satellite connectivity
 - Implemented Starlink service in Bethel, Dillingham, Kotzebue, and Nome bringing cost-effective and improved connectivity to rural campuses.
 - Reduced risk of service disruptions.
 - Increased resiliency and business continuity for both academic and administrative functions.
- Data Center capability improvements
 - Replaced aging UPS (uninterruptible power supply - battery backup) and HVAC (Heating, Ventilation, and Air Conditioning - mechanical cooling) systems.
 - Thirty percent increase in UPS capacity and capability.
 - Thirty percent increase in cooling/mechanical capacity.
 - Fifty percent increase in system redundancy.
 - Significant decrease in risk by addressing deferred maintenance concerns.
 - Significant increase in business continuity with the installation of brand-new systems.
- Enterprise Application Services
 - The migration to the cloud of the university's enterprise resource planning (ERP) solution was successfully completed. This resolves significant risk associated with deferred technical debt and ongoing supportability of the platform. Retired large amounts of aging hardware that had reached the end of its product lifecycle and was no longer supported by the manufacturers.
 - Strengthened underlying platforms and architecture, reducing single points of failure, improving uptime.

Effective and Efficient Use of Resources

- Human Resources completed a comprehensive benefits redesign including pre and post employee surveys.
- Successfully negotiated with the United Academics (UNAC) faculty, United Academic Adjuncts (UNAD) faculty, firefighters (Local 1324), and crafts and trades (Local 6070) unions.
- Migrated employee data from Banner to the Cloud environment.
- Implemented key Human Resource strategies to recruit and retain talent. (Ex: [Educational Attainment Incentive Program](#), strategic hiring improvement project, temporary hire efficiencies, improvements to search committee requirements and more effective job advertising).
- Delivered retroactive payments to represented employees who aligned with collective bargaining agreements and for staff who aligned with UA Board of Regents policy (over 5,000 employees).
- Implemented executive 360 evaluation process.
- Completed key leadership hires: Chief Financial Officer and UAS chancellor.
- Implemented a UA Employee Engagement and Development center with additional resources for career advancement, setting the roadmap for creating an internal pipeline of qualified job applicants and UA leaders.
- Redesigned staff performance evaluations through myUA system; created and implemented training across the system.

Financial

- Received clean audit reports for Federal Financial assistance and related internal controls, and clean financial statement audit opinion.
- Increasing operational efficiencies through the utilization of technology and employee development.
- Conducting a leadership development needs assessment that will result in system-wide training to address Alaska's changing workforce needs by developing employee "soft skills", leadership and management best practices, and succession planning.
- Drove engagement and application for the federal Connecting Minority Communities Pilot Program grant to provide improved broadband, critical equipment replacement, and staffing support for community campus locations.
- Worked with Alaska's Members of Congress on efforts that resulted in: Securing 21 federal appropriations requests being included in legislation that could provide \$86.3 million to UA and other partners.

Key RDU Challenges

Enrollment

- 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. UA and the 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, 35 percent of Alaska public high school graduates (class of 2021) enrolled in college, this is down from 41 percent for the class of 2018. For comparison, the national average for the percent of graduates going directly to college following high school was 63 percent (class of 2021), this is down from 69 percent for the class of 2018. (Alaska Higher Education Almanac Exhibit 6 https://acpe.alaska.gov/Portals/3/OTHER/Pubs/2023_Almanac_E-Version.pdf)

Effective and Efficient Use of Resources

- Coordinating disaster preparedness and business continuity planning for the entire UA system, and, working with State and federal agencies, consumes significant resources, and often the need for funding comes in waves.
- Setting a timeline for disaster preparedness and business continuity planning projects can be challenging, particularly when the project is phased over multiple years and funding is dependent on annual appropriations. It is crucial that the University of Alaska is prepared to respond to an array of potential disasters (i.e., earthquakes, wind-storms, data loss, active-shooter/violent intruders, cyber-attacks, etc.) for the safety of students, faculty, and staff; and to mitigate operational disruptions.
- Working on behalf of the university to meet state and federal regulatory compliance is a paramount core service that the System Office provides, as a result:
 - Allocating and managing time to coordinate and facilitate comprehensive, system-wide projects, such as the upgrade to the university's enterprise resource planning (ERP) software, is a challenge, and can prolong the project timeline;
 - There is a need to develop innovative solutions for completing more system-wide process improvement and automation projects due to limited staffing and resources.
- Navigating graduate student petition and vote outcome.
- Preparation for faculty union (UNAC) contract negotiations - current agreement ends 12/31/2024.
- Integration of UA Human Resources information systems to ensure compliance with state and federal employment regulations.
- Implementation of service-level agreement with universities.
- Completing the review and update of UA Board of Regents human resource policies and regulations.
- Completing upgrade of UA Human Resource's current information system with limited legacy customization.
- Rewrite and implementation of retirement plan documents.
- External cybersecurity threats and demands continue to evolve at a much faster rate than can be responded to.
- Adequate administrative controls for all UA devices.
- Multi-factor authentication (MFA) expansion to students.
- Replacement of critical network infrastructure.
- Deliver adequate bandwidth across the system.
- Recruiting for key Information Technology positions.

Financial

- The rising cost of property insurance. Insurance premiums have increased in 2021/22, 2022/23, and now 2023/24 resulting in significant increases in contractual services. UA continues to explore other options.
- Due to the competitive labor market, the UA is experiencing overall increased compensation costs.

Significant Changes in Results to be Delivered in FY2025

Enrollment/Student Access

- Continue broad and purposeful outreach on the value and importance of UA to external stakeholders and community organizations, and local, state, and federal policymakers.
- Advocate for timely communication of Alaska Performance Scholarship (APS) and Alaska Education Grant (AEG) awards to recipients, ensuring they are well-prepared for the upcoming academic year.
- Expand awareness of vocational education and certificate programs available as part of workforce development initiatives.
- Explore state involvement in reducing broadband costs.
- Examine higher education loan repayment programs incentivized by choosing to become part of the Alaska workforce.
- Increased coordination and collaboration of academic units to provide opportunities for students to enroll in programs across the state.
- Continue the expansion of online courses and programs.

Effective and Efficient Use of Resources

- Continue to build partnerships and coalitions with other organizations with common or shared interests.
- Continuing improvements in UA's information security posture, including upgrading legacy systems to improve foundational employee data security.
- Continuing to leverage the long-run total cost-of-ownership proposition of cloud computing.
- Continual lean process improvement in administrative functions.
- Revisions to the Alaska Science and Technology Plan to guide research activities in the state.
- Incentivize organization tax reduction through donations.
- Create a total rewards framework that enables current and prospective employees to understand the total UA value proposition beyond salary.
- Improving current processes to reduce the amount of time, work, and resources required to complete primary business functions using antiquated tools heavily reliant on human intervention.
- Total employee benefits costs stay in line with the benchmark.
- Faculty (UNAC) agreement in place in advance of current contract end date.
- Reduction in the length of time for universities to complete HR processes through automation and modernization.
- Board of Regents human resource policies and regulations revised and updated.
- More robust internal talent pipeline of qualified internal applicants and UA leaders.
- More effective Talent Acquisition strategies assisting with filling vacant roles with qualified and diverse individuals.

Contact Information
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**UA System Office
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2023 Actuals				FY2024 Management Plan				FY2025 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures												
Systemwide Services	25,165.7	17,601.2	0.0	42,766.9	23,060.8	10,151.1	300.0	33,511.9	21,981.5	10,151.1	300.0	32,432.6
Office of Information Technology	13,563.8	2,941.3	0.0	16,505.1	14,951.5	3,578.8	0.0	18,530.3	14,951.5	3,578.8	0.0	18,530.3
Totals	38,729.5	20,542.5	0.0	59,272.0	38,012.3	13,729.9	300.0	52,042.2	36,933.0	13,729.9	300.0	50,962.9

UA System Office
Summary of RDU Budget Changes by Component
From FY2024 Management Plan to FY2025 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>
FY2024 Management Plan	16,838.5	21,173.8	13,729.9	300.0	52,042.2
One-time items:					
-Systemwide Services	0.0	-1,079.3	0.0	0.0	-1,079.3
FY2025 Governor	16,838.5	20,094.5	13,729.9	300.0	50,962.9