

**State of Alaska
FY2026 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.)

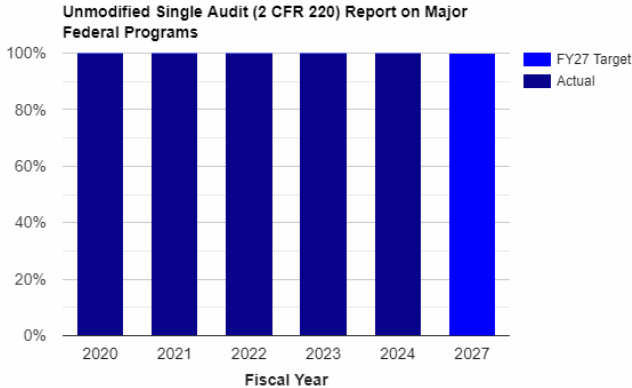
Core Services

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

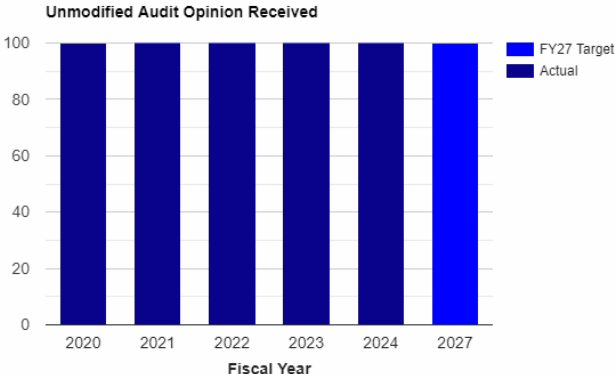
Measures by Core Service

(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 2024

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 the Department of Labor and Workforce Development's Eligible Training Provider List. Thereby increasing access to the Workforce Innovation and Opportunity Act funding for current and future students experiencing barriers to degree completion and employment.
- Continuation 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.
- Supporting the development, finalization, and maintenance of the Board of Regents' "Roadmap to Empower Alaska" strategic plan for the UA System, which sets key goals and measures for university advancement.
- Worked with Alaska's members of Congress on efforts that resulted in: securing 22 federal appropriations requests being included in legislation that will provide nearly \$55 million to the UA and associated partners.
- Helped the UAF Troth Yeddha' Campus regain minority-serving institution (MSI) status, which makes the UAF eligible for set-aside restricted competitive funding and will provide certain priority when competing for competitive research and development funding.
- Administered the second successful year of the Washington DC federal summer internship program.
- The Alaska College of Education Consortium is engaged in specific programming changes and enhancements to adapt to the growing need in the state's PK-12 educator workforce.
- As a result of the U.S. Department of Labor acknowledging teaching as an apprentice-able profession, the UA has developed and received approval for Teacher Registered Apprenticeship Programs. In addition, the UA is working closely with the Department of Education and Early Development (DEED) to receive approval for additional Teacher Apprenticeship Programs. Research supports that a year-long internship with a qualified teacher of record improves PK-12 student teacher outcomes and increases the likelihood that the individual will remain in the teaching profession. This work on the apprenticeship model complements other UA Grow Your Own programming strategies in place with many rural Alaska school districts.
- Through the coordination of the Alaska College of Education Consortium, the UA teacher preparation programs now offer DEED-approved courses, undergraduate and graduate, to have an Alaska Reads Act endorsement in hand at the time they are hired.
- The Office of Institutional Research Management delivers policy and operational analysis, strategic planning information, and data analytics.
- The Office of Institutional Research Management enhanced operational reporting of actionable, leading indicators of program major, student enrollment, and tuition and fees revenue for the system.

Workforce Development

- Securing federal and state funding to expand health workforce activities at the UAA and the UAF campuses.
- Sponsorship and participation in the Arctic Encounter Symposium, allowing UA leadership and experts to connect and further relationships with key Arctic and international partners.
- Continued support for the Alaska College of Education Consortium (AKCOE), which 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.
- Continued working with the Department of Labor and Workforce Development to create more efficiencies between the Job Center and University staff in processing invoices and payments related to Workforce Innovation and Opportunity Act (WIOA) funding. 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. The UA programs now comprise nearly 50 percent of all programs on the ETPL.
- Collaborated with the Alaska Municipal League, the 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 UA is increasing Alaska's competitiveness for these awards and the ability to create more outcomes during implementation.
- Supporting the launch of the Arctic Leadership Initiative, which builds on the UA's 100-year foundation of Arctic research, education, and leadership to empower future generations with the skills, network, and expertise needed to help Alaska be the driver of its future in a globalized Arctic region.
- The State Director's office was involved in ensuring the UA legislative accomplishments were achieved in 2024. Those include improving the Alaska Performance Scholarship (APS) program in Alaska, ensuring the Technical Vocational Education Program (TVEP) did not sunset, and extending and expanding the Education Tax Credit (ETC). The Director's office also contributed to the messaging and crafting of the operating and capital budgets for the UA.
- Secured language in the Federal Aviation Administration Reauthorization Act of 2024 that extends authorization of unmanned aircraft system test ranges and other priorities important to the Alaska Center for Unmanned Aircraft Systems (ACUASI).

Technology

Network and Telecommunications

- Deployed Starlink LEO service to four community campuses resulting in significantly increased capacity, capability, resiliency, and improved continuity of business at these locations.
- Upgraded high performance network speeds to better support research and education connectivity.
- Upgraded enterprise data center core network hardware, resulting in significant increases in capacity and capability, as well as a reduction in energy consumption and support/maintenance costs.
- Completed upgrade of data center UPS (uninterruptible power supply) power systems, bringing it into compliance with new electrical code requirements.
- Completed new network, wireless, and student safety services at the two largest UAF residence halls and the new Student Support Center.

Enterprise Application Services

- Launched a two-year major upgrade program for the UA's Enterprise Resource Planning system, this includes retiring many legacy business processes by better leveraging baseline features of the software.
- The first phase of the UA's Student Information Systems (SIS) Modernization program was successfully deployed in June 2024. The second phase was completed in October 2024 and the remaining modules are on track.
- Successfully completed a comprehensive RFP (request for proposals) and executed an agreement for a new enterprise grade data warehouse solution with implementation to commence in late 2024.
- Partnered with the UA Foundation on the selection of a new scholarship platform tool that will support the

- management of donors, their donations, and the distribution of scholarships to students.
- Worked closely with financial aid directors to streamline and automate many of Banner processes related to the launch and management of the new Free Application for Federal Student Aid (FAFSA) program.

Security

- Facilitated a joint cybersecurity training for Alaska public-sector cybersecurity professionals with leadership and support from the UAF, State of Alaska Department of Military and Veterans Affairs, and the United States Department of Homeland Security.
- Coordinated an updated software procurement process that improves third-party vendor management, standardizes risk assessment, and allows for simplified administration of a system-wide software catalog.
- Expanded Enterprise Vulnerability Management efforts to include 5,100 devices across the UA system.
- Completed phased roll-out of required annual security awareness training to all employees.
- Completed roll-out of multi-factor authentication (MFA) to students.

Strategic Programs

- Developed review criteria and procedures for the adoption of artificial intelligence (AI) systems, including guidance for safe and responsible use.
- Deployed generative AI services for all students, faculty, and staff with advanced office-related work features available as an optional add-on subscription to individual employees as needed.

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.

Effective and Efficient Use of Resources

- Human Resources completed a comprehensive benefits redesign including pre and post-employment surveys.
- Successfully negotiated and implemented a comprehensive collective bargaining agreement with the newly formed graduate student union, Alaska Graduate Workers Association (AGWA).
- Modernization of the UA Careers page and university-based landing pages to create a more robust pool of applicants.
- The Employee Engagement survey was completed and UA leadership identified key strategies to increase employee engagement for retention and recruitment.
- Revamped the UA Human Resources Labor and Employee Relations unit to proactively cater to the diverse needs of employees and establish robust support systems.
- Developed and implemented a retirement program to include a Roth option.
- Implemented electronic I-9 and background check processes.
- Reduction in time for the UA campuses to complete human resources (HR) processes through automation and modernization.
- Launched the UA HR Banner 9 Self-Service to incorporate a user-friendly employee interface.
- Began rolling implementation of standardized compensation processes via NextGen forms.

Financial

- Received clean audit reports for federal financial assistance and related internal controls, and a 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 for community campus locations.

- Worked with Alaska’s members of Congress on efforts that resulted in securing 22 federal appropriations requests being included in legislation that will provide nearly \$55 million to the UA and associated partners.
- Hired educational consultant firm, CampusWorks, to identify finance process pain points that either Banner or another tool could address. The UA Financial Systems and the CampusWorks representatives led multiple workshops over the course of three months with representatives from the UA finance, budget, accounting, procurement, and other financial departments.

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. 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, 33 percent of Alaska public high school graduates (class of 2022) enrolled in college, this is down from 35 percent for the class of 2021. 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. (ACPE Office of Management and BudgetPerformance measures https://omb.alaska.gov/html/performance/ABS/index_R68.html#td10693)

Technology

- External cybersecurity threats and demands continue to evolve at a much faster rate than can be responded to.
- Managing the Enterprise Resource Planning upgrade while re-engineering critical legacy business processes and customizations requires a level of focus and commitment that takes resources away from daily operations - finding that balance to minimize disruptions while implementing improvements continues to be a challenge.
- Ensuring information technology (IT) is engaged early in application and system upgrade/replacement conversations. To ensure IT staff are able to complete due diligence and be included in the development and implementation of new applications and platforms.
- Maintaining or replacing critical network infrastructure that improves resiliency.
- Delivering adequate bandwidth across the system, especially in rural Alaska locations.
- Expanding access to artificial intelligence (AI) technologies to support university innovation, while ensuring safe, equitable, and ethical use.
- Recruiting for key IT positions.

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 UA 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 UA’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.
- Growing data and report requests and compliance requirements with existing resources.
- Integration of the UA Human Resources information systems to ensure compliance with all state and federal employment regulations.
- Completing upgrade of UA Human Resources’ current information system due to legacy customization.
- Reaching fiscally sustainable agreements with the faculty (United Academics (UNAC)) and adjunct faculty

- (United Academic Adjuncts (UNAD)) unions.
- Designing employee benefits with increasing costs in healthcare trends.
- Escalating cost to hire and train talent for vacant positions.

Financial

- Due to the competitive labor market, the UA is experiencing overall increased compensation costs.
- The UA continues to experience higher staff benefit costs, mostly for healthcare. The UA is exploring options to help mitigate these cost increases.

Significant Changes in Results to be Delivered in FY2026

Enrollment/Student Access

- Continue broad and purposeful outreach on the value and importance of the UA to external stakeholders and community organizations, and local, State, and federal policymakers.
- Advocate for timely communication of the Alaska Performance Scholarship (APS) and the 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.

Technology

- Continue to build partnerships and coalitions with other organizations with common or shared interests.
- Continuing improvements in the 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.
- Continuing improvements in the UA's Information Security posture, including upgrading legacy systems, addressing high priority risks, and improving device patching processes.
- Use of emerging AI technologies to support innovation in teaching and research and to improve administrative efficiencies.
- Significant progress towards modernizing the UA's student information systems.

Effective and Efficient Use of Resources

- 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.
- Total employee benefits costs stay in line with the benchmark.
- Have the United Academics Faculty Union (UNAC) agreement in place, in advance of the current contract end date (12/31/2024).
- More effective Talent Acquisition strategies assisting with filling vacant roles with qualified and diverse individuals.
- Significant adjustments to HR processes for payroll services.
- Develop a streamlined approach to train targeted employee groups.
- Enter into negotiations with the Alaska Higher Education Crafts and Trades Employees (L6070) and Fairbanks Firefighters Union (Local 1324).
- Completion of the Banner 9 HR self-service implementation.
- Creation of internal data dashboards.
- Restate and implement retirement plan documents including the State of Alaska's Benefits and Retirement System (BEARS) reporting.
- Implementation of operational requirements for Collective Bargaining Agreements (CBAs).
- Providing transparency of compensation to all levels of leadership via salary software.
- Updated job families and compensation framework.
- Determine possibilities for joining the State of Alaska's health plan for fiscal years 2026 or 2027.

Financial

- Implementation of finance process improvements based on CampusWorks recommendations to reduce manual intervention and increase efficiencies.

Contact Information
<p>Contact: Michelle Rizk, Vice President, University Relations Phone: (907) 450-8187 E-mail: marizk@alaska.edu</p>

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

All dollars shown in thousands

	FY2024 Actuals				FY2025 Management Plan				FY2026 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	24,098.6	21,425.6	0.7	45,524.9	19,739.5	10,151.1	300.0	30,190.6	20,574.1	25,991.1	300.0	46,865.2
Office of Information Technology	12,628.4	6,543.7	0.0	19,172.1	16,482.3	3,578.8	0.0	20,061.1	18,378.8	3,578.8	0.0	21,957.6
Totals	36,727.0	27,969.3	0.7	64,697.0	36,221.8	13,729.9	300.0	50,251.7	38,952.9	29,569.9	300.0	68,822.8

UA System Office
Summary of RDU Budget Changes by Component
From FY2025 Management Plan to FY2026 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>
FY2025 Management Plan	18,886.2	17,335.6	13,729.9	300.0	50,251.7
Adjustments which continue current level of service:					
-Systemwide Services	1,310.7	-267.4	300.0	0.0	1,343.3
-Office of Information Technology	372.2	119.3	0.0	0.0	491.5
Proposed budget increases:					
-Systemwide Services	4.6	5.2	15,540.0	0.0	15,549.8
-Office of Information Technology	200.0	1,205.0	0.0	0.0	1,405.0
Proposed budget decreases:					
-Systemwide Services	0.0	-218.5	0.0	0.0	-218.5
FY2026 Governor	20,773.7	18,179.2	29,569.9	300.0	68,822.8