Strategic priorities to assist in Shaping Alaska’s Future

August 21, 2015
Overview

• FY15 progress in Shaping Alaska’s Future
• FY14-FY16 budget reduction outcomes
• FY17 operating & capital budget requests
FY15 progress

THE CORNERSTONE
OF ALASKA'S EDUCATION SINCE 1917
Student achievement & attainment
UAF’s 1st year retention has outperformed UA’s peer average every year since the fall 2005 cohort - retention rates today average around the 80% mark.
6-year graduation rates
FTFT Freshman (Baccalaureate seeking)

Grad rate exceeds 40%

+10 point performance gain
fall 1998 vs fall 2007 cohorts
High demand program accolades

Engineering
- 100+ engineering baccalaureate degrees/year
  - Double the number conferred in 2009
- Dominated American Indian Science & Engineering Society national chapter awards

School of Management
- 94th percentile in testing
- Engaging future business leaders
- $50k raised celebrating exceptional leadership
URSA & Honors program

- Empowering faculty to create undergraduate research opportunities & mentorships
- Undergraduate Research & Scholarly Activity (URSA)
  - 85 student awards in 2015 totaling $315K
  - 81 student posters at Research Day
  - 41% of UAF undergrads participate in research
- Honors Program is growing
  - Record level of graduates 2014: 23 students
  - Record level of admissions 2015: 82 students
Scholar athletes

• NCAA champs 2015 small bore rifle!
• Athletes have 10% higher GPAs vs all F/T baccalaureate students
• FTFT athletes graduate in 4 years - twice that of non-athletes
• 14 UAF athletes earned 3.85+ GPAs
  – Presented w. NCAA Faculty Athletics Representative awards for academic achievement
• UAF rifle athlete is an NCAA Elite 89 - 2nd year in a row (Ericksson)
eLearning & distance education

Student Credit Hours

Academic Year

2011 2012 2013 2014 2015

Since 1917
Productive partnerships with Alaska’s schools

The Cornerstone of Alaska’s Education Since 1917
Partnerships with Alaska’s schools

• Lower Kuskokwim school district (Bethel)
• Northwest Arctic Borough school district (Kotzebue)
• Bering Straits school district (Nome)
• Championship robotics

Star of the Northwest students with UAF EMS responders, nwarctic.org
Productive partnerships with public entities & private industries
Public/private partnerships

- Unmanned aerial systems (ACUASI)
  - Annual Conference for Industry held in Anchorage
- Herder Burner pilot in conjunction with oil/gas
- Microgird roundtable for industry (ACEP)
- Mining workforce training grant project
- Hosted/supported Governor Walker’s June budget workshop
  - Building a Sustainable Future for Alaska
UAF centennial: 100 years & counting

• Rededication of the Cornerstone - 100 years after Judge Wickersham’s dedication
Driving to new heights
Raised $100M FY09-FY15 (Rogers/Modrow tenure)

<table>
<thead>
<tr>
<th>Millions</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15*</th>
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<tbody>
<tr>
<td>Total giving w/o grants</td>
<td>$6.4</td>
<td>$7.0</td>
<td>$4.8</td>
<td>$13.1</td>
<td>$5.7</td>
<td>$13.1</td>
<td>$12.1</td>
</tr>
<tr>
<td>Total giving including private grants</td>
<td>$21.6</td>
<td>$19.1</td>
<td>$13.1</td>
<td>$10.2</td>
<td>$18.6</td>
<td>$17.9</td>
<td></td>
</tr>
</tbody>
</table>
R&D/scholarship to enhance Alaska’s communities & economic growth
Research funding: change by source

FY08  FY09  FY10  FY11  FY12  FY13  FY14  FY15

UAF Research Expend ($000s)

Other Non-federal  State  ARRA  ARSC  USDA  Other Federal

$0  $20,000  $40,000  $60,000  $80,000  $100,000  $120,000  $140,000

since 1917
Potential for research investment

Expend by Agency ($000s)

- NSF
- Interior
- USGS
- NASA
- NOAA
- Defense
- NIH
- USDA

FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15
Research excellence

- **Biomedical Learning & Student Training (BLAST)**
  - $23.9M 5-year NIH award for biomedical research & student training - interface of health, disease & the environment
  - Facilitating rural partnerships (UAS & Illisagvik)

- **Unmanned Aircraft Center of Excellence**
  - Core partner in Alliance for System Safety of UAS through Research Excellence (ASSURE)

- **Earthscope National Office**
  - $2.5M award for EarthScope education & outreach

- **INBRE phase 3 grant - UAA/UAF/UAS**
Research for Alaska

• Alaska Center for Energy & Power (ACEP)
  – Microgrid testing lab for developing industrial products & hydrokinetic testing facility in Nenana

• Water & Environmental Research Center & GI
  – Oil spill test basin at Poker Flat

• Alaska University Transportation Center (AUTC)
  – Nationally recognized dust-management program
Welcome to Alaska, R/V Sikuliaq

• 1,600 visitors on public tours since arrival in Alaska waters (Feb)
  – Ketchikan, Seward, Juneau, Nome

• Live tracking for active cruises: https://www.sikuliaq.alaska.edu/track/

Ship Location:
71°57'21.2"N
153°14'17.6"W
Arctic excellence

- Shanghai Jiao Tong Institute of Oceanology (MOU)
- Japan-US Arctic strategy & policy workshop
- UAF-Singapore Arctic dialogues: 2013+
- University of the Arctic Institute for Arctic Policy
  – Co-lead UAF & Dartmouth, Carnegie Endowment for International Peace, est. 2008
- Fulbright Arctic Initiative, 2015-2017
  – Co-lead UAF & Dartmouth
- Center for Arctic Policy Studies & US Coast Guard Academy Center for Arctic Study & Policy (MOU)
Global leadership in Arctic initiatives

- Arctic Adaptation Exchange portal - live May 2015
- EPSCoR & GINA partnering with Arctic Council to provide adaptation information & exchange of ideas
Innovation in times of crisis

• AK Satellite Facility (GI) aided earthquake relief efforts in Nepal with satellite imagery
• Data used to measure the movement of ground/structures & predict areas vulnerable to aftershocks & future earthquakes
Faculty & staff excellence

• UAF researchers selected for 1st cohort Fulbright Arctic Initiative scholars

• 2 UAF graduate students & 1 alumnus received 2015 NSF Graduate Research Fellowship

• 646 STEM publications in 2014
  – Total of 3338 for 5-year period Jan 2010-Dec 2014
  – Publications cited 27,803 times to date
  – Citations increased >30% over past 5 years
  – UAF outperforms most peers in #citations/pubs
Community outreach

• 769 public workshops
• 314,331 Extension publications (print & web)
• 11,300 youth participants in 4-H
Accountability to the people of Alaska

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Commitment to quality

• Successful mid-cycle accreditation review
• Construction funding accountability
• Student loan default rates down
  – New payment plan process to reduce collections
• Title IX training emphasis
  – All employees trained
  – Green Dot violence prevention program launched
• Sharing surplus equipment with UAA
• Providing services to other universities
FY14-FY16 budget reduction outcomes
FY14-FY16 budget gaps

• State reductions + low tuition rate increases + rising fixed costs = budget gap

• FY14: $8.5M  ➔  FY15: $14M  ➔  FY16: $20M
  – 3 year gap $42M+
  – Variable cuts & unit level strategic reductions
Managing the gaps: GF reductions

- Staff benefit savings helped alleviate fixed cost increases
- Units covered another $8M in cost increases & reductions

No ATB approach to central GF or Fund 1 pullbacks

Preserving revenue generating units, cutting service units

<table>
<thead>
<tr>
<th>Vice Chancellor</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY14-16 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chancellor</td>
<td>1.5-2.0%</td>
<td>6.0%</td>
<td>17.3%</td>
<td>$1,083,000</td>
</tr>
<tr>
<td>VC Admin/Central Accts</td>
<td>1.5-2.5%</td>
<td>6.0%</td>
<td>13.5%</td>
<td>$7,100,000</td>
</tr>
<tr>
<td>Off. Info. Technology</td>
<td>1.0-1.5%</td>
<td>6.0%</td>
<td>13.2%</td>
<td>$764,000</td>
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<tr>
<td>Provost</td>
<td>0.5-0.75%</td>
<td>3.0-5.0%</td>
<td>11.4%</td>
<td>$10,775,000</td>
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<tr>
<td>VC Research</td>
<td>0.75-1.5%</td>
<td>4.0-5.0%</td>
<td>13.3%</td>
<td>$3,166,000</td>
</tr>
<tr>
<td>VC Univ. &amp; Student Adv.</td>
<td>1.0-2.0%</td>
<td>5.0%</td>
<td>13.8%</td>
<td>$2,816,000</td>
</tr>
<tr>
<td>VC Rural/Native Ed.</td>
<td>0.5-1.0%</td>
<td>5.0%</td>
<td>11.7%</td>
<td>$3,650,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$29,354,000</strong></td>
</tr>
</tbody>
</table>
FY15 reduction outcomes

- Largest savings from personnel changes
- Ended additional off-campus leases
- Outsourced Printing Services
- Co-located Biosciences & Mather libraries
- Increased external revenues in Athletics & KUAC
- State required $520k cut in travel (FY15)
  - UAF reduced $1.5M in unrestricted travel FY15
  - $1.0M more than specified in legislative intent
- Service reductions:
  - Shuttle, grounds keeping, public event support
Position management

- Continuing 90-day vacancy holds
- Eliminated 103 employee FTE via attrition & layoffs spring 2014-2015
- Utilizing staff benefit savings (FY14-FY16)
- Contract reductions (FY16)
- Senior leadership furloughs (FY16)
FY16 budget planning methodology
• Academic program reviews
• Special non-academic program reviews
• FY16 state cuts & reduction outcomes
• Consideration of revenue options
• Business process efficiency implementation

• Extensive committee process
• Fairbanks & community feedback
Academic program reviews

• 45 academic degree programs were reviewed
  – Lowest enrollment for their type
  – Enrollment decreases of more than 30 percent in past 5 years
  – Low numbers of graduates relative to enrollment

• Extensive review by faculty & administrator committees

• Assigned programs into 1 of 6 categories
Academic review outcomes

1. To be discontinued:
   – 6 programs including Philosophy BA, Science & Engineering Management MS

2. Suspend admission & merge/consolidate:
   – 3 programs

3. Suspend admission:
   – 4 programs including Dental Hygiene AAS, Music MM, Power Generation Certificate, Mineral Preparation Engineering MS
Academic review outcomes

4. Merge/substantially redesign to attract new students, reduce costs:
   – 3 programs including Theatre BA, Journalism BA, Geography BA

5. Recruit/retain more students/garner more external financial support:
   – 12 programs

6. Continuing review:
   – 12 programs
Special program reviews
Selected via committee processes:

• eLearning & Summer Sessions/Lifelong Learning
  – Structure & tuition model

• Farms & large animal care
  – Duplication of effort

• Public information/Marketing & Communications
  – Structure & cost of service

• K-12 bridging/outreach
  – Return on investment

• Revenue opportunities
Special review outcomes

• Piloting shared services for unit-based PIOs
• Changed tuition distribution model for Summer Sessions & eLearning to align with existing UAF tuition models
  – 60% cost-bearing unit & 40% central
• Consolidating animals at LARS
• Evaluating K-12 programs
• Exploring revenue ideas to implement FY16
Revenue opportunities

• Annual tuition increases
• Differential tuition for high-earning fields
• Improving student retention, tracking, advising & relationships
• Increase UAF fundraising events
• Auxiliary business corporation options
• Reviewing ICR distribution with UA System
## FY16 position impact

<table>
<thead>
<tr>
<th>VC Level</th>
<th>Unfilled Vacancies</th>
<th>Eliminated Positions &amp; Layoffs</th>
<th>Sr. Admin. &amp; Executive Furloughs</th>
<th>Total by VC Level Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chancellor</td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>VC Admin</td>
<td>10.5</td>
<td>28</td>
<td>3</td>
<td>41.5</td>
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<tr>
<td>Off. Info Tech</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Provost</td>
<td>48.5</td>
<td>37</td>
<td>24</td>
<td>109.5</td>
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<tr>
<td>VC Research</td>
<td>5</td>
<td>5</td>
<td>8</td>
<td>18</td>
</tr>
<tr>
<td>VC Univ. Student Adv.</td>
<td>4</td>
<td>8</td>
<td>7</td>
<td>19</td>
</tr>
<tr>
<td>VC Rural &amp; Native Ed.</td>
<td>14</td>
<td>0</td>
<td>9</td>
<td>23</td>
</tr>
<tr>
<td>Total</td>
<td>84</td>
<td>83</td>
<td>54</td>
<td>221</td>
</tr>
</tbody>
</table>

UAF’s largest impact area is in personal services
*Numbers listed exclude contract reductions
Administrative reductions

Chancellor: 17% reduction - $0.4M
- Legislative advocacy support - greater reliance on SW
- Consolidated Exec. Officer & VC Admin Services

Administrative Services: 13% reduction - $5.1M
- Staff reductions in all units - will impact all other campus units for transactional processing & response time
- Post office services, community events support, shuttle, printing, facilities maintenance, ergonomics & slip/fall prevention incentives
- Holding plans for Fire Training Center
- Reduced 1 police vehicle & 1 officer position unfilled, team members taking additional patrol shifts
- Process improvement: HR, Travel, & Procurement ongoing
Administrative reductions

Information Technology: 13% reduction - $0.5M
• Service consolidation & service partnerships with units
• Significant reorganization & employee layoffs

Univ. & Student Advancement: 14% reduction - $2.8M
• Restructured Dean of Students position, Title IX focus
• Cut pre-season play tournament, reduced athletics scholarships & curtailing recruitment efforts
• Layoffs/reduced contracts in most service areas
• KUAC AP & APRN memberships discontinued
Academic reductions

Provost: 11% reduction - $7.1M

• Fewer faculty & TAs to provide instruction & support
• Retention programs: 1st-Year Experience, supplemental instruction, Math Bridge
• AK Summer Research Academy (ASRA), Geography Outreach (K-12)
• Research & creative activity support
• UA Press GF eliminated (non-designated)
• Facility closures, consolidation/repurposing: LARS, Palmer Experiment Farm, Fairbanks Experiment Farm
• Academic program suspensions, will lead to elimination
Research reductions

Research institutes: 13% reduction - $2.1M
- Losing capacity to generate new research
- Reduced research & associated ICR = less NGF leverage
- Fewer experiential learning opportunities
- Discontinued prominent study
- Less graduate student support
- Outreach & scientific library acquisitions
- Efficiencies via technology & shared services
Rural/community reductions

Rural Comm/Native Ed: 13% reduction - $2.4M

- Closed Galena Learning Center, July 2015
- KUC eliminated Yup’ik Language & Developmental Studies faculty & IAC eliminated Human Services faculty
  - Limits student support in critical areas
- Optimize use of all non-state funds (TVEP, HUD, Title III) where possible
- Operational & travel reductions, limits rural collaboration/partnerships
Continuous improvement
Accountability to the people of Alaska

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Business process efficiencies

• Shared services pilots
  – Office of Proposal Development (OPD)
  – Creating PIO “pods”

• Process improvements results
  – Travel/Procurement: OneCard transition

• New/active projects
  – Student refund processing
  – Training & employee development
  – Title IX workflows streamlined

• Increasing automation/use of e-documents
  – UAF MOU & MOA database, e-workflows
  – Student application workflows simplified
Energy efficiency measures

• 1st-year savings $660k (Oct 2013-Sept 2014)
  – Lighting retrofits
  – Mechanical & electrical equipment upgrades
  – Exhaust hood energy conservation
  – Direct digital control (DDC) system upgrades
  – Envelope improvements
  – Electric to hydronic heating system conversion
  – Heating plant upgrades at rural campuses
  – Water heater replacements
  – Intelligent parking lot controllers
Cross-university partnerships

• Indigenous studies & iTeach/eLearning gatherings
• EPSCoR & INBRE research collaborations
• Sexual assault & alcohol awareness (Haven)
• Student payment options: OneCard concept
• Joint software implementations for efficiency
  – Student relationship management (CRM)
  – Title IX tracking (Maxient)
  – HR recruitment, training/learning & performance
• Collaboration/consolidation with UA System
  – Transformation Team report expected fall 2015
FY17 operating request

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FY17 request overview

• Fixed cost increases
  – Regulatory mandates
• Program enhancement proposals
• Critical facility needs
• Research capital investments
• Future capital plans
• FY17 anticipated reduction planning

• Non-general fund (NGF) leverage figures not listed, see narrative for details

* Indicates joint request w. UAA/UAS or UA System
FY17 fixed costs

Compensation & benefits: 50% of total cost

• FY16 compensation (replacement): $5.06M*
• FY17 compensation (est. 2.5%): $2.84M*
  – UAF benefits (est. $11.9M UA System): $2.95M*

Utilities

• Annual utilities increase (est.): $1.96M*
• Trigger replacement: $4.5M (UAF est. impact)*
  – Approx. $6.0M UA System impact
FY17 regulatory mandates
Accountability to Alaskans

• Title IX compliance: $205k*
• Disability support & services: $150k*
• Pure drinking water/privatization: $900k
  – Fairbanks Campus conversion to College Utilities
• Research compliance officer: $125k*
  – Animal/human subject monitoring (e.g. Vet Med)
FY17 fixed costs

Non-personal services

• E-journal subscriptions Rasmuson Library & campus-wide software tools: $600k*

• Facilities M&R (est.): $1.26M*

New facility O&M

• Engineering facility O&M (partial): $1.66M*
  – Based on partial completion as % of TPC
  – Includes M&R, utilities, grounds, insurance

• Bristol Bay Applied Science Center: $65k

• Process Technology program lease/O&M: $180k
Program requests
Student achievement & attainment & partnerships with schools

• Complete 2+2 Alaska Vet Med program w. Colorado State: $200k

• Expanding Teacher Education throughout Alaska: $125k*
  – Expand pipeline of rural-based teachers
Program requests
Productive partnerships: public/private entities

• Meet Chemical Engineering (ChemE) degree demand to support growth of LNG/oil/gas refining industries: $400k

• UAF community campus & tribal college partnerships: $200k
  – Planning for new tribal college & expanded partnership with Illisagvik
Program requests
R&D for Alaska’s economic growth

• Understanding the impact of ocean conditions on commercial fisheries: $227k
• Energy partnerships for Alaska’s future (ACEP): $250k
• Develop economically viable crops with AK’s farmers in the Mat-Su region: $165k
  – Peonies & rhodiola – high ROI potential crops
FY17 capital request
Deferred maintenance (DM) and R&R

FY10 Sightlines Facilities Report - DM est. based on institutional lists of backlogged items

<table>
<thead>
<tr>
<th>Institution</th>
<th>Total in $ Millions</th>
</tr>
</thead>
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<tr>
<td>UAA</td>
<td>$220</td>
</tr>
<tr>
<td>UAF</td>
<td>$804</td>
</tr>
<tr>
<td>UAS</td>
<td>$15</td>
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$/GSF

<table>
<thead>
<tr>
<th>Institution</th>
<th>$/GSF</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAA</td>
<td>$85</td>
</tr>
<tr>
<td>UAF</td>
<td>$237</td>
</tr>
<tr>
<td>UAS</td>
<td>$27</td>
</tr>
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</table>
Deferred maintenance (DM) and R&R

- DM/R&R (est.): $62.5M*
- UAF proportion of $100M UA System request
  - Fairbanks campus main waste lines, roof replacement
  - Critical electrical distribution
  - ADA code compliance; elevators & alarms
  - Fairbanks Campus building interior & systems
  - Campus infrastructure
  - West Ridge facilities
  - Patty Center revitalization
  - Kuskokwim Campus voc-tech renewal
DM & R&R project completion status

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>State Funding</th>
<th># of Projects</th>
<th>% Complete</th>
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</thead>
<tbody>
<tr>
<td>FY09</td>
<td>$26.1 M</td>
<td>7</td>
<td>100%</td>
</tr>
<tr>
<td>FY10</td>
<td>$2.1 M</td>
<td>3</td>
<td>100%</td>
</tr>
<tr>
<td>FY11</td>
<td>$23.8 M</td>
<td>10</td>
<td>100%</td>
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<tr>
<td>FY12</td>
<td>$23.4 M</td>
<td>17</td>
<td>100%</td>
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<tr>
<td>FY13</td>
<td>$23.9 M</td>
<td>21</td>
<td>93%</td>
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<tr>
<td>FY14</td>
<td>$17.4 M</td>
<td>15</td>
<td>80%</td>
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<td>FY15</td>
<td>$0.0 M</td>
<td>0</td>
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</tr>
<tr>
<td>FY16</td>
<td>$2.4 M</td>
<td>2</td>
<td>0%</td>
</tr>
</tbody>
</table>

FY09-FY16: $119M funded/$111.5M complete to-date
FY15: Cogen Heat & Power (CHP) plant funded
FY17 capital requests

New construction
• Engineering building completion: $34.8M
  – Includes ACEP office infill NGF

Land/property realignment
• Northwest Campus realignment: $380k

Academic equipment & technology
• Classroom instruction & e-Learning technology: $2.0M
FY17 research capital
R&D for Alaska’s economic growth

- Rapid warning development: earthquake & tsunami safety (Earthscope): $5.0M
  - Earthquake tracking in all parts of Alaska & rapid notification to critical infrastructure
  - Leverages $8.5M in external funding

- Critical mineral resources research center: $2.0M
  - Improved mineral recovery & reduced environmental impacts
  - Leverages $2M in external funding
FY17 research capital
Scholarship to enhance Alaska’s communities

• Revitalizing Alaska Native languages (RANL): $0.5M
  – Language preservation via statewide efforts
  – In alignment w. AK Native Language Preservation & Advisory Council (ANLPAC) est. by AK Legislature 2012
  – Seed funding for pre-school programs, immersion schools & community language projects
  – Leverages $0.5M in external funding
Future capital plans: FY18+
Addressing potential building failures

- Fire department & emergency management facilities replacement:
  - FY18 $1.2M (planning)
  - FY19 $32M (construction/in partnership with FNSB)

- P3 campus housing project

- West Ridge revitalization
  - Includes design renovations at Elvey & other critical research infrastructure projects
Anticipated FY17 reduction planning

• Reconvening UAF Planning & Budget Committee (PBC)
• Revamping the process for consideration of reduction scenarios
• Leadership strategic options & continued committee processes expected
Closing thoughts

UAF time capsule findings from 1964, opened during alumni reunion weekend... looking forward to more milestones!
NATURALLY INSPIRING