

University of Alaska  
Board of Regents

FY20 Plan & Budget Preview

September 14, 2018

# Overview

- UA Mission
- Needs of the State
- Historical Context
- Strategic Pathways
- Recent Initiatives
- UA 2025 Plan & FY19 Budget (Approved)
- BOR 2040 Priorities
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# UA Mission

# UA Mission

*UA serves the needs of Alaska through education, research, and service on its 16 campuses and through hundreds of on-line programs and courses.*

- **Education**

*Delivering academic instruction, career and technical training.*



- **Research**

*Advancing innovation and discovery through academic and scientific research.*



- **Service**

*Sharing knowledge to address Alaska's community needs.*



# Needs of the State

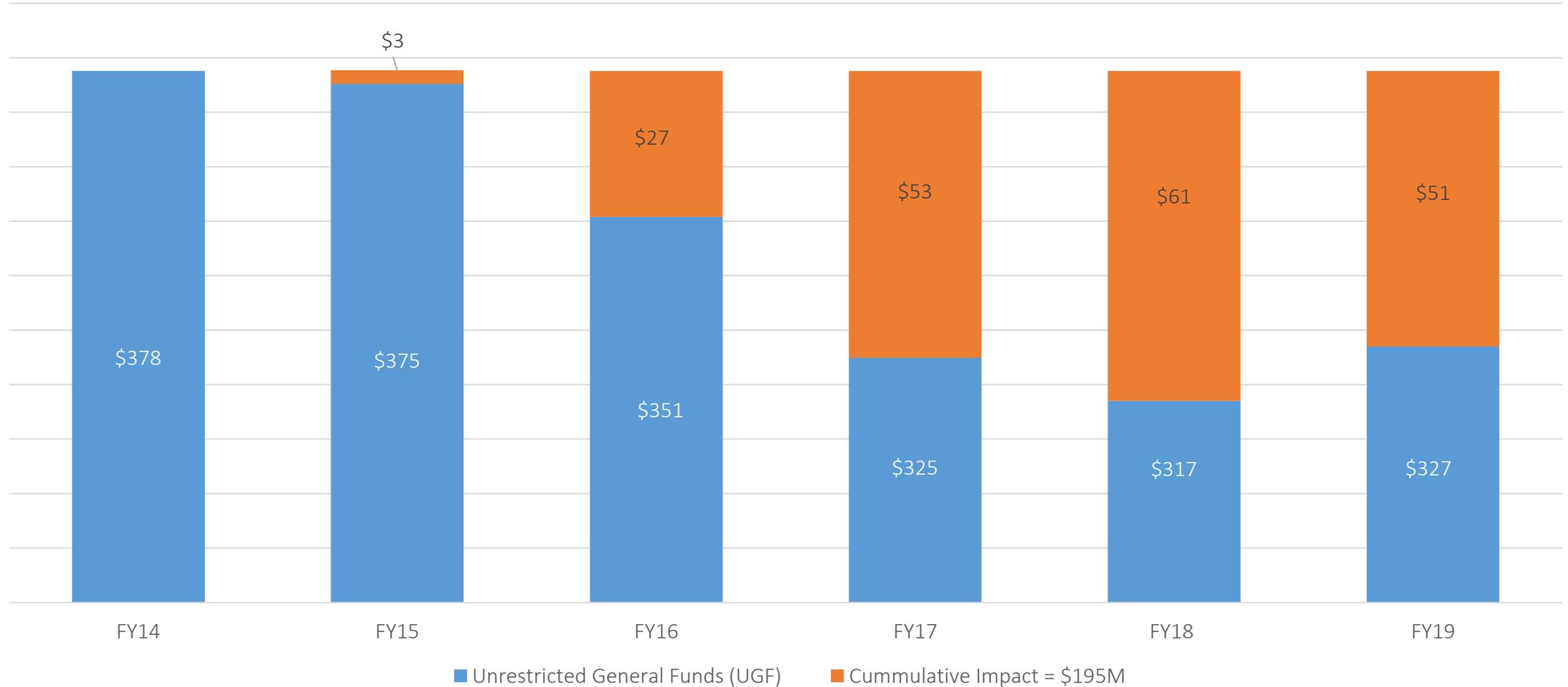
# Needs of the State

- Health care costs (#1 in the US)
- Economic development (#42 in New Economy Index in US)
- Jobs (#1 in unemployment in US)
- Job growth (#50 in US)
- Culture of education (#50 in post-secondary participation in US)
- Teachers (70% hired each year from “outside” Alaska)
- Climate change (impact 2x world average)
- Public safety (#49 in U.S. News public safety ranking in US, #1 concern of Alaskans)
- Energy costs (#6 in US)

# Historical Context

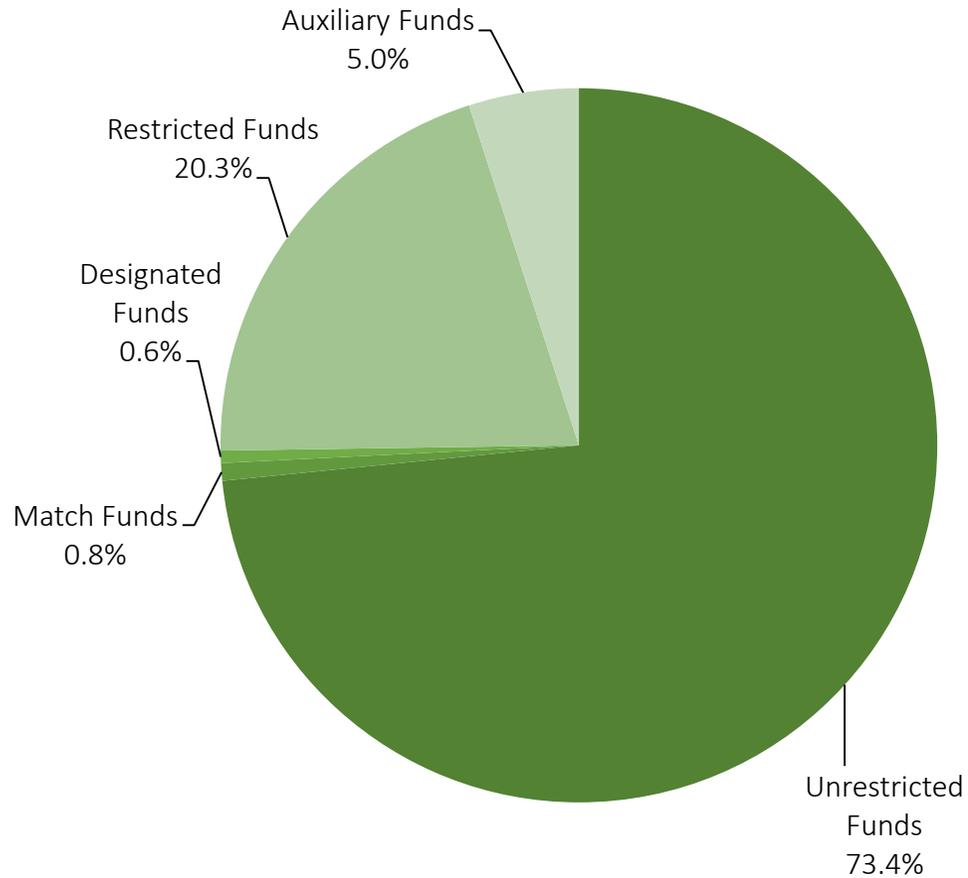
# Unrestricted General Funds History

(in millions of \$)

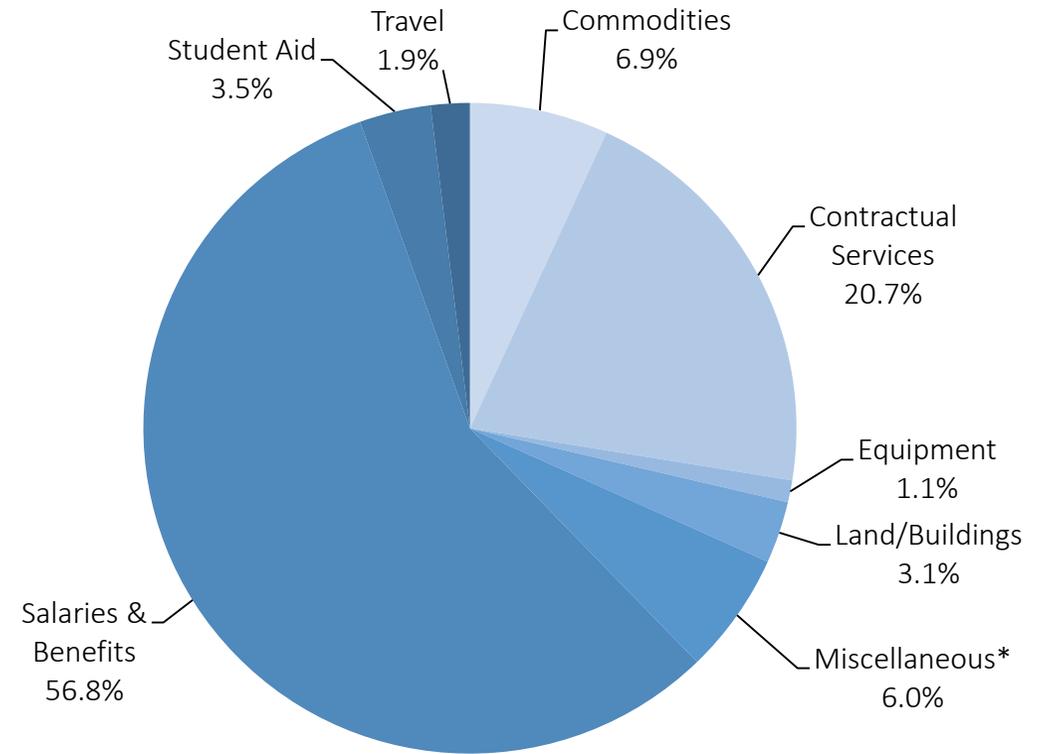


# FY18 Operating Budget Revenues and Expenditures

Revenue by Fund Type

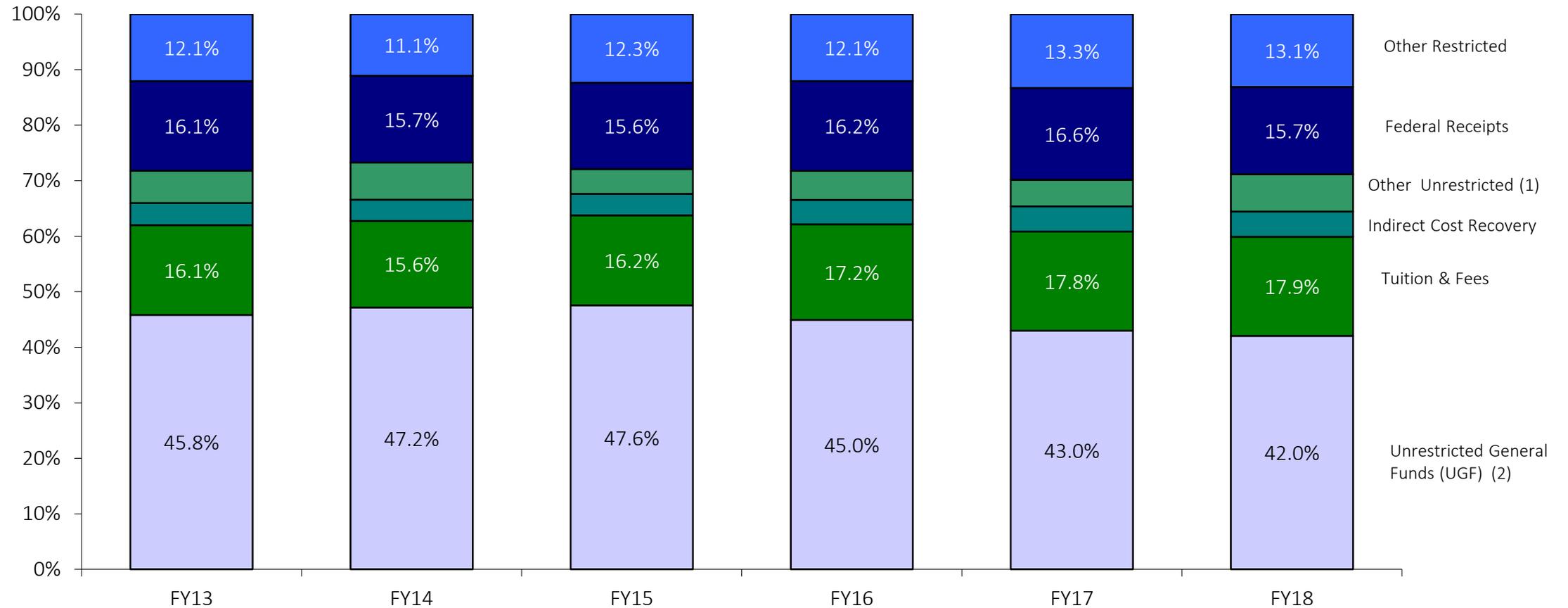


Expenditure by Category



\*The miscellaneous category is used for expenditures that are not specifically covered by other line items including debt service, matching grant funding, other transfers, facilities and administrative costs, etc.

# Operating Budget Revenue by Source FY13-FY18 Actual



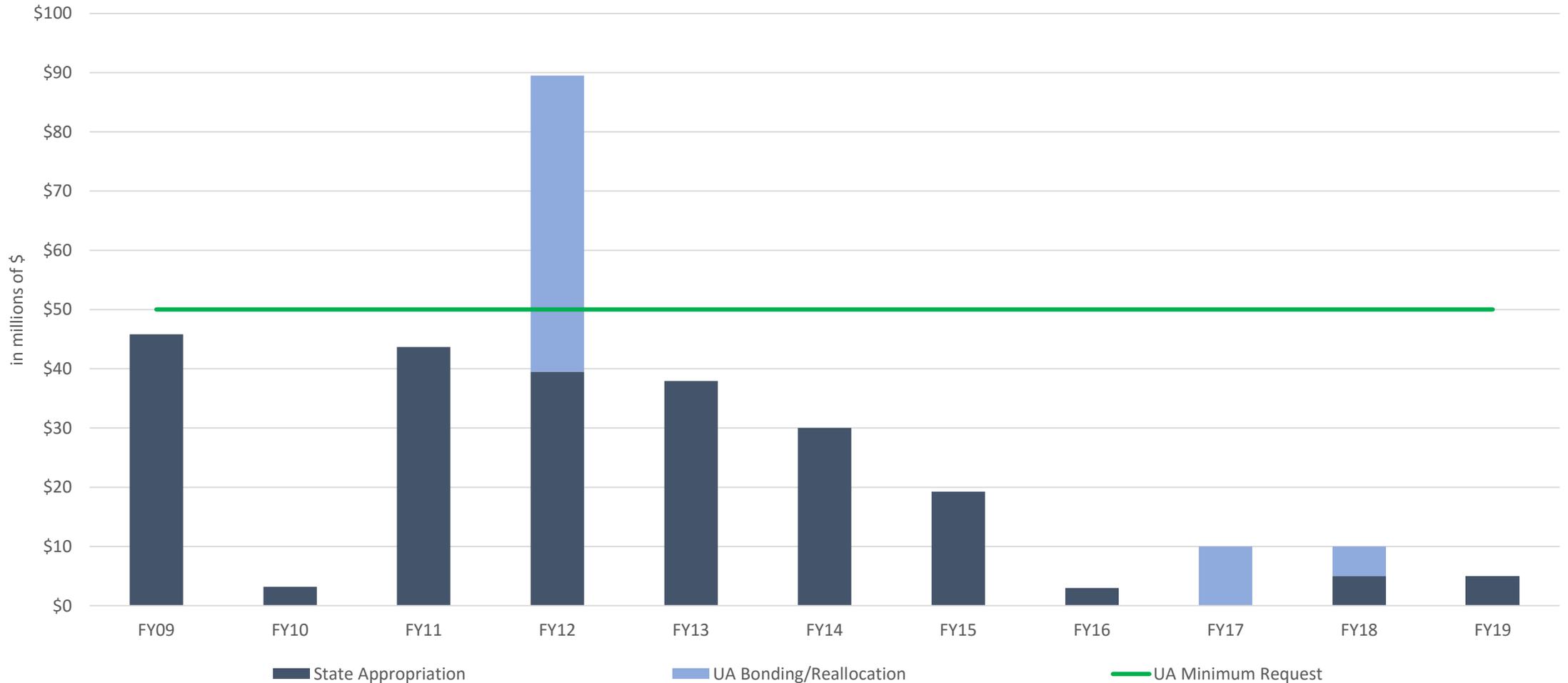
1. Other Unrestricted funds include Technical Vocational Education Program (TVEP) funds and exclude UA Intra-Agency Receipts .
2. Unrestricted General Funds (UGF) include one-time funding for utility cost increases; FY13 \$4,680.0; FY14 \$6,280.0; and FY15 \$4,860.0.

# Facilities & Infrastructure (fall 2017)

• Number of facilities	424
• Total gross square footage	8.2 million
• Average age of facilities	33 years
• Value (adjusted for inflation)	\$4 billion
• Annual maintenance budget (\$40M on-going operating funds & \$5M one-time capital funds)	\$45 million
• Annual maintenance long-term target (on-going operating funds)	\$60 million
• Deferred maintenance/renewal & repurposing backlog	\$1.1 billion
• DM/R&R backlog pay-down request (one-time capital funds)	\$50 million
• DM/R&R backlog per sq ft	\$129/sf

# Capital Appropriation DM/R&R History

Unrestricted General Funds (in millions of \$)



# Strategic Pathways

# Strategic Pathways

<b>OUR MISSION</b>		<b>"The University of Alaska inspires learning, and advances and disseminates knowledge through teaching, research, and public service, emphasizing the North and its diverse peoples." (Regents' Policy 01.01.01)</b>		
<b>OBJECTIVE</b>		Maximize value to Alaska through excellent, accessible, and cost effective higher education funded by diverse and growing revenue sources		
<b>CORE PRINCIPLES</b>		Focus, Access, Diversity, Excellence, Consistency, Fiscal Sustainability		
<b>STRATEGY</b>		Prepare, Restructure, Implement, Refine		
<b>WHO WE ARE</b>		<b>UA ANCHORAGE</b> Comprehensive metropolitan university in Alaska's economic hub, with primary focus on workforce development through its several regional community campuses	<b>UA FAIRBANKS</b> Research university renowned for leadership in Arctic and the North, with additional focus on workforce development and community and rural education	<b>UA SOUTHEAST</b> Comprehensive regional university focused on interdisciplinary & marine-oriented programs, teacher education, e-Learning, and workforce development
<b>CAMPUS LEAD FOR THE STATE*</b>	<b>Research</b>	Social and economic sciences, health policy	Arctic science and policy, physical, biological, and social sciences, engineering and applied energy	Interdisciplinary / environmental
	<b>Teaching</b>	<ul style="list-style-type: none"> <li>• Health professions</li> <li>• Business and public policy</li> <li>• Economics</li> <li>• Logistics</li> <li>• Project Management</li> </ul>	<ul style="list-style-type: none"> <li>• Physical, natural, and related sciences</li> <li>• Arctic / Northern Studies</li> <li>• Rural development / tribal management</li> <li>• Doctoral education</li> <li>• Mine training</li> <li>• Fisheries and ocean sciences</li> </ul>	<ul style="list-style-type: none"> <li>• Marine-oriented programs (including joint programs with UAF)</li> <li>• Teacher education (administration)</li> <li>• Interdisciplinary degrees/ degree completion</li> <li>• Emphasis on regional workforce priorities, e.g., mine training.</li> </ul>
	<b>Outreach</b>	<ul style="list-style-type: none"> <li>• Aligned with Research and Teaching Focus</li> </ul>		
<b>COURSES / PROGRAMS AVAILABLE ACROSS THE UNIVERSITY SYSTEM</b>		<ul style="list-style-type: none"> <li>• Common General Education Requirements</li> <li>• Liberal Arts and Humanities</li> <li>• Social Sciences &amp; Natural Sciences</li> <li>• Nursing</li> <li>• Engineering</li> <li>• Distance Education / E-Learning</li> <li>• Career and Technical Education</li> </ul>	<ul style="list-style-type: none"> <li>• Alaska Native Studies</li> <li>• Teacher Education</li> <li>• Management</li> <li>• Mine training</li> <li>• Wide choice of non-major courses</li> <li>• Dual credit with K-12</li> <li>• Developmental Education</li> </ul>	

\* Research, teaching, and outreach at campuses other than the "lead" campus that are of high quality, cost effective, and core to mission, will continue to be provided.

# Strategic Pathways - *Recent Initiatives*

Completed	Implementation	On-going
Engineering	Health Programs	Research Admin.
Teacher Education	Student Services	Athletics
Mgmt/Business	Arts and Humanities	eLearning
Fisheries	Social & Nat'l Sciences	Comm. Campuses
Mine Training	HR/UR/IR/IT/Finance	Risk Management
Procurement	Facilities/Land Mgmt	
← GER alignment →		
← Process improvements →		

# Recent Initiatives

## Internal Investment Funding FY18-FY20 (in millions of \$)

	FY18	FY19	FY20
1. Research*	\$3.7	\$2.7	\$2.1
2. Process Improvements*	1.3	2.6	1.1
3. Marketing/Advertising/Recruitment	5.0	5.0	2.2
4. Workforce Development	2.6	2.7	.9
Total	\$12.6	\$12.9	\$6.3

\* Includes Statewide's annual investments: Research \$1.8M and Process Improvements \$1.1M

# Recent Initiatives

## Internal Investments FY18-FY20

	2018		2019		2020
<b>Research</b>	<ul style="list-style-type: none"> <li>NMR Spectroscope</li> <li>ISER</li> <li><i>Research Institutes</i></li> <li><i>Postdocs</i></li> <li><i>Safety &amp; Compliance</i></li> </ul>	<ul style="list-style-type: none"> <li>MRI Lab support</li> <li>Research &amp; education joint faculty</li> <li>Equipment &amp; match</li> </ul>	<ul style="list-style-type: none"> <li>ISER</li> <li><i>Research Institutes</i></li> <li><i>Postdocs</i></li> <li><i>Safety &amp; Compliance</i></li> </ul>	<ul style="list-style-type: none"> <li>MRI Lab support</li> <li>Research &amp; education joint faculty</li> </ul>	TBD
<b>Process Improvement</b>	<ul style="list-style-type: none"> <li>LEAN</li> <li><i>UA Procurement records to OnBase</i></li> <li><i>OnBase/DocuSign integration</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Admissions/Enrollment Rx (Higher Education Data Architecture)</i></li> <li>LEAN training</li> </ul>	<ul style="list-style-type: none"> <li>IT Desktop Support</li> </ul>	<ul style="list-style-type: none"> <li>Textbook Affordability</li> </ul>	TBD
<b>Marketing/Advertising/Recruitment</b>	<ul style="list-style-type: none"> <li>VP Student Success</li> <li>ANSEP</li> <li>CTC Student Success Coordinators</li> <li>Ruffalo Noel Levitz</li> <li>Enrollment Division Development</li> <li>New Admissions recruiter</li> </ul>	<ul style="list-style-type: none"> <li>New Military &amp; Veteran's Director</li> <li>New IR micro-targeting analyst</li> <li>One Health Master's degree</li> <li>Digital and traditional marketing</li> <li>Articulation agreement initiative</li> </ul>	<ul style="list-style-type: none"> <li>ACT testing for HS JRs</li> <li>Reduce student loan default rate</li> <li>Web Site Improvements</li> <li>Virtual Campus Tour</li> <li>Enrollment Division Development</li> </ul>	<ul style="list-style-type: none"> <li>New Admissions recruiter</li> <li>New IR recruitment &amp; retention analyst</li> <li>Digital and traditional marketing</li> </ul>	TBD
<b>Workforce Development</b>	<ul style="list-style-type: none"> <li>Nursing outreach to HS students</li> <li>Develop MS Global Supply Chain</li> <li>Expand on-line course delivery</li> </ul>	<ul style="list-style-type: none"> <li>Expand Tribal Management program</li> <li>Strengthen WFD recruit/retention</li> <li>New eLearning recruiter</li> <li>Moving degree programs online</li> </ul>	<ul style="list-style-type: none"> <li>OEC Discount</li> <li>Nursing expansion</li> <li>IT Web accessibility auditor</li> <li>MPP director</li> <li>Construction Academy</li> </ul>	<ul style="list-style-type: none"> <li>Maritime Training</li> <li>Expand existing WFD program/add new</li> <li>Moving high demand courses online</li> </ul>	TBD

# UA 2025 Plan and FY19 Budget (Approved)

# Goals & Measures 2017-2025

(Tentative, subject to BOR approval)

	2017 Baseline	2018 Observed	2019 Proposed	Chg. Observed to Proposed	2020 Target	2025 Goal
<b>1. Contribute to Alaska's economic development</b>						
Increase STEM graduates	1,628	1,691	1,776	+85 (5%)	1,875	2,460
Increase # invention disclosures	17	34	23		25	34
<b>2. Provide Alaska's skilled workforce</b>						
Increase % of educators hired	30%	33%	37%	+4% (10%)	43%	90%
Double number of health program completions	874	939	986	+47 (5%)	1,086	1,760
<b>3. Grow our world class research</b>						
Lead the world in Arctic related research	1	1	1		1	1
Increase research expenditures	\$159m	\$149.9m	\$157.4m	+\$7.5m (5%)	\$168.3m	\$235m
<b>4. Increase degree attainment</b>						
Fiscal Year Student Full Time Equivalent (FTE)	18,492	17,555	18,433	+878 (5%)	19,825	28,526
Increase completions	4,594	4,554	4,781	+227 (5%)	5,442	10,400
<b>5. Operate more cost effectively</b>						
Decrease total cost of education (indirect and direct) per completer	\$107.3	\$108.4	\$103.0	-\$5.4 (-5%)	\$93.9	\$59.0
Increase annual completions per Full Time Equivalent (FTE)	23/100	23/100	24/100	+1 (5%)	26/100	35/100

Note: Information is reviewed annually as part of the President's performance compensation (quantitative performance goals)

# FY19 Operating Budget Strategic Investments

(in millions of \$)

Goals	GF	Pool*	Total	FY19 Goals	Impact on Goals
1. Contribute to Alaska's economic development	.7	.1	.8	+85 STEM grads; +4 invention disclosures	<ul style="list-style-type: none"> <li>• Hundreds of new STEM students completing up to two years of college credit early (UAA)</li> <li>• Develop up to five minimal viable products based on UAA IP; Formation of at least two new startups, securing outside investments and generating licensing revenue (UAA)</li> <li>• 6 additional invention disclosures per year (UAF)</li> <li>• Infrastructure development for maritime &amp; power technology-related programs and services (UAS)</li> </ul>
2. Provide Alaska's skilled workforce	1.8	1.1	2.9	+47 health program completers; +10% educators hired	<ul style="list-style-type: none"> <li>• Increase the number of Nursing admissions in outreach sites and increase retention in distance sites (UAA)</li> <li>• 100-200 high school students will complete up to two years of college debt-free (UAA)</li> <li>• Roughly 70 headcount increases in teacher preparation programs (UAF)</li> <li>• Increase UA educators hired by 5% (UAS)</li> <li>• Increase recruitment and retention of teacher education and ed leadership students by 5% (UAS)</li> </ul>
3. Grow our world class research	.9	1.5	2.4	+\$7.5 M research expenditures	<ul style="list-style-type: none"> <li>• Enable ADAC to compete for \$2.5 million over 3 years (UAA)</li> <li>• Increase submission of health care related grants by at least \$3.0 million over 3 years (UAA)</li> <li>• Increase research expenditures by over \$5M (UAF)</li> <li>• Increase ACRC and faculty research expenditures and UA-wide collaboration in EPSCoR and INBRE (UAS)</li> </ul>
4. Increase degree attainment	1.6	1.1	2.7	+878 Student FTE; +227 completions	<ul style="list-style-type: none"> <li>• Increase the first to second year retention rate of all entrants from 52% to 55% (UAA)</li> <li>• Increase persistence rate of all students from second to third year from 37.9% to 45% (UAA)</li> <li>• Increase the 6-year graduation rate for first-time, full-time, baccalaureate degree-seekers from 25.4% to 35% by AY25 (UAA)</li> <li>• Increase the number of graduates in high demand job areas from 1,777 in FY16 to 1,886 in AY20, a 2% growth per year (UAA)</li> <li>• Increase headcount by over 2,900 by 2025 (UAF)</li> <li>• Increase completions by 70 annually (UAF)</li> <li>• Increase in OEC and CTE class enrollments by 5% (UAS)</li> <li>• Increase residential Juneau campus by 5% (UAS)</li> <li>• Increase AK Native student population by 3% (UAS)</li> </ul>
5. Operate more cost effectively: Improving cost effectiveness is an integral component of all strategic investments.					
<b>Total</b>	<b>\$5.0</b>	<b>\$4.0</b>	<b>\$9.0</b>		

• An \$11.4 million Strategic Investment Pool was created in FY19 to finance strategic investments over a three year period. \$4.0 million of the pooled funds were distributed to strategic investment priorities in FY19.

# BOR 2040 Priorities

# BOR 2040 Priorities

- During a strategy meeting in June 2018, the Board of Regents began to consider an ambitious, but also realistic vision for Alaska in the year 2040 and how the University could contribute to realization of that vision.
- The Board's 2040 priorities play an important role, along with our current initiatives and our 2025 plan, in development of our FY20 operating and capital budgets.
- What should we do now to create the University needed to build the Alaska we want to see in 2040?

# BOR 2040 Priorities - *Strong and sustainable Alaska*

Economy	Education	Health	Environment
<ul style="list-style-type: none"> <li>• Evolving towards a knowledge-based economy</li> <li>• Diversified, nimble</li> <li>• More value placed on historical natural resources</li> <li>• Value added industries established</li> <li>• Sustainable and resilient</li> <li>• Growth in AK Native Corporations</li> <li>• Federal government continues to play an important role</li> <li>• Driven locally by Alaskans</li> <li>• Alaskan companies and Alaskans investing in Alaska</li> <li>• Investment ecosystem has evolved and matured in Alaska</li> <li>• New jobs</li> <li>• Leading the world in microgrids</li> </ul>	<ul style="list-style-type: none"> <li>• AI integrated into education</li> <li>• Flexible, accessible and relevant systems</li> <li>• Strong continuum established from P-20</li> <li>• Modeling and using best practices</li> <li>• Aligned public and private support for education</li> <li>• Globally aware education</li> <li>• Faculty is more mobile in their profession and in the economy</li> <li>• Speed of innovation increases</li> <li>• Culture that embraces change</li> </ul>	<ul style="list-style-type: none"> <li>• Health care industry growing</li> <li>• Healthier people</li> <li>• Avoiding cost of major disease</li> <li>• People living longer</li> <li>• More specialization</li> <li>• Embracing new technology</li> <li>• Less government funding</li> <li>• Health care industry partnering with UA</li> <li>• Innovation with care</li> <li>• Modeling best practices for aging population</li> </ul>	<ul style="list-style-type: none"> <li>• Arctic open</li> <li>• Climate changing</li> <li>• Ocean acidification</li> <li>• Endangered communities</li> <li>• Balance between development and conservation</li> <li>• Research based development</li> <li>• Model for sustainable development</li> <li>• Traditional knowledge hand in hand with western knowledge</li> </ul>

# BOR 2040 Priorities - *Alaska's competitive edge*

- Global location
- Military importance
- Natural resources
- Permanent Fund
- ANCSA corporations
- Tribal organizations
- Indigenous values and knowledge
- People
- History
- Technological know-how in the Arctic
- World Class University (educational system)
- Telling our unique story
- Cultural richness and diversity
- Supportive and stable investment environment
- Land of opportunity - frontier spirit
- “Small pond”
- Global connectivity

# BOR 2040 Priorities — *What we are missing*

- Economic development baseline
- Work force demand study
- Investment in marketing, recruitment and retention
- Way to evaluate and update our goals and measures
- How to create sustainability from asset base
- Work with Permanent Fund for investment in the University
- Student referral
- Creating vision statement to work in concert with mission
- Sell the great things about our University
- Revenue contribution of on-line offerings

# BOR 2040 Priorities – *Gaps between 2040 and 2018*

Students	Research	IT	Programs	Faculty & Staff
<ul style="list-style-type: none"> <li>• Acknowledging accessibility to meet their needs (expectations of quality)</li> <li>• Some college, no degree (115,000) contributing is - own ability to retain</li> <li>• Engaging faculty to support credit for prior learning</li> <li>• Our entrepreneurs for greater freedom to create flexible solutions for students</li> <li>• Strong sense of belonging</li> <li>• Clearly articulated paths</li> <li>• Online demand is not yet being met</li> <li>• Encouraging students to succeed - lack confidence in their capabilities</li> <li>• Aptitude insight &amp; feedback - mechanism to gauge that</li> </ul>	<ul style="list-style-type: none"> <li>• Facilities compelling themes</li> <li>• Enough degrees?</li> <li>• Graduate student support low</li> <li>• Industry relationships</li> <li>• Compensation for retention of good faculty?</li> <li>• Competitive packages to attract necessary talent for future</li> <li>• Don't have a short-term research capacity</li> </ul>	<ul style="list-style-type: none"> <li>• Commit to excellence in process improvement</li> <li>• Cultivating innovation</li> <li>• Confidence in future</li> <li>• Shared vision (to continue building)</li> <li>• External focus</li> <li>• Connectivity to outside world</li> <li>• Increase critical mass in key fields</li> <li>• Fostering cross-university collaboration</li> <li>• Recognition (more)</li> <li>• Investment</li> <li>• Need to engage them to feel supported</li> <li>• Focus on strengths &amp; passion</li> </ul>	<ul style="list-style-type: none"> <li>• More flexibility</li> <li>• More mobile</li> <li>• Prioritizing</li> <li>• Focus strategic priorities</li> <li>• Continuing &amp; Professional Development (e.g. education)</li> <li>• Incentives for innovation</li> <li>• More collaboration</li> </ul>	<ul style="list-style-type: none"> <li>• Commit to excellence in process improvement</li> <li>• Cultivating innovation</li> <li>• Confidence in future</li> <li>• Shared vision (to continue building)</li> <li>• External focus</li> <li>• Connectivity to outside world</li> <li>• Increase critical mass in key fields</li> <li>• Fostering cross-university collaboration</li> <li>• Recognition (more)</li> <li>• Investment</li> <li>• Need to engage them to feel supported</li> <li>• Focus on strengths &amp; passion</li> </ul>

# BOR 2040 Priorities – *Gaps between 2040 and 2018 (cont.)*

Structure	Partnerships	Facilities	Philanthropy	Reputation
<ul style="list-style-type: none"> <li>• Capacity</li> <li>• Modernization</li> <li>• Competitive compensation</li> <li>• Adaptability</li> <li>• Infrastructure - maintenance</li> <li>• External focus</li> <li>• Functional budgeting</li> </ul>	<ul style="list-style-type: none"> <li>• Need transparency access to decision-makers</li> <li>• Need expertise locally</li> <li>• Change process &amp; procedures to simplify bureaucracy</li> <li>• Need to develop more applied research/industry connection</li> <li>• ANCSA understanding (university needs to embrace it as an economic driver)</li> <li>• Being a leader in “partnerships”; being the resource</li> </ul>	<ul style="list-style-type: none"> <li>• Capital budget</li> <li>• Good match between facilities &amp; goals</li> <li>• Understanding of space utilization yet to come</li> <li>• Heavy lift to make the transformation</li> <li>• Heavy lift to improve student housing</li> <li>• Integration of facilities P3 needed</li> </ul>	<ul style="list-style-type: none"> <li>• Alumni giving compared to peers</li> <li>• Accountability</li> <li>• Communication</li> <li>• Transparency</li> <li>• Focused campaigns</li> <li>• Need 100% participation (it is everyone’s job); ambassadors</li> <li>• Need to broaden reach outside Alaska</li> <li>• Reputation</li> <li>• Relationships with Alumni</li> <li>• Is investment in UA “worth it?”</li> <li>• Do Alaskans value education</li> <li>• Lack of culture of education</li> <li>• Highlight individual success stories/ programs</li> </ul>	<ul style="list-style-type: none"> <li>• Telling our stories, getting others to tell our story</li> <li>• Relevance in our community</li> <li>• Need communication plan internal &amp; external</li> <li>• What are our “big themes?” Mission? Does everyone understand them?</li> <li>• Celebrate our successes</li> <li>• Talking about our quality education</li> <li>• Need to grow; student spirit - students need to be telling stories, connect to a university after graduation</li> <li>• Lawmakers &amp; community do not think UA is a good investment</li> </ul>

# BOR 2040 Priorities – *Strategies for FY20 Budget*

*We will grow UA in its service and leadership for Alaska by:*

## **Taking care of the basics**

- Campus safety and respect
- Competitive and fair compensation
- Facility maintenance
- Efficiency / Productivity

## **Leveraging partnerships**

- K-12 (dual enrollment, teachers, leaders)
- Industry / Employers (ANCSA corporations, tribes, health care, resource development, gas line, maritime, military)
- Local, state, and federal agencies
- International universities and NGOs

## **Leading innovation and creativity**

- Commercialization of UA research
- Creating new technologies, solutions to problems
- Integrating traditional and new knowledge

## **Growing our own**

- Construction and vocational
- Teachers and health care professionals
- Engineers
- Researchers
- Student recruitment, retention, and completion

## **Building on our competitive advantages**

- Energy
- Climate change
- Indigenous studies
- On-line courses / programs in areas of excellence (e.g., Arctic studies, project management/logistics, Indigenous studies, Homeland Security, OneHealth)

## **Taking the long view**

- Foster long term strategic planning
- Focus on quality
- Invest in leadership

# FY20 Operating Budget Request

# FY20 Operating Budget Request

- Request Summary
- Compensation
- Title IX / Culture of Respect
- Continuing Operating Costs
- Strategic Investments

# FY20 Operating Budget Request – *Summary*

(UGF in millions of \$)

	Submission	Recommendation
• Compensation*		TBD
• Operating Cost Increases		
• Title IX Enhancements (Culture of Respect)	\$1.8	\$1.8
• Facilities Maintenance & Utility Cost Increases	\$11.1	\$11.1
• Technology (hardware/software, licensing, subscriptions)	\$1.2	\$1.2
• Other Operating Cost Increases	\$.6	\$.4
<b>Subtotal Operating Cost Increases</b>	<b>\$14.7</b>	<b>\$14.5</b>
• Strategic Investments by Goal		
• Contribute to Alaska’s Economic Development	\$.9	\$.6
• Provide a Skilled Alaskan Workforce	\$4.6	\$3.1
• Grow Our World Class Research	\$1.7	\$1.1
• Increase Educational & Degree Attainment	\$7.0	\$5.2
• Operate More Cost Effectively	\$1.1	
<b>Subtotal Strategic Investments</b>	<b>\$15.3</b>	<b>\$10.0</b>
<b>FY20 Operating Budget Change</b>	<b>\$30.0</b>	<b>\$24.5</b>

\* Will be refined based on compensation review recommendations

# FY20 Request – *Compensation*

*Cost: TBD*

## The issue

- UA's budget has been cut and, as a result, we have not adjusted salaries or benefits while our competitors in the market have been increasing employee pay.
- As UA's mission is performed largely through its people, mission attainment is increasingly at risk.

## Guiding principles

- A compensation system enables the university to be competitive in recruiting, developing, rewarding, and retaining faculty, staff, and student employees committed to excellence on behalf of the university's mission.
- Our guiding principles will incorporate the following key elements:
  - Market competitiveness
  - Scope of responsibility
  - Equity
  - Development
  - Retention
  - Budget availability
  - Workload
  - Performance
  - Collective bargaining
  - Leadership
  - Innovation
  - Productivity

## Our plan

- September - October
  - Complete ongoing total compensation analysis (external market comparisons and internal equity).
  - Human Resources, in consultation with governance and collective bargaining groups, will review where we are and discuss where we want to be in the next few years.
- November
  - Develop implementation scenarios, depending on cost and ability to fund.
  - Include implementation cost estimate in FY20 operating budget.
- December 2018 - June 2019
  - Finalize implementation plan.
  - Prepare to begin implementation.

# FY20 Request – Compensation (cont.)

Cost: TBD

## Preliminary Findings

- Average salary relative to market median
  - Staff: overall market competitive
  - Faculty: overall market competitive
  - Executives: below market competitive

Market competitiveness relative to market median	
+/- 5% of market median	Highly Competitive
+/- 10% of market median	Competitive
+/- 15% of market median	Possible Misalignment
</> 15% of market median	Misalignment

- Benefits: overall competitive; below in pension
- Equity: analysis underway; estimated timeline November/December

## Preliminary Plan

- Reduce market and pay equity salary gaps (up to \$3M)
- Adjust UA Pension deficit over 3 years (~\$2.6M/year)
- Adjust base salary at 1% per year over 3 years (~\$2.6M/year)

FY20 Request – *Title IX / culture of respect*      *Cost: \$1.8M*

Build Staff capacity across the university to:

- Grow a culture that values respect, service, safety, and compliance
- Provide compassionate, prompt and effective responses to an increasing number of reports
- Provide proactive supervisory coaching and behavioral interventions
- Analyze data and develop appropriate tools to measure organizational culture
- Design training and program strategies to address areas needing improvement

## FY20 Request – *Continuing operating costs*      *Cost: \$12.7M*

Facilities Maintenance (\$9.8M) and Utility Cost Increase (\$1.3M)

Annual upkeep necessary to slow accumulation of deferred maintenance backlog and reduce risk of localized mission failure.

Utility cost increases for electricity, natural gas rate increases; coal transport and ash disposal. (\$11.1M)

Technology (hardware/software, licensing, subscriptions)

Systemwide technology reinvestment for maintenance, licensing renewals, subscriptions for online scientific, academic, other educational and research data. (\$1.2M)

Campus safety positions and insurance premiums. (\$.4M)

# FY20 Request – *Focus Areas*

*Cost: \$10.0M*

- Economic Development
- Grow Our Own Workforce
- Research
- Recruit and Retain
- Operate More Cost Effectively

# Goals & Measures 2017-2025

(Tentative, subject to BOR approval)

	2017 Baseline	2018 Observed	2019 Proposed	2020 Target	Chg. Proposed to Target	2025 Goal
<b>1. Contribute to Alaska's economic development</b>						
Increase STEM graduates	1,628	1,691	1,776	1,875	+99 (6%)	2,460
Increase # invention disclosures	17	34	23	25	+2 (9%)	34
<b>2. Provide Alaska's skilled workforce</b>						
Increase % of educators hired	30%	33%	37%	43%	+6% (16%)	90%
Double number of health program completions	874	939	986	1,086	+100 (10%)	1,760
<b>3. Grow our world class research</b>						
Lead the world in Arctic related research	1	1	1	1		1
Increase research expenditures	\$159m	\$149.9m	\$157.4m	\$168.3m	+\$10.9m (7%)	\$235m
<b>4. Increase degree attainment</b>						
Fiscal Year Student Full Time Equivalent (FTE)	18,492	17,555	18,433	19,825	+1,392 (8%)	28,526
Increase completions	4,594	4,554	4,781	5,442	+661 (14%)	10,400
<b>5. Operate more cost effectively</b>						
Decrease total cost of education (indirect and direct) per completer	\$107.3	\$108.4	\$103.0	\$93.9	-\$9.1 (-9%)	\$59.0
Increase annual completions per Full Time Equivalent (FTE)	23/100	23/100	24/100	26/100	+1.6 (6%)	35/100

Note: Information is reviewed annually as part of the President's performance compensation (quantitative performance goals)

# Economic Development

- Increase interest in STEM programs
- Develop industry partnerships
- Increase capacity for invention disclosures and licenses

# Grow Our Own Workforce

- Educators for Alaska's schools
  - More teachers for rural schools
  - Pipeline of new teachers
  - Increased partnerships with K-12
  - More Special Education graduates
- Healthcare workforce in Alaska
  - Expand nursing and other high demand health profession programs
  - Provide educational pathways for high demand health care fields
  - Increasing capacity for allied health & para-medicine programs
- Trained workforce
  - Providing accelerated education programs
  - Providing regional training programs

# Research

- Increase competitiveness (funding, faculty, and students)
- Expand capacity to support growth in research activities
- Leverage grant opportunities
- Support state policies and initiatives

# Recruit and Retain

- Broader financial aid advising
- Comprehensive counseling and academic advising
- Strengthen partnerships with K-12 (dual enrollment)
- Articulation agreements with other colleges and universities
- Improve program delivery options (on-line, modernized)
- Expand course offerings aligned with workforce demand
- Rural student support
- Enhanced marketing

# Operate More Cost Effectively

- Growing revenues faster than costs
- Diversifying revenue sources (e.g. philanthropy and P3)
- Process improvement and automation
- Project management
- Systemwide training

# FY20 Capital Budget Request

# FY20 Capital Budget Priorities

Unrestricted General Funds (in millions of \$)

Capital Investment Area	Submission	Recommendation
Facilities Deferred Maintenance/ Renewal & Repurposing	50.0	50.0
Major Renewals	30.7	
New Construction	46.6	
Research (USArray)	5.0	5.0
Academic Equipment	1.0	
Other One-time Items	.1	
Total	\$133.4	\$55.0

# Next Steps

# Next Steps

## September-October

- Incorporate direction from Board of Regents
- Consult with governance groups
- Iterate with campuses
- Consult with partners
- Consult with Governor's OMB
- Final request packaging
- Refine goals and initiatives in light of input and further analysis

## November

- Present final budget request to Board of Regents for approval
- Seek Board approval for 10-year Capital Improvement Plan
- Transmit budget request to Governor
- Begin socializing with legislators
- Internal organization and external advocacy