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Fairbanks, AK 99775-3000

December , 20

The Honorable Michael Dunleavy
Office of the Governor
P.O. Box 110001
Juneau, AK 99811-0001

RE: Compact Agreement Report FY20 (via email)

Dear Governor Dunleavy

3 O H D V H I L Q G H Q F O R V H G s W I L C o m p a c t A g r e e m e n t R e p o r t R e g a r d i n g V N D ¶
8 \$ ¶ V B S R o w a r d i t s s t r a t e g i c g o a l s a n d t h e t e r m s o f t h e a g r e e m e n t .

Sincerely,

A handwritten signature in cursive script, appearing to read "Sheri Burette".

Sheri Burette, Chair
University of Alaska Board of Regents

**University of Alaska Board of Regents
Report to the Governor and the Legislature
Regarding Budget and Related Matters**

Pursuant to the Agreement between the Governor and the Board of Regents dated August 13, 2019, the University of Alaska (UA) will report to the Office of the Governor and the Alaska Legislature no later than December 4 of each of the three years of the Agreement regarding progress the University is making toward its strategic goals and on the following additional terms of the Agreement (attachment 1).

I. OPERATING AND CAPITAL BUDGETS

The agreement includes a \$70 million unrestricted general fund reduction to UA's operating budget from FY2020-FY2022. UA is managing this multi-year reduction largely through reductions in employees, but also through administrative consolidations, academic program reductions, and monetizing assets. The UA Board of Regents receives monthly updates on progress toward meeting the reduction targets.

In addition to State funding reductions, UA also faced uncertainty caused by the global pandemic (COVID-19) during the spring semester. UA acted quickly and decisively to mitigate the impact of the COVID-19 pandemic on our students, faculty and staff. Actions taken include:

- UA Information Technologies developed and maintains a website that made a swift transition to mostly remote learning and work possible (<https://www.alaska.edu/virtual-campus/>);

- Trained and performed the hiring functions for the State of Alaska Department of Health and Social Services (DHSS) COVID contact tracing workforce;

- Rapid and thorough implementation of the Family First Coronavirus Response Act provisions;

- Facilitated providing UA expertise to advise policymakers in areas including health and economic data, contract tracing and impacts of the pandemic;

- Secured Good-Samaritan protections in state law (Ch. 10 SLA 20) for Alaska manufacturers of Personal Protective Equipment (PPE) which advances efforts between UAA's Business Enterpr tween UAA's # tw

2000, UA has more than doubled the number of engineers it graduates. Notably, 89 percent of graduates from UA's Process Technology Programs and 67 percent of Engineering graduates remain in Alaska after graduation, many employed in support of the Oil and Gas industry. Wages for these graduates average over \$100,000 per year just 5 years after graduation, far above the state average.

This work will help UA frame a sustainable, stable, core organization that can operate within its current fiscal constraints.

The universities are currently evaluating new shared services opportunities. Cost reductions are expected to be realized as new or expanded shared services in the areas of

Over the last two years, UA has sold 10 (38,132 gross square feet) facilities and leased other UA space to third parties. UA also demolished 13 (28,001 gross square feet) aged facilities to reduce operating costs and the deferred maintenance backlog. UA currently has facilities listed for sale, while other properties are being examined for monetization opportunity. Examples include: University Lake and University Center buildings in Anchorage; Westwood Way buildings in Fairbanks; Natural Sciences Research Lab in Juneau, Orca building in Seward; and a potential power purchase agreement for the UAF Combined Heat and Power Plant.

Enrollment and degree/certificate completion rates

UA seeks to increase enrollment and completions to meet the higher education interests of our students and state, but with the continued uncertainty and budget reductions, simply maintaining enrollment and completion rates may be challenging.

UA awarded 4,278 degrees, certificates, and endorsements in FY2020, a small drop of 36 awards (less than 1 percent) from FY2019 and about 500 fewer (11 percent) than in FY2016. Of the FY2020 credentials awarded: 886 were in Health and Related Professions; 320 were in Engineering; 303 in other science, technology and math related disciplines; 45 were in process technology programs, and another 194 individuals from teacher

became effective August 14, 2020. The federal rule changes were extensive and required changes to key policies governing the University's Title IX processes. The University instituted the necessary changes to Regents' Policies and University Regulations to conform to the new guidelines. Ongoing efforts in training and prevention will continue, and UA also continues to ensure that complaints are investigated timely and thoroughly, and provide fair and effective sanctions.

Research income increases

Between FY2018 and FY2019, research expenditures, funded by external entities, increased 5 percent to \$158 million. FY2020 saw another 2 percent increase in research expenditures to \$161 million. To continue building on the success of UA faculty in obtaining external research funding from organizations such as the National Science Foundation, the National Institutes of Health (NIH), the Department of Defense, the Department of Homeland Security, the Department of Energy, NOAA and NASA for individual grants, UA emphasizes statewide collaborative research efforts expanding research capacity in many of these areas.

Grant examples include:

Budget and Related Matters Agreement

[Redacted]

**Governor of the State of Alaska
and
University of Alaska Board of Regents**

The Governor and the University of Alaska's Board of Regents share an interest in the University's contributions to Alaska's prosperity and in supporting the University's goals for the state's economic development, workforce development, research, educational attainment, and cost effectiveness.

[Redacted]

[Redacted]

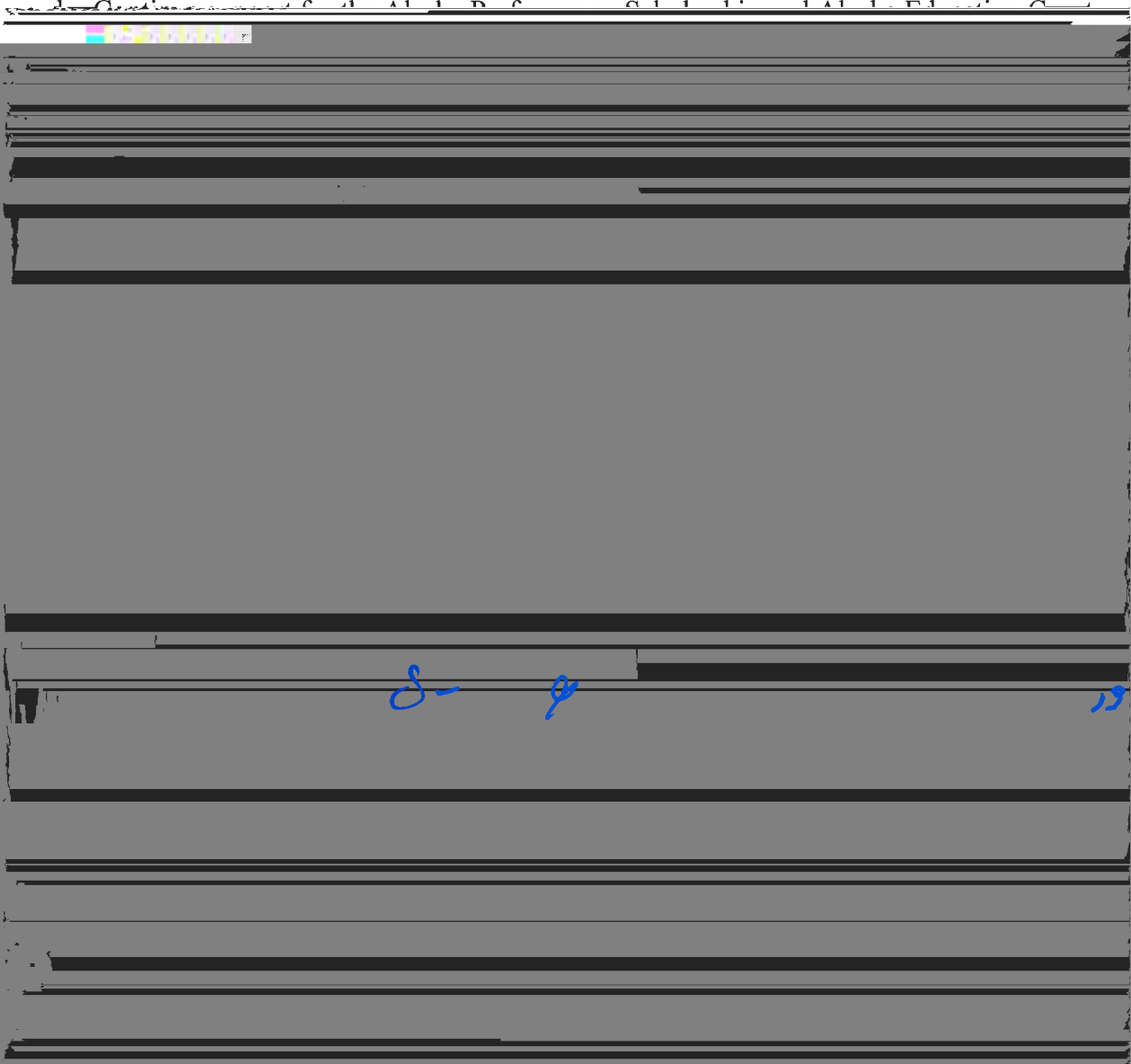
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**Budget and Related Matters Agreement
Governor of the State of Alaska
and
University of Alaska Board of Regents**

- i. Development of UA lands.
 - j. Technology investments to lower costs and increase access.
 - k. Structural consolidation and consideration of single accreditation.
4. In recognition of the agreements and commitments above, the Governor commits to the following.

The Governor will:

- a. Support budgeted amounts agreed upon.
- b. Support expanded dual-enrollment of college-ready high school students.
- c. Support FAFSA completion of high school students.



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