

State of the University of Alaska Address  
Dr. James R. Johnsen, President  
January 12, 2016

It is my honor to stand here, as the 14<sup>th</sup> President of the University of Alaska, to share with you that the State of the University is strong. Indeed, it has never been stronger. The best evidence of this is represented by you here this evening or watching on-line, thousands of Alaskans committed to providing higher education for our fellow Alaskans.

While we are strong, the University—like our state—faces very serious challenges, not the least of which is our huge budget deficit.

Alongside our many challenges are tremendous opportunities for bringing our unique location and capabilities in research, teaching, and service to benefit our people here in Alaska and, indeed, to people all across the nation and the world.

Now, we all know that where there are challenges and opportunities, there are tough choices. We have plenty of those ahead, I can assure you.

But by working together, inspired by the values that bring Alaskans together, we will make the tough choices—not to merely hunker down and survive until oil prices rebound—but to take hold of our own future. By making tough choices now, we will be an even stronger university serving an even stronger Alaska in the years to come.

If you remember nothing else about this talk tonight, please remember this: it takes a great university to make a great state. Ben Franklin knew that in 1749 when he founded the first university in the nation, the University of Pennsylvania. Thomas Jefferson knew it 1819 when he founded what has become one of America's best public universities, the University of Virginia, an act he said he was more proud of than his role in drafting the Declaration of Independence. Abraham Lincoln knew it when he signed the Morrill Act in 1862 that made possible grants of land to establish colleges and to expand access to higher education for the working classes of our rapidly expanding nation. Judge James Wickersham knew it in 1915 when he dedicated the cornerstone for what has become this great university. The territorial legislature knew it when it held Alaska's constitutional convention at the University of Alaska. And just last year, Governor Walker joined those leaders when he led an important conference at the university on the state's fiscal future.

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So, if there is no great state without a great university, how is the University doing at meeting our state's needs, growing our state's economy, producing our state's workforce, educating our state's citizens?

The University of Alaska is strong.

Now, some may ask, how can he say that the university is strong when all I hear about on the street and all I read about in the news is low morale and lack of confidence in the future, what with the unfinished buildings, threat of program elimination, low graduation rates, unmet workforce development needs, tuition increases, and even more budget cuts on the horizon?

I say the University of Alaska is strong because, despite two straight years of budget cuts and a third most likely on the way, we are still well funded by our state and the tuition we charge our students is comparatively low, making our high quality education among the most affordable of any state in the nation.

I say the University is strong because we lead the world in the increasingly important field of arctic research... well ahead of Harvard and Stanford and Berkeley and Oxford. We are Number 1. Our Alaskan researchers and our students are leading the way in understanding change in the Arctic and how we can best adapt to that change. With our world class rocket range and Arctic capable research vessel, satellite tracking facilities, long term environmental research bases, laboratories, and our high end supercomputing capabilities, Alaska leads the way in providing credible, objective measurement of change in the north and in bringing that knowledge to policy makers in our government and to students in our classrooms. In raw monetary terms, our research enterprise generated nearly \$125 million in revenue for Alaska last year.

The University of Alaska is strong because, in fewer than 100 years from our founding, we have grown from producing a single graduate each year to producing nearly 5,000 graduates of degree and certificate programs last year. We have grown from a concrete cornerstone on College Hill here in Fairbanks to 3 universities—one each in Anchorage, Fairbanks, and Juneau—and 13 community campuses from Ketchikan to Kodiak to Kotzebue, serving more than 45,000 students who become our state's welders, miners, teachers, nurses, doctors, engineers, and fisheries biologists.

We are strong because over the last five years thousands of Alaskan individuals and organizations have given our university a vote of confidence through more than \$100 million of donations for

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scholarships, facilities, art collections, sports teams, symphony orchestras. In recent weeks, both Usibelli and ConocoPhillips have made contributions toward finishing the new Engineering Building at UAF. Doyon, Limited, one of our state's leading Native corporations, donated \$250,000 toward creation of an indigenous studies center at the University, Troth Yedha, so that every Alaskan has an opportunity to draw on the strong and enduring values that have sustained our Alaska Native people for millennia in this rich, but tough land. Our Alaska Native brothers and sisters make us strong.

We are strong because if we were a private business, we would be the fifth largest company in Alaska in terms of total annual revenue and we would rank even higher in terms of the portion of our workforce that is Alaskan.

The University of Alaska is strong because when the hospitals asked us to step up the graduation of nurses, we did. And when industry asked us to increase the number of engineers, we doubled the number of engineers we send into the workforce each year. The list goes on and on, from process technicians to social workers to miners to welders and fisheries technicians. We are here to serve the needs of our employers, our students, and our state.

We are strong because of our students and the drive and curiosity they bring to our classroom and our labs. UAA's debate team regularly leads the world in collegiate debate.

UAF's School of Journalism and Professor Brian O'Donoghue led investigative reporting classes that contributed greatly to the resolution of a long-time, critical community issue -- the case of the Fairbanks 4.

UAF's engineering students didn't just win the regional steel bridge building competition, they took first place in all eight categories!

UAS' students take great pride in their university, expressing extremely high levels of satisfaction with their student experience. The University of Alaska is strong because we know our mission for our state: *"The University of Alaska inspires learning, and advances and disseminates knowledge through teaching, research, and public service, emphasizing the North and its diverse peoples."*

We know, we live and breathe it every single day. We are the University of Alaska. We are the university FOR Alaska.

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At the end of the day, the university is strong because all of you – our community, our supporters, our students, our alumni, our faculty and administrators – our people and the values and aspirations you bring to us every day.

The University of Alaska faces challenges.

You know, it's a good thing that we are strong, because, just like the State of Alaska, we are in a very difficult time. A time when our budgets from the state are being cut. A time when our buildings increasingly need repair.... when investments in new technologies are critical to just treading water, much less moving forward. A time when the state, and the companies hoping to grow in our state, need us more and more every day. A time when a higher education makes a huge difference in the career opportunities and earning potential of our people and in the success or failure of their businesses. Times are tough now, but they are very likely to get even tougher in the coming years.

While our state is looking at budget cuts, the federal government too has been cranking down its investments in the kind of research we do. While we still get our share in certain sectors of the federal research pie, it's an extremely competitive game, getting tougher every day, where we are competing with larger, better-funded schools.

The single most important part of our mission for the state is to provide education to students, education in skills that will help them learn and think critically, education that will make them good citizens of our state, and education that will get them a good job—creating value for our economy—after they walk across the graduation stage and into the world. A major challenge we face—like many other universities—is the need for us to make sure our incoming students, whether fresh out of high school or returning to college after a few years out, are ready to take college level classes. By some estimates, 60% of our students require developmental education before they can begin work at the college level, before they begin to earn credits toward a degree.

Another fundamental challenge for the university and the state is that 65% of the jobs in our economy by 2025 will require some higher education, 25% bachelors degrees and up, and 40% a certificate, an AA, or a vocational technical training of some sort. Right now, if you look at the funnel of students coming through our education pipeline, due to our high drop out rate from high school, our low college going rate, and the low rate of our college bound graduates who stay in Alaska for college, the University is not producing enough of the workforce needed by our state. So, we import our teachers, social workers, and nurses, rather than growing our own. Many of these people stay in

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Alaska, love our state, and make it home. But of this imported workforce, in addition to high recruiting costs, a large number leave the state after just a short time here, forcing us to go right back into the labor market to repeat this expensive and demoralizing cycle.

Another challenge for the university is that when we were receiving high levels of support from the state, we expanded the number of academic programs—now at about 478 degree and certificate programs across the state—along with the faculty to teach them, and at the same time, added staff for student advising and to respond to increasing mandates from the federal government with no resources to implement them. So, as we face budget cuts and fewer financial resources, we likely will need to reduce programs along with the faculty and staff who support them.

And how about our students who come from rural Alaska, from lower socioeconomic conditions, from families who do not have a background of higher education? We want those students to succeed. No, we as a society and as an economy need those students to succeed.

We have challenges, but we also have huge opportunities.

Our first opportunity is to continue leading the world in understanding, preparing for, and adapting to the challenges and opportunities resulting from changing conditions in the Arctic. Researchers at the University of Alaska must be able continue to lead the world in studying the impacts of our changing climate on the natural and built environments of the north. We are uniquely positioned in America's only Arctic state to build on that science and to pursue the associated opportunities for economic development. It's happening here now and we need to be on the front line of the research and the wise adaptation to the changes we see. Just one example of excellence in our suite of research priorities is the Alaska Center for Energy and Power, an applied research team that is working all across the state on ways to bring down our high energy costs, which in turn will reduce our cost of living as well as the cost of our value added products.

Our second opportunity is to make sure we are doing all we can to provide access to high quality higher education—and all the associated opportunities—for Alaskans from rural Alaska, from lower socio-economic backgrounds, and from families without the benefits of a college education. It's critical that we provide this opportunity to all our people so they and their families can share in the benefits of success, and so our state's employers have the skilled workforce they need to grow well into the future. Our community campuses—from Ketchikan to Kodiak to Kenai to Kotzebue play a

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critical role in providing this access to opportunity. I intend for them to continue in that role, all the while they improve the cost effectiveness of their operations.

Third, as I noted earlier this evening, Alaska's economy will require 65% of its workforce to have some postsecondary education by 2025. Today we are at 37%. When it comes to teachers, just 30% of the vacancies across our state each year are filled by Alaskans. We have demonstrated our ability to meet state workforce needs through expanded programs in engineering, nursing, and process technology. Clearly, however, we have the opportunity to do much more the high demand fields of engineering, mining, fisheries, marine trades, education and health care, not to mention fields associated with the social sciences, communications and liberal arts. After all, when employers are surveyed for what they seek in their employees, technical skills typically come in after the ability to communicate, to learn, to work well with others, to see the big picture, to be ethical—the very subjects addressed in a liberal arts education. We must strengthen our connections with Alaska's primary and secondary education systems so that more Alaskans graduate from high school prepared for postsecondary education—whether vocation/technical or college—and then choose to seek that additional education right here in Alaska. Because then, they're more likely to work here in Alaska and, in turn, educate their children to grow up and build their lives here.

Fourth, Alaska's economy continues to rely heavily on natural resource extraction industries, especially oil and gas, for high wage employment. This reliance is likely to continue for many years to come. But alongside responsible resource development—including oil and gas, mining, and fisheries—we can build a knowledge economy by focusing on the commercialization of our highly regarded research. We can contribute to the much-needed diversification of the state's economy. By stepping up our creation of start-up companies here in Alaska, we create solutions for Alaskan businesses, provide employment opportunities for Alaskans, provide an on-the-job experience for our students and support a growing economy for our state. Just two bright areas of opportunity include the manufacture of Cubesats right here in Alaska, small satellites that can be made, launched, and managed in space very cost effectively. UAF students made one last year, launched it in partnership with NASA, and are now managing it as it executes its mission. Another example is the opportunity to develop companies that support the fast growing unmanned aerial vehicle market, where Alaska already has a head start.

Finally, we have the opportunity to build a culture of education here in Alaska, something that—based on the numbers—we do not have in our state. We have a very high drop out rate from our high schools and, among those who do graduate, a very low college going rate. By building on, by

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expanding ongoing collaborations with employers and with our colleagues in primary and secondary education, we can build a strong pipeline of educated, hard working, curious Alaskans for our many job opportunities in the state. We already have a great variety of dual credit programs all across the state, programs that allow high school students to take college level classes while still in high school. These programs need to be evaluated for both educational and cost effectiveness, with the most effective models implemented more broadly across the state. Let's take the Mat-Su Middle College High School for example. 75% of the graduates attend college here in Alaska. They graduate high school with an average of 30 college credits done, bringing down their college costs as well as the time it will take for them to finish college. A related example is the Alaska Native Science and Engineering Program. Thousands of Alaskans have benefitted from this innovative program, including two who now have PhDs in engineering and are professors of engineering at UAA.

Whenever there are challenges and opportunities, there are tough choices.

Tough choices about what programs and services to cut in response to state budget challenges. Tough choices about how far to cut so that we have the funds needed to invest in pursuing our opportunities. Choices about what programs to grow and which to maintain, reduce, combine, or eliminate. Choices about our faculty and staff salaries and benefits, so we make sure we can recruit and retain the best and brightest. Choices about our athletics and student activities programs. Choices about which facilities to invest in or tear down. Choices about what lines of research to pursue. Choices about tuition and the share of the cost of education our students can and should bear. Choices about the role of technology in our classrooms. Choices about how our 16 colleges and universities can work better together to ensure that our programs are accessible, high quality, and cost effective.

As we make the tough choices, I want to be clear. Our priorities will be based on our state's needs. Our criteria will include quality, cost, demand, productivity, benefits, and a variety of other considerations. Our processes will be as transparent and inclusive as possible given the very short timelines imposed on us by the budget process. Despite doing our best, it is inevitable—given the importance of what we do and the variety of interests at stake—that there will be some friction, tension, and outright opposition to some of the recommendations that come forward this spring for the Regents' decision in June.

I am confident, though, that if we stay true to our mission of service to the state and our people above all—and if we hold up those values of courage, innovation, opportunity, and hard work—those values that have supported Alaskans for more than 10,000 years, I am confident we will make the

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tough calls well and that five years from now, ten years from now, we will be a stronger university and a stronger state as a result.

So, as we begin this new year looking to an uncertain future, we can be sure that the university's many strengths will enable us face our challenges, pursue our opportunities, and make the tough choices needed for us to be even stronger in our service to our state and our people for many years to come. I am confident that together—Regents, legislators, faculty, staff, students, alumni, the Governor, employers, contractors, donors, all Alaskans—we can, we will, we must do our best for the university, because, at the end of the day, it takes a great university to make a great state.

Thank you.