

Jim Johnsen / State of the University of Alaska

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You may be familiar with the several mascots across the UA system. The Seawolf at UAA, the Nanook at UAF, Spike the whale at UAS, and the blue dragon at MatSu College. All strong and rightfully proud. We do not have a mascot for the UA system, but if we did, it should be that enduring symbol from our mythological past, the Phoenix, the bird of fire, rising anew, strong, bright, and resilient from the ashes of a most challenging 2019.

A 2019 with an unprecedented state funding cut that was enacted into law on July 1st, a cut that withstood legislative attempts to override, a cut that would be in place today but for the Compact Agreement negotiated between the university and the Governor on August 13. Had that cut gone into effect, we would be attending a memorial service here today rather than recommitting ourselves to serving the state's need for a strong, resilient university system.

Still, our budget did get cut. Instead of 41 percent in a single year, on top of 15 percent we already took starting in 2015, we negotiated a 21 percent cut spread over three years.

But just as the Phoenix rose from the ashes with life and hope and light, with resilience, so will the University of Alaska. And even after the academic and administrative reviews now underway, and program reductions and discontinuations to be decided on this spring by the Board of Regents, we will continue to serve our important mission for the people of Alaska. (Speaking of our Board, I am pleased that Regents Hughes and Garrett are with us today.)

That mission of service to our state includes meeting our need for a more highly educated workforce. 65 percent by 2025. According to our friends at ACPE, that's our state's goal. We are at 54 percent, so an 11 point or a 20 percent increase is needed, right? (Thank Stephanie Butler and ACPE for leadership.)

That's not an easy lift in any state, but especially tough in Alaska. Because as I understand the numbers, of 100 average Alaskans in high school, 78 will graduate. And of those 78, 34 kids will go on to college. And of them, 20 will stay in state for school and of them 7 will complete within

3 years an associate's degree or in 6 years for a baccalaureate. So, from 100, after 10 years, we get 7.

And that's not all. Since 2011, our enrollments have been in decline. Part of that is a national trend. Another is that our economy has lots of high paying jobs that do not require higher education. This is increasingly even the case in high tech companies, where competencies weigh more than degrees. Another is that we have not yet developed the seamless processes that our students—young and old—have come to expect in this digitally enabled world. And finally, our budget woes certainly don't help.

I share these numbers with you not so you run to the doors in desperation, but to appreciate the huge challenge we face, and to thank all of you for your courage and your commitment to this worthy cause for Alaska's future.

Our plan going forward clearly must address the budget cuts. Here's how.

First, we are going to drive revenue through increased enrollment and the tuition that follows. We are working hard in DC to increase funding for research in areas ranging from the environment and behavioral health to national security. We are strengthening our partnerships with business and industry. We are in the early stage of our first ever statewide philanthropic campaign. And as I noted earlier, we are stepping up recruitment and marketing, getting the word out there about just how well the university helps our students realize their dreams.

Second, at the Board of Regents' direction, we are examining both academic programs and administrative services for cost savings. Those reviews are being done at each university and at Statewide. When the universities provide their reports on March 23, we will review them at the system level, discuss them with the Board's Academic and Student Affairs Committee, and then make recommendations to the Full Board in early June.

The programs will be reviewed and prioritized according to criteria established by the Board. Quality, cost, demand, availability of alternatives, and alignment with the Board's five strategic goals, which are: economic development, research, workforce development, educational

attainment (and equity), and cost effectiveness. In addition, how do they support a seamless student experience.

Yes, we will need to make tough decisions, programs will be reduced and discontinued, but as we take our destiny in our own hands, as those decisions are made, the interests of our students come first. We have a commitment to our students enrolled in a program that they will be able to complete that program and, rest assured, we will meet that commitment.

Our universities are stepping up their recruiting and marketing, reaching out to students from seventh grade to elders, inspiring them to get a jump start on their education, to finish the degree they started years ago, or to return for enrichment in one of our lifelong learning programs. Our electronic gateway allows anyone to see what programs are available to them across the system, provides great information of transfer of credits, and links to workforce demand data.

We have highly successful middle college high schools here in Anchorage and out in MatSu. Those kids graduate from high school at a very high rate, a large majority come to us for college and they do so with, on average, a full year of college done and they require zero developmental education. We are starting a new middle college in Fairbanks this fall and UAF's virtual middle college has kids enrolled from 31 of the state's 54 school districts.

Our universities are offering a wide range of certificate and degree programs so that whether a student wants to become a teacher or a welder, a pilot or a nurse, an accountant or a scientist, or just about anything they can imagine, that opportunity is here in Alaska. Every program may not be available at every location, but access to our high quality programs is a top priority.

Our universities are supporting students through dedicated advisors and scholarships and financial aid programs funded by the federal and state and local governments, corporations, foundations, and private donors. And all three of our universities have been named "military friendly", people in our armed force we are all proud to support here in Alaska and if they are deployed.

Our universities provide a wide array co-curricular activities, from intercollegiate athletics, world class debate teams, steel bridge and mine design teams, symphony orchestras, Alaska Native

community celebrations, opportunities for study abroad and remote site research, internships, rock climbing and eSports, and much more.

Our universities are affordable, even considering the recent tuition increase, among the most affordable in the nation. The ACPE Almanac reports that our average tuition is the third lowest of any state in the nation, the percentage of student debt is the second lowest in the nation, and the share of our total cost paid by our students is the fifth lowest in the nation. And as we speak, each of the universities is taking a close look at tuition rates with an eye to the possibility of different rates across the system, some perhaps increasing while others possibly decreasing, including what I hope will be a sizeable tuition reduction at the community campuses.

Our universities provide more access to higher education than any other university in the nation. Think about it, our southern-most campus in Ketchikan is 1,300 hundred miles from our northern most campus in Kotzebue. That's the distance from Seattle to San Diego! Access is not just to a physical campus in communities across the state, but also through dozens of on-line programs.

Our universities have earned institutional accreditation and many of our programs (such as engineering, business, teaching, and psychology) enjoy special accreditation by professional societies and state agencies, widely recognized marks of quality assurance. Our on-line programs have high ratings from Quality Matters, a national online program rating organization. And our alumni report back on how well their experience at the University of Alaska has prepared them for their careers.

Our universities are an integral part of the communities we serve—as a place for people to convene, as a rallying point for community concerns, as a forum for thoughtful discussion, as a place to enjoy the performing arts, as the center for celebration, or as a warm place to hang out, have a cup of coffee, and read a book. Our campuses across the state bring people and ideas together in ways that enrich our lives, strengthen bonds, and renew our spirits.

As I travel the state, I am often asked about vision. What's the vision for the university? You should all know that we have a vision for higher education in Alaska, a vision based on literally thousands of inputs from hundreds of people across the state responding to two simple, but powerful questions: What if? Why not?

The vision for UA in 2040 is for a seamless higher education system, a network if you will, with access for students and faculty and staff no matter where they are in their lives—in terms of their physical location, their age, their interests and their passions—to all of the high quality opportunities the university offers for discovery, learning, and service.

As I look again at the specific initiatives we developed for UA2040, I am excited for our future. The Center for Northern Security. Alaska Center for Teacher Excellence. National Microgrid Energy Lab. Center for the Blue Ocean Economy. Center for Excellence in Public Service. And a whole lot more. Great ideas where we have unique advantages and leadership that we can build on for national and international preeminence.

Unique advantages in four key areas, which considered alone are compelling, but which taken together will lead the world. Resource development, we are a state rich in resources, many sustainable for centuries to come. Global location, as Billy Mitchell said famously in 1935, who holds Alaska holds the world. Environment, we live here, we care, we love our lands, water, air. Finally, the Alaska Native cultures and people who have lived and thrived in this country for 15,000 years, with a holistic way of understanding the relationships among people, wildlife, and the environment we all can learn from and put into practice in our own lives. And, by the way, nine of the top ten private companies based in Alaska are Alaska Native!

As we build a university and a state based on these four themes, pursuing our inspiring long term vision, we will provide a powerful university for students, faculty, business partners, alumni, and donors for many years to come.

Speaking of donors, I am pleased to report that since 2017, the university has received \$105 million in private contributions from 13,811 people, of whom 6,388 were first time donors and 5,485 were alumni. Now most of these donations are dedicated to a specific purpose and many are endowed for the long term. Nevertheless, this strong outpouring of support for the university is a sign of how many people see the university as a way to realize their dreams for a better world.

One of the areas under attack last year was university research. Research that addresses real problems and creates practical opportunities here in Alaska and across the Arctic. UAF not only leads the world in Arctic research, our research enterprise is an economic engine for Alaska.

With the state's investment of \$25 million, our researchers generate \$150 million, for a return of 600 percent. Those dollars flow through the Alaska economy, they enhance what happens in our classrooms, in our labs, and in our field camps. They focus on problems for our communities and for important industries in our state. And they contribute to economic diversification as our faculty and staff start up new companies with innovative products and services here in Alaska.

I am often asked, what about all your land? You are a land grant university. Why don't you just sell your land to fund your operations? Yes, we are a land grant university, the one without the land! We received just 20 percent of the land we were due from the federal government. Only Delaware got a smaller land grant.

Nevertheless, we develop our land, we sell it and we put those revenues to use. In fact, for the last 20 years, the single largest recipient of our land grant development is the Alaska Scholars program, that \$12,000 scholarship given to the top 10 percent of Alaska's high school graduates. So, from the land to the brains of your students. Exactly what President Lincoln intended back in 1862 when he signed the Morrill Act.

We are making lots of progress to remedy our land grant deficit. Our delegation is on board and so are the key state and federal leaders. Success on our land grant will not save us this next week or even next year, but in 2040 we will look back and celebrate this year's progress as it resulted in more financial aid for our students and the faculty and staff who teach and support them.

True, we have a long distance to travel from 2020 to 2040, with difficult decisions needed along the way. But the ancestors who settled here 15,000 years ago were not in it for the short term. And the Alaskans who founded the Alaska Agricultural College and School of Mines in 1915 weren't either. Nor are any of the faculty and staff who dedicate their working lives to our mission. Nor our donors who make gifts that endure for generations. Nor our students who seek to learn here with us what will inspire them through their entire lives.

Many of you know that before I came back to the university in 2015, I was at Alaska Communications. When we sold our wireless business, we had to lay off a lot of our people. One such person—Erica Nardella—happened to be a top retail sales person. With her layoff notice, she received a severance payment and combined that with scholarships and went back to school.

I had the pleasure of congratulating her in May 2018 as she crossed the commencement stage to receive her diploma. She graduated with a stratospheric GPA, won the award for the top woman graduate, and finished up her MSW at UAA last year.

Were it not for universities in Fairbanks and Anchorage, Erica would not have had the ability to transition from her former career to a new one. Without the far sighted support of her union and numerous donors, she would not have been able to afford returning to school to finish her degree. And now Alaska has a well-educated, deeply committed, and appreciative social worker serving in a very high demand profession in our state.

We can all learn from Erica how to be resilient. If it were stability that she were after, that was simply not possible given the economic forces outside her control.

So it is with the university. So it is for our state.

Stability is simply not possible in the face of fast changing economic, demographic, and technological environment, forces outside our control. Stable organizations cannot change and, typically, as a result, they fail.

Instead, the lesson we learn from this student is about how to be resilient, how to maintain our core purpose in a dynamic and changing environment, how to let some expectations go in order to invest in capabilities that will help us thrive for many years to come.

Key to our university's ability to be resilient is that we are able to change and that's exactly what we are doing. But as a university, don't we have a larger responsibility, to enable the people of our state to be more resilient in the face of factors outside our control? So that we as a people can decide what to leave behind because it's not working for us anymore, in order to invest in, to build, to create the Alaska we all want? These are NOT rhetorical questions. They demand an answer and my answer—on behalf of the University of Alaska—is a full throated YES! We are UA Strong.

I close with a quote from the great American scholar, Theodore Seuss Geisel "You have brains in your head. You have feet in your shoes. You can steer yourself any direction you choose. You're on your own. And you know what you know. And YOU are the one who'll decide where to go..."

Thank you all for believing that Alaska Can. With the brains in your heads and the feet in your shoes, and I humbly would add the hearts in your chests, I am confident that Alaska Can and Alaska Will.

Thank you.