

**STATE OF THE UNIVERSITY OF ALASKA  
ADDRESS**

**February 20, 2018**

**Anchorage, Alaska**

**James Johnsen**

**President**

**University of Alaska**

Who would have known in 1862, when President Lincoln signed the Morrill Act creating land-grant universities, that the University of Alaska would become one of the great land-grant universities in America?

Who would have known, five years later, in 1867, when the United States purchased Alaska from Russia, that Alaska would become the nation's largest state, playing a leading role in responsible resource development, national security, international transportation, and Arctic research?

Who would have known, fifty years later, in 1917, when the Alaska Territorial Legislature established what has become the University of Alaska, that it would become one of America's most accessible and affordable higher education systems?

Who would have known, in 1956, when the Alaska Constitution was drawn up, including provision for the University of Alaska, that we would grow to become Alaska's largest higher education institution, with nearly 30,000 students studying in more than 400 degree and certificate programs at 15 campuses and on-line?

None of our leaders—smart and dedicated though they were—knew the many great things they were creating.

But they all knew one thing, and they knew that one thing well, that it takes a great university to create a great state.

Acknowledge dignitaries:

Thank you all for your leadership of and for the University and our state.

So, how are we doing? What is the state of the University of Alaska in this, our 101<sup>st</sup> year?

I stand here today with three strong sentiments to share:

The first is pride, pride in our university and in Alaska.

The second is concern, concern for our state's fiscal uncertainty and for the terrible effects on the university of four straight years of state funding cuts to our budget and, consequently, to our ability to carry out our mission for Alaska, to our promise of opportunity for Alaskans.

And the third is confidence, confidence

- Confidence in our elected officials to recognize the importance of the university to our state,
- Confidence in our university to deliver on its promise to Alaska, and
- Confidence in Alaska, in the wealth of our land, in the grit, diversity, and intelligence of our people, and in the future of the greatest state in the greatest nation in the world.

## PRIDE

Why should we all be proud of the University?

We should take pride in our university's unique and important mission to the people of Alaska; providing opportunity for Alaskans to lead prosperous and fulfilling lives in a state with a competitive and sustainable economy.

We should take pride in our founders, too many to name. One of them passed away recently, Judge Roy Madsen, Alaska's first Alaska Native judge. He fostered a long line of exemplary Alaska Native leaders, decades of higher education in Kodiak resulting from his role in creating Kodiak College, and a culture of education through a life of learning and public service.

We should take pride in the nearly 30,000 Alaskans who studied at one or more of our 15 campuses across the state, and of the 4,600 who—last year—completed a degree, certificate, or endorsement.

These graduates are now working in important roles as state legislators, engineers, teachers, nurses, doctors, miners, and a host of other professions. They are contributing to the success of their employers. They are providing for their families; they are giving back to their communities. They are realizing their dreams. All the while, they are continuing to learn.

We should take pride in our students. UAA's Samantha Mack, for example, is the University's first Rhodes Scholar. A double major in political science and English, Samantha goes on now to study political theory at Oxford. We look forward to her return to the state and to counting her among the university's faculty.

In addition to Samantha, our ranks include Carnegie Fellows, Truman Scholars, UA Scholars, and Fulbright Scholars. These bright Alaskans will become tomorrow's leaders, with a fresh vision for new opportunities.

We should take pride in our tremendous faculty and staff, some of the smartest and most dedicated public servants in Alaska, who put our students first in everything they do, in our classrooms, our laboratories, our studios, our field research stations.

These Alaskans are doing nothing less than creating a much needed culture in our state that values education. They have worked long and hard to prepare themselves for their important roles here at the university, and they deliver excellence for our students and our state—through their research, teaching, and service—every single day.

We should take pride in our top ranking in the world in Arctic research. Now, Harvard and Berkeley are great universities, but they have a lot of catching up to do with the University of Alaska in their understanding of the North, a part of the world growing in global importance by the day, its people and cultures, its oceans and glaciers, its mountains and rivers, its geology and wildlife, its policies and economies. Our research preeminence not only brings us prestige, it draws top faculty and students, it brings excellence into our classrooms and labs, it returns \$4 for each \$1 we invest, and it solves real problems we face here in the North.

We should take pride in our donors, large and small, who provide the university with the means needed to create that margin of excellence our students and our state so deserve. Banks and mining companies, fish processors and oil and gas producers, transportation and medicine, Alaska Native corporations, foundations—all doing their part to build a great university and a great state.

## CONCERN

With so much to be proud of, why should we be concerned about the university?

We should be concerned because our state—since 2014—has been disinvesting in the university. The cumulative cut in state funds has been \$145 million. We have 1,183 fewer employees and fifty fewer programs than three years ago.

These cuts surely hurt us, but the greater impact is to our state because of our reduced capacity to serve Alaska's huge unmet needs for higher education.

We should be concerned because Alaska's costs for health care, K-12 education, energy, and food are among the highest in the nation.

We should be concerned because of our high crime rates and our highest in the nation unemployment.

We should be concerned about our extremely low—among the last in the nation—high school graduation rates, college going rates, and college completion rates. (By college, please understand that I include vocational/technical training, the kind of programs we see in our community colleges.)

We should be concerned about these numbers because they represent real people—Alaskans who will not have the opportunities for a good job and a good life for themselves and their families because of our state's low educational attainment.

We should be concerned because our economy, while increasingly diverse, ranks in the bottom ten states in the New Economy Index and ranks dead last among all states in improvement from 2014 to 2017.

We should be concerned that the University has not received the financial support needed to provide proper maintenance of its facilities. Several years ago, the state saw the need and made the needed investments, but those funds have dried up. The Board of Regents has reallocated funds into facility maintenance from other priorities, but the backlog just keeps growing.

We should be concerned because, while we are a land grant university, only Delaware received a smaller land grant than we did. This land grant deficit, ironic as it is given that our state has more land by far than any state in the nation, has

impaired our growth for decades and unless remedied, will hobble us for many years to come.

And we should be concerned because the businesses that require a skilled workforce will be forced to hire from outside Alaska or do without; both of which cost money and constrain opportunity for those businesses, our people, and our state.

Lest we despair, recall what our founders knew—even more true today than back then—that it takes a great university to build a great state. I am confident that there is a growing awareness of this basic truth, even here in Alaska.

## CONFIDENCE

Why should we be confident in the university?

We should be confident in the University because its mission is to serve the state's higher education needs. While how we serve that mission may, and will change, we will not waver in our commitment to our mission.

We should be confident because the University has many valuable assets focused on our mission. Campuses, programs on-line and in person, laboratories, research ships, drone labs, classrooms, alumni, donors, faculty, staff, students, and strong partnerships. Our partners including many of you in this room today, come from industry, community organizations, and—most important—local and state leaders in primary and secondary education.

We should be confident because the University is a wise investment. For every \$1 the state gives us, we generate another \$2. In research, we generate more like \$4 for every state dollar.

Others benefit from investing in the university as well. If we are able to educate more of the state's teachers, we help our school districts reduce their annual \$20 million teacher recruitment bill. If we are able to educate more health care professionals, we help bring down our health care costs. The same for engineers, miners, process technicians, and scientists.

We should be confident because the University has demonstrated, the hard way, that it can make tough decisions. The Strategic Pathways process helped us determine how to structure our system in a way that would reduce our costs and, more important, enhance our service to Alaskans. We have cut redundancy, reduced our Statewide organization by 37%, improved transferability of course credit across our campuses, increased the number of on-line courses and programs, reallocated funds in order to pay for much needed facility maintenance, improved collaboration among the campuses, and focused our universities on what they do best.

We should be confident because we are working hand in glove with school districts and the State Department of Education to increase student success in our primary and secondary schools, and increase college going and college readiness. Our middle college high schools, concurrent enrollment programs, RAHI, and ANSEP are a few examples of important work in creating a culture of education in Alaska.

We should be confident because we are announcing this week the opening of our first business incubator, the Center for Innovation, Commercialization, and Entrepreneurship (Center ICE) at UAF. Center ICE is an innovation hub designed to accelerate innovation, promote economic diversification, and encourage entrepreneurialism in the University of Alaska system.

The first Center ICE class will consist of five university spinoff companies and 10 individual innovators and entrepreneurs. The intellectual property produced at the university represents great potential to benefit the private sector. We are hard at work on similar initiatives at UAA and UAS.

I recently announced the inaugural President's Innovation Challenge at UAA. This challenge is designed to encourage students to partner with the Anchorage community and businesses to solve community problems through an innovative solution, whether an app, a policy recommendation, or a new business. UAA's Center for Economic Development will lead the challenge, mentoring participants throughout the process, and we're excited to see what the teams create.

We should be confident because we are responsible managers of the resources we receive from the state, our students, our donors, and other supporters. We have cut travel costs by 32% since FY14 and our employee health care costs are the lowest among the state's major public organizations, with the lowest projected increases as well. We are investing in the maintenance of our facilities, and we are exploring creative partnerships with the private sector for future development. We are developing our lands, what little we have, and we are working with our federal delegation in D.C. and the Governor's office here in Alaska to remedy our long-time land grant deficit.

Looking forward, we should be confident because the University—led by our Board of Regents—has a plan and a supporting budget, focused like a laser beam, on meeting the state's needs. We are committed to helping Alaska meet its goal, by 2025, of 65% of Alaskans with some postsecondary education (vocational/technical through doctorates).

The Board of Regents has established five supporting goals and we have developed strategies for meeting those goals and annual metrics to measure our progress annually out to 2025.

The goals are to:

- Contribute to the state's economic development
- Provide a highly skilled workforce
- Continue to lead the world in Arctic research
- Increase the state's education attainment
- Operate more cost effectively

After these years of state disinvestment in the university, our ability to move these worthy goals forward is limited. That's why the Board of Regents and I are asking the Legislature for a modest increase in our operating budget, from \$317 million to \$341 million, (\$24 million), still 10% less than the \$378 we received four years ago. In addition, we are asking for renewed investment in much needed facility maintenance.

We should be confident because, so far this legislative session, we are getting a fair hearing in Juneau. Based on our initial meetings in the Capitol Building, I am hopeful our elected officials will come together on a sustainable fiscal strategy for the state, including funding for the important and promising programs and services provided by the University of Alaska.

Now more than ever, it's up to us. Do we continue to disinvest in the University of Alaska, with only negative consequences for Alaska? Or do we follow the lead of our founders—and of every successful state and nation in history—and invest in our university, in a culture that values education?

I am proud to join my colleagues across the University of Alaska, and I ask all of you to join the Board of Regents, our faculty, students, staff, donors, and alumni, in this most noble and practical cause, with confidence, to value education and help advance that simple and timeless truth—that it takes a great university to build a great state.

Thank you.