University of Alaska - Serving Alaska

UA is Fundamental to Economic Recovery
Integral to every thriving economy is a strong university. In the past year, 40,000 Alaskans have become unemployed, and many of those jobs are lost. Now is a perfect time for Alaskans to return to school, and train for new jobs in growing industries such as health care, IT, education and maritime sectors.

UA provides solutions for career training, research and economic development. In-state training improves the Alaska-hire rate, and median wages jump dramatically with post-secondary credentials. Education and training also correlate strongly with lower unemployment rates.

Increasing Earned Revenue
UA is focused on increasing the revenue it earns to support academic programs, reducing costs, and monetizing assets. We are maintaining research quality and continuing to attract research that is important to the state and generates grant revenue. From FY18 to FY20, research expenditures funded primarily by external entities increased 7 percent to $161 million.

UA Needs a Stable Budget
UA needs stable state funding post-compact. The budget reductions have put extreme pressure on the university. Coupled with the hard hit from COVID-related expenses and lost revenue, the university needs time to adjust. Predictable budgets from the Legislature will allow UA to regain its stability, work to grow enrollment, maintain research excellence, and increase external partnerships and private giving.

UA’s Physical Assets Need Care and Attention
UA’s deferred maintenance backlog, valued at $1.4 billion in FY21, is increasing annually. Aging facilities and functional obsolescence detract from student recruitment and retention. Capital funding is a top priority and critical need. Since FY16 UA has received only $18 million for deferred maintenance and in FY21 and FY17 received zero capital budget.

The state and industries can depend on the University of Alaska’s high quality programs to train and educate Alaskans for jobs that lead to the diversification and growth of Alaska’s economy.

Governor – UA Compact
The 2019 compact between the Board of Regents and Governor Dunleavy outlined a three year plan for the University of Alaska’s operating budget:

- FY20 $302 million UGF (-$25 million from FY19)
- FY21 $277 million UGF (-$25 million from FY20)
- FY22 $257 million UGF (-$20 million from FY21)

Dramatic State Funding Reductions
UA has received successive budget cuts totaling $120 million since 2014 — 30 percent of its unrestricted general fund budget. The COVID pandemic magnified the impact of the state reductions. These deep cuts have been managed through reducing personnel, program reductions and increases in tuition. There are 2,537 fewer employees since fall 2014 and administrative personnel costs have been reduced more than 20% since FY14.

Looking forward, UA is resizing to a smaller footprint while maintaining high quality programs.
Board of Regents Strategic Goals
- Contribute to Alaska’s Economic Development
- Provide Alaska with a Skilled Workforce
- Grow World Class Research
- Increase Degree Attainment
- Operate More Cost Effectively

Operating Budget Request - $257M
- Consistant with year three of $70M compact agreement with Gov. Dunleavy
- $120M (30%) reduction from FY14 ($378M)

Capital Budget Request - $82.8M
- $50.0M Deferred Maintenance (backlog exceeds $1.4 B)
- $15.1M Debt Relief
- $428K UAA ConocoPhillips Integrated Sciences Building (CPISB), Combined Heat and Power (CHP), Energy Savings Project
- $17.3M COVID Relief

Technical Vocational Education Program Reauthorization
- Program is funded annually from a portion of unemployment insurance contributions
- UA receives 45% of program dollars, $5.8M in FY21
- Funds high-demand career and technical training such as mining, oil & gas, health care, construction, and IT
- Seeking a clean, five-year reauthorization of the program

Debt Service Relief
- Seeking appropriation in Capital Budget
- Significant fixed operating cost - $24M annually
- Principal outstanding - $300.5M
- FY12 and FY13, UA issued $50M in revenue bonds to address critical capital needs
- UA needs capital support and debt relief to maintain our substantial investment in facilities

Higher Education Investment Fund
- Preserve full funding of these important programs:
  - Alaska Performance Scholarship program ~ $12M
  - Alaska Education Grant ~ $6M
  - WWAMI Medical School program ~ $3M

Dual Enrollment
- Expansion of dual (high school and UA) enrollment opportunities statewide
Reductions in State Funding

Year-over-year Reductions 7 of the last 8 years: State base operating fund reduction $120 million

University of Alaska Revenues
FY14-FY20 Actual + FY21-FY22 Projections (in millions)