



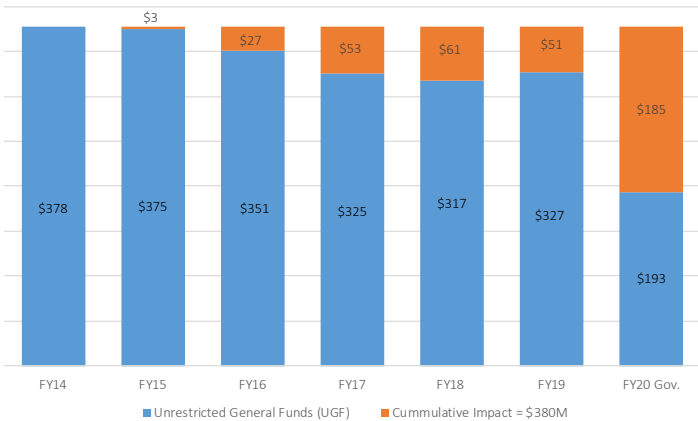
Investment in a Stronger Alaska



Workforce development is a critical part of the educational mission of the university. From community campuses to graduate schools, UA drives economic growth and innovation.

The Governor's \$134 million cut is the single largest year-over-year reduction in the university's 100 year history

Unrestricted General Funds history



The university's current year (FY19) appropriation is \$327 million; the proposed reduction of \$134 million, to a \$192 million UGF appropriation, is a 41 percent reduction. The impact will be far greater. This cut, if not reversed by the legislature, will impact our enrollment, research, and philanthropy. It will hurt Alaska's economy now and long into the future.

Our Constitutional mission

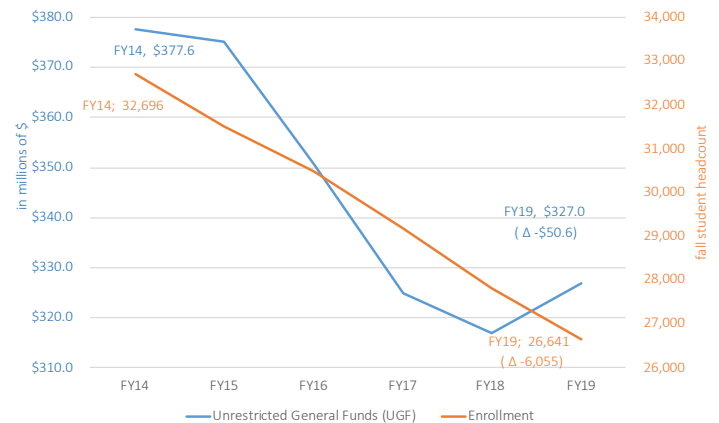
The university has a constitutional mandate to educate Alaskans and will continue to do so, but one consequence of a massive budget reduction would be the loss of access to the university system as it now exists and the opportunities currently available.

With a budget cut of this magnitude, we will have no choice but to make very tough decisions to end programs and services, and layoff valuable faculty and staff, which will affect every campus and impact our mission – education, research, community service.

Reduced funding increases enrollment decline

Enrollment at UA has declined since FY14. National trends correlate funding reductions with reduced enrollment and graduation rates. Tuition increases further limits access to higher education and workforce training, reducing our available trained workforce.

Recent budget and enrollment trends



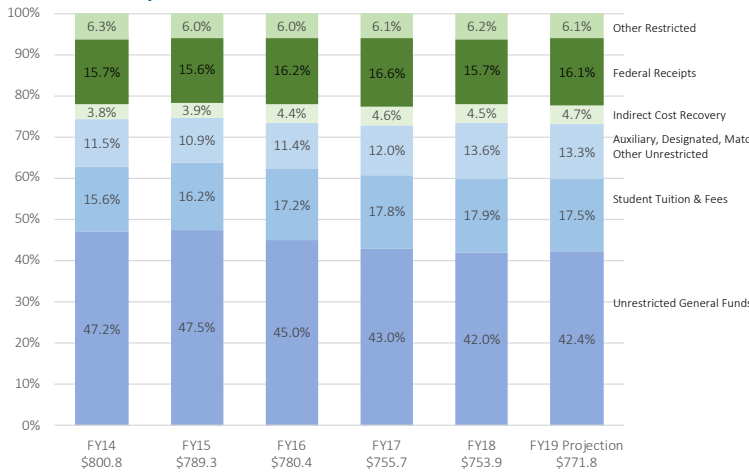
Magnitude of a \$134 million reduction

To put this reduction in perspective consider that the entire UAA campus only receives \$120 million in UGF, and UAS only \$25 million UGF. All of our community campuses combined receive only \$38 million UGF. A cut of this magnitude cannot be absorbed or accommodated. It may devastate the university system and severely impact the communities it serves.



University of Alaska Financial overview

University of Alaska revenue sources



* excludes UA-intra-agency receipts

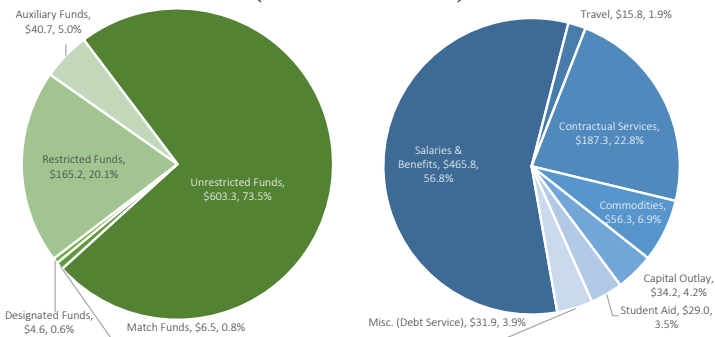
Reductions in state funding

The university used to receive more than 60 percent of its revenue from state appropriations. That percentage has been trending downward for more than a decade. To date, deep cuts to our budget have largely been managed through a reduction in personnel, (1,200 fewer employees than 4 years ago) program and service reductions, increases in tuition, increased efficiencies, and deferred spending/investment.

While major restructuring options have been considered in the past, for various reasons—including potential issues involving institutional accreditation—these options have never been pursued. Now, everything will be on the table.

FY18 Operating Budget Revenues and Expenditures

(in millions of \$)



Commitment to mission

Through its education, research and public service missions, UA is committed to:

- Bring down health care costs
- Stimulate economic development
- Prepare Alaskans for Alaska's jobs
- Contribute to Alaska's job growth
- Build a culture of education
- Prepare teachers and high demand occupations
- Understand and mitigate its impacts of climate change
- Bring down the crime rate
- Reduce energy costs
- Rebuild confidence in Alaska's future

As we prepare for the possibility of these extreme cuts, we continue to put our students first and ensure that the programs we continue to provide are of top quality. However it is likely that our students will face yet another increase in tuition.

Year (Fall-Spring Semesters)	Increases	Tuition Rate per credit hour
2010-2011	4% 100-200 Levels; 7% for all others	\$127-\$170
2011-2012	5% 100-200 Levels; 10% for all others	\$133-\$187
2012-2013	7% 100-400 Levels; 3% for Graduate	\$142-\$200
2013-2014	2% all Levels except, 4% for Undergraduate non-resident	\$145-\$204
2014-2015	\$6 per credit Undergraduate; \$12 per credit Graduate & non-resident	\$152-\$210
2015-2016	5% for all	\$160-\$221
2016-2017	5% for all	\$168-\$232
2017-2018	10% for PWSC and Kodiak; 5% for all others	\$185-\$244
2018-2019	10% for PWSC and Kodiak; 5% for all others	\$204-\$256
2019-2020	9.5% for PWSC and Kodiak; 5% for all others	\$223-\$269

The bottom line

Alaska's economy is in recession. The unemployment rate is the highest in the nation. Alaska ranks 50th in the U.S. in value added manufacturing, value added exports, job growth, and several other key economic indicators. Population has declined 6 years in a row.

Given our economy, this is precisely the wrong time to cut education. There is no strong economy anywhere without a strong university.