



University of Alaska

For Alaska

House Finance Subcommittee - UA

February 11, 2022



UNIVERSITY
of ALASKA

Many Traditions One Alaska

FY23 Operating Request



FY19-FY23 Operating Revenue & Budget Summary

(in millions of \$)

Funding Source	Actuals			Projected		FY23 Proposed	
	FY19	FY20	FY21	FY22	FY19-FY22	BOR	Gov
General Funds	\$327.0	\$302.0	\$277.0	\$272.7	(\$54.3)	\$280.8	\$276.8
Earned Revenue							
Tuition & Fees Revenue	131.5	123.5	117.7	110.7	(20.8)	107.2	107.2
Other Unrestricted Funds	76.8	81.7	79.0	79.4	2.6	80.8	80.8
Unrest. Earned Rev.	\$208.3	\$205.2	\$196.7	\$190.1	(\$18.2)	\$188.0	\$188.0
Total Unrestricted Revenue	\$535.3	\$507.2	\$473.7	\$462.8	(\$72.5)	\$468.8	\$464.8
Federal Funds	122.6	124.9	141.3	160.3		175.3	175.3
Designated & Restricted Funds	92.5	81.3	74.1	86.7		84.7	107.5 ¹
Total Revenue	\$750.4	\$713.4	\$689.1	\$709.8		\$728.8	\$747.6
Budget Reporting-Not Realized Revenue ²	138.1	143.3	143.2	84.7		123.8	123.8
Management Plan Budget ³	\$888.5	\$856.7	\$832.3	\$794.5		\$852.6	\$871.4

1. Gov's budget includes State of Alaska discretionary funds from the American Rescue Plan Act of 2021 (ARPA) – Coronavirus State and Local Fiscal Recovery Fund (CSLFRF); UA requested in the capital budget.
2. Permission to expend revenue received
3. Excludes COVID-related activity



UA FY23 Operating Budget

FY23: \$280.8M UGF

- Up \$8.0M (3.0%) from FY22 Budget (\$272.7M)
- Total fixed costs needs \$11.1M
- Governor's proposed UGF budget \$4.1M (1.5%)
 - \$4.0M UA fixed cost increases
 - \$0.1M Mental Health Trust recommendation
- Union contracts currently in negotiations – additional amounts once negotiations reached

Economic development projects \$36.1M

FY23 \$11.1M Fixed Cost Needs

UA's FY23 operating budget includes a modest adjustment of \$8.0M (3.0%) in state funds to partially fund \$11.1M in fixed cost increases common across the system; plus any additional university specific operating cost increases. The Governor's proposed budget provides \$4.0M in state funds for UA FY23 fixed cost increases.

UA fixed cost increases common across the system (\$11.1M):

- Compensation increases (\$4.7M) for non-union staff and firefighters - in the past five years, except for a market adjustment in FY20, there has only been one across the board increase of 1% for employees. Union contracts expiring in FY22 are not included in the FY23 budget, but once a collective bargaining agreement has been approved a request for funding will be made through the appropriate legislative process.
- Information technology operating cost increases (\$1.0M) necessary to reduce the risk associated with operating in-house hardware systems and increase the University's capabilities in terms of systems availability, agility, cybersecurity, disaster recovery and business continuity.
- The rising cost of insurance is a national issue. Insurance premiums have doubled for property coverage and other insurance coverages, such as cybersecurity coverage, have also seen significant increases (\$2.0M).
- Facilities maintenance funding (\$3.4M) is necessary to preserve capital assets critical to UA's mission. Several years of reduced operating budgets and minimal capital funds has increased the on-going risk and evidence of building closures.



UA Economic Development Projects

- \$36.1M for specific programs that help Alaska
 - UA Drone Program: \$10.0M*
 - Critical Minerals and Rare Earth Elements: \$7.8M*
 - Heavy Oil Recovery Method: \$5.0M*
 - Mariculture, North Pacific Fisheries, Arctic and Pacific North Ocean Sciences \$7.0M
 - Health \$3.75M
 - Alternate Energy \$2.5M**

* In Governor's proposed FY23 operating budget

** Expected in the Governor's amended FY23 capital budget



UAA Health Program Faculty \$3.75 million

- \$1.8M salaries, benefits and costs of the new faculty hired in FY22
- \$1.7M will be used to add faculty in the following programs:
 - Medical imaging (diagnostic medical sonography and radiologic technology)
 - Certified nurse aide
 - Surgical technology
 - Pharmacy technology
 - Medical assisting
 - Behavioral health (social work and human services)
- \$0.25M upgrade and expand use of manikins and technology



UA BOR Strategic Guidance Stability Scenario (10-year plan)





UA Goals

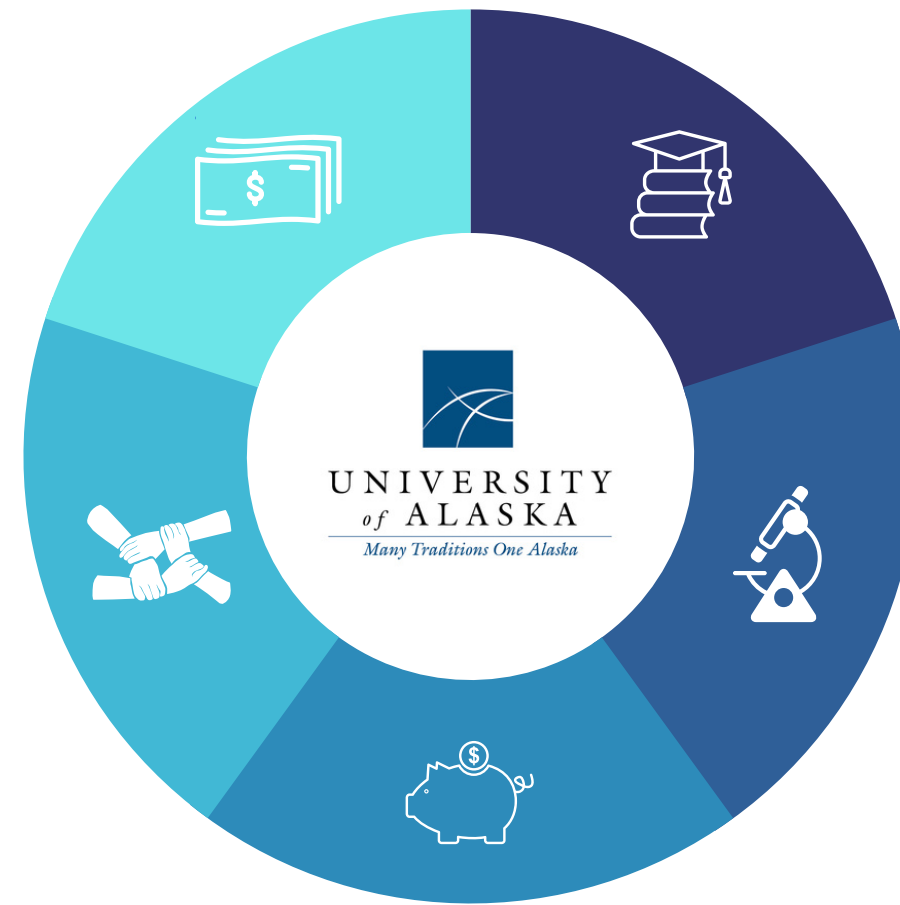
The University of Alaska inspires learning, and advances and disseminates knowledge through teaching, research, and public service, emphasizing the North and its diverse peoples.

Contribute to Alaska's economic development, skilled workforce and engaged citizenship

Foster academic excellence for student success



Promote diversity, equity and inclusion in students, faculty and staff



Grow our world-class research

Operate cost effectively



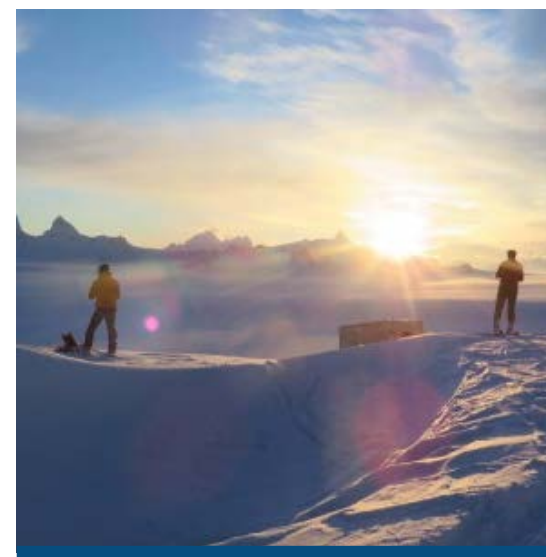
Priority Focus Areas



Increase student enrollment



Develop workforce and focused economic development initiatives



Promote Arctic policy, research and leadership



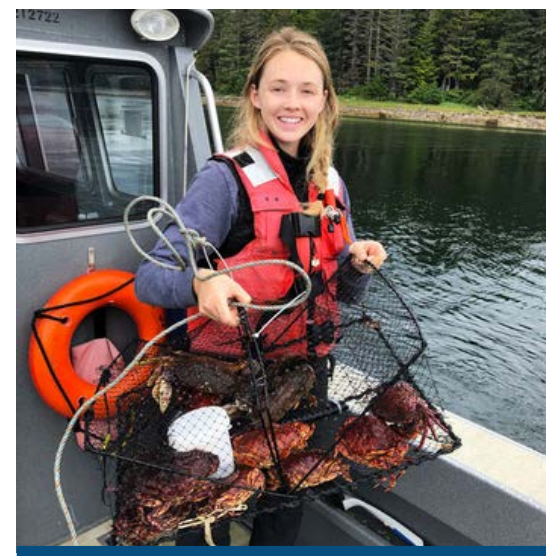
Strengthen Teacher Education through the Alaska College of Education Consortium



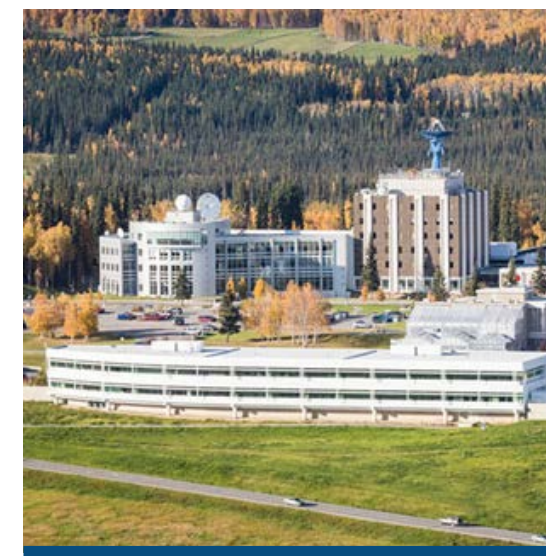
Advance the Alaska Native Success Initiative



Build finance industry partnerships to expand business workforce



Increase Fisheries and Ocean Sciences presence in Southeast Alaska



Revise business models for efficiency and modernization



Contribute to Alaska's Economic Development, Skilled Workforce and Engaged Citizenship

Measure	Current Baseline	Three-year Average (FY19-21)	FY27 Target
Student Credit Hours – Total Enrollment, Fall Semester (closing)	169,127	207,000	218,000
Headcount – Total Enrollment, Fall Semester (closing)	20,745	25,000	26,000
Graduates – Total Degrees Awarded (academic year basis)	3,996	4,196	4,500

Additional measures will be included for high-demand workforce areas, health and teacher education.

Foster Academic Excellence for Student Success

Measure	Current Baseline	Three-year Average (FY19-21)	FY27 Target
Graduation Rate – Undergraduate Degree-Seeking First-Time, Full-Time Freshman (six-year rate)	41%	39.1%	41%
Student Retention Rate (first year)	66%	51.1%	70%
Capture Rate of UA Scholars, Top 10% of High School Graduates, Fall Semester (closing)	30%	33%	45%
Number of Students in Dual Enrollment Programs	2,117	2,248	3,640

Grow Our World-Class Research

Measure	Current Baseline	Three-year Average (FY19-21)	FY27 Target
Annual Expenditures from Research Grants and Contracts (\$000s)	\$154,957	\$136,874	\$154,400

Operate Cost Effectively

Measure	Current Baseline	Three-year Average (FY19-21)	FY27 Target
Administrative Cost as a Proportion of Total Expenditures*	9.9%	8.8%	8.8%
Earned Revenue Dollars (\$000s)	\$412,000	\$416,000	\$439,400
Total Number of Donors	5,047	5,284	6,500
Private Philanthropic Dollars Raised (\$M)	\$28.34**	\$24.78**	\$34.58
% of Students Graduating with Debt	48%	47%	<50%
Average Debt of Graduating Students	\$25,925	\$25,804	<WICHE median

*Administrative cost defined as institutional support personnel expenditures

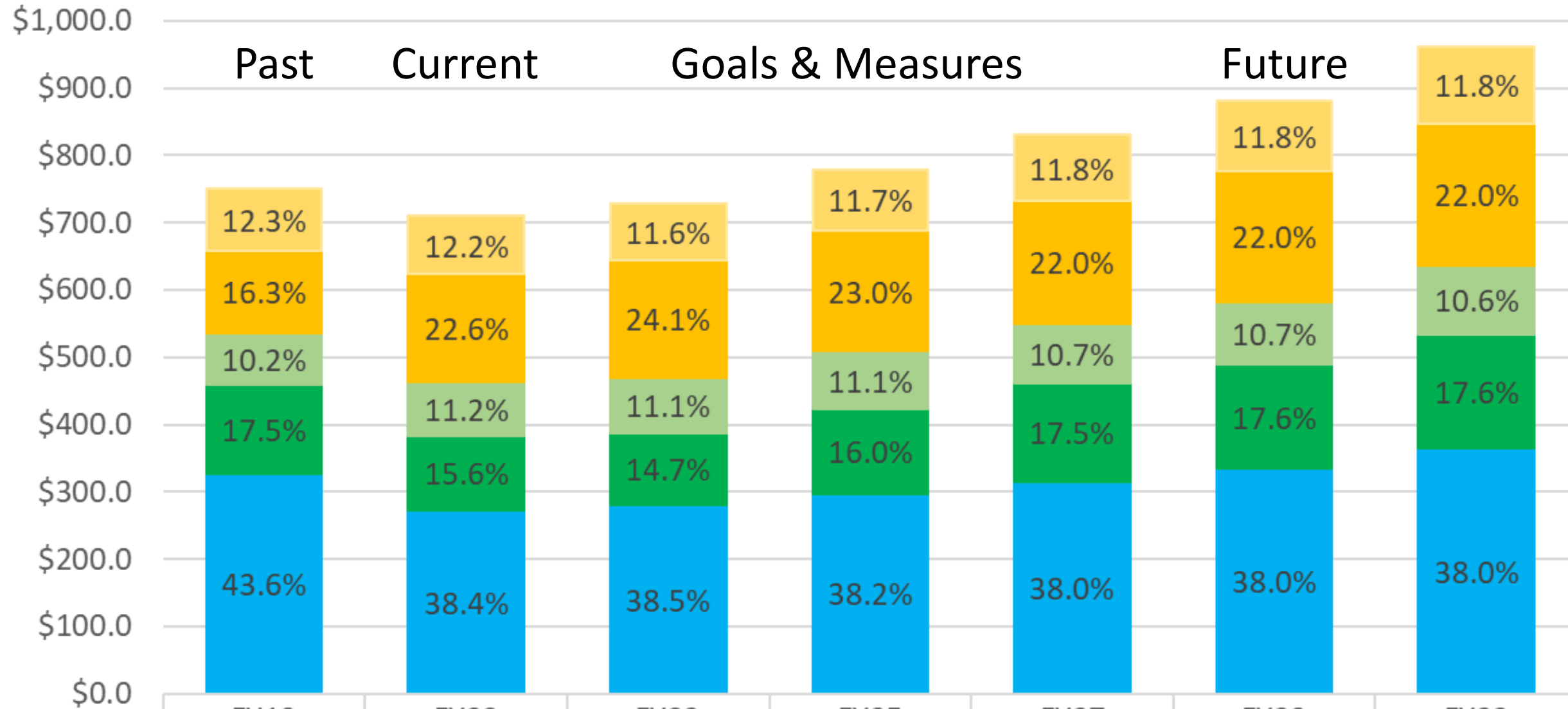
- Institutional Support - Includes expenditures related to executive services and other institutional support functions. These services include the following: the office of the President, chancellors' offices, business offices, accounting, budget, EEO/AA, educational properties management, facilities planning and construction, finance, human resources, information services, institutional research, internal audit, investment properties management, legal counsel, payroll, procurement, records, risk and hazardous materials management, systems maintenance, university relations, support for the assemblies and the Board of Regents.
- Personnel Expenditures - Expenditures for the staffing costs of the budget request unit or allocation. The costs include salaries, premium pay and benefits for all permanent and non-permanent positions.

**FY21 includes largest estate gift of approximately \$15M

Promote Diversity, Equity and Inclusion in Students, Faculty and Staff

Measure	Current Baseline	Three-year Average (FY19-21)	FY27 Target
% of Students Receiving Pell Grants	14%	15.2%	18.4%
Graduation Rate – Undergraduate Degree-Seeking, Indigenous, First-Time, Full-Time Freshman (six-year rate)	18.7%	21.5%	24.2%
% of Students – Indigenous Heritage	15%	21.5%	23.2%
% of Faculty – Other Underrepresented Heritage	8%	8%	11%
% of Faculty – Indigenous Heritage	6%	6%	9%
% of Staff – Other Underrepresented Heritage	8%	8%	13%
% of Staff – Indigenous Heritage	9%	9%	14%

FY19-FY32 Operating Revenue Baseline (in millions of \$)



	FY19	FY22	FY23	FY25	FY27	FY29	FY32
Designated Funds	\$92.5	\$86.6	\$84.7	\$91.0	\$98.3	\$104.1	\$113.6
Federal Funds	\$122.6	\$160.3	\$175.3	\$178.8	\$182.4	\$193.5	\$211.5
Other Unrestricted Funds	\$76.8	\$79.4	\$80.8	\$86.4	\$88.5	\$93.8	\$102.3
Tuition & Fee Revenue	\$131.5	\$110.7	\$107.2	\$124.9	\$145.6	\$154.5	\$168.8
State General Funds	\$327.0	\$272.7	\$280.8	\$297.6	\$315.4	\$334.2	\$364.7