UA is Fundamental to Economic Recovery
Integral to every thriving economy is a strong university. Our academic and research programs are critical to the state's economic recovery and overall success. 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.

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

Managing in a smaller footprint
UA's proposed appropriation of $280.8 million in state operating funds provides critical financial stability for our universities. UA has received successive budget cuts exceeding $100 million since 2014 – 30 percent of its unrestricted general fund budget. The COVID pandemic magnified the impact of the state reductions.

The UA system is smaller, but maintains a solid core foundation and high-quality programs on which the state and industries can depend on to educate Alaskans for jobs in Alaska that lead to the diversification and growth of the economy.

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

UA's Physical Assets Need Care and Attention
The FY23 capital funding request includes $50 million for critical deferred maintenance, and $20 million for the modernization of student IT systems originally designed in the 1990s. This one-time investment would allow UA to transition to a cloud-based, modern student information system to remain competitive in the marketplace. 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.

Strategic investments in Alaska’s economy
UA is also looking to partner with state agencies on key economic recovery investments in health, critical minerals, oil and gas recovery, unmanned aerial vehicles, mariculture, and alternative energy -- areas in which the university system has a deep base of expertise and the state has identified as priorities. UA requested state discretionary funding available through federal economic recovery funds for these efforts.
Board of Regents Strategic Goals
- Contribute to Alaska’s economic development & skilled workforce
- Commit to academic excellence and student success
- Grow our world class research
- Promote diversity, equity and inclusion in students, faculty and staff
- Operate Cost Effectively

Operating Budget Request - $280.7M
- Includes a modest 3 percent adjustment, approximately $8 million.
- Less than the projected operating cost increases for FY23 estimated at $11 million.
- Includes a modest compensation adjustment, only the second in five years.

Capital Budget Request - $70M
- $50 million for critical deferred maintenance, including the replacement of 50-year-old sanitation infrastructure at UAF’s Moore/Bartlett student housing; heating, safety and mechanical system improvements at multiple UAA facilities and a roof and fuel tank replacement at UAS.
- $20 million for the modernization of student IT systems. This one-time investment would allow UA to transition to a cloud-based, modern student information system to remain competitive.

ARPA Investments For Economic Recovery
- Areas for strategic economic investment where our universities can partner with the state, including health, critical minerals, oil and gas recovery, unmanned aerial vehicles, mariculture, and alternative energy.
- The economic development investments focus on areas in which the university system has a deep base of expertise and that the state has identified as priorities.
- Seeking State discretionary funds available through federal economic recovery programs for these initiatives.

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

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
FY19-FY23 Operating Revenue & Budget Summary
(in millions of $)

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY19-FY22</th>
<th>FY23</th>
<th>FY22-FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Funds</td>
<td>$327.0</td>
<td>$302.0</td>
<td>$277.0</td>
<td>$272.7</td>
<td>($54.3)</td>
<td>$280.7</td>
<td>$8.0</td>
</tr>
<tr>
<td>Earned Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition &amp; Fees Revenue</td>
<td>131.5</td>
<td>123.5</td>
<td>117.7</td>
<td>110.7</td>
<td>(20.8)</td>
<td>107.2</td>
<td>(3.5)</td>
</tr>
<tr>
<td>Other Unrestricted Funds</td>
<td>76.8</td>
<td>81.7</td>
<td>79.0</td>
<td>79.4</td>
<td>2.6</td>
<td>80.8</td>
<td>1.4</td>
</tr>
<tr>
<td>Unrest. Earned Rev.</td>
<td>$208.3</td>
<td>$205.2</td>
<td>$196.7</td>
<td>$190.1</td>
<td>($18.2)</td>
<td>$188.0</td>
<td>($2.1)</td>
</tr>
<tr>
<td>Total Unrestricted Revenue</td>
<td>$535.3</td>
<td>$507.2</td>
<td>$473.7</td>
<td>$462.8</td>
<td>($72.5)</td>
<td>$468.7</td>
<td>$5.9</td>
</tr>
</tbody>
</table>

Federal Funds 122.6 124.9 141.3 160.3 175.3
Designated & Restricted Funds 92.5 81.3 74.1 86.7 84.7

Total Revenue $750.4 $713.4 $689.1 $709.8 $728.7
Budget Reporting-Not Realized Revenue1 138.1 143.3 143.2 84.7 123.8
Management Plan Budget2 $888.5 $856.7 $832.3 $794.5 $852.5 $58.0

1. Permission to expend revenue received
2. Excludes COVID-related revenue

UA Operating Baseline Revenue Projections
(in millions of $)

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
<th>FY26</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Funds</td>
<td>$327.0</td>
<td>$272.7</td>
<td>$280.7</td>
<td>$289.0</td>
<td>$297.5</td>
<td>$315.3</td>
<td>$334.1</td>
<td></td>
</tr>
<tr>
<td>Federal Funds</td>
<td>$122.6</td>
<td>$160.3</td>
<td>$175.3</td>
<td>$175.3</td>
<td>$175.3</td>
<td>$175.3</td>
<td>$175.3</td>
<td></td>
</tr>
<tr>
<td>Tuition &amp; Fee Revenue</td>
<td>$131.5</td>
<td>$110.7</td>
<td>$107.2</td>
<td>$112.9</td>
<td>$119.0</td>
<td>$132.1</td>
<td>$146.6</td>
<td></td>
</tr>
<tr>
<td>State General Funds</td>
<td>$92.5</td>
<td>$86.6</td>
<td>$84.7</td>
<td>$86.9</td>
<td>$89.2</td>
<td>$94.2</td>
<td>$99.6</td>
<td></td>
</tr>
<tr>
<td>Other Unrestricted Funds</td>
<td>$76.8</td>
<td>$79.4</td>
<td>$80.8</td>
<td>$85.0</td>
<td>$85.5</td>
<td>$86.8</td>
<td>$88.0</td>
<td></td>
</tr>
</tbody>
</table>

The University of Alaska is an AA/EO employer and educational institution and prohibits illegal discrimination against any individual. Learn more at alaska.edu/nondiscrimination.