

University of Alaska
FY25 - Summary of Significant Budget Issues
(\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
1	University of Alaska / Budget Reductions/ Additions - Systemwide	Faculty and Staff Compensation Increases	Total: \$17,516.0 \$2,516.8 Fed Rcpts (Fed) \$6,130.6 Gen Fund (UGF) \$8,868.6 Univ Rcpt (DGF) SalAdj	Total: \$17,516.0 \$2,516.8 Fed Rcpts (Fed) \$12,230.6 Gen Fund (UGF) \$2,768.6 Univ Rcpt (DGF) SalAdj	This Salary Adjustment includes funding for a 2.5 percent wage increase for employee groups as negotiated by collective bargaining agreements and for non-union staff. Additionally, the University of Alaska's (UA) medical (including dental and vision) plan is expecting an increase in premium costs. This includes \$4.0 million (\$3.4 million in UGF) to help offset the medical cost increases. The University Board of Regents (BOR) approved this Salary Adjustment using \$14.7 million UGF and \$2.8 million in Other funds. The Governor's request switched \$8.6 million of UGF to UA receipt authority. The legislature changed \$6.1 million of UA receipts back to UGF.
2	University of Alaska / Budget Reductions/ Additions - Systemwide	Property Insurance, Cyber Security, Maintenance and Other Fixed Cost Increases	Total: \$12,946.0 \$4,531.1 Gen Fund (UGF) \$8,414.9 Univ Rcpt (DGF) Inc	Total: \$12,946.0 \$8,431.1 Gen Fund (UGF) \$4,514.9 Univ Rcpt (DGF) Inc	The University anticipates additional costs in the following areas: Property insurance premiums: \$2,600.0; Cyber security and information technology: \$1,655.0; Facility operations and maintenance for the new Aak'w Ta Hit facility at UAS: \$306.0; Facilities maintenance: \$4,000.0; and Utilities and contractual services: \$4,385.0. Fiscal Analyst Comment: The BOR approved \$8.5 million in UGF and \$4.4 million in UA receipts to fund these needs. The Governor's request inverted those ratios with no indication of how UA will collect that funding. The legislature reverted back to the BOR requested amount of each fund source. UA budgeted a minimum of \$27.6 million of their operating budget in FY24 for facilities maintenance. The BOR has a goal of raising that funding to \$60.0 million annually. With this increment, UA increases the amount budgeted for facilities maintenance in FY25 to a minimum of around \$31.7 million. UA had an estimated \$1.5 billion deferred maintenance (DM) backlog in FY24. This is more than twice the total DM backlog for all other State agencies combined.

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3	University of Alaska / Budget Reductions/ Additions - Systemwide	Reduce Alaska Tuition Assistance for Alaska National Guard and Naval Militia Members	(\$200.0) Gen Fund (UGF) Dec	(\$200.0) Gen Fund (UGF) Dec	Members of the Alaska Air Guard, Army Guard, and Naval Militia are eligible for State tuition assistance. This support applies to educational opportunities at UA and extends to various trade programs within the state of Alaska. The UA budget had \$408.0 UGF in its base budget for this purpose previously provided by the legislature. The Governor proposed reducing that by \$200.0, but the legislature decided to maintain that funding level. The Governor's subsequent veto brings the remaining funding down to \$208.0 UGF in FY25 as he had originally proposed. Fiscal Analyst Comment: The Governor proposed and the legislature adopted a related increment of \$200.0 in the Department of Military and Veterans' Affairs (DMVA) budget, which will allow a broader range of educational and training options beyond UA courses. The two appropriations in DMVA and UA combine to maintain the \$408.0 statewide funding level for tuition assistance. There will need to be new coordination between the university and DMVA for students who intend to attend the UA system using DMVA funding.
4	University of Alaska / Budget Reductions/ Additions - Systemwide	GA 5/9 Salary Adjustment for Alaska Graduate Workers Association/UAW	Total: \$3,067.0 \$994.3 Fed Rcpts (Fed) \$725.4 Gen Fund (UGF) \$1,347.3 Univ Rcpt (DGF) SalAdj	Total: \$3,067.0 \$994.3 Fed Rcpts (Fed) \$1,766.0 Gen Fund (UGF) \$306.7 Univ Rcpt (DGF) SalAdj	This newly formed union consists of graduate workers and Academic Student Employees from various departments across the University of Alaska campuses. It negotiated its first contract with the University reaching tentative agreement in April 2024, which was approved by the Board of Regents in June 2024, and became effective in July 2024.
5	University of Alaska / Anchorage Campus	Improve Campus Public Safety and Physical Security at UAA	n/a	Total: \$620.0 \$416.0 Gen Fund (UGF) \$204.0 Univ Rcpt (DGF)	The Board of Regents approved two related Increments in the University's FY25 budget request for campus security at UAA for a total of \$1,020.0 UGF and 6 Full-time Equivalent positions. The legislature reduced that amount by \$640.0 UGF, switched \$204.0 to University Receipts, and reduced the amount of positions by 3 Full-time positions.

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5	University of Alaska / Anchorage Campus	Improve Campus Public Safety and Physical Security at UAA	n/a	(continued) 3 PFT Positions Inc	(continued)
6	University of Alaska / Fairbanks Campus	Alaska Center for Energy and Power Grant to Facilitate Ongoing Working Groups	\$200.0 Gen Fund (UGF) IncOTI	\$200.0 Gen Fund (UGF) IncOTI	This grant is for the Alaska Center for Energy and Power to facilitate, manage, and participate in ongoing working groups, including the Energy Education Working Group, the Carbon Capture, Utilization, and Storage Working Group, and the Hydrogen Working Group.
7	University of Alaska / Fairbanks Campus	CC - Assist the University of Alaska Fairbanks to Achieve R1 Research Status (FY25-FY27)	n/a	Total: \$14,600.0 \$2,100.0 Univ Rcpt (DGF) \$12,500.0 High Ed (DGF) MultiYr	These funds are to assist the University of Alaska Fairbanks campus to achieve R1 Research Status as defined by the Carnegie Classification of Institutions of Higher Education. The Governor initially proposed this as a capital appropriation using \$10.0 million of UGF, and \$10.0 million in University receipts. The legislature moved the appropriation to the operating budget and changed \$12.5 million of the fund source to the Higher Education Investment Fund, and maintained \$5.4 million in UGF, and \$2.1 million in University receipts, keeping the total funding level at \$20.0 million. The Governor subsequently vetoed the \$5.4 million of UGF.