



University of Alaska

Empower Alaska

33rd Legislative Session

Financial Overview

House Finance Committee

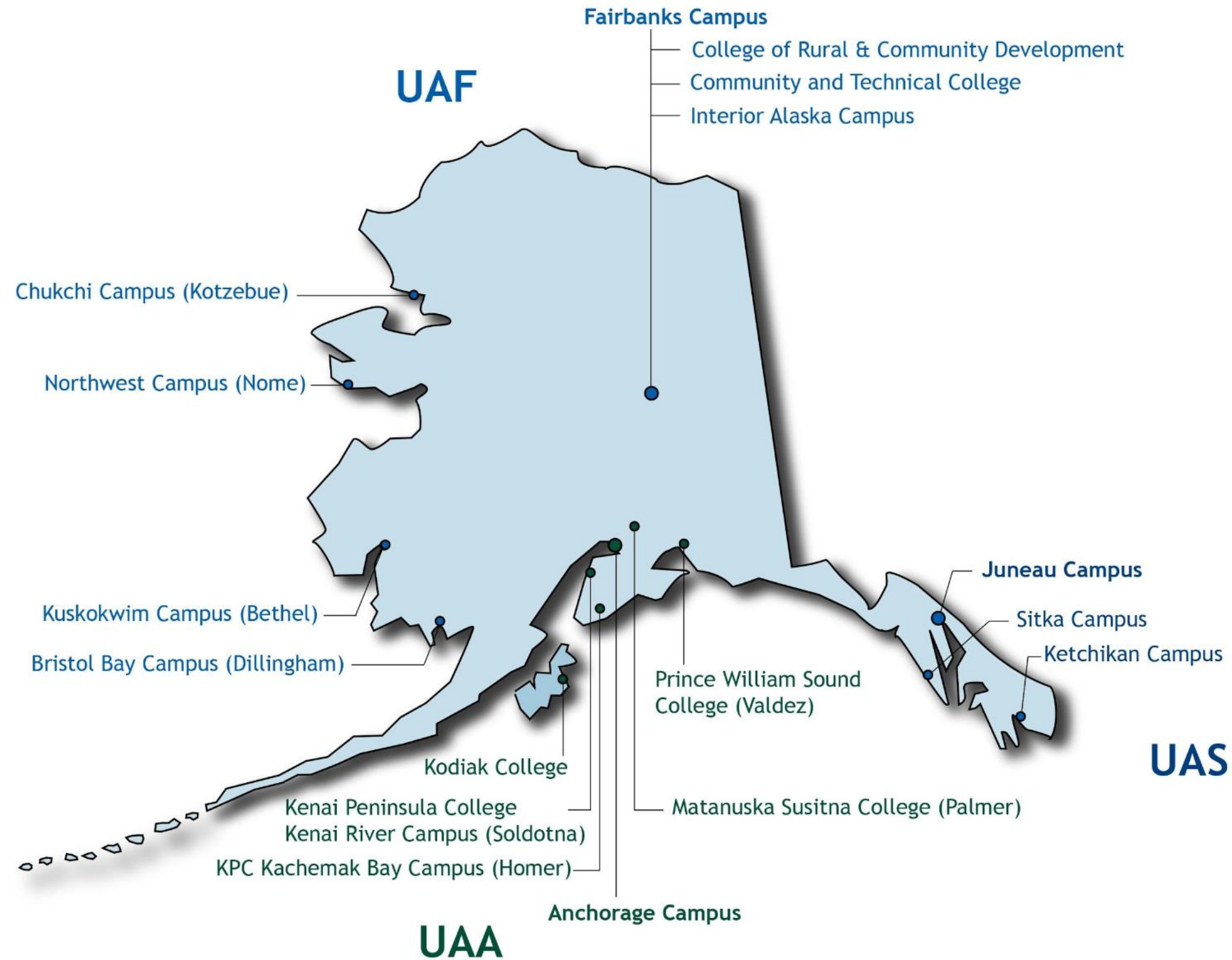
February 20, 2024



UNIVERSITY
of ALASKA
Many Traditions One Alaska

University of Alaska

Alaska's System of Higher Education



Overview

- Board's Roadmap to Empower Alaska
- Enrollment and Program Highlights
- FY25 Budget Request
- Fiscal Summary
- FY25 Operating Budget
- Legislative Priorities
- Appendix
 - FY24 Supplemental
 - Economic Development Project Updates
 - FY25 Capital Budget



Roadmap to Empower Alaska

The Board of Regents' "Roadmap to Empower Alaska" is a new robust plan for UA to advance Alaska's economy through education, workforce development, research, and strong partnerships across the state.

Three pillars represent the long-term vision for UA. They are framed by guiding principles and achieved through the implementation of priority strategies to meet Board-established system goals and through well-defined university/system office missions, roles, and goals.

- Financially Responsible and Future-Focused - efficient and responsive with diversified funding focused on growing enrollment and research to meet Alaska's workforce and economic needs
- State and Arctic Leadership - innovative and essential to education, research, workforce, and economic development; lead the nation in advancing the US role in the changing Arctic
- Quality Education and Reputation - reputation for providing high-value, high-quality education, research, and service; known as innovative and responsive 'jewels' in the state

Roadmap to Empower Alaska

Board of Regents priority strategies:

- Increasing Recruitment, Graduation, and Retention
- Sustaining Facilities Maintenance and Modernization Plan
- Achieving Cost-Efficient Operations
- UAF reaching R1 research status in 2027
- Empower Alaska Branding
- Building Arctic Leaders



Enrollment Highlights

Spring 2024 Enrollment

- Headcount up 4 percent and student credit hours up about 6 percent over Spring 2023, continuing sustained growth.
- Significant enrollment increases at UAA and UAF Community and Technical Colleges and the UAS School of Career Education.

Dual enrollment

- In FY23, almost 3,600 high school students were enrolled in a University course an increase of 20% over FY21.

Retention

- Freshman-to-sophomore retention is at a five year high.
- APS students seeking a 4-year degrees have an 85% retention rate.

Teacher Preparation

- BA in Early Childhood Education at UAA continues to grow enrollment (80 majors in Spring 2024).
- Pilot program awarded 63 scholarships to provide financial support for students in teaching internships in FY23.

Healthcare

- Expansion of the Nursing program ongoing.
- Pilot program for Clinical Health Placement provided awards to 278 students in FY23 and we are expecting to make approximately 400 awards in FY24.

Alaska in the national context

- Fall 2023 first-time freshman enrollments were down 3.6% nationwide, while UA first-time freshman enrollment increased 16% from the prior year.
- The average debt of University of Alaska graduates and the percentage of graduates with debt is below the national and WICHE averages and average wages post graduation are higher.

UAA Program Highlights

UAA receives \$46M from the Department of Homeland Security

This 10 year award positions UAA to lead a consortium of U.S. academic institutions and partners for the newly established Arctic Domain Awareness Center (ADAC)-ARCTIC Center of Excellence (COE) for Homeland Security in the Arctic.

UAA's School of Social Work \$1.2 million Department of Education grant

The three-and-a-half year program developed by UAA's School of Social Work aims to graduate a cohort of 31 fellows who will increase school-based mental health service providers in high-needs schools with Anchorage School District (ASD) partner and community partners, Providence Alaska and the Volunteers of America Alaska (VOA), which currently operate programs addressing social work needs in K-12 education.

New Cooperation Between the University of Alaska Anchorage and Nord University

At the Arctic Circle Assembly in Reykjavik, Nord University and the University of Alaska Anchorage signed an agreement to strengthen the cooperation between the two Arctic educational institutions. The agreement recognizes the mutual benefits to be gained through cooperative programs promoting scholarly activities and international understanding.

LG Electronics, UAA Establish Consortium for Advanced Heat Pump Research

Addressing the growing worldwide interest in cold-climate heat pump technologies, the Consortium will leverage the complementary expertise of technologists at LG Electronics, a global heat pump leader, and the College of Engineering at UAA and its highly regarded HVAC Lab.

UAF Program Highlights

ACEP and Partners Receive \$6 Million to Help Secure Electric Grids

The project aims to advance the nation's "smart grid" — a planned nationwide network that uses information technology to deliver electricity efficiently and securely. The five-year project is named "STORM: Data-Driven Approaches for Secure Electric Grids in Communities Disproportionately Impacted by Climate Change."

ACUASI Completes First Drone Flight from Nenana to Fairbanks International Airport

The Alaska Center for Unmanned Aircraft Systems Integration achieved the milestone when its SeaHunter aircraft touched down at the Fairbanks airport's general aviation area at about 11:15 a.m. on Sept. 8, 2023, after making the 45-mile flight from Nenana. The flight was the first in Alaska of a drone departing one airport and arriving at a controlled airport.

FAA grants wide authority to UAF unmanned aircraft center

FAA's decision came just over two years after the state requested the waiver. Gov. Mike Dunleavy, U.S. Sens. Lisa Murkowski and Dan Sullivan, and the Alaska Department of Transportation and Public Facilities voiced their support for the waiver so that the industry could conduct research and development testing with minimal paperwork.

Alaska's Railbelt can shift to renewables, but that would require big capital investment

A report by UAF's Alaska Center for Energy and Power, found that by 2050 non-fossil energy can supply anywhere from 70% to 96% of the power needed to produce electricity along the Railbelt. The region comprises communities from Fairbanks in the Interior to Seward on the Kenai Peninsula, the corridor along the Alaska Railroad line that hold the vast majority of the state's population.

USDA Grant Strengthens Future of Agriculture Systems, Workforce

A five-year \$18 million grant awarded to UAF's Institute of Agriculture, Natural Resources and Extension (IANRE) will help prepare the next generation to take active roles in the country's agricultural sector. The grant will allow increased participation in important conversations surrounding changing climate and food systems.



UAS Program Highlights

Coeur Alaska donates \$300,000 to the Environmental Science Endowment at UAS

In 1991 Coeur established an endowed scholarship at the University of Alaska Southeast now known as the Coeur Alaska - Kensington Gold Mine Environmental Science Award. Coeur Alaska has continued to donate additional funds to the endowment over the years and this fall they generously donated \$300,000 to the fund in support of UAS Environmental Science students.

UAS Ketchikan Acquires Dedicated Vehicle for the Maritime Training Center

The UAS Ketchikan Maritime Training Center (MTC) is one of six members of the Alaska Maritime Education Consortium, working to address the maritime workforce needs across the state of Alaska. UAS Ketchikan has been training mariners for over thirty years. The UAS Maritime Training Center provides maritime programs that meet regional needs throughout Southeast Alaska. MTC recently acquired a new vehicle, funded partially by a grant from the Rasmuson Foundation.

Education in Sustainable Ocean Farming Taking Off in Sitka, Alaska

The UAS Sitka Campus, located on Baranof Island, has established a one-of-a-kind training program in sustainable ocean farming, where hands-on learning is at the forefront of the curriculum. The excitement surrounding mariculture opportunities has been growing given the state's abundant natural resources, clean waters, maritime experience, and existing seafood infrastructure. This program is designed to mirror and grow alongside this burgeoning industry and provide students with experience in its established salmon enhancement program.



FY25 Budget Request



FY25 Budget Request Summary

- FY25 Operating Budget
 - State funding request \$29.2M
 - **Compensation and other operating costs \$23.2M**
 - Programs to support State and Arctic Leadership \$6M
 - **Deferred Maintenance and Modernization Strategy \$35M annually**
 - *Strengthen the competitiveness of UA's athletics programs \$5M*
- Revenue Assumptions
 - FY25 UA expects a net \$5M increase in unrestricted earned revenue
 - \$3M in tuition and fee revenue as enrollment increases
 - \$2M in other unrestricted earned revenue, such as interest income, university receipts, and indirect cost recovery (generated from restricted funds)
 - Including eligible restricted funds, a total of \$7M projected earned revenue increases have been applied to compensation and operating cost increases



FY25 Budget Request Summary

- FY25 Capital Budget
 - **Deferred Maintenance and Modernization Strategy Operating or \$60M**
 - **UAF Achieve Research 1 Status (top 4% nationally) \$20M**
 - UAA Health Workforce Diversity Expansion Project Phase 2 & Library Learning Commons \$6M (\$8M total)
 - UAS Mariculture Program Expansion \$7M (\$10M total)
 - Capital project receipt authority for externally leveraged funds \$119.6M
 - UAA Alaska Leaders Archive \$20M fed
 - UAF University Park Early Childhood Development Center \$5.6M fed
 - UAF Troth Yeddha' Indigenous Studies Center \$53M fed/other
 - UAF Arctic Emergency Services Workforce Center of Excellence (fire/police/EMS/dispatch) \$38.5M other (grant not successful)
 - UAS Egan Library/Cyril George Indigenous Knowledge Center \$2.5M fed
 - Economic Development \$12.2M
 - UAF Drone Program \$10M
 - UAF Alaska Railbelt Carbon Capture & Sequestration Project \$2.2M (\$11.1M total)

UA FY25 Operating Budget (in millions of \$)

	UA Board of Regents' Budget			Governor's Proposed ⁽³⁾		
	State Funds	Non-State Funds	Total	State Funds	Non-State Funds	Total
FY24 Management Plan	\$331	\$577	\$908	\$331	\$577	\$908
Reverse One-time Funding	(23)		(23)	(23)		(23)
FY24 Operating Budget	\$308	\$577	\$885	\$308	\$577	\$885
Compensation	15	2	17	6	11	17
Property Insurance, Cyber Security, Maintenance, & Other Fixed Cost Increases	9	5	14	5	8	13
Deferred Maintenance & Modernization Strategy	Legislation proposed for \$35 million annual state funding to the "University of Alaska Major Maintenance and Modernization Fund"					
Financial Responsibility & Future-Focused	24	7	31	11	19	30
Programs to Support State and Arctic Leadership	6	6	12			
Alaska Tuition Assistance for AK Nat'l Guard				(.2)		(.2)
Alaska Center for Energy and Power Initiatives				.2		.2
FY25 Operating Budget Changes	\$30	\$13	\$43	11	19	30
FY25 Operating Budget ⁽¹⁾	\$338	\$590	\$928	\$319	\$596	\$915
Technical Vocational Education Program (TVEP) ⁽²⁾		(6)	(6)		(6)	(6)
FY25 Operating Budget ⁽¹⁾	\$338	\$584	\$922	\$319	\$590	\$909

1. Excludes additional budget authority requests for UA Receipts (\$20 million) and UA Intra-agency Receipts (\$67 million).
2. The Technical Vocational Education Program (TVEP) is up for reauthorization in FY25.
3. UA requested an additional \$8.6 million of state funding for compensation be included in the Governor's Amended budget.

State appropriations (UGF) are the base on which all programs operate - programs generate all other revenue

Funding Sources (in millions of \$)

Funding Source	FY14	FY19	FY23 ⁽¹⁾	FY24 ⁽¹⁾	FY25 ⁽²⁾	FY26 and forward
General Funds	\$378	\$327	\$295	\$308	\$338	<p>UA’s “Roadmap to Empower Alaska”</p> <p>The “roadmap” is a robust plan for the university system to advance Alaska’s economy through education, workforce development, research, and strong partnerships across the state.</p> <p>Roadmap Pillars include: Financially Responsible and Future-Focused State and Arctic Leadership Quality Education and Reputation</p>
Earned Revenue						
Unrestricted	193	208	206	216	221	
Designated/Restricted	222	215	266	291	293	
Earned Revenue	415	423	472	507	514	
Total Revenue	\$793	\$750	\$767	\$815	\$852	
	Earned revenue as a percent of total revenue is growing					
Intra-UA Transactions	60	68	152			
State Reported Actuals	\$853	\$818	\$919			

1. Excludes COVID and one-time economic development funds
2. Assumes \$6 million for TVEP funding will be reauthorized in FY25

Sources of Earned Revenue

(FY23 actuals in millions of \$)

Funding Source	Actuals	Unique Conditions
Unrestricted	\$206	
Tuition	79	Used by instructional units to fund faculty and supports physical plant and administration
Student Fees	25	Designated to purpose of the fee
Indirect Cost Recovery (ICR)	49	Generated primarily from federal research grants; supports physical plant, administration, and the generating unit
University Receipts	40	Primarily undesignated to purpose (e.g., sales and services)
Tech. Voc. Edu. Prog. (TVEP)	6	State program providing grants to technical and vocational education entities for industry-specific, on-the-job, and classroom training
Interest Income	7	Revenue generated from short-term investments of grant and auxiliary enterprise receipts
Designated & Restricted	\$266	
Federal	169	Primarily restricted grants (e.g., research and Title III)
University Receipts	50	Primarily designated to purpose (e.g., private and corporate grants, UA Foundation)
Auxiliaries	31	Self-support activities (e.g., housing, dining, bookstore)
Other State	16	Designated to intended purpose (e.g., state grants)
Total Earned Revenue	\$472	

UA Operating Budget State Reports (in millions of \$)

	Actuals			FY24			FY25 Budget ⁽³⁾	
	FY21	FY22	FY23	Budget	Mid-year ⁽¹⁾	Year End	UA	Gov
Expenditures								
Personal Services	\$466	\$438	\$462	\$546	\$251	\$479	\$563	\$563
Other Expenditures	369	448	457	362	249	477	359	346
Total Expenditures	\$835	\$886	\$919	\$908	\$500	\$956	\$922	\$909
Revenue								
UGF (base)	\$277	\$273	\$295	\$308	\$308	\$308	\$338	\$319
UGF (project specific one-time)			7	23	13	18		
DGF	255	286	300	313	196	308	316	323
Federal	141	166	177	188	90	192	191	191
Federal COVID	25	32						
Other ⁽²⁾	137	129	140	76	70	130	77	76
Total Revenue	\$835	\$886	\$919	\$908	\$677	\$956	\$922	\$909

1. As of December 2023

2. Includes internal charges for services provided by one UA department to another, required for State reporting.

3. Excludes Technical Vocational Education Program (TVEP) funding which is up for reauthorization in FY25.

UA FY25 Systemwide Operating Cost Increases

\$14.7M Compensation (\$17.5M total)

- 2.5% wage increase
- Health benefit increases

\$2.6M Increased cost of property insurance premiums

\$1.4M Increased investment in IT and cyber security efforts (\$1.7M total)

\$2.2M Facilities maintenance increase to preserve capital assets (\$4M total)

\$2.4M Increased cost of utilities and contractual fixed costs (\$4.4M total)

Operating Costs

Compensation \$14.7M (\$17.5M total)

In accordance with the University of Alaska's (UA) mission, UA is committed to providing a competitive total compensation package, including salary and benefits, that will attract, retain, and reward high-performing employees who share a passion for higher education.

UA FY25 Budget Request includes:

- Staff and Firefighters: 2.5% wage increase
- United Academics (UNAC) faculty: 2.5% wage increase
- Adjuncts faculty (UNAD): 2.5% increase to semester credit hour minimum
- Alaska HE Crafts & Trade Employees (Local 6070): 2.5% grid adjustment
- Health benefit cost increases (\$4 million)

Insurance Premiums \$2.6M

The property insurance market continues to be exceptionally difficult. In a recent paper published by the American Property Casualty Insurance Association (APCIA), the authors classify the current property insurance market as being the “hardest market cycle of a generation” and highlighted the following trends as creating significant pressure on the P&C insurance industry:

- economic inflation
- social inflation (e.g., legal system abuse)
- supply chain constraints
- increasing catastrophic weather

Operating Costs (continued)

Cyber Security & Information Technology \$1.4M (\$1.7M total)

Additional funding is required to address significant increases in cyber-attacks targeting higher education and to meet evolving data privacy and security requirements. These funds will be used to provide and expand critical tools, capabilities, and staffing at the UA system office and each university. Most funds will be used to deploy capabilities centrally to support better security for all universities.

Facilities Maintenance & New Facility Operating Costs \$2.2M (\$4.3M total)

Facilities maintenance funding is necessary to preserve capital assets critical to UA's mission. Several years of reduced operating budgets and minimal capital funds have increased the ongoing risk and evidence of building failures.

Utilities and Contractual Cost Increases \$2.4M (\$4.4M total)

This request covers the projected FY25 utility and contractual services cost increases. Cost increases include utility expenses such as electrical, fuel, water, and sewer; and custodial services and technology licensing agreements.

Deferred Maintenance and Modernization Strategy

In lieu of one-time capital funding, UA is pursuing a legislative strategy (HB236 – Rep. Stapp) for consistent annual state funding to the "University of Alaska Major Maintenance and Modernization Fund."

A modest revenue stream of \$35 million annually would bring UA greater financial stability, with historical appropriations and funding levels signifying broad support by the State of Alaska. In the past three years, the University has received an average of \$15M in deferred maintenance funding, so the legislation would require an additional \$20M over current spending levels.

HB236 establishes a UA Major Maintenance and Modernization Fund and spending would be limited to projects on UA's approved projects list.

To optimize the impact of the funding, project financing scenarios would consider cash and debt payments based on market conditions and the projects to be funded.

UA accountability measures Include:

- Legislative appropriation power is respected, including giving proper notice
- Spending will be limited to the project list
- Various funding approaches will be used to achieve desired outcomes
- Predictable funding stream will allow UA to commit to no new DM funding request for a 6-year period
- There will be a focus on operating efficiency to reduce ongoing costs

Programs to Support State and Arctic Leadership

(in thousands of \$)

MAU/Program	UGF	DGF	Total
Student Mental Health Support	740.0	600.0	1,340.0
UAF Student Wellbeing: Mental Health and Counseling Support Services	550.0	600.0	1,150.0
UAS Increasing Workforce Participation by Retaining More Students Through Mental Health Support	190.0		190.0
Campus Security	1,020.0		1,020.0
UAA Improving Public Safety	615.0		615.0
UAA Campus Physical Security	405.0		405.0
Recruitment and Retention Support	1,476.0	3,300.0	4,776.0
UAA Strategic Enrollment Initiatives - Recruiting Alaska's Best and Brightest Students	566.0	1,400.0	1,966.0
UAF Student Retention and Strategic Enrollment Initiatives	400.0	1,000.0	1,400.0
UAF International Recruitment and Graduate Support	325.0	900.0	1,225.0
UAS Expanding the Alaskan Workforce Through Strategic Outreach and Retention Initiatives	185.0		185.0
Indigenous Student Support and Leadership	1,146.0	875.3	2,021.3
UAA Supporting Alaska's Future Workforce	564.0	600.0	1,164.0
UAF Indigenous Leadership, Humanities and Social Sciences	400.0	200.0	600.0
UAS Advancing Graduation Rates and Workforce Entry by Strengthening the Knowledge and Teaching of Indigenous Culture	182.0	75.3	257.3
Meeting Workforce and State Needs	1,666.0	1,344.5	3,010.5
UAA Meeting Critical Workforce Needs: Psychology/School Counselors and Engineering Project Management	370.0	250.0	620.0
UAF Academic Excellence for Emerging Industry needs in Energy Resource Engineering, Wildlife Biology, Marine Policy, Economics, and Healthcare Management	425.0	850.0	1,275.0
UAF Ensuring Alaska's Food Security and Resilience	425.0	200.0	625.0
UAS Amplifying Maritime and Mariculture Training and Workforce Development	296.0	44.5	340.5
UAS Improving Hazard Prediction for Glacial Lake Outbursts in Juneau and Across Alaska	150.0		150.0
FY25 Program Requests	6,048.0	6,119.8	12,167.8

Legislative Priorities



Other Legislative Priorities

- **Extend education tax credit – (SB120, HB144, HB89)**
Alaska's Education Tax Credit program allows tax-paying entities to make charitable contributions to support education in Alaska. Education Tax Credits encourage partnerships between education entities and industry to directly meet workforce needs. Tax credits have a sunset date of Jan 1, 2025. A multi-year extension is encouraged.
- **Student financial support (SB56 and HB148)**
Tool to help with future workforce and keeping them in Alaska. Legislation improves the notice requirements and adjusts for inflation with the Alaska Performance Scholarship (APS).
- **TVEP extension (HB55)**
Technical Vocational Education Program (TVEP) is up for reauthorization in FY25. The current sunset is set for June 30, 2024. A multi-year extension is encouraged.

Appendix



FY24 Supplemental

Economic Development Projects

- Although the projects are making good progress, several are projecting a balance at the end of FY24, thus require an appropriation extension so that the projects may fulfill the objectives of the funding
- Term year extension from FY24 to FY26

Federal Receipt Authority - \$20 million increase may be needed in FY24

- Normal activity up 5%
- UAA \$46 million grant for Homeland Security in the Arctic
- UAF University Affiliated Research Center operating funding cap increase from \$125 to \$200 million

UAA Kenai Peninsula College Roof Repair

- Significant structural issue with Goodrich building roof
- Engineering report recommends either upgrading or replacing existing roof trusses
- Pending insurance company coverage determination

Economic Development Project Updates

Critical Minerals & Rare Earth Elements Research & Development

Research	Appropriated	FY23 Balance	FY24 Balance
Critical Minerals & Rare Earth Elements	\$7,800,000	\$6,202,400	\$1,304,300

University of Alaska System

The UA Critical Minerals Consortium (CMTC) was established to organize research in critical minerals, with expertise spanning exploration, characterization, and extraction. It participated in the UAF-INE led CORE-CM stakeholder meeting, led the plan for staffing the new INE laser ablation inductively coupled mass spectrometry (LA-ICP-MS) laboratory, and played a pivotal role in supporting research in geosciences and engineering.

University of Alaska Anchorage

UAA's College of Arts and Sciences faculty continue to progress research on rare earth element (REE) extraction and separation. Recently a faculty-written manuscript for rare earth elements (REE) extraction from Usibelli coal using sustainable biotechnology was accepted by the *Environmental Science and Technology Engineering* journal. Separately, Ginkgo Bioworks initiated work on optimizing bioreactor conditions for REE extraction, and CAS launched post-doc research on methodologies for separating individual REEs. Simultaneously, progress continued on the development of a bioreactor- researchers determined stainless steel is the best bioreactor material and build designs are currently being solicited.

University of Alaska Fairbanks

UAF continues to map interior Alaskan deposits while expanding lab capabilities and course offerings.

Geophysical Institute: HyLabThe HyLab equipment was calibrated and installed in an aircraft, with data acquisition efforts focused on mapping areas such as the Coal Creek tin prospect, an unnamed tin prospect near Sithylenekat Lake, the Lost River historical tin mine, the Taurus porphyry system, and the Bonnifield mining area. Data acquisition will continue with the possibility of a no-cost extension; Geochronology mineral separation facility has been updated with new tools and equipment including a Laser Induced Breakdown Spectrometer System to provide for real-time lithium analysis; Advanced Instrumentation Lab has updated the x-ray fluorescence spectrometer

University of Alaska Southeast

UAS has hired a mine training coordinator and is in the process of buying a tracked piece of equipment for the diesel program. Additionally, by the end of this fiscal year, there are plans to acquire a new, more up-to-date, and portable mine training simulator. UAS successfully conducted intensive welding and hydraulic training sessions. They are planning additional training for the 2024 calendar year and collaborating with the Juneau School District to revitalize a career pathway for students interested in mining occupations.

Economic Development Project Updates

Heavy Oil Recovery Research & Development

Research	Appropriated	FY23 Balance	FY24 Balance
Heavy Oil Recovery R&D	\$5,000,000	\$3,953,700	\$2,107,800

FY 23/24 ACTIVITIES:

University of Alaska Fairbanks:

The UAF Heavy Oil Recovery Team has achieved significant milestones in their research endeavors. The team successfully completed lab remodeling for heavy oil extraction studies. They are continuing research on fluid phase behavior, property measurement, and testing various solvents (CO₂ and fuel gas) and prioritizing research on fuel gas and Schrader Bluff live oil for viscosity reduction and oil swelling. Researchers are actively conducting coreflooding experiments with Ugnu live oil, exploring four injection schemes, and continuing numerical reservoir simulations to gain insights into heavy oil reservoir behavior. The team is developing an improved viscosity model for predicting heavy oil viscosities under different conditions, and *a manuscript titled "Experimental Investigation of Combined Enhanced Oil Recovery Techniques for Ugnu Heavy Oil on Alaska North Slope" has been submitted to Colloids and Surfaces A: Physicochemical and Engineering Aspects for review.*

Research faculty continues to engage with key stakeholders; as milestones are reached, the team will further enhance industry collaboration.



Economic Development Project Updates

Mariculture Research & Development

Research	Appropriated	FY23 Balance	FY24 Balance
Mariculture R&D	\$7,000,000	\$6,139,700	\$2,212,100

FY 23/24 ACTIVITIES

University of Alaska Anchorage

UAA is focused on Fisheries Career Aspirations and Workforce Development. They are working on quantitative and qualitative data collection to analyze workforce development in the fisheries sector.

University of Alaska Fairbanks

UAF is developing resources and offering funding for small mariculture businesses while simultaneously focusing on workforce development and mariculture research:

- Alaska Blue Economy Center (ABEC) focuses on the Mariculture Innovation Research Fund, supporting research projects in collaboration with industry partners. They have also planned Mariculture Planning Grants to enhance proposal development. ABEC is involved in strategic planning, conferences, and workshops to promote mariculture.
- Alaska Sea Grant (ASG) is coordinating and communicating mariculture research and training activities across the state. They are working across institutions (UAF, UAA, and UAS) to develop a workforce development plan and to develop curriculum to address training needs identified by the industry. ASG engages with industry, policy makers, and the general public to support sustainable mariculture.
- College of Fisheries and Ocean Sciences (CFOS) at UAF supports mariculture research and education, funding students, technicians, and research professionals. They work closely with industry partners to address research needs and participate in national and international conferences and symposia highlighting Alaska's progress in mariculture.

University of Alaska Southeast

UAS is working on procuring a 120' x 40' Floating shellfish/seaweed hatchery and laboratory which it plans to relocate to Sitka and construct a permanent mooring and approach ramp to affix the barge/hatchery facility to shore. They have progressed through initial permitting steps and received Preliminary Administrative Approval (PAA) for a 35% project design phase. UAS is actively coordinating with partners and stakeholders to advance the project. The facility will operate as a marine, shellfish, and seaweed hatchery, nursery, and research facility.



Economic Development Project Updates

Drones

Research	Appropriated	FY23 Balance	FY24 Balance
UA Drone Program	\$10,000,000	\$7,128,000	\$0

FY23 ACTIVITIES

University of Alaska Anchorage

UAA has been steadily improving drone integration into its Aviation Technology Division and investigating the economic impacts of a Drone economy in Alaska and beyond.

Aviation Technology Division: Under Ishmael Cremer's leadership, UAA's Aviation Technology Division invested in licenses and hardware for the Air Traffic Control (ATC) Lab, improving emergency response protocols and drone integration into the National Airspace System.

Institute of Social and Economic Research (ISER): Economic researchers, led by Mike Jones, researched retail food pricing, transit times, airline cargo flows, and medical deliveries and participated in industry discussions, including the FAA BEYOND seminar, showcasing UA's commitment to autonomous aviation research and socio-economic impacts.

University of Alaska Fairbanks

UAF achieved accreditation for a B.S. in Aerospace Engineering while simultaneously growing the flight programming and research at the Alaska Center for Unmanned Aircraft System Integration:

Alaska Center for Unmanned Aircraft System Integration (ACUASI): ACUASI hired new faculty members and established Emerging Technologies Test Ranges in Nenana, Palmer, and Valdez. ACUASI secured land and initiated construction for a permanent hangar at Nenana Municipal Airport. They also designed Beyond Visual Line of Sight (BVLOS) operations, aiming to demonstrate cargo flights between Fairbanks and Nenana. Furthermore, ACUASI aided in conducting autonomous cargo flights between multiple Alaskan communities, showcasing the retrofitting of traditional aircraft for autonomous operations. The acquisition of the Cobalt CR vertical take-off and landing (VTOL) drone system and collaboration with Raytheon added to their radar capabilities. They conducted a medical supply delivery demonstration and engaged strategic stakeholders for Alaska's drone economy. ACUASI coordinated the inaugural Global Autonomous Systems Conference in Anchorage, featuring industry leaders. They hired remote pilots, faculty, and contractors and developed IT infrastructure for data analysis. ACUASI's outreach efforts included STEM events statewide.

University of Alaska Southeast

UAS acquired the DJI Matrice 300 drone with various sensors, hired an undergraduate research assistant, facilitated community outreach activities in Southeast Alaska, and assisted students in obtaining FAA commercial drone certifications, enhancing drone expertise in the region.



FY25 Capital Budget



UA Facilities Background

A reliable funding source is required to maintain UA's facilities and infrastructure across the state. Due to many years of unfunded deferral of critical projects, there is an increasing risk and evidence of building closures, and a deferred maintenance/renewal & repurposing (DM/R&R) backlog that has grown to nearly \$1.5 billion.

UA's Facility Profile

- Serve academic, research, and community service mission
- Facility type varies from residential housing, general offices, and classrooms to complex laboratories
- 397 facilities, spanning 7.9 million square feet, average age is 36 years.
See https://www.alaska.edu/swbudget/budget_planning/ for complete listing
- \$5.3 billion inflation-adjusted value and \$1.5 billion backlog of deferred maintenance and renewal projects

UA Facility Stewardship

- Leverage shrinking maintenance operations budgets to lengthen the service life of buildings beyond the typical age for major renewal
- Decrease overall footprint, through efforts to move from leased to owned facilities and sell or demolish underutilized facilities

UA Facility Funding

- Due to the lack of sufficient maintenance funding UA's backlog of projects continues to grow
- There have been numerous unplanned closures causing significant hardship on student learning and research activities, as well as the associated lost productivity of university students, faculty/researchers, and staff
- Within a couple of years, UA can plan and execute \$35-\$50 million a year on deferred maintenance, renewal and repurposing projects

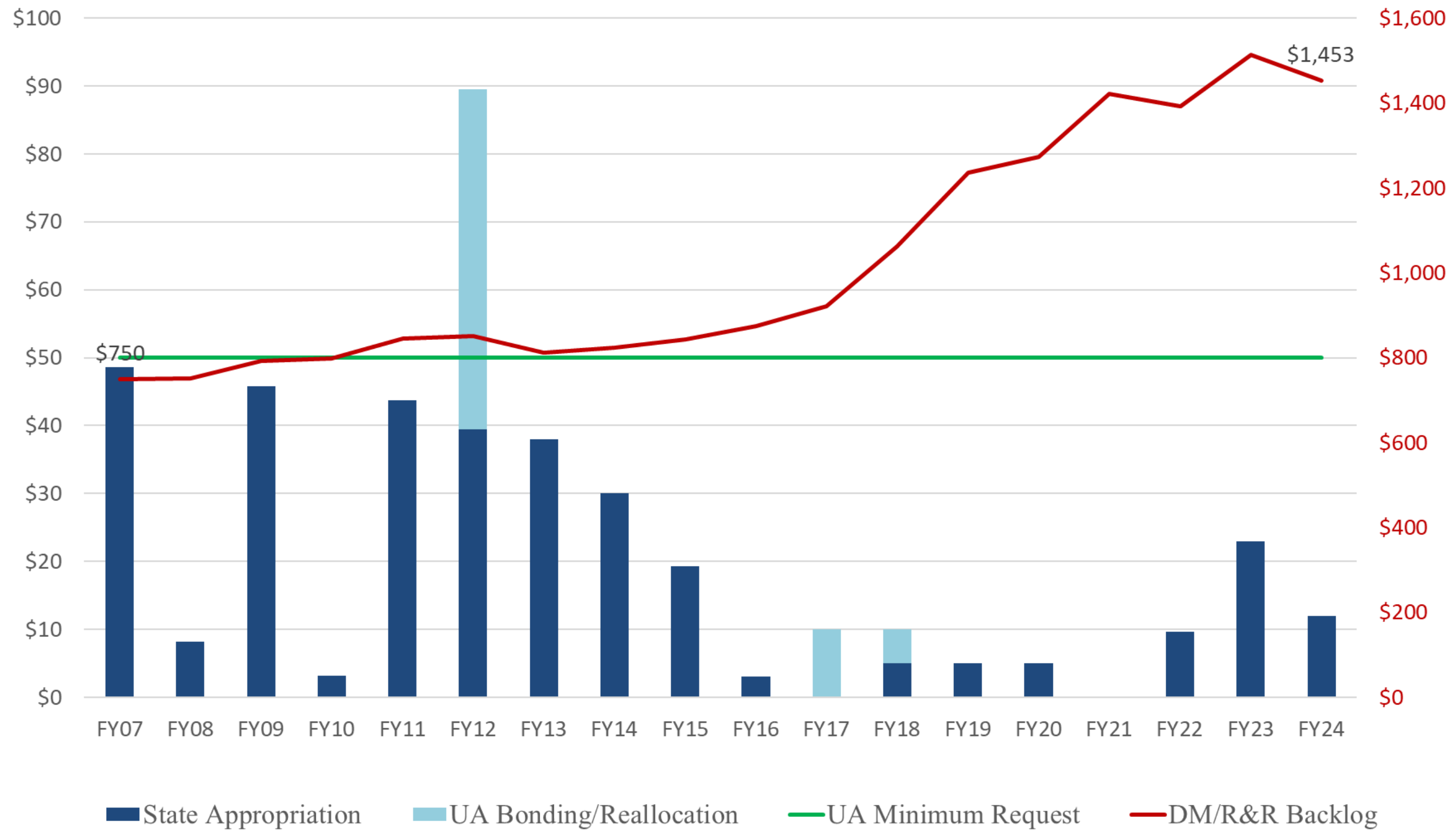


UA Priority FY25 Capital Budget Requests

- UAF Achieve Research 1 Status (top 4% nationally) \$20M
- UAA Health Workforce Diversity Expansion Project Phase 2 & Library Learning Commons \$6M (\$8M total)
- UAS Mariculture Program Expansion \$7M (\$10M total)
- FY25 Receipt Authority Only:
 - UAA Alaska Leaders Archive \$20M fed
 - UAF University Park Early Childhood Development Center \$5.6M fed
 - UAF Troth Yeddha' Indigenous Studies Center \$53M fed/other
 - UAF Arctic Emergency Services Workforce Center of Excellence (fire/police/EMS/dispatch) \$38.5M (grant not successful)
 - UAS Egan Library/Cyril George Indigenous Knowledge Center \$2.5M fed
- Economic Development Continuation
 - UAF Drone Program \$10M
 - UAF Alaska Railbelt Carbon Capture & Sequestration Project \$2.2M (\$11.1M total)

Capital Budget DM/R&R Funding History

Unrestricted General Funds & Backlog (in millions of \$)



UA FY25 Capital Budget

(in millions of \$)

	BOR Request			Governor's Proposed*		
	State	Non-State	Total	State	Non-State	Total
UAF Achieve Research 1 Status (top 4% nationally)	\$20		\$20	\$10	\$10	\$20
UAA Health Workforce Diversity Expansion Project Phase 2 & Library Learning Commons	6	2	8			
UAS Mariculture Program Expansion	7	3	10			
UAF Alaska Energy Data Storage and Access Revitalization				1		1
	\$33	\$5	\$38	\$11	\$10	\$21
UAA Alaska Leaders Archive		20	20			
UAF University Park Early Childhood Development Center		6	6		6	6
UAF Troth Yeddha' Indigenous Studies Center		53	53			
UAF Arctic Emergency Services Workforce Center of Excellence (fire/police/ EMS/dispatch)		38	38			
UAS Egan Library/Cyril George Indigenous Knowledge Ctr		3	3			
UAF Drone Program	10		10	5	5	10
UAF Alaska Railbelt Carbon Capture & Sequestration	2	9	11	2	9	11
Capital Project Rcpt Authority to Leverage External Funds		40	40			
FY25 Capital Budget Total	\$45	\$174	\$219	\$18	\$30	\$48

Regular Employee Headcount by Funding Source & Annual Change

