



UNIVERSITY  
*of* ALASKA



# University of Alaska

34<sup>th</sup> Legislature

FY26 Overview and FY27 Budget Requests

UA House Finance Subcommittee

February 3, 2026



# Overview

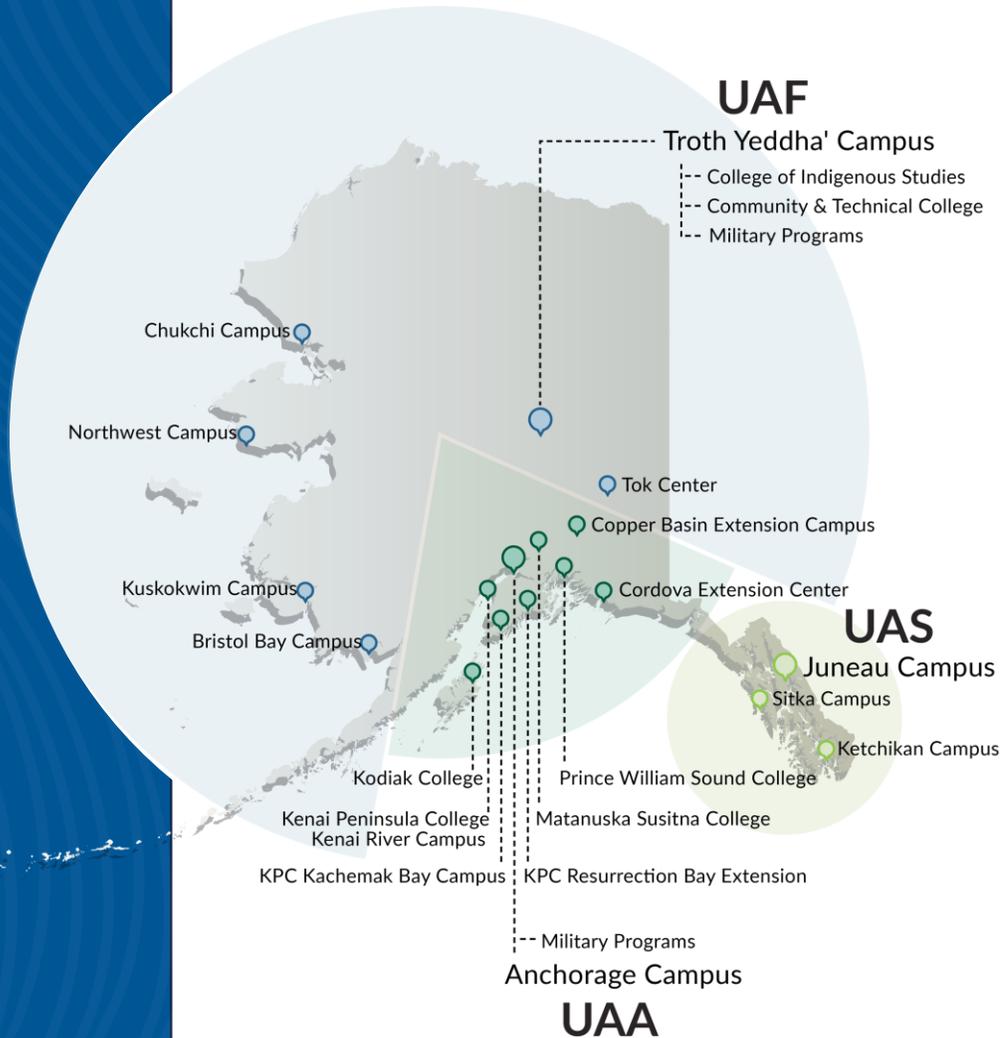


- UA's Connection to Alaska
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# University of Alaska

## Alaska's System of Higher Education



### Empower Alaska

#### Pillars

- Financially Responsible and Future-Focused
- State & Arctic Leadership
- Quality Reputation

#### University/System Roles

- System Office – Advancing Post-secondary Education by Driving Value to the Universities. Corporate structure required by State Constitution.
- UAA – Alaska's Comprehensive, Workforce-Emphasis, Health University: A University of Distinction, Transforming Lives and Communities.
- UAF – Alaska's Research and Arctic University: Creating Excellence Through Transformative Experiences.
- UAS – Alaska's Experiential Learning University: Impacting the World by Offering an Unparalleled Education Rooted in the Natural and Cultural Richness of Southeast Alaska.



# Enrollment Highlights



- Systemwide Attainment Framework (SAF) and Students-First Action Agenda
  - UA Board of Regents approved \$2.5 million to expedite efforts to strengthen recruitment, retention, and graduation
  - Student headcount is up year-over-year for a third consecutive fall, with gains in health, education, and engineering programs, the State's highest-demand fields
  - Coordinated advising and early-alert tools are being scaled across campuses, improving semester-to-semester persistence
  - Dual-enrollment expansion and credit-transfer simplification continue to shorten students' time to degree
- In FY25, the number of degrees, certificates, and endorsements awarded increased 4.3 percent
- In fall 2025, UA's student headcount increased 4.6% (7.1% increase over fall 2021)
- In fall 2025, UA's student credit hours increased 6.2% (12.0% increase over fall 2021)





# Major Accomplishments in 2025



- Empower Alaska Branding/Public Awareness Campaign
  - Empower Alaska has contributed to improving Alaskans' perception of the university - survey data from 2024 show that 86 percent of Alaskans approve of the UA system, up from 81 percent in 2021
- Building Arctic Leaders
  - Arctic Leadership Initiative (ALI) has moved from pilot to scaled delivery in Academic Year 2025-2026
  - Students are engaged in challenge projects tied to workforce and community needs and will present outputs at the April 2026 Arctic Encounter Symposium
- Achieving Cost-Efficient Operations
  - Implementation of improved ERP (Banner 9 modules)
  - Automating employee, spouse, and dependent tuition waivers
  - Tuition Transparency project team is evaluating billing structures for better clarity and efficiency
  - Modernizing procurement through the Source-to-Pay initiative
  - Automated faculty contract workflows, improving data accuracy and payroll processing
- Philanthropy
  - Received donations from 5,617 total donors & awarded nearly \$6.8 million in scholarships
  - UA's Annual Giving Day raised more than \$1.3 million from more than 2,500 alumni, community members, corporate partners, faculty, and staff
- Land Grant
  - UA has submitted ~630k acres of land to DNR for consideration (~350k acres public noticed & ~106k acres submitted to Department of the Interior)





# Key Challenges



- Replenish the Higher Education Investment Fund (HEIF)
  - \$129.6 million to the HEIF in the FY26 Supplemental Operating Budget
  - Critical for Alaska's workforce
- Federal Uncertainty
  - UA continues to monitor conditions surrounding federal funding
  - Termination of the Alaska Native and Native Hawaiian-Serving Institutions program will result in the loss of \$8.8 million in federal funding
  - 34 grants have been terminated with remaining balances of \$17.1 million





# Key Challenges - Continued



- Facility Maintenance
  - Aging facilities and functional obsolescence detract from student recruitment and retention
  - UA has worked to reduce its footprint by selling or demolishing underutilized facilities
  - Continual State capital investment is critical to the UA's ability to offer students a functional, modern, and safe learning environment
- Technology
  - Significant efforts continue to improve the UA's cybersecurity posture
  - Institutions of higher education have become primary targets due to research activities and the possession of significant amounts of personally identifiable information (PII) and other sensitive information and regulated data
- Human Resources
  - Competitive labor market and overall increased compensation costs
  - Higher staff benefit costs, mostly for healthcare



# UA FY26 Budget Overview

(UGF in millions of \$)

	BOR Op	BOR Cap	Gov Proposed	Conference Committee	Enacted
FY25 Budget	\$331.1	\$24.0		\$331.1	\$331.1
Compensation - request includes a wage increase for employee groups as required by collective bargaining agreements and 2.75% for non-union staff. In FY26, the university's medical plan (including dental and vision) is expecting an increase in premium costs (\$7M) and under-recovery in FY24 (\$10.8M)	22.6		22.6	17.2 \$5.4M not funded - UA's non-union employees	17.2
Fixed cost increases (cyber security/IT, facilities, utilities, and auxiliaries) - are key to continued stability	4.0		3.9	3.7	3.7
UA's FY26 program requests will address recruitment, retention, and graduation recommendations from the EAB report	5.0				
Legislative reductions (vacant positions and board expenses)				(0.3)	(0.3)
Deferred Maintenance – predictable and sufficient funding for UA's highest priority DM projects allows UA to avoid costly and more disruptive repairs		60.0		10.0	6.75 Gov vetoed \$3.25M
UAA Alaska Leaders Archives Consortium Library Renovation		2.5	1.25	1.25	1.25
UAS Mariculture Training Facility		4.1	2.0	2.0	2.0
<b>UA Priority Budget Requests</b>	<b>\$31.6</b>	<b>\$66.6</b>	<b>\$26.5 op \$3.25 cap</b>	<b>\$20.6 op 13.25 cap</b>	<b>\$20.6 op \$10.0 cap</b>

\*Reminder: The House passed compensation adjustments, recruitment/retention/graduation, mental health funding, R1 funding, drones, agriculture research, and athletics last year. Those items were stripped out in the Senate.



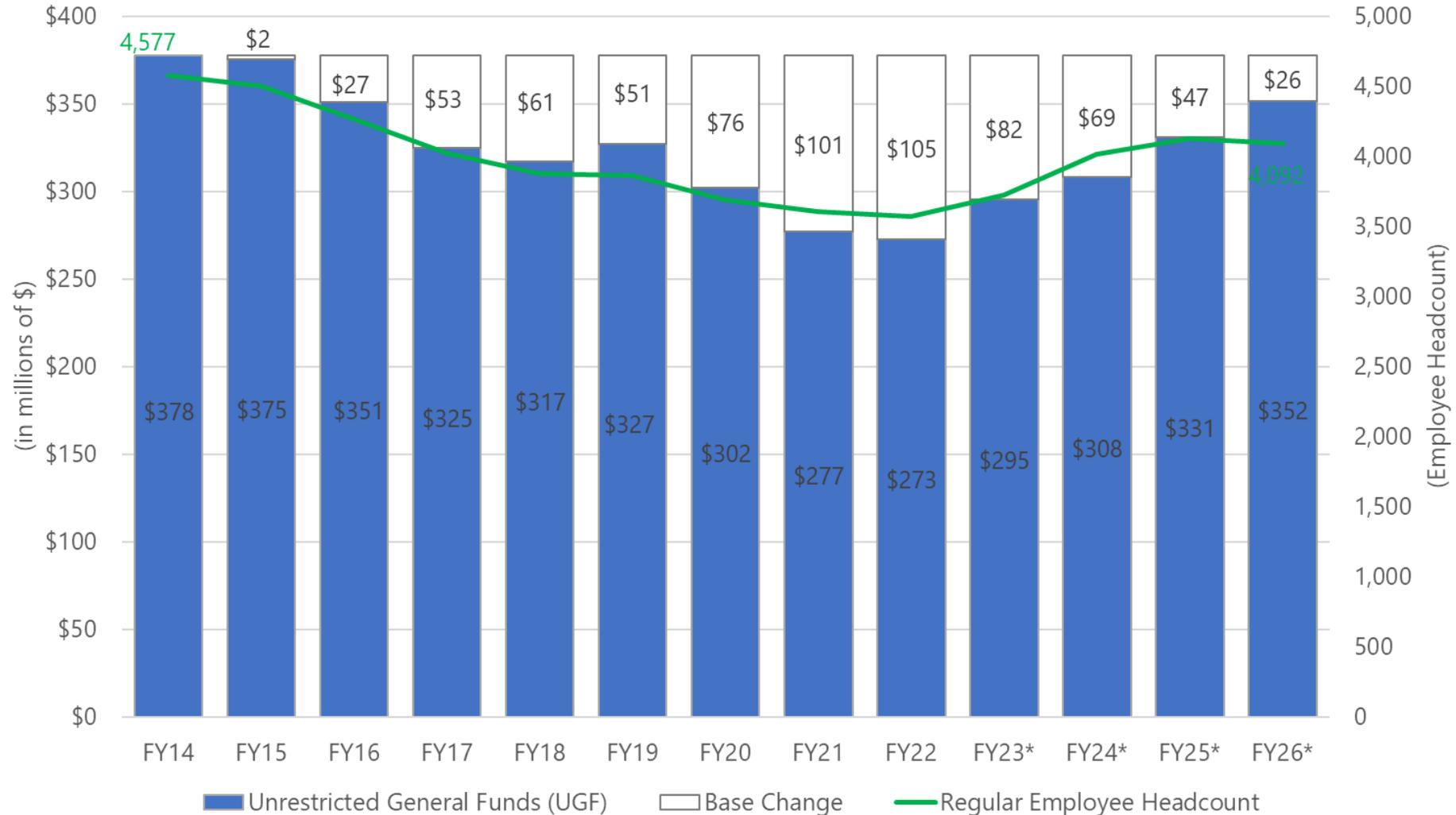
# Fiscal Summary-State Reports

(in millions of \$)

	Actuals			FY26 Budget			FY27 Budget		
	FY23	FY24	FY25	Enrolled	MgmtPlan	Diff	UA	Adj'd Base	Gov
<b>Expenditures</b>									
Personnel Services	\$462	\$528	\$575	\$619	\$602	(\$17)	\$623	\$613	\$613
Other Expenditures	457	478	510	486	519	33	628	488	547
<b>Total Expenditures</b>	<b>\$919</b>	<b>\$1,006</b>	<b>\$1,085</b>	<b>\$1,105</b>	<b>\$1,121</b>	<b>\$16</b>	<b>\$1,251</b>	<b>\$1,101</b>	<b>\$1,160</b>
<b>Revenue</b>									
UGF (base)	\$295	\$308	\$331	\$352	\$352	\$0	\$406	\$358	\$358
UGF (project specific one-time)	7	14	4		5	5			
DGF <sup>(1)(2)</sup>	300	346	268	319	330	11	333	309	319
Federal	177	186	228	215	215	0	259	215	230
Other <sup>(1)(3)</sup>	140	152	254	219	219	0	253	219	253
<b>Total Revenue</b>	<b>\$919</b>	<b>\$1,006</b>	<b>\$1,085</b>	<b>\$1,105</b>	<b>\$1,121</b>	<b>\$16</b>	<b>\$1,251</b>	<b>\$1,101</b>	<b>\$1,160</b>

- Beginning in FY25, includes the impact of the reporting change for Statutory Designated Program Receipts (Other) previously reported as University Receipts (DGF)
- FY26 MgmtPlan budget, includes one-time and multi-year operating funds: \$8.3M HEIF and \$2.1M UA Receipts (multi-year); FY26 Enrolled and MgmtPlan budgets, includes \$8.5 million UA Receipts (one-time)
- Includes internal charges for services provided by one UA department to another, required for State reporting

# General Funds and Employee Headcount History



\* excludes multi-year funds



# Fiscal Summary-Revenue Projections

(in millions of \$)

Funding Source	Actuals			Projections		
	FY23	FY24	FY25	FY26	FY27	FY26-FY27
General Funds <sup>(1)</sup>	\$295	\$308	\$331	\$352	\$381	\$29
Earned Revenue						
Tuition & Fee Revenue	104	106	111	119	124	5
Other Unrestricted Funds <sup>(2)</sup>	89	101	107	117	115	(2)
Unrestricted Earned Rev.	\$193	\$207	\$218	\$236	\$239	\$3
<b>Total Unrestricted Revenue</b>	<b>\$488</b>	<b>\$515</b>	<b>\$549</b>	<b>\$588</b>	<b>\$620</b>	<b>\$32</b>
Federal Funds	169	186	228	218	207	(11)
Designated & Restricted Funds <sup>(2)</sup>	110	132	150	158	156	(2)
<b>Total Designated/Restricted Revenue</b>	<b>\$279</b>	<b>\$318</b>	<b>\$378</b>	<b>\$376</b>	<b>\$363</b>	<b>(\$13)</b>
Total Revenue	\$767	\$833	\$927	\$964	\$983	\$19
One-time Items	15	14	8	14		
Budget Reporting-Internal Transfers & Unrealized Rev <sup>(3)</sup>	194	179	206	143		
Final Authorized/Management Plan Budget	\$976	\$1,026	\$1,141	\$1,121		

1. Excludes multi-year and one-time operating funds
2. Excludes UA Intra-agency funds
3. Includes UA Intra-agency funds, capital project transfers, and permission to expend revenue received



# FY27 Budget Requests

## FY27 Operating Budget State funding request \$29.0M

- \$24.1M - Compensation and other operating cost increases
- \$ 4.9M - Student Recruitment, Retention & Graduation increases

## Research and Receipt Authority

- \$25.5M (\$29.4M rcpt auth) - R1, Agriculture & Food Security, Drones, Critical Minerals
- \$54.0M – Fed, SDPR, UA Rcpts, State I/A, UA I/A

## FY27 Capital Budget

- Deferred Maintenance & Modernization \$60M
- Priority capital requests \$12.3M
- Match (\$1.4M) and Capital project receipt authority for externally leveraged funds \$12.4M



# UA FY27 Budget Overview

(UGF in millions of \$)

	BOR Op	BOR Cap	Gov
FY26 Budget	\$351.5	\$10.0	\$351.5
<b>Priority Requests</b>			
Compensation - wage increase for employee groups as required by collective bargaining agreements and 3% for non-union staff (excludes contracts that have not yet been negotiated for FY27, Local 6070 and Fairbanks Firefighter Union). In FY27, the university's medical plan (including dental and vision) is expected to incur a \$6M increase in premium costs. Total cost \$20.8M.	15.2		6.5
Operating cost increases (cyber security/IT, facilities, utilities, risk mgmt., and public safety) - are key to continued stability. Total cost \$ 11.7M.	8.0		
Student Mental Health Services	0.9		
BOR's Students-1st Action Agenda - increasing student recruitment, retention, and graduation. Have reallocated \$2.5M - Expect to leverage \$5.2M in tuition and fees.	4.9		
Capital - Deferred Maintenance – predictable and sufficient funding for UA's highest-priority DM projects allows UA to avoid costly and more disruptive repairs.		60.0	
<b>Tier 1</b>	<b>\$29.0</b>	<b>\$60.0</b>	<b>\$6.5 op</b>

# UA FY27 Budget Overview (continued)

(UGF in millions of \$)

	BOR Op	BOR Cap	Gov
<b>Additional Investments for Tangible Impacts</b>			
Research Programs and Other State Priorities			
• UAF R1 Strategy Continuity (multi-year FY27-FY29)	7.5		
• UAF Agriculture and Food Systems (multi-year FY27-FY29)	3.0		
• UAF ACUASI Drone Program Year 5 (multi-year FY27-FY29)	12.0		
• UAF Alaska Critical Minerals Collaboration	3.0		
UAA Alaska Leaders Archives Consortium Library Renovation Complete Phase 1		1.25	
UAS Sitka Campus New Dock and Mariculture Training Facility-Phase II		2.0	
UAA Targeted Classroom Upgrades-Facilitate Community Campuses Hybrid Delivery		3.5	
UAF Facility Footprint Reduction – Program Relocation & Building Demolition		4.0	
Juneau Joint Use Facility Roof Replacement ( joint request with DMVA)		1.5	
<b>Tier 2</b>	<b>\$25.5</b>	<b>\$12.25</b>	<b>\$0.0</b>

# UA FY27 Budget Overview (continued)

(in millions of \$)

	BOR Op	BOR Cap	Gov
<b>Receipt Authority Only Projects (not state funding)</b>			
UAA Alaska Native Gathering Space		4.5	
UAF Campus Transit Fleet Maintenance Facility (\$1.4M grant match)		6.8	
UAS Egan Library/Cyril George Indigenous Knowledge Center		2.5	
Federal Grants & Contracts Receipt Auth	15.0		15.0
Statutory Designated Program Receipt Auth	8.0		8.0
UA Receipt Auth	6.0		2.0
State Inter-agency Receipt Authority	10.0		10.0
UA Intra-agency Receipt Authority	15.0		15.0
<b>Tier 3</b>	<b>\$54.0</b>	<b>\$13.8</b>	<b>\$50.0</b>



# Questions?



# Appendix



# FY26 UA Compensation



## **Compensation \$22.6M (\$17.2M funded)**

Providing competitive wages and benefits for all university employees is a top priority. Historically, UA's non-union staff have received annual wage adjustments similar to those of unionized employees.

Internal reallocations and strategic cost control measures allowed the university to move forward with planned FY26 compensation increases for all employees.

Restricted funds, mostly federal, provide approximately twenty percent of the compensation funding. UA is closely monitoring restricted funds and university receipts to ensure sufficient budget authority is available to cover FY26 expenditures.





# FY26 Supplemental Operating & Capital Budgets

## Operating Budget (\$68.4 million non-state funds)

In FY26, many of UA's earned revenue budget authority categories are below FY25 actuals. To avoid a situation where UA lacks sufficient receipt authority, UA is requesting an increase in the following receipt authority categories to align budget authority with anticipated activity:

- Federal \$15 million
- Statutory Designated Program Receipts \$8 million
- UA Receipts \$10.5 million
- State Inter-agency Receipts \$11.9 million
- UA Intra-agency Receipts \$23 million

## Capital Budget

- The Governor vetoed \$3.25M of the \$10M deferred maintenance funding proposed by the Legislature for UA in FY26. UA requested \$3.4M for the most critical DM projects from the Statewide Deferred Maintenance funding administered by the State Office of Management and Budget. Ultimately, the funding was not available, and a supplemental request was made for these projects.
  - \$1M UAA Lucy Cuddy Hall system renewal for culinary arts program
  - \$2M UAF Cutler housing roof repairs
  - \$400k UAS Paul building roof replacement
- UA Museum of the North Planetarium Addition - \$8 million (SDPR) from a private gift and philanthropic foundation grant for specialized equipment





# FY27 Operating Costs - Compensation



## Compensation \$15.2M (\$20.8M total)

Salaries and Benefits Increases \$10.4M (\$14.8M total)

- Wage increase for employee groups as required by collective bargaining agreements
- Wage increase (3%) for non-union staff
- Local 6070 (crafts & trades) & Fairbanks Firefighters Union contracts expire June 30, 2026
  - Once a tentative agreement has been reached with a union, a funding request will be made through the appropriate legislative process

Health Care Cost Increases \$4.8M (\$6.0M total)

- In FY27, the university's medical plan (including dental and vision) is expecting an increase in premium costs (\$6M)





# FY27 Operating Cost Increases

## Cyber Security & Information Technology \$2.2M

This funding is necessary to address emerging cybersecurity threats, modernize aging systems, and cover the increasing costs of software and technology

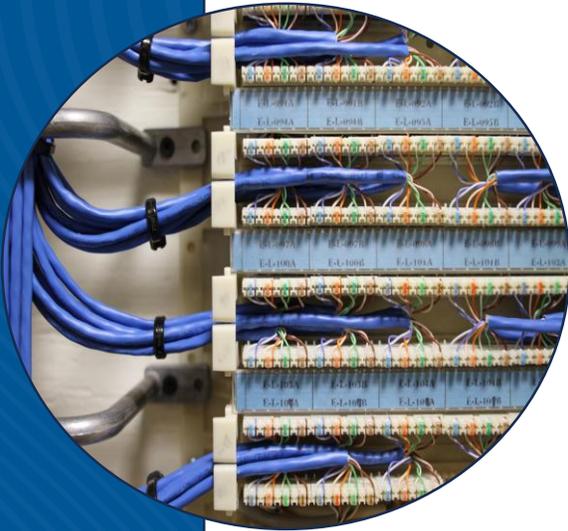
## Facilities Maintenance Operating Costs \$2M (\$4M total)

This funding is crucial for preserving the university's capital assets, which have been impacted by several years of reduced operating budgets and minimal capital funds. The goal is to reduce the risk of building failures and prevent adding to the backlog of deferred maintenance projects

## Utilities and Contractual Services Cost Increases \$2.1M (\$3.8M total)

These requests cover the projected FY27 utility cost increases at UAA, UAF, and UAS. Cost increases include utility expenses such as electrical, fuel, water, and sewer, and commodity costs for utility inputs

This funding would cover projected custodial contract cost increases at UAF. These are critical services that ensure a safe and clean campus environment for students, faculty, and staff





# FY27 Operating Cost Increases cont.



## **Risk Management \$600k**

UA anticipates a 5% increase in Risk Services costs (FY26 \$11.1M), such as auto liability, property loss, employment practice premiums, university direct premiums, and loss prevention

## **Enhance Public Safety \$1.1M**

These requests aim to address rising property crime, increase crisis response capabilities, ensure regulatory compliance, and improve overall campus safety and security

## **Student Mental Health Services \$965k**

These requests are focused on expanding and enhancing student mental health and support services through increased staffing and utilizing telehealth technologies





# FY27 Priority Capital Requests

## **Facilities Deferred Maintenance/Modernization \$60 million**

- Predictable and sufficient funding for UA's highest-priority DM projects allows UA to avoid costly and more disruptive repairs
- UA has worked to reduce its footprint by selling or demolishing underutilized facilities
- State capital investment is critical to the UA's ability to offer students a functional, modern, and safe learning environment

## **Project Completion and Demolition**

- UAA Alaska Leaders Archives Consortium Library Renovation Phase I \$1.25M
- UAS Sitka Campus New Dock and Mariculture Training Facility Phase II \$2.0M
- UAA Targeted Classroom Upgrades to Facilitate Hybrid Delivery of Bachelor's Degrees at Community Campuses \$3.5M
- UAF Facility Footprint Reduction-Program Relocation and Building Demolition \$4M
- UAS Juneau Joint Use Facility Roof Replacement \$1.5M

## **Match and Receipt Authority Projects**

- UAA Alaska Native Gathering Space \$4.5M donations, grants & corporate scholarships
- UAF Campus Transit Fleet Maintenance Facility \$1.4M match/\$5.4M federal grant
- UAS Egan Library/Cyril George Indigenous Knowledge Center \$2.5M fundraising



# AKLNG – Opportunities and Impacts

- Short term and long term investment
- UA currently has 50 programs linked to oil and gas (including welding and diesel mechanics, engineers, carpenters, and logistics professionals, etc.)
- Education tax credit (allows businesses to claim a 50% tax credit on cash or equipment donations. Combined cap of \$3M through 2027)

## Working in Alaska within One Year of Graduating

(Total Graduates | % Working in Alaska)

### WELDING

384 | 82.3%

### PROCESS TECHNOLOGY

732 | 86.6%

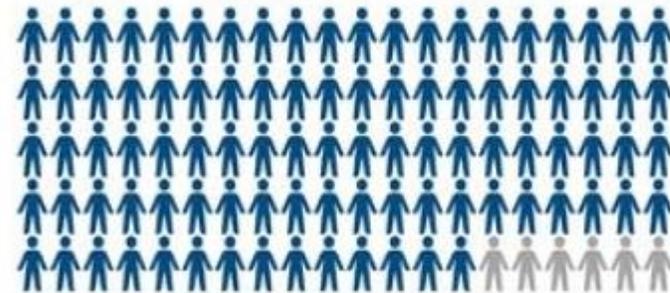
### ENGINEERING

1,387 | 66.7%

## UA Programs Boost Alaska's Hire Rate

93.7%

Of Working Graduates are Alaska Residents



For comparison, residency is...

77.5% for all Alaska Workers

62.6% for all Oil and Gas Workers



# UA Student Recruitment, Retention, and Graduation

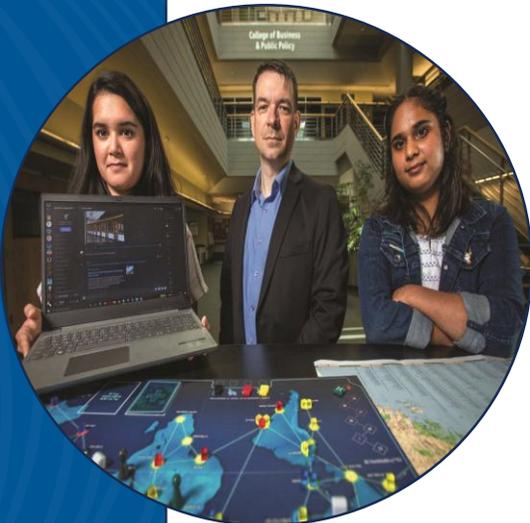
UA is working across campuses, communities, and leadership to ensure that every Alaskan has the opportunity to access, thrive in, and obtain the credentials necessary for employment, career advancement, or enrichment.

The UA Board of Regents approved \$2.5 million in FY26 to expedite efforts to strengthen recruitment, retention, and graduation. Through the Systemwide Attainment Framework (SAF) and Students-First Action Agenda, the UA is aligning efforts to recruit, retain, and graduate students with measurable success.

The SAF website (<https://www.alaska.edu/saf/>) serves as a living dashboard and public accountability tool, cataloging all active and completed projects, shared metrics, and campus highlights. The site links directly to outcome-measure dashboards for recruitment, retention, and graduation, enabling real-time visibility into systemwide progress.

In support of the Students-First Action Agenda (<https://www.alaska.edu/saf/about/index.php>), the universities advanced 27 projects focused on recruitment, retention, and graduation, ranging from common admissions systems and advising innovations to financial access and workforce pathway initiatives.

- Enrollment momentum: Systemwide headcount is up year-over-year for a third consecutive fall, with gains in health, education, and engineering programs, the State's highest-demand fields.
- Retention focus: Coordinated advising and early-alert tools are being scaled across campuses, improving semester-to-semester persistence.
- Completion pathways: Dual-enrollment expansion and credit-transfer simplification continue to shorten students' time to degree.





# FY27 Program Requests

## Student Recruitment \$3.4M



- UAA (\$1.6M) increasing enrollment through dual enrollment conversion, and leading-edge outreach and communication systems
- UAF (\$1.4M) a multi-pronged approach to enrollment growth, academic program development, digital outreach, targeted marketing, and enhancement of student services
- UAS (\$377k) adopts technology to broaden the pool of prospective students, connect them to college resources, and offer in-state tuition to all undergraduates





# FY27 Program Requests

## Student Retention & Graduation \$1.5M



- UAA (\$591k) improving internal support services and communication to keep students enrolled and working toward their degrees
- UAF (\$600k) improving advisor and career readiness services and expanding high-demand workforce programs
- UAS (\$42k) strengthening retention efforts by coordinating and aligning academic advising across all three UAS campuses, shortening time to graduation
- System Office (\$300k) fostering instructional innovations and mentoring programs proven to increase student engagement, performance, retention, and degree completion across the UA system

