



The University of Alaska's operating budget request to the state \$406 million, which is an increase of \$54.2 million over last year's approved budget. More than half of the increase is to cover costs for basic operations, including fixed-cost increases, and student recruitment and success initiatives. The rest is for strategic investments that benefit the entire state.

The capital budget request is \$72.25 million. The majority of the capital budget request – \$60 million – is to maintain and repair the university's existing buildings. This funding is especially vital to UAF, as we have the largest footprint and the oldest infrastructure in the UA system. The university is also seeking separate legislation for several vital capital projects.

BASIC OPERATIONS – \$29 MILLION



Compensation, benefits and health care – \$15.2 million

Employees are a large percentage of our annual budget. In order to attract and retain high-performing employees, the university must offer competitive compensation, including a health care plan. Like all health care nationally, the cost of that plan has increased.

What it covers systemwide:

- A 3% compensation increase for employees.
- \$4.8 million of an expected \$6 million increase in the cost of the university's health plan. Other university earned revenue would cover the remaining \$1.2 million in increased costs, but it cannot cover the full increase.

Operating cost increases – \$8 million

The university faces the same fiscal pressures as other organizations: As fixed costs increase, new revenue is necessary to continue basic operations.

What it covers at UAF:

- \$1.15 million for increased IT and cybersecurity expenses.
- \$1.65 million for increased utilities and custodial expenses.
- \$1.26 million for facilities maintenance.
- \$366,400 for increased insurance premiums.
- \$326,000 for additional police department staffing and equipment to increase campus safety.

Student mental health – \$965,000

There is a shortage of behavioral health providers in Fairbanks, and student demand for counseling and other types of mental health care is growing. This funding will increase the availability of quality care to students, which will help them achieve timely graduation. Retention also avoids a loss of tuition revenue.

What it covers at UAF:

- \$350,000 for an additional mental health clinician, along with funding for two interns and one resident to provide additional services to students.

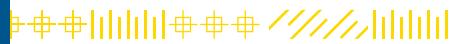
Recruitment, retention, graduation – \$4.9 million

As competition grows in higher education, the university needs to invest in student recruitment and retention strategies. Spending on student recruitment and retention has a strong return on investment via increased tuition revenue and timely graduation, creating alumni ready to contribute to Alaska's workforce.

What it covers at UAF:

- \$450,000 to address capacity shortfalls in areas such as financial aid, student assistantships, digital resources and technology infrastructure.
- \$300,000 to hire two recruiters dedicated to international, corporate and Lower 48 markets.
- \$100,000 for staffing and software to enhance campus tours and recruitment events.
- \$300,000 for new academic programs in data-driven decision-making.
- \$250,000 for digital marketing.
- \$200,000 for advising, graduation rate and degree completion improvements.
- \$150,000 for an additional career advisor to improve student retention and career placement services.
- \$250,000 for the Community & Technical College to meet workforce needs in emergency medical services, licensed practical nursing and welding.

CRITICAL CAPITAL NEEDS – \$72.25 MILLION



Deferred maintenance and modernization – \$60 million

The University of Alaska system has a maintenance backlog of nearly \$1.6 billion. Yearly investment is necessary to avoid unplanned closures and service disruptions. Over 60% of the overall maintenance needs in the system are at UAF and must be addressed to meet modern student demand for services, connectivity, housing, safety and more.

What it covers at UAF, listed in priority order (\$37.8 million):

- \$3.1 million to replace part of the failing roof at the UA Museum of the North.
- \$4.16 million for roof replacement and accessibility at the Cutler Housing Complex to meet student demand for apartment rentals.
- \$1 million for Irving Building elevator repair.
- \$3.03 million for safety and modernization in Duckering Building engineering labs.
- \$3 million to improve student access and privacy at the Student Health and Counseling Center.
- \$3.47 million to replace fire alarms in the Fine Arts Complex.
- \$2 million to replace the welding and paint booth at the Aviation Maintenance Training Facility.
- \$3.2 million for ADA, code and seismic upgrades to the Salisbury Theatre.
- \$1.25 million for lab ventilation at the Reichardt Building and Biological Research and Diagnostics Facility.
- \$2.28 million for partial safety and access upgrades to the Bunnell Building.
- \$2.5 million to connect the Matanuska Experiment Farm and Extension Center to the public water system.
- \$3.83 million for partial emergency system upgrades to the Atkinson Building, which houses backup heat and power boilers.
- \$2 million for electrical, fire alarm and restroom upgrades at the Kuskokwim Campus.
- \$3 million for energy improvements at the Kodiak Seafood and Marine Science Center.

Capital budget investments – \$12.25 million

The UAF portion of this request (\$4 million) would fund demolition of obsolete buildings at the Troth Yeddha' Campus and relocation of programs in those buildings. This plan reduces operating and maintenance costs and allows UAF to focus funding on high-use spaces. The removal of the buildings will make room for a new student and family housing project and support the transition to the new child care center in the University Park Building.

UAF INVESTMENTS TO BENEFIT ALASKA – \$25.5 MILLION



R1 strategy continuity – \$7.5 million

The initial state investment in FY25 doubled fall 2025 doctoral student applications compared to the previous fall. This continued investment, which will cover three years, will allow UAF to put more students in the Ph.D. pipeline, bringing us closer to reaching the R1 requirements for doctoral graduates. The increased research revenue from becoming an R1 university will benefit the entire state, due both to new discoveries and more federal dollars going to Alaska's businesses. The funding will be used for student assistantships, faculty support, prospective student visits and additional Graduate School capacity.

Agriculture and food systems – \$3 million

Alaska's agricultural industry must grow to meet the needs of our residents. Farming in Alaska differs from the Lower 48, so we need specialized research to support the industry. UAF, as Alaska's land grant university, can do that, but it needs more capacity. This funding will provide three years of support for additional research and outreach staff to help producers meet Alaska's food security needs and attract increased federal revenue.

ACUASI drone program – \$12 million

This funding would be spent over three years to continue the effort to build a drone economy in Alaska. In addition to supporting programs to create a drone workforce in the state, this funding will allow research on the technical and economic aspects of the drone industry. While the Alaska Center for Unmanned Aircraft System Integration is housed at UAF, this investment will fund research, programs and staff at the state's three universities.

Alaska Critical Minerals Collaborative – \$3 million

The Alaska Critical Minerals Collaborative is a finalist for a federal grant of up to \$160 million over 10 years for critical minerals research, commercialization and workforce training. This state investment is contingent on UAF receiving the grant. This base funding from the state will support four postdoctoral researchers and 10 Ph.D. students to strengthen the university's expertise in areas critical for advancing Alaska's mineral industry. Funding will also help UAF's efforts to achieve R1 research status.



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