

UNIVERSITY OF ALASKA
FY27 Budget Development Guidelines

June 24, 2025

TO: Chancellors Palmer, Siemers (interim) and White
FROM: President Pitney
COPY: VP Rizk, CFO Fulp, VP Smentkowski, CHRO Dahl, and CITO Shier

The budget development guidelines serve as a tool to prioritize requests to maximize progress toward the Board of Regents' [Roadmap to Empower Alaska](#). The roadmap is a robust plan for the University of Alaska System to advance Alaska's economy through education, workforce development, research, and strong partnerships across the state.

Each university and the system office have roles to play in achieving the system's overall success.

UA Anchorage is Alaska's Comprehensive, Workforce - Emphasis, Health University
UA Fairbanks is Alaska's Research and Arctic University
UA Southeast is Alaska's Experiential Learning University
UA System Office Advances Post-secondary Education by Driving Value to the Universities

As you are developing your FY27 budget plan, please consider the following guidelines, which the system office will use to develop the overall UA budget request:

Revenue Drivers (FY27 Projected)

Over time, earned revenue transitions to a greater revenue contributor

- Tuition Revenue \$5.2M (4.4%)
 - Enrollment Growth +2%-5%
 - Possible tuition rate increases 3% for residents and non-residents
 - UAS pilot program to charge out-of-state students' resident tuition
- Other unrestricted funds -\$1.2M (-1.4%)
 - Indirect Cost Recovery -\$1.7M (-3.1%)
 - Unrestricted UA Receipts +\$500k (1.8%)
- Restricted and Designated funds -\$8.2M (-3%)
 - Federal -\$6.2M (-3%)
 - Other designated funds -\$2M (-3%)

Active Financial Management

Demonstrate active financial management through collaboration, discipline, and efficiency, such as:

- Shared staffing and resources
- Improving student experience and reducing barriers to entry through continued investment in technology
- Reviewing administrative functions for process simplifications and automation

Expenditure Drivers

- Salary increase ~3%, \$11-\$12 million (wage base ~\$372 million)
- Staff benefits increase \$5-\$6 million (benefits base ~\$157 million)
 - Explore benefit cost mitigation options (e.g. plan design and out-of-pocket maximums)
 - UA's employer/employee health cost share will be reviewed during contract negotiations (employer cost share currently 82%; nationally ~73%)
 - Continue to explore State of Alaska's healthcare program
- Cyber Security (\$1-\$2 million)
- Facilities Maintenance (\$1-\$2 million)

- Review Governor's Research priorities and R1 for consideration

Capital Budget

- Be prepared to discuss how priorities align with enrollment initiatives
- Deferred maintenance and renewal (DM&R)
 - MAU individual project funding request should not exceed \$5M
 - Project phases should be standalone, thus not reliant on future funding to complete
 - Projects between \$1M and \$5M require a Schematic Design Approval (P05.12.070c)
- Attention will remain on DM&R, however, requests for minimal state funds for new substantially externally funded facilities may be considered
- In the event there is a State General Obligation (GO) Bond, evaluate projects that could be considered as part of the package

Program Requests

- State funding requests will be prioritized to support the Board of Regents' Systemwide Attainment Framework (SAF) for increasing Recruitment, Retention, and Graduation. The state funding request for programs will be ~\$5 million.
- Evaluate sustainable options for funding UA Athletics

Other Board of Regents' Priority Strategies will be addressed as follows:

- Sustaining Facilities Maintenance and Modernization Plan (capital budget)
- Achieving Cost-Efficient Operations (active management, Natural Resources Fund)
- UAF reaching R1 research status (funding source to be determined)
- Empower Alaska Branding (Natural Resources Fund)
- Building Arctic Leaders (External Partners, Federal Funds, Internal Funding Sources)

Reference

Board of Regents' Roadmap to Empower Alaska (<https://www.alaska.edu/pres/goals-metrics/>)

Pillars:

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

System Goals:

- Deliver academic excellence and success at all levels (faculty/curriculum-focused)
- Modernize Student Experience (increase enrollment, retention, and graduation)
- Contribute to Alaska's skilled workforce and engaged citizenship
- Operate efficiently, effectively, and responsibly
- Grow our world-class research
- Provide an open and welcoming university with equal opportunity and access for all students, faculty, and staff

Guiding Principles:

- Student-centric
- Consistent with and/or employs national best practices
- Innovative and transformative
- Leverages current assets and resources
- Rewards collaboration across universities
- Data-informed and data-driven

Appendix

Below is an overview of the timeline for preparing, reviewing, and presenting the FY27 Operating and Capital Budgets and Financial Management Reports.

FY25/FY26 Financial Management

Chancellors and the System Office will review and update their FY26 budget plans and add context to the periodic Financial Management Report produced by the System Finance Office. The Financial Management Reports will align with regularly scheduled BOR meetings.

September Board of Regents Meetings Preparation

- FY25 Financial Management Report (pre-audit year-end report)
- First review of the FY27 Operating and Capital Budgets
- Preview AY27 tuition rate(s)

07/07/25	Executive Council discussion of FY27 budget priorities
08/04/25	MAUs submit FY27 capital budget requests <ul style="list-style-type: none"> • Includes a prioritized deferred maintenance request • Consider non-state funding opportunities
08/04/25	MAUs submit FY27 operating budget requests <ul style="list-style-type: none"> • Provide tuition rate/enrollment projections • Consider non-state funding opportunities
08/18/25	Executive Council, review and discuss draft FY27 budget documents
08/21/25	Post FY27 Budget documents (Note: 8/28/25 if one week before meeting)
09/02/25	Public Testimony
09/04/25	Board of Regents Audit & Finance Committee meeting review FY25 Financial Management Report (FY25 pre-audit year-end report)
09/05/25	Board of Regents meeting first review of the FY27 Operating and Capital Budgets
Early-Sept	Initial budget meetings with Governor and Legislative Finance

November Board of Regents Meetings Preparation

- Approve FY27 Operating and Capital Budgets
- FY26 Financial Management Report (period ending September 2025)
- Approve AY27 tuition rate(s)

09/29/25	Executive Council, review and discuss draft FY27 budget documents
10/20/25	Executive Council, review FY27 budget documents
10/23/25	Post FY27 Budget documents (Note: 10/30/25 if one week before meeting)
11/03/25	Public Testimony
11/06/25	Board of Regents Audit & Finance Committee meeting review FY26 Financial Management Report (1 st Quarter Sept 2025)
11/07/25	Board of Regents meeting to approve the FY27 Operating and Capital Budgets
12/15/25	Governor's proposed budget released