UNIVERSITY OF ALASKA
FY28 Budget Development Guidelines

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TO: Chancellors Palmer, Hinzman (interim), and Siemers
FROM: Interim President Rizk

COPY: VP Fulp, VP Smentkowski, CHRO Conley, 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 and Systemwide Attainment Framework. 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. The Systemwide Attainment Framework is aligning work across every UA campus to recruit, retain, and graduate more Alaskans for the jobs our state needs.

Each university and the system office have a role 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 FY28 budget plan, please consider the following guidelines, which the system office will use to develop the overall UA budget request:

Revenue Drivers (FY28 Projected)
Over time, earned revenue transitions to a greater revenue contributor

- Tuition Revenue $3-$5M (2%-4%)
  - Enrollment Growth +2%-5%
  - Possible tuition rate adjustment
- Other unrestricted funds -$0.9M (-0.8%)
  - Indirect Cost Recovery $600k (1.0%)
  - Unrestricted UA Receipts -$1.5M (4.6%)
- Restricted and Designated funds $17.9M (4.6%)
  - Federal $10.2M (4.6%)
  - Other designated funds $7.7M (2.7%)

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

- Shared staffing and resources
- Improving student experience, reducing barriers to entry, continued investment in technology
- Administrative process simplifications and automation
- Tuition transparency
- Evaluate tuition allocation approaches

Expenditure Drivers

- Salary increase – on a $400 million wage base a 3.25% would be approximately $11-$12 million
  - Contracts to be negotiated for FY28 include: AGWA (graduate workers), Local 6070 (crafts & trades) and CAUSE (staff)
- Staff benefits increase $5-$6 million (benefits base ~$170 million)
  - Explore all available levers to limit health care cost increases to the institution
  - Staff benefit review, including limiting part-time employee's healthcare coverage

  - Review UA's employer/employee health care cost share
- Cyber Security ($1-$2 million)
- Facilities Maintenance ($2-$4 million)
- Utilities ($3-$4 million)
- Other Fixed Cost Increases ($1-$2 million)

<u>Program Requests</u>
- State funding requests will be prioritized to support the Board of Regents' Systemwide Attainment Framework (SAF)/Students First Action Agenda for increasing Recruitment, Retention, and Graduation
- State funding request for programs will be ~$5 million

<u>Capital Budget</u>
- Be prepared to discuss how priorities align with enrollment initiatives (e.g. housing)
- 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
  - Given the election year, re-introduce deferred maintenance/modernization strategy
- Attention will remain on DM&R, however, requests for minimal state funds for new substantially externally funded facilities may be considered (e.g. housing)

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)
- Building Arctic Leaders (External Partners, Federal Funds, Internal Funding Sources)

<u>Reference</u>
Board of Regents' Roadmap to Empower Alaska (https://www.alaska.edu/pres/goals-metrics/)
Board of Regents' Systemwide Attainment Framework (SAF) (https://www.alaska.edu/saf/)

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 FY28 Operating and Capital Budgets and Financial Management Reports.

FY26/FY27 Financial Management
Chancellors and the System Office will review and update their FY27 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.

<u>September Board of Regents Meetings Preparation</u>

- FY26 Financial Management Report (pre-audit year-end report)
- First review of the FY28 Operating and Capital Budgets
- Preview AY28 tuition rate(s)

07/06/26	Executive Council discussion of FY28 budget priorities
08/05/26	MAUs submit FY28 capital budget requests • Includes a prioritized deferred maintenance request • Consider non-state funding opportunities
08/05/26	MAUs submit FY28 operating budget requests • Provide tuition rate/enrollment projections • Consider non-state funding opportunities
08/17/26	Executive Council, review and discuss final budget documents
08/19/26	Post FY28 Budget documents (Note: 8/26/26 if one week before meeting)
08/31/26	Public Testimony
09/02/26	Board of Regents Audit & Finance Committee meeting review FY26 Financial Management Report (FY26 pre-audit year-end report)
09/03/26	Board of Regents meeting first review of the FY28 Operating and Capital Budgets
Early-Sept	Initial budget meetings with Governor and Legislative Finance

<u>November Board of Regents Meetings Preparation</u>

- Approve FY28 Operating and Capital Budgets
- FY27 Financial Management Report (period ending September 2026)
- Approve AY28 tuition rate(s)

09/28/26	Executive Council, review and discuss draft FY28 budget documents
10/12/26	Executive Council, review FY28 budget documents
10/21/26	Post FY28 Budget documents (Note: 10/30/26 if one week before meeting)
11/02/26	Public Testimony
11/05/26	Board of Regents Audit & Finance Committee meeting review FY27 Financial Management Report (1st Quarter Sept 2026)
11/06/26	Board of Regents meeting to approve the FY28 Operating and Capital Budgets
12/15/26	Governor’s proposed budget released