

Section 1. Revenue & Expenditure Trends

A. Six-year trend and one-year changes in revenue by source, fund and campus including significant trends, one-year changes, and projections.

Appendix 1.A.1 - Total Revenue by Source with General Fund Detail FY17-22

Appendix 1.A.2 - Total Revenue by Fund Type and Source FY17-22

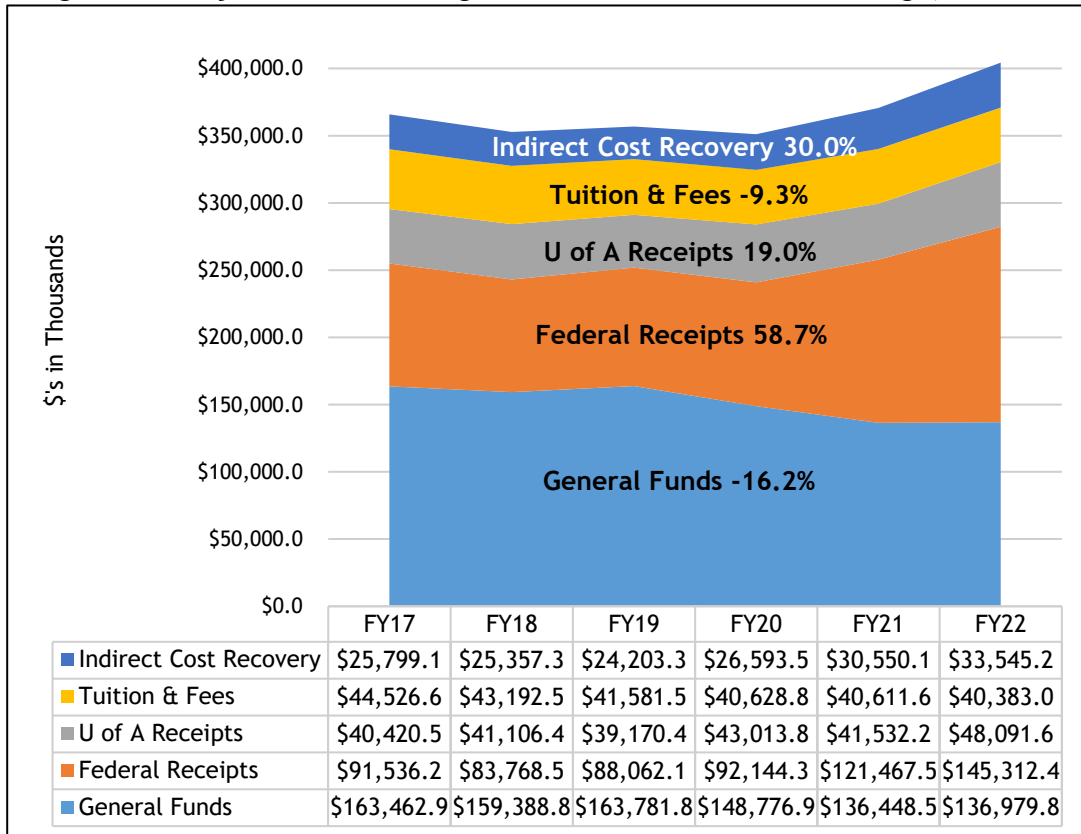
Appendix 1.A.3 - Non General Fund (NGF) Revenue by Fund Type and Source FY17-22

Appendix 1.B.1 - Total Revenue by Vice Chancellor and Unit FY17-22

MAJOR REVENUE CATEGORIES

The major revenue categories for UAF are 1) state general funds, 2) federal receipts, 3) UA receipts, 4) tuition and fees, and 5) indirect cost recovery (ICR). The chart describes the six-year change in each of the revenue categories and the section below provides further analysis on each revenue stream.

Figure 1.1 Major Revenue Categories with 6 Year Percent Change, FY17-22



STATE GENERAL FUNDS

Historically, UAF's total revenues rely more on state general fund appropriations than on any other source. Over years of reductions, the percentage of state general fund as part of UAF's total budget has gradually declined. In FY17, general fund made up 37 percent of total UAF revenue; in FY22, it made up roughly 28 percent.

In FY22, state general funds totaled roughly \$137 million and consisted of state appropriations (\$132 million), matching funds (\$4.7 million), and state-funded capital research items (roughly \$17 thousand). Refer to Appendix 1.A.1.

From FY17 to FY22, UAF lost \$26.5 million from general fund. This does not include the loss of the supplemental fuel trigger and other rising fixed costs. As UAF’s fixed cost base increases each year, the resulting impact is a growing budget reduction target that must be managed on an annual basis.

FY22 is the third and final year of the three-year Governor’s “compact” with the UA Board of Regents. This agreement is discussed in more detail in Section 4. As general fund support declines, UA continues to communicate openly with state leaders about the importance of continued investment in higher education and UA’s ability to contribute to the Alaskan economy. More information about FY23+ is included in Section 2 and 4.

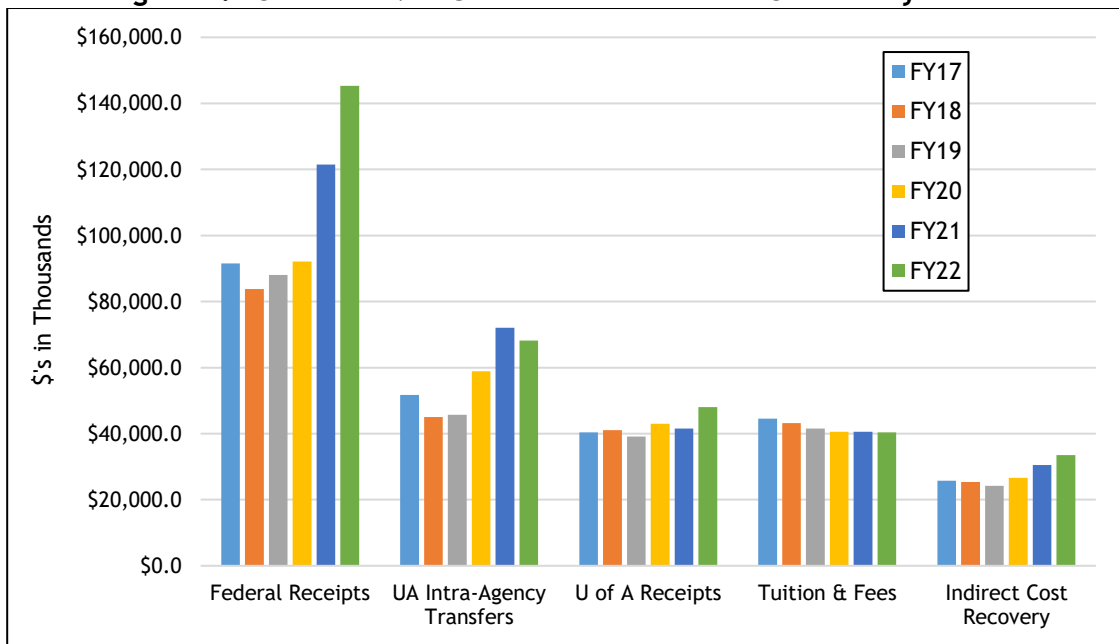
State Funded Capital Research

The State of Alaska funded capital research projects in support of Alaska’s needs and historically has included GI unmanned aerial systems (ACUASI)/Poker Flat and Alaska Center for Energy & Power (ACEP). In FY22, CFOS ocean acidification is the only active project in this category. These types of projects are expended as restricted funds.

UAF SELECTED NON-GENERAL FUND REVENUE SOURCES

The most significant non-general fund receipts consist of federal receipts, UA receipts, tuition and fees, ICR, and auxiliary receipts. These sources are discussed in more detail below.

Figure 1.2 Selected Non-General Fund Revenue Sources by Fiscal Year



FEDERAL RECEIPTS

Federal revenue accounted for 29 percent or \$145 million of total UAF operating revenue in FY22; this is an increase of nearly 20 percent since FY21 (including COVID relief funding). This revenue is driven heavily by competitive research.

The increase from FY21 to FY22 is primarily due to increased sponsored award activity at the Geophysical Institute (GI) and International Arctic Research Center (IARC), as well as COVID relief funding. Under GI, the Alaska Satellite Facility (ASF) revenue increased by more than \$10 million, specifically under the Geophysical Detection of Nuclear Proliferation University Affiliated Research Center (GDNPUARC).

The majority of COVID relief funds are received as federal funds while other types of COVID relief (e.g. local sources) are received and recorded as UA Receipts revenue. Federal COVID relief sources include Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan Act (ARPA). The Higher Education Emergency Relief Fund (HEERF) is the higher education portion of each Act. Refer to Appendices 4.E.1 and 4.E.3 for COVID relief distribution memos. Some COVID relief funding for UA from the Federal Emergency Management Agency (FEMA) could be available in FY23.

Figure 1.3 COVID-19 Recovery & Support Funds by Revenue Source, FY22 (\$ thousands)

Revenue Source	FY22
Federal Receipts	\$9,934.4
UA Intra-Agency Transfers	\$1,963.2
U of A Receipts	\$33.6
State Inter-Agency Receipts	(\$357.3)
Grand Total	\$11,573.8

In FY22, UAF received \$11.6 million in COVID recovery and other grant support funding. Of the total, \$9.9 million (85.8 percent) comes from Federal Receipts.

When not including COVID relief funding in FY21 or FY22, federal revenue increased by 22 percent (or nearly \$25 million) from FY21 to FY22.

UNIVERSITY RECEIPTS

University receipts make up roughly 9 to 10 percent of total UAF revenue and include both restricted and unrestricted revenues received from corporate and private sources, local governments (city and borough), as well as revenues received from publication sales, athletic ticket sales, museum admissions, non-credit self-support programs, recreational facility use fees, and other miscellaneous sources.

University Receipts increased \$6.6 million (15.8 percent) from FY21 to FY22. Of this increase, \$2.9 million was driven by increased utility fee activity at Facilities Services from the power purchase agreement (PPA) with Golden Valley Electric Association (GVEA) to sell excess power generated by the power plant.

Post-COVID, attendance at athletic events and admission ticket and store sales at the Museum also contribute to the increase in University Receipts. Athletics revenue increased \$972 thousand and the Museum revenue increased \$800 thousand. KUAC radio and television activity increased by \$941 thousand. The Institute of Agriculture, Natural Resources, and Extension (IANRE) also saw an addition of \$1.1 million in receipts through Alaska Native grants and contracts, services from non-profit organizations, and UA Foundation grants & contracts.

STUDENT TUITION & FEES

Enrollment heavily influences tuition and fee revenue. In FY22, tuition and fees make up 8.2 percent of UAF’s total revenue. Total tuition and fee revenue for FY22 remains flat from FY21, with a minor decrease of 0.6 percent (or \$40.4 million). Fee revenue increased by roughly \$459 thousand and net tuition revenue decreased by \$688 thousand.

Although the lower division tuition rate was increase by 11 percent as a part of UAF’s plan to merge lower division and upper division tuition rates into one, persistent enrollment declines over several years offset revenue increases in this area. Additional tuition and fee analysis for FY22 is included in Section 2.

Figure 1.4 Tuition and Fee Revenue, FY22 (\$ thousands)

FY22 Tuition & Fees	Revenue
Fees	\$10,236.2
Tuition	
Lower Division Tuition	\$17,622.8
Upper Division Tuition	\$8,874.4
Grad/Credit Hr Tuition	\$6,560.3
Non Resident Surcharge	\$3,294.8
UALC Intercampus Tuition	\$0.4
Undergrad Consolidated Tuition	(\$0.0)
Tuition Discounts - Contra Revenue	(\$599.1)
Tuition Mitigation	(\$718.4)
Tuition Allowance - Contra Revenue	(\$4,888.3)
Tuition Total	\$30,146.8
Grand Total	\$40,383.0

Figure 1.4 note: Activity in the contra tuition accounts is mostly Pell Grant (Tuition Allowance). Tuition discounts are listed separately (e.g. take 12 credits but pay for 10). Other than Pell Grants and tuition deals, this report does not consider scholarships, assistantships, or other tuition waivers.

FACILITIES & ADMINISTRATIVE (F&A) COSTS

Facilities and administrative (F&A) costs include support services related to sponsored activities provided by the institution. Many of these costs cannot be directly charged to sponsored awards and are therefore recovered in part via an indirect cost recovery (ICR) rate as revenue. The facilities “F” portion of the rate is uncapped and the administrative “A” portion of the rate is capped at 26 percent.

Figure 1.5 shows total F&A costs expended by all units from FY17 through FY22. This represents the total F&A charged via sponsored award/grant billings to support facilities and administration costs across UAF. F&A does not appear on the revenue line in a unit budget; however, once it is recovered as ICR, funds can be expended similar to any other unrestricted revenue source.

From FY21 to FY22, F&A charges increased by 9.3 percent (nearly \$3 million).

The use of new, and in many cases, higher, F&A rates began in FY19 and are extended through June 30, 2026 (FY26). For example, UAF’s organized research rate increased from 50.5 percent to 55.0 percent. The effects of higher F&A rates as well as UAF’s continued focus to grow its research enterprise are demonstrated in higher F&A charges in FY21 and FY22.

Figure 1.5 Total F&A Charged to Support Administration, by Unit

F&A Expenditures by Department	FY17	FY18	FY19	FY20	FY21	FY22	FY21-22 % Change
UAF Geophysical Institute	10,440,079	10,616,674	10,427,063	11,830,851	14,802,162	16,073,902	8.6%
UAF College of Fish & Ocean Science	4,748,955	4,951,038	4,332,772	4,421,534	5,144,572	5,039,846	-2.0%
UAF Institute of Arctic Biology	3,888,852	3,991,685	3,726,727	4,401,560	4,293,171	4,391,521	2.3%
UAF Intl Arctic Research Center	2,000,989	1,943,835	2,020,624	2,165,641	2,411,321	3,222,521	33.6%
UAF College of Engineering & Mines	2,273,941	2,162,853	2,396,511	2,186,043	2,376,343	2,423,000	2.0%
UAF AK Center for Energy & Power	515,152	648,130	759,334	1,493,190	1,625,894	1,765,747	8.6%
UAF VCR Development Programs & Proj	773,781	345,308	382,050	836,290	840,450	1,020,557	21.4%
UAF Facilities Services						779,465	-
UAF College of Nat Science & Math	1,395,479	1,304,977	1,280,378	1,030,130	1,143,353	738,286	-35.4%
UAF VC Rural, Community & Native Ed	683,059	659,376	481,456	424,568	446,023	663,470	48.8%
Other	484,458	368,326	345,883	322,447	466,683	431,367	-7.6%
UAF Institute of Agr Nat Res & Ext	595,960	600,724	400,283	357,329	341,893	365,675	7.0%
UAF Alaska Sea Grant and MAP	360,981	366,570	367,582	255,494	277,334	338,625	22.1%
UAF School of Education	449,755	211,600	108,334	86,685	122,768	194,938	58.8%
UAF College of Liberal Arts	202,450	237,865	119,622	72,010	41,603	67,157	61.4%
Grand Total	28,813,891	28,408,962	27,148,617	29,883,772	34,333,569	37,516,077	9.3%

INDIRECT COST RECOVERY (ICR) REVENUE

ICR revenues are generated primarily from Federal research (restricted) awards and are used to reimburse administrative and support costs as noted above. ICR revenue is distributed internally at 60 percent for research reinvestment and 40 percent for research support. Within the research reinvestment portion, 50 percent is returned to the unit/department that generates the revenue. A portion of the revenues generated by UAF is distributed to the UA System Office (12.0 percent or roughly \$4.0-\$4.5 million in FY22). The remaining ICR revenue retained by UAF in FY22 is \$33.5 million. UAF’s distribution model is shown in Figure 1.6.

Figure 1.6 Indirect Cost Recovery Distribution

Indirect Cost Recovery - Revenue Distribution Summary	
Account Code 9810 - Research Investment Components	Percent Distribution
Generating Unit	50.0%
New Buildings (debt)	7.5%
OSP & CRS Match	1.5%
Undergrad/Student Research	1.0%
Grand Total 9810	60.0%
Account Code 9811 - Support Units	Percent Distribution
Facilities (including M&R/Utilities/Operations)	12.5%
VCAS Units	11.3%
Library	4.2%
Subtotal Support Units	28.0%
UA Statewide Administration	12.0%
Grand Total 9811	40.0%
Grand Total	100.0%

ICR Generation by Unit

As shown in Figure 1.7, the highest ICR generators at UAF in FY22 were GI, IAB, CFOS, IARC, and CEM/INE. Collectively, these units generated 82.3 percent of UAF's ICR in FY22.

Figure 1.7 Indirect Cost Recovery (ICR) Revenue by Unit - 60% for Research Reinvestment

Indirect Cost Recovery (ICR) Revenue by Department (9810)	FY17	FY18	FY19	FY20	FY21	FY22
UAF Geophysical Institute	5,252,581	5,327,139	5,235,661	5,951,184	7,426,839	8,054,758
UAF Institute of Arctic Biology	2,391,447	2,483,895	2,346,904	2,678,762	2,575,300	2,716,140
UAF College of Fish & Ocean Science	2,331,524	2,452,934	2,142,846	2,199,453	2,585,839	2,529,412
UAF Intl Arctic Research Center	1,197,677	1,083,155	1,135,082	1,130,401	1,255,620	1,681,167
UAF College of Engineering & Mines	1,379,273	1,347,848	1,455,348	952,529	1,115,444	1,217,366
UAF AK Center for Energy & Power		33,033	100,952	761,777	799,962	876,197
UAF Facilities Services		1,035	(56)	(1,035)		779,869
UAF VCR Development Programs & Proj	447,143	172,065	164,265	348,245	359,865	440,853
UAF College of Nat Science & Math	692,710	653,555	622,542	483,224	557,215	331,701
UAF VC Rural, Community & Native Ed	354,206	342,911	252,382	197,148	219,808	321,009
UAF Institute of Agr Nat Res & Ext	300,377	296,338	196,183	176,232	174,915	184,038
UAF Alaska Sea Grant and MAP	208,263	196,639	182,852	132,053	138,716	169,544
UA Museum of the North	81,177	105,922	69,476	81,656	118,753	112,518
UAF School of Education	226,466	102,085	55,183	49,097	63,747	97,925
UAF Vice Chancellor for Research	75,231	24,413	30,181	87,482	166,821	95,723
UAF College of Liberal Arts	99,673	116,483	57,376	35,598	20,802	33,260
UAF College of Business & Security	8,156	18,880	27,598	5,928	8,501	25,382
UAF Provost Office Operations	8,424	10,413	8,904	96,079	70,308	10,111
Other	45,094	39,345	51,842	13,954	21,605	8,286
Grand Total	15,099,421	14,808,088	14,135,521	15,379,767	17,680,060	19,685,258

Distribution of ICR to support units is identified in account code 9811 - indirect cost recovery revenue for support functions. In general, these revenues are distributed as detailed in Figure 1.8. This table excludes the revenue distributed to Statewide.

Figure 1.8 ICR Revenue for Support Functions - 40% for Research Support

Indirect Cost Recovery (ICR) for Support Functions (9811)	FY17	FY18	FY19	FY20	FY21	FY22
UAF Central Managed	3,685,241	3,744,837	3,503,564	4,007,431	4,590,387	4,911,180
UAF Facilities Services	3,296,014	3,251,856	3,114,758	3,527,631	4,096,008	4,363,481
UAF Rasmuson Library	1,164,118	1,145,940	1,095,529	1,201,770	1,394,749	1,492,091
UAF Vice Chancellor for Research	1,121,397	1,117,632	1,105,757	1,179,995	1,289,872	1,460,518
UAF VCAS Operations			5,062	175,055	175,934	465,229
UAF Financial Services	325,900	325,900	325,900	325,900	361,000	297,600
UAF Provost Office Operations	249,527	250,076	241,107	278,199	275,679	234,889
UAF Safety Services	301,900	301,900	301,900	301,900	393,900	229,800
UAF Geophysical Institute	315,442	176,877	159,355	142,877	157,335	162,557
UAF VC Rural, Community & Native Ed	91,663	85,403	66,013	49,811	65,318	83,561
UAF College of Fish & Ocean Science				1,129	15,531	76,305
UAF College of Liberal Arts	(280)				6,911	28,427
UAF College of Engineering & Mines				936	8,057	26,218
UAF Institute of Arctic Biology				19,764	25,862	18,234
UAF College of Nat Science & Math	512	559	566	1,343	2,441	5,256
UAF Institute of Agr Nat Res & Ext						2,500
UAF Intl Arctic Research Center					3,500	900
UAF AK Center for Energy & Power					4,530	836
UA Museum of the North					3,071	
UAF VCAS Procurement & Contract	148,200	148,200	148,200			
UAF Chancellor			58			
Grand Total	10,699,634	10,549,179	10,067,768	11,213,743	12,870,087	13,859,583

UA INTRA-AGENCY TRANSFERS

UA Intra-Agency transfers include all internal charges for services provided by central or service departments to other university departments. This includes services such as physical plant work orders, computer repairs, and certain administrative functions such as risk management and labor relations.

The majority of total UA Intra-Agency transfer activity (77 percent) is recorded on recharge funds.

AUXILIARY RECEIPTS

Refer to Section 3 for discussion about auxiliary receipt revenue.

B. Six-year trend and one-year changes in general fund/state appropriation-authorized budget and actuals by allocation with explanation of the changes in actuals and the differences between authorized budget and actuals.

Appendix 1.C.1 - Revenue by Allocation (Campus) FY17-22

Appendix 1.C.2 - Revenue by Allocation (Campus Detail) FY17-22

UAF LEGISLATIVE INCREMENTAL FUNDING HISTORY

Figure 1.9 reflects the general fund increments provided by the Legislature from FY20-23. The UA System Operating Budget (AKA: Yellowbooks) for each respective year are sources for information shown in Figure 1.9.

During years of budget reductions, UA/UAF has internally reallocated funding for priority and strategic areas including student success, economic development, workforce development, research, and process automation.

Figure 1.9 UAF Legislative & Internal Reallocation Funding History, General Fund (GF) only

	FY20	FY21	FY22	FY23
Prior Year ABS Authorized Operating Budget	163,445.0	148,880.4	136,429.4	136,997.8
Personal Services				
Salary & Benefits				1,989.0
Non-Personal Services Fixed Costs				
Facilities Maintenance & Repair (M&R)				615.0
Insurance				1,130.00
Subtotal	-	-	-	3,734.0
High Priority Programs				
Strategic Investments and UA/UAF Internal Reallocations				
Research - Faculty Retention/Recruitment & One Health	650.0			
Student Success - marketing	300.0			
Workforce Development - Educators Rising	825.0			
Strategic investments	(2,498.8)			
HR Redesign	(1,346.3)			
Other Base Funding				
UAF ACEP				2,000.0
UAF Teacher Education				500.0
Other Funding				
Transfers ⁽¹⁾		200.0	2,684.0	
Changes		(376.0)		
Legislative Adjustments (unallocated reductions) ⁽²⁾	(12,494.5)	(12,275.0)	(2,115.6)	
Subtotal	(14,564.6)	(12,451.0)	568.4	2,500.0
Operating Budget (without one-time funds)	148,880.4	136,429.4	136,997.8	143,231.8
Percent Change from Prior Year (without one-time funds)	-8.9%	-8.4%	0.4%	4.6%
Economic Development (One-Time Funding)				
Critical Minerals & Rare Earth Elements				5,800.0
Unmanned Aerial Vehicle Systems (UA Drone Program)				10,000.0
Mariculture, Research & Development				5,000.0
Heavy Oil & Gas Recovery				5,000.0
Subtotal One-Time Funding	-	-	-	25,800.0
Final GF Management Plan (with one-time funds)	148,880.4	136,429.4	136,997.8	169,031.8
Percent Change from Prior Year (with one-time funds)		-8.4%	0.4%	23.4%

Figure 1.9 notes:

1. Transfers for FY22 include transfers from the UA System to UAF for Human Resources and Procurement restructures.
2. Legislative adjustments includes UAF's share of GF reductions for each respective year.

GENERAL FUND BUDGETS BY ALLOCATION AND FY22 BUDGET STRUCTURE

The University of Alaska operates under a dual appropriation structure with UA's community and southeast campuses in one appropriation, and main campuses and system offices in a separate appropriation. For organizational and managerial purposes, the university's budget is grouped into Results Delivery Units (RDU) with related components (allocations). For UAF and the community campuses, there are nine allocations:

- University of Alaska (Appropriation)
- University of Alaska Fairbanks RDU
 - Fairbanks Campus (Allocation)
 - UAF Community and Technical College (Allocation)
- University of Alaska Community and Southeast Campuses (Appropriation)
- University of Alaska Fairbanks RDU
 - Bristol Bay Campus (Allocation)
 - Chukchi Campus (Allocation)
 - Interior Alaska Campus (Allocation)
 - Kuskokwim Campus (Allocation)
 - Northwest Campus (Allocation)
 - College of Rural and Community Development (Allocation)

Looking ahead to FY23, the single appropriation structure is restored.

C. Six-year trends and one-year changes in expenditures by NCHEMS and Fund Type noting significant changes.

Appendix 1.D.1 - Expenditures by NCHEMS FY17-22

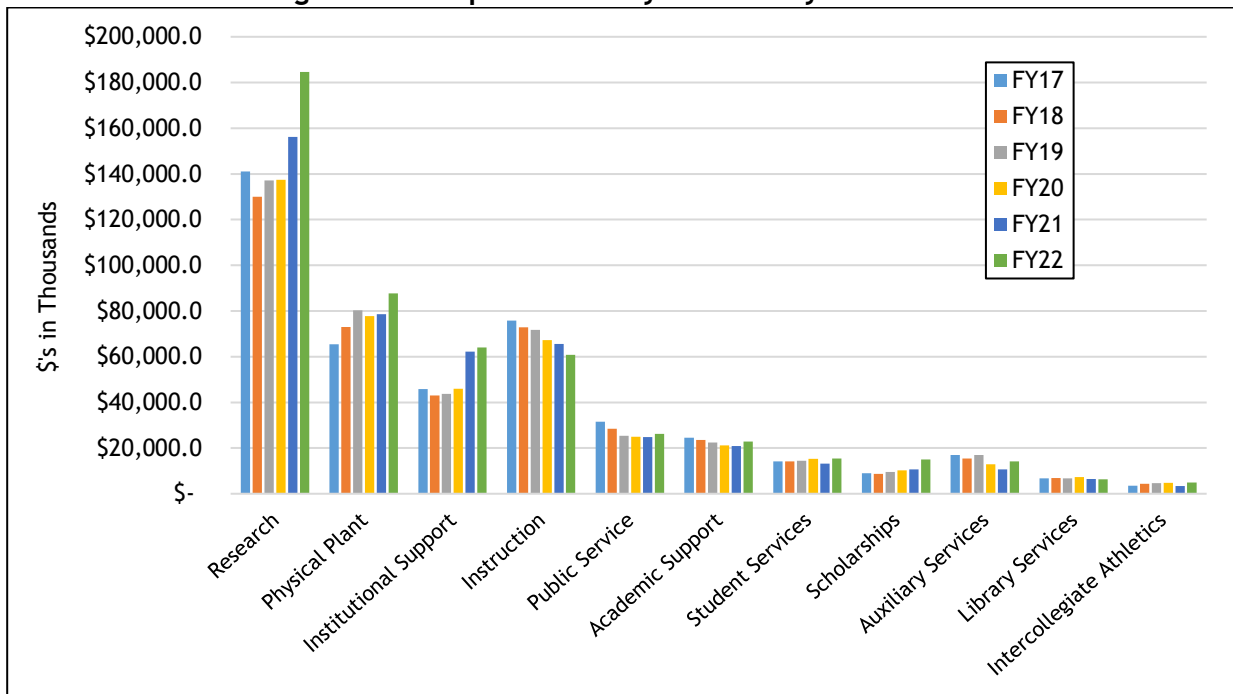
Appendix 1.D.2 - Expenditures by Allocation and NCHEMS FY17-22

Appendix 1.D.3 - Expenditures by Fund Type and NCHEMS FY17-22

EXPENDITURES BY NCHEMS

The most significant expenditure categories by NCHEMS (National Center for Higher Education Management Systems) include research, instruction, physical plant and institutional support.

Figure 1.10 Expenditures by NCHEMS by Fiscal Year



Research activity continues to drive the largest proportion of expenditures, making up 36.8 percent of the total. From FY21 to FY22, research expenditures increased 18.3 percent (\$28.5 million) with

strong growth since FY20. This demonstrates UAF's strong commitment to growing the research enterprise with aspirations to become a Tier 1 research institution in the future.

Institutional support (or general administrative) costs consist of expenditures related to support functions such as business offices, accounting, budget, EEO/AA, facilities planning, finance, human resources, and information technology (IT). Institutional support costs continue to be artificially inflated in FY22 due to a portion of costs related to COVID-19 of roughly \$7.2 million.

D. Six-year trend and one-year changes in expenditures by major account code and fund noting significant changes.

Appendix 1.E.1 - Expenditures by Source FY17-22

Appendix 1.E.2 - Expenditures by Allocation and Expenditure Source FY17-22

Appendix 1.E.3 - Expenditures by Fund and Expenditure Source FY17-22

Appendix 1.E.4 - Expenditures by Vice Chancellor and Unit FY17-22

EXPENDITURES BY ACCOUNT CODE

Total expenditures increased 10.9 percent since FY21. Salaries and benefits make up the majority of expenditures at 44.3 percent and decreased by 3.2 percent from FY21 to FY22. This decrease was primarily due to decreased FY22 staff benefit rates that resulted in a \$5.2 million decrease in staff benefit expenditures from FY21.

Contractual services is the second largest expenditure component at 30.7 percent of UAF's total operating budget. From FY21 to FY22, contractual services increased by 26.3 percent (\$32.1 million) and was primarily due to increased research activity at ASF and IARC as mentioned under the Federal Receipts section. Facilities Services also experienced increased electrical utility expenditures (\$3.0 million) due to the damaged turbine discussed under University Receipts.

Travel expenditures makes up 1.3 percent of total expenditures and increased by \$4.4 million from FY21 to FY22. This increase was primarily due to the reversal of COVID-19 lockdowns and other travel restrictions that occurred during FY21. In FY22, 51.7 percent of travel was funded from sponsored activities/research related travel.

Unrestricted expenditures make up the majority of expenditures with \$310.4 million or 61.8 percent of total expenditures; restricted expenditures total \$191.7 million or 38.2 percent. Restricted funds also include auxiliary and designated fund types because these funds are directed to specific and restricted/sponsored purposes.

COVID-19

The COVID-19 pandemic began during the last quarter of FY20. During FY22, COVID-19 related expenditure activity began to decrease as lockdown and restrictions were lifted following national guidelines. Expense tracking and reporting mechanisms are in place with justification and backup documentation oversight.

During FY22, UAF expended \$10.0 million on COVID-19 related costs associated with mitigation efforts and research activities.

Beginning in FY23, the COVID central match account will be discontinued and units will return to managing expenditures through unit budgets, returning to normal business operations.

Figure 1.11 Expenditures by Source, FY22 UAF Total ~ \$502M

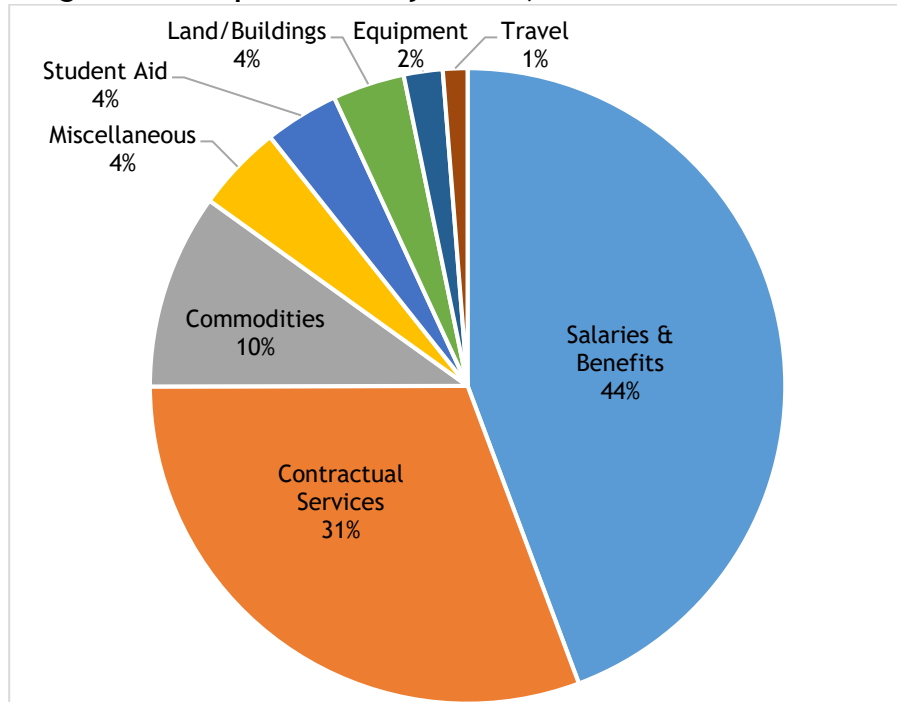


Figure 1.12 Expenditure Sources by Fiscal Year

