

Section 2: Revenue Outlook FY26–FY27

FY26–FY27 Revenue Outlook and Assumptions

STATE GENERAL FUNDS

UAF seeks modest operating budget increases in FY26–FY27, aiming to stabilize fixed costs, strengthen student enrollment and retention, increase support for student mental health services and public safety and enhance workforce development and economic growth for Alaska. Other UAF priorities include R1, drones, energy and agriculture/food systems. Key economic development projects for Mariculture, Critical Minerals and Heavy Oils Research and Development funded in a prior state budget (FY23) were extended through FY26 to continue excellent research progress.

In the capital budget, UA and UAF continue to prioritize deferred maintenance and are actively exploring a housing modernization plan.

The upcoming FY27 state budget cycle is expected to be tight, but with careful planning and decision-making, UAF is well positioned to navigate it collaboratively and responsibly. Budget requests for FY26 and FY27 are discussed in Section 4.

FEDERAL RECEIPTS AND INDIRECT COST RECOVERY (ICR)

Federal funding and indirect cost recovery (ICR) have experienced strong year-over-year growth for several years and demonstrates UAF's commitment to strengthening and growing its research mission. From FY20 to FY25, total federal receipts revenue increased by 88% and ICR increased by 77% over the same time period.

Federal restricted revenue and ICR revenue generally align; as federal activity has trended upward, ICR trends upward as well. Federal revenue is driven heavily by competitive research and UAF's largest component of Federal receipts is in research grants and contracts.

The U.S. presidential administration transition in early 2025 swiftly created major federal funding challenges for the research community, primarily through two actions: grant reviews including cancellations or freezes and potential facilities and administration (F&A) rate caps. The proposed F&A cap of 15% is a drastic reduction from current negotiated F&A rates; at UAF, the current organized research rate is 55.0%, for example. New methods to calculate the lower F&A rate are in development by the Office of Management and Budget and federal Uniform Guidance (UG) is expected to change significantly. This has the potential to impact UAF to a large degree by mid-fiscal year in FY26, and going forward. A robust advocacy effort is underway to freeze current ICR rates while developing a new model for ICR that would not have as significant an impact as a 15% rate.

In September 2025, UAF received notice that the Department of Education will be terminating the Alaska Native and Native Hawaiian–Serving Institutions program, among others. It includes new awards submitted in 2025 and existing multi-year awards under Part A of the program. This decision is likely to result in the loss of several grants under what is commonly known as Title III. For now, Part F will not be affected by this discontinuation as they are mandatory under law. Programs that have existing multi-year awards will be given one year to close out projects and grants, with a firm

ending date of September 30, 2026. UAF and UA leadership will work closely to assess what the full impact will be on the College of Indigenous Studies and Community and Technical College.

It is likely that revenue from federal receipts and ICR will decrease in FY26 and beyond as a result of these transformational changes at the federal level.

A federal government shutdown occurs when Congress and the President do not enact appropriations or a continuing resolution (CR) by the start of the fiscal year. The FY26 shutdown became the longest period in U.S. history (43 days in October and November). Federal agencies likely have a significant backlog of activities because of the shutdown. Funding awards and the issuing of notices of funding opportunities could be delayed. The financial impact on UAF is unclear at this stage.

HIGHER EDUCATION INVESTMENT FUND (HEIF) AND R1

In FY25, UAF received a one-time allocation of \$12.5 million from the Higher Education Investment Fund and \$2.1 million in receipt authority for R1 support. These funds must be spent over a three-year period (FY25, FY26 and FY27). The funds are used to support recruitment, retention and mentorship of current and prospective graduate students by providing financial commitments in the form of stipends and tuition scholarships. The funds are also used to strengthen doctoral programs, provide faculty support, and develop data-driven system improvements and infrastructure. This investment has resulted in the strongest doctoral enrollment expansion UAF has seen in over a decade in the form of increased PhD admissions, enrollment, headcount and fellowships.

In FY26, a state of Alaska budget request for continued R1 support was not funded. UAF is submitting another request in FY27 and funding outcomes will be known in June 2026.

TUITION AND FEE REVENUE

Driving student success and enrollment growth, which includes key areas like recruitment, retention and graduation rates, remains a high priority focus area for UAF, the Board of Regents and the System Office. As of September 2025, student headcount is up 5.4% and student credit hours are up 7.2%. In FY25, total tuition and fee revenue was \$45.9 million. Fee revenue increased \$1.7 million from FY24 levels, and net tuition revenue increased \$1.3 million. Refer to Table 2.1.

Student enrollment is estimated to continue increasing at a rate of 3 to 5%. UAF has invested in several enrollment and retention initiatives, and UAF is seeing gains in enrollment in fall 2025 as a result. Tuition revenue projections for FY26 and FY27 are to be determined and will be based on FY26 final revenue figures and student enrollment numbers.

UAF is monitoring the potential for a large workforce project in the future (e.g. the AK natural gas pipeline project); if it moves forward, could influence potential students to enter the workforce and earn high wages for a short period, while the work is active. This may result in a decline in near-term student enrollment; however, UAF is also poised to work with industry for workforce needs, as the potential for the project develops.

Table 2.1 UAF Tuition and Fee Revenue, FY25 (\$ thousands)

	FY25 Revenue	% of Total
Fees	\$13,438.3	29%
Tuition		
Community Campus Tuition	\$6,464.9	
Undergraduate Tuition Subtotal	\$25,396.3	
Graduate Tuition	\$7,103.6	
Non Resident Tuition	\$3,554.2	
Gross Tuition Subtotal	\$42,518.9	
Tuition Mitigation	(\$11.5)	
Tuition Discounts - Contra Revenue	(\$70.5)	
Tuition Allowance - Contra Revenue	(\$9,979.9)	
Discounts & Allowances Subtotal	(\$10,061.9)	
Net Tuition Total	\$32,457.0	71%
Tuition & Fees Total	\$45,895.3	100%

Table 2.1 note:

Activity in tuition contra 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.

Enrollment is significant and basic metrics include:

- A 1% change in *tuition rate* produces roughly **\$324,000** of additional net revenue, assuming flat enrollment;
- A 1% change in *enrollment* produces roughly **\$459,000** of additional net revenue, assuming flat tuition and fee rates;
- A 1% change in *fee rates* produces roughly **\$134,000** of additional net revenue, assuming flat enrollment.

Tuition Rate Changes, FY25 – FY27

- For FY25 (fall 2024 and spring 2025), no changes occurred for any tuition rates.
- For FY26, (fall 2025 and spring 2026), UA approved a 3% across-the-board increase to all resident tuition rates and 5% to nonresident tuition rates.
- For FY27 (fall 2026 and spring 2027), UA approved an increase of 4% across the board to all tuition rates. Refer to Table 2.2.

Table 2.2 UAF FY25 – FY27 Tuition Rates, Approved by UA BOR (\$ per credit hour)

	Fall 2024 Spring 2025		Fall 2025 Spring 2026		Fall 2026 Spring 2027	
Fiscal Year/Academic Year	FY25/AY25		FY26/AY26		FY27/AY27	
UAF Tuition Rates	Resident	Nonresident	Resident	Nonresident	Resident	Nonresident
Community Campus & CTC ⁽¹⁾	\$234	\$800	\$241	\$841	\$251	\$875
Troth Yeddha' Campus ⁽²⁾	\$289	\$855	\$298	\$898	\$310	\$934
Graduate	\$539	\$1,105	\$555	\$1,155	\$577	\$1,201

(1) Applies to CTC, Bristol Bay, Chukchi, Interior Alaska, Kuskokwim, and Northwest campuses (all offerings are lower division).

(2) Applies to Troth Yeddha' Campus and Rural College.

INTELLECTUAL PROPERTY AND COMMERCIALIZATION EFFORTS

UAF's Office of Intellectual Property and Commercialization (OIPC) and UAF's Center for Innovation, Commercialization, and Entrepreneurship (ICE) report to the Vice Chancellor for Research (VCR). The mission of UAF's OIPC is to protect UAF-owned intellectual property (IP) and, when appropriate, commercialize the IP. Center ICE, through federal grants, leads an extensive range of programs to provide funding, training, and expertise to meet the diverse needs of students, faculty, and staff looking to develop their innovative ideas and transition their academic research into impactful solutions.

Office of Intellectual Property and Commercialization (OIPC)

UAF's OIPC is helping transform UA into a primary driver of Alaska's innovation economy as OIPC commercializes UAF innovations for community impact and economic development. OIPC manages UAF-disclosed technologies and supports UAF faculty, staff, and students to protect and commercialize their innovations developed at UAF, including applying for patents and pursuing licenses.

In FY25, OIPC received 51 innovation disclosures, an increase of 34% from the prior fiscal year. OIPC staff anticipate disclosure production to remain in a similar range in FY26 as OIPC continues efforts to connect with innovators disclosing their work and commercializing academic research. OIPC further anticipates an increase in executed licenses with an increase in the quality of disclosures.

Table 2.3 FY21-FY25 Metrics Comparison

Metrics Comparison	FY21	FY22	FY23	FY24	FY25	FY24-25 % Change
Disclosures	28	28	28	38	51	34%
Licenses	0	2	2	3	4	33%

Center for Innovation, Commercialization, and Entrepreneurship Center (ICE)

UAF's Center ICE is working to transform UAF into a primary driver of Alaska's innovation economy, maximize the impact of university research, and build the skills of its researchers to be today's and tomorrow's innovators. Center ICE teaches innovation and entrepreneurialism skills to UAF faculty, staff, and students. Center ICE leads federal grant funds focused on building innovative skills, through seed funding, stakeholder discovery, and training.

In FY25, Center ICE funded interdisciplinary teams in engineering, geosciences and humanities building innovative research for transition from the academic environment. Center ICE supported 20+ students (both undergraduate and graduate) through funding, innovation training, and academic classes. Center ICE provided 16 UAF-based teams with new skills to understand their end-user needs and build impactful solutions. Center ICE continues growing UAF's culture of innovation and supporting innovators at all stages of their entrepreneurial journey.

In FY26, Center ICE sees furthering relationships with industry and academic researchers supported to work in everyday needs and build solutions to today and tomorrow's pressing challenges.