

## Section 2: Revenue Outlook FY24-FY25

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### FY24-FY25 Revenue Outlook and Assumptions

#### STATE GENERAL FUNDS

UA seeks modest operating budget increases in FY24-FY25, aiming at financial certainty after years of reductions. UAF is optimistic about the future as the value of the university is emphasized at the state level. Budget requests for FY24 and FY25 are discussed in Section 4.

#### FEDERAL RECEIPTS

Federal funding has experienced strong year-over-year growth for several years and demonstrates UAF's commitment to strengthening and growing its research mission. From FY22 to FY23, total federal receipts decreased slightly by 2.3 percent, or \$3.4 million (this includes federal receipts related to COVID-19). This decline is attributed to reduced COVID-19 relief in FY23 which was expected as COVID financial support from federal and other sources is concluding. UAF does not expect to receive more COVID relief funding in FY24. COVID-19 activity under federal receipts decreased from \$9.9 million in FY22 to \$3.9 million in FY23. It is important to note that when excluding COVID revenue in FY22 and FY23, federal receipts increased by roughly two percent (or nearly \$3 million). Activity within the R/V Sikuliaq under the College of Fisheries & Ocean Sciences (CFOS) was the primary driver of this increase.

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.

In 2018, the U.S. Department of Defense (DoD) established the Geophysical Detection of Nuclear Proliferation University Affiliated Research Center (GDNPUARC) at UAF. University Affiliated Research Centers (UARCs) are established and funded to meet special long-term engineering, research, development, or other analytic needs of the DoD that cannot be met as effectively by government or other private-sector resources. UAF is now one of 15 UARCs nationwide and serves as an acquisition, program management, and funding mechanism that connects DoD to UAF researchers. It fast tracks DoD research opportunities through its sole source contracts.

Since inception, DoD has increased the GDNPUARC contract ceiling from \$50 million to \$99 million, and in September 2023 (FY24) the cap was increased to \$125 million. The renewal of the UARC contract is anticipated to increase to a ceiling of roughly \$350 million in FY24 with funding awarded in FY24 throughout FY29. UAF is poised to manage rapid future growth in this area.

UAF is classified as a "higher research activity" doctoral institution, which is unique within the UA System. Achieving R1 status is part of UAF's strategic plan and captures UAF's strategic research vision. Additional discussion about R1 status is located in Section 6.

#### INDIRECT COST RECOVERY

From FY18 to FY23, UAF's indirect cost recovery (ICR) revenue has experienced strong growth and increased by 48 percent over that time period. Beginning in FY19, UAF's F&A rates for organized research, other sponsored activities and Poker Flat all increased from the prior F&A cycle period. For example, UAF's organized research rate increased from 50.5 percent to 55.0 percent. The effects of UAF's increased F&A rates are demonstrated through the increased ICR revenue. This strong growth is expected to continue beyond FY23 as new grant awards reflecting the increased F&A rates are received. Current F&A rates are in place through June 30, 2026 (FY26).

For FY24, early projections estimate that ICR revenue could increase roughly 3 percent from FY23 levels. This is subject to change as FY24 progresses.

More information about F&A and ICR is discussed in Section 1.

## TUITION AND FEE REVENUE

In FY23, total tuition and fee revenue was \$40.7 million as shown in Table 2.1. For UAF, the majority of tuition revenue is generated primarily from lower division courses (47 percent), followed by upper division (21 percent) and graduate courses (16 percent). Starting in FY24, lower and upper division tuition revenue will be combined in a single undergraduate rate. For FY24, early projections estimate that tuition and fee revenue could increase between 3 and 5 percent from FY23 levels. This is subject to change as FY24 progresses.

**Table 2.1 UAF Tuition and Fee Revenue, FY23 (\$ thousands)**

	Revenue
<b>Fees</b>	<b>\$10,332.2</b>
<b>Tuition</b>	
Lower Division Tuition	\$19,128.9
Upper Division Tuition	\$8,542.0
Grad/Credit Hr Tuition	\$6,367.5
Non Resident Surcharge	\$3,332.1
Undergrad Consolidated Tuition	\$0.5
Tuition Mitigation	(\$2.2)
Tuition Discounts - Contra Revenue	(\$619.9)
Tuition Allowance - Contra Revenue	(\$6,335.8)
<b>Tuition Total</b>	<b>\$30,413.1</b>
<b>Grand Total</b>	<b>\$40,745.3</b>

**Figure 2.1 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.

Enrollment is significant and basic metrics include:

- A one percent change in *tuition rate* produces roughly **\$304,000** of additional revenue, assuming flat enrollment;
- A one percent change in *enrollment* produces roughly **\$407,000** of additional revenue, assuming flat tuition and fee rates;
- A one percent change in *fee rates* produces roughly **\$103,000** of additional revenue, assuming flat enrollment.

### Tuition Rate Changes, FY23-FY25

For FY23 (fall 2022 and spring 2023), the BOR approved UAF’s plan to differentiate tuition. Under this new plan, tuition is differentiated from the Troth Yeddha’ research campus and UAF’s community campuses, which includes the Community Technical College. This marks year one of a two-year process to merge the Troth Yeddha’ lower division tuition rate into the upper division tuition rate to create a singular undergraduate rate at the campus. This simplifies the total cost of attendance for a four-year degree, including four-year financial aid packages to help ensure accessibility to those programs, based on merit or financial need. The Community Campuses retain the \$234 lower division rate, and Troth Yeddha’ lower division tuition rate increases by 11 percent from \$234 to \$260. Refer to Table 2.2.

FY24 (fall 2023 and spring 2024) marks year two of the two-year plan to merge the Troth Yeddha' lower division and upper division tuition rate into a singular undergraduate rate. For FY24, the lower division rate increases by 11 percent and moves from \$260 to \$289 per credit hour. All other rates remain the same. The AY2024 rate change was approved by the Board of Regents in November 2022. Refer to Table 2.2.

For FY25 (fall 2024 and spring 2025), no changes are proposed for any tuition rates. The Board of Regents approved these tuition rates in November 2023. Refer to Table 2.2.

**Table 2.2 UAF FY22-FY25 Tuition Rates, Approved by UA BOR (\$ per credit hour)**

Term	Fall 2021 Spring 2022	Fall 2022 Spring 2023	Fall 2023 Spring 2024	Fall 2024 Spring 2025
Fiscal Year	FY22	FY23	FY24	FY25
Academic Year	AY2022	AY2023	AY2024	AY2025
<b>Lower Division</b>				
Community Campus*	\$234	\$234	\$234	\$234
Troth Yeddha**		\$260	\$289	\$289
Upper Division	\$289	\$289	\$289	\$289
Graduate	\$539	\$539	\$539	\$539
NRS	\$566	\$566	\$566	\$566

\*UAF community campuses consist of CTC, Bristol Bay, Chukchi, Interior Alaska, Kuskokwim, and Northwest campuses (all offerings are lower division).

\*\*Troth Yeddha' campus consists of the Fairbanks and Rural College campuses.

## TECHNICAL AND VOCATIONAL EDUCATION PROGRAM (TVEP) FUNDING

TVEP currently supports UAF programs in health sciences, manufacturing, agriculture, transportation, distribution and logistics, and sustainable energy. Select programs are delivered statewide. During summer 2021, lawmakers reauthorized TVEP's current program and funding structure for an additional three years.

## INTELLECTUAL PROPERTY AND COMMERCIALIZATION EFFORTS

UAF's Center ICE (Center for Innovation, Commercialization, and Entrepreneurship) is helping transform UAF into a primary driver of Alaska's innovation economy and maximizing the impact of university research. Center ICE supports University startup companies, teaches skills related to innovation and entrepreneurialism, and protects and commercializes intellectual property, and helps build relationships with industry.

**Table 2.3 FY19-FY23 Metrics Comparison**

Metrics Comparison	FY19	FY20	FY21	FY22	FY23	FY22-23 % Change
Inventions Reports	27	25	28	28	28	0%
Non-Disclosure Agreements Prepared	34	35	34	49	61	24%
Licenses	2	3	0	2	2	0%

In FY23, Center ICE received 28 invention disclosures, continuing a level trend after COVID-19. Center ICE staff anticipate disclosure production to increase to 30+ as Center ICE continues growing UAF's culture of innovation and entrepreneurialism, performing outreach, and harvesting disclosures. Center

ICE further anticipates an increase in executed licenses with an increase in the quality of disclosures and furthering of relationships with industry.

### **FY23 UAF RESEARCH PROPOSAL SUMMARY**

#### *Appendix 2.A.1 - UAF FY23 Proposals and Awards*

At the time of this report, UAF has 476 approved proposals from FY23. Note that the submitted number reflects data in Banner, which relies on manual updates, and may increase once all data is updated.

Currently, FY23 total award values (measured in dollars) are 3 percent higher than FY22 levels, and total award count is 27 percent lower than FY22 levels. As noted above, awards with FY23 will continue to increase in the coming months as proposals are processed and awarded.