The University of Alaska needs your support

**Major driver of economic activity**

The university drives Alaska’s economy. In addition to training and educating the workforce, UA generates $1.1 billion economic activity annually, including direct, in-state expenditures by the university, students and visitors, and additional indirect spending. That’s all money circulating in our state as a direct benefit of the University of Alaska.

**Spending on goods and services**

<table>
<thead>
<tr>
<th>Location</th>
<th>Direct</th>
<th>Indirect &amp; Induced</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anchorage</td>
<td>$36,000,000</td>
<td>$39,000,000</td>
<td>$34,000,000</td>
</tr>
<tr>
<td>Fairbanks</td>
<td>$14,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Juneau</td>
<td>$14,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>$14,000,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The University of Alaska purchased $122.6 million from more than 2,000 Alaska businesses and organizations in 2015. Source: McDowell, 2015

**Employment and payroll**

UA is one of the largest employers in Alaska. In 2015, UA paid $346 million in annual wages and supported an average of 7,548 jobs. When jobs indirectly linked to the university were also considered, UA supported 15,740 jobs totaling $630 million in annual wages. Those good wages are disappearing along with the benefits of an employed population.

<table>
<thead>
<tr>
<th>Impact</th>
<th>Direct</th>
<th>Indirect &amp; Induced</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment Impact (jobs)</td>
<td>8,340</td>
<td>7,400</td>
<td>15,740</td>
</tr>
<tr>
<td>Payroll Impact ($ million)</td>
<td>$346</td>
<td>$284</td>
<td>$630</td>
</tr>
</tbody>
</table>

Source: McDowell, 2015

**Impacts extend across Alaska**

As a result of four out of five years of budget cuts, 1,300 fewer people work at UA than five years ago. This has resulted in reduced spending on goods and services, and a negative impact on Alaska far greater than the budget cuts alone.

The governor’s $134 million cut is the single largest reduction in the university’s 100-year history

UA is directly tied to Alaska’s economy

It takes a great university to build a great state. As a constitutionally established public higher education system, UA has a responsibility to meet the state’s higher education and workforce development needs.

Cutting state support to this extent sends a negative message to students and all Alaskans.

The governor’s plan assumes UA could double tuition and fee revenue from the current year. In the face of declining enrollments, and year-over-year increases to tuition, the ability to capture $154 million in new tuition and fees is not realistic.

We have only a few months to prepare viable options for Alaska’s future. UA has chosen to lead, and that is exactly what we will continue to do.
University of Alaska mission critical

University of Alaska magnitude of impact

To put the number in perspective...

Devastating reduction

The proposed 41 percent reduction in state UGF funding would hurt students, the university system and severely impact the communities it serves.

To put this $134 million cut in perspective, consider:

- UAA receives $120 million in UGF;
- UAF receives $164 million UGF;
- UAS receives $25 million UGF;
- UA Statewide receives $18 million UGF;
- all community campuses combined receive $38 million UGF.

Reductions in state funding impact students

State funding support has been trending downward for more than a decade. In turn, increased pressure is transferred to students to bridge the gap. At the same time there are fewer students.

- UA’s enrollment dropped each of the last seven years, from 34,983 in 2011 to 26,641 in 2018. This is largely related to budget cuts and demographic changes.
- In the 2010-2011 academic year, tuition rates were $127-$170 per credit hour. By 2019-2020 they increased to $223-$269 per credit hour.
- We would have to double the rate yet again to make up for this cut through tuition revenue alone, which is not a realistic option.

UA is committed to overcoming Alaska’s challenges

Through education, research and public service, UA is committed to:

- Bring down health care costs (#1 in nation)
- Stimulate economic development (#42 in US in New Economy Index)
- Prepare Alaskans for jobs (#1 in unemployment)
- Contribute to Alaska’s job growth (#50 in US)
- Build a culture of education (#50 in postsecondary participation in US)
- Prepare teachers (67 percent hired from Outside)
- Understand and mitigate impacts of climate change
- Bring down crime rate (#1 concern of Alaskans)
- Reduce energy costs (#6 in US)

The bottom line

Alaska’s economy is in recession. The University of Alaska is one of the most valuable tools for advancing and improving Alaska’s future.

Given our economy, this is precisely the wrong time to cut education. Alaska’s economy needs a strong education system.

Looking forward, 65 percent of Alaska’s workforce is projected (by 2025) to require some post-secondary education. Depending on the source, Alaska is now somewhere between 37 or 50 percent.