

Section 2: Revenue Outlook FY25-FY26

FY25-FY26 Revenue Outlook and Assumptions

STATE GENERAL FUNDS

UAF seeks modest operating budget increases in FY25-FY26, aiming to strengthen student enrollment and retention, enhance the research enterprise with future goals to achieve R1, and focus on workforce development. On the capital side, UA and UAF will develop a deferred maintenance and renewal funding strategy. UAF is optimistic about the future as the value of the university is emphasized at the state level. Budget requests for FY25 and FY26 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 FY23 to FY24, total federal receipts increased by 6.1%, or \$8.7 million.

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.

UAF is one of 15 University Affiliated Research Centers (UARC) nationwide and was established by the U.S. Department of Defense (DoD). It is a research administration unit housed under the Geophysical Institute and serves as an acquisition, program management, and funding mechanism that connects DoD to UAF researchers. Multiple projects funded by UARC exist throughout UAF. It fast tracks DoD research opportunities through its sole source contracts.

Since inception, the DoD GDNP UARC contract ceiling continues to increase. In March of 2024 (FY24) the UARC was awarded an additional \$139 million indefinite delivery, indefinite quantity (IDIQ) from the National Geospatial Intelligence Agency and a \$5 million from the Air Force Research Laboratory. Another renewal is anticipated in FY25 with a funding ceiling of roughly \$100 million. UAF is poised to manage rapid future growth through FY30.

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

In FY24, UAF's indirect cost recovery (ICR) revenue totaled \$43.7 million and is the first year ever to exceed \$40 million. From FY19 to FY24, UAF's indirect cost recovery (ICR) revenue has experienced substantial growth and increased by 80% 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% to 55.0%. The effects of UAF's increased F&A rates are demonstrated through the increased ICR revenue. This strong growth is expected to continue beyond FY24 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 FY25, early conservative projections estimate that ICR revenue could increase roughly 2–4% from FY24 levels. This is subject to change as FY25 progresses.

The new base year is FY25 and will be the basis for new F&A rate calculations and negotiation with Office of Naval Research (ONR), UA’s cognizant agency. A space survey will be conducted in spring 2025 as part of the federal government’s requirement for new rates. New F&A rates will be effective July 1, 2026 (FY27) for a period of at least three years.

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

TUITION AND FEE REVENUE

In FY24, total tuition and fee revenue was \$42.9 million and was the first year of the combined lower division and upper division rates into a consolidated undergraduate tuition rate.

Table 2.1 UAF Tuition and Fee Revenue, FY24 (\$ thousands)

	Revenue	% of Total
Fees	\$11,726.7	27%
Tuition		
Undergrad Consolidated Tuition	\$2,268.9	
Lower Division Tuition	\$6,063.3	
Upper Division Tuition	\$21,688.5	
Undergraduate tuition subtotal	\$30,020.7	
Grad/Credit Hr Tuition	\$6,588.2	
Non Resident Surcharge	\$2,961.2	
Tuition Mitigation	(\$12.3)	
Tuition Discounts - Contra Revenue	(\$67.8)	
Tuition Allowance - Contra Revenue	(\$8,299.6)	
Tuition Total	\$31,190.4	73%
Grand Total	\$42,917.1	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 other specific tuition support, 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 **\$312,000** of additional revenue, assuming flat enrollment;
- A 1% change in *enrollment* produces roughly **\$429,000** of additional revenue, assuming flat tuition and fee rates;
- A 1% change in *fee rates* produces roughly **\$117,000** of additional revenue, assuming flat enrollment.

Student enrollment is estimated to continue increasing at a rate of 3 to 5%. This is subject to change as FY25 progresses. UAF has invested in several enrollment and retention initiatives, including an extensive strategic enrollment planning process, and UAF is seeing gains in enrollment in fall 2024 as a result, bucking the national trends. In August 2024 (FY25), the Student Success Center opened, offering a range of services in one location, including first-year advising, tutoring, academic coaching, and career counseling.

Tuition Rate Changes, FY24-FY26

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. It applies to academic programs offered through Troth Yeddha' Campus to include "Fairbanks Campus" and "Rural College." Both include four-year and graduate degree programs offered on the Troth Yeddha' campus location.

For FY25 (fall 2024 and spring 2025), no changes are proposed for any tuition rates. Even with no changes in tuition rates, a 3% increase in student enrollment could generate an increase of roughly \$1.3 million in gross tuition revenue for UAF.

For FY26 (fall 2025 and spring 2026), UA proposed modest increases of 3% across the board to all resident tuition rates and 5% to nonresident rates. The Board of Regents approved this in November 2024. Refer to Table 2.2. Tuition revenue projections for FY26 are to be determined and will be based on FY25 final revenue figures and student enrollment numbers.

Table 2.2 UAF FY23-FY26 Tuition Rates, Approved by UA BOR (\$ per credit hour)

Term	Fall 2022 Spring 2023		Fall 2023 Spring 2024		Fall 2024 Spring 2025		Fall 2025 Spring 2026	
Fiscal Year/Academic Year	FY23/AY23		FY24/AY24		FY25/AY25		FY26/AY26	
UAF Tuition Rates	Resident	Nonresident	Resident	Nonresident	Resident	Nonresident	Resident	Nonresident
Community Campus & CTC*	\$234	\$800	\$234	\$800	\$234	\$800	\$241	\$841
Undergraduate (4-year)**								
Lower Division	\$260	\$826	\$289	\$855	\$289	\$855	\$298	\$898
Upper Division	\$289	\$855						
Graduate	\$539	\$1,105	\$539	\$1,105	\$539	\$1,105	\$555	\$1,155

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

**UAF lower division and upper division tuition rates have been combined into a single rate called "undergraduate." It applies to academic programs offered through Troth Yeddha' Campus to include "Fairbanks Campus" and "Rural College." Both include 4-year and graduate degree programs offered on the Troth Yeddha' campus location.

TECHNICAL AND VOCATIONAL EDUCATION PROGRAM (TVEP) FUNDING

The Alaska legislature established the TVEP in 2000 from a portion of unemployment insurance receipts. UA manages its TVEP funds as a single allocation within the UA system and currently supports UAF programs in health sciences, manufacturing, agriculture, transportation, distribution and logistics, and sustainable energy. Select programs are delivered statewide. TVEP was slated to sunset on July 1, 2024 (FY25) but fortunately it was reauthorized by the Governor and legislators. Additionally, funding for the program increased.

INTELLECTUAL PROPERTY AND COMMERCIALIZATION EFFORTS

UAF's Office of Intellectual Property and Commercialization (OIPC) reports to the Vice Chancellor for Research (VCR) while UAF's Center for Innovation, Commercialization, and Entrepreneurship Center (ICE) is in the UAF VCR Office and reports to the UAF Research Development Officer. 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 the UAF-disclosed technologies and supports UAF academics, staff, and students to protect and commercialize their innovations developed at UAF, including licensing and patent applications.

In FY24, OIPC received 38 innovation disclosures, an increase of 36% from the prior fiscal year. OIPC staff anticipate disclosure production to increase to 40+ in FY25 and continue 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 FY20–FY24 Metrics Comparison

Metrics Comparison	FY20	FY21	FY22	FY23	FY24	FY23–24 % Change
Disclosures	25	28	28	28	38	36%
Licenses	3	0	2	2	3	50%

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 FY24, Center ICE funded interdisciplinary teams in engineering, geosciences, and humanities building innovative research for transition from the academic environment. Center ICE supported 15+ students (both undergraduate and graduate) through funding, innovation training, and academic classes. Center ICE provided 14 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 FY25, 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.

FY24 UAF RESEARCH PROPOSAL SUMMARY

Appendix 2.A.1 – UAF FY24 Proposals and Awards

At the time of this report, UAF has 550 approved proposals from FY24. Note that the submitted number reflects data in Banner, which relies on manual updates, and may increase once all data is updated.

Currently, FY24 total award values (measured in dollars) are 23% lower than FY23 levels, and total award count is 14% lower than FY23 levels. As noted above, awards with FY24 will continue to increase in the coming months as proposals are processed and awarded.