

Section 3. Auxiliary, Recharge and Enterprise Schedules

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

AUXILIARY RECEIPTS

Appendix 3.A.1 – Auxiliary Operations

Auxiliary fund are unrestricted enterprise funds that furnish a variety of services to students, faculty and/or staff for a fee. These fees directly relate to, but may not directly equal, the costs of the services provided. The bookstore, parking services, dining services, and housing are examples of auxiliary enterprises. Gross auxiliary enterprise revenue remained relatively unchanged from prior year levels, totaling \$16.1 million. The negative auxiliary net operations were driven primarily by deficit activity at Dining Services. More details below.

Table 3.1 FY24 Fund Balances – Bookstore, Parking, Dining, Residence Life & Hess Village

FY24	Bookstore	Parking Services	Dining Services	Residence Life Operations	Hess Village Operations	Total
Beg Fund Balance	500.1	1,288.8	(692.9)	5,229.1	1,686.3	8,011.5
Revenue	72.5	1,548.2	3,909.1	6,527.8	796.8	12,854.5
Expenditures	73.7	1,787.2	6,121.2	6,836.5	612.5	15,431.1
Net Operations	(1.2)	(238.9)	(2,212.1)	(308.7)	184.3	(2,576.6)
Transfers	-	-	-	1,500.0	-	1,500.0
End Fund Balance	498.9	1,049.9	(2,905.0)	3,420.5	1,870.6	3,934.9

Bookstore

In November 2024, bookstore operations transitioned to a new vendor, Barnes & Noble College. While commissions from store sales increased by \$37,000, the fund balance decreased slightly. This decrease can be attributed to the additional labor required to complete the RFP process, support the store transition, and implement the UAF Bookstore Bundle program.

Parking Services

At the end of FY24, Parking Services had a positive fund balance estimate of \$1 million. For FY25, Parking Services anticipates that Shuttle Services, deferred maintenance, and one-time nonrecurring items will drive up expenditures. To maintain a balanced budget, Parking Services has increased the price of parking permits for students, staff, and faculty by 20% for FY25.

Shuttle services, despite being the largest operating cost for Parking Services, have been a resounding success. UAF currently operates nine shuttle routes, including an additional shopping route to meet the rising demand and a shuttle to all home hockey games. This success is a testament to Parking Services' commitment to the efficient use of funds and meeting the diverse transportation needs of the UAF community. To ensure this success continues, Parking Services is hiring one full-time employee in FY25 for shuttle route coverage and working on a cost-share agreement for summer UAF tourist shuttles.

In FY25, Parking Services will prioritize deferred maintenance. This includes replacing damaged signs and wooden railings supporting head bolts, removing parking meters, and conducting general

parking lot repairs.

In addition to deferred maintenance, Parking Services has three nonrecurring expenditures in FY25. These include commissioning Facilities Services to create and install three parking canopies to cover the Luke II parking kiosks in the Museum and Nenana parking lots. UAF will also repair the damaged parking lot due to a steam branch line replacement at CTC. Finally, Parking Services has commissioned a bore-hole study to determine the extent of the ice lens behind the Akasofu building. These expenditures are part of the commitment to maintain and improve parking facilities.

Through September, Parking Services revenue has seen a significant increase of approximately 15% year over year. This growth can be attributed to increased parking decals and short-term parking rate costs. Parking Services forecasts ending FY25 with a 20% revenue increase, which is critical to ending the pattern of three years of parking deficits. This increased revenue will allow UAF to continue to develop the Parking Lot Preventive Maintenance program, ensuring the community has the best parking experience.

Dining Services

In FY24, Dining faced several challenges that significantly impacted the program's financial performance. Campus Cache and Subway, the highest revenue-generating locations, were closed due to construction in Moore and Bartlett Halls. This, combined with high labor costs from temporary staffing of key employees and rising food and shipping expenses, led to financial losses. Looking ahead to FY25, a 5-15% increase in meal plan and menu prices has been implemented. Additionally, permanent management and support staff have been secured, and Campus Cache and Subway have successfully reopened, setting the stage for improved financial performance.

Residence Life Operations

From FY23 to FY24, Residence Life revenues decreased while expenditures increased. The main reason for decreased revenues was due to a lower occupancy in employee-family-graduate (EFG) housing. Many units had issues that took substantial time for repair and were unable to be occupied when completed. By then, potential residents had already found alternative options. From FY24 to FY25 occupancy in employee-family-graduate (EFG) housing is up by 15.6% due to improved process and collaboration with facility services.

Expenditures increased due to facility repair/maintenance and furniture purchases as a part of modernization efforts. As part of maintenance and repair (M&R) spending, Residence Life completed an extensive renovation of Moore and Bartlett Hall, including new flooring and paint throughout, updated restroom/shower areas, remodeled Bartlett main lounge, community kitchen, laundry room, and new room and lounge furniture in both Moore and Bartlett. New room furniture was also purchased for Lathrop hall as part of the conversion from office spaces to residential spaces. Residence Life single occupancy has increased by 150 for FY24 to FY25.

Hess Village

Both revenue and expenditures decreased from FY23 to FY24. Even though processes for occupying Hess Village units were improved, 2-bedroom units were not as popular as 1-bedroom or efficiency units other EFG halls could offer. Residence Life managed to keep expenditures lower, ending FY24 with a positive net gain.

Table 3.2 Residence Life Single Occupancy, FY19–FY25

Facility	Bartlett	Lathrop	McIntosh	Moore	Nerland	Skarland	Stevens	Wickersham	Cutler	Eileen	Sustain Village	Total
Capacity AB*	322	132	98	322	97	143	101	96	242	26	16	1,595
FY2019	204	65	64	220	37	119	0	58	196	0	16	979
FY2020	212	0	64	210	0	121	0	76	194	0	0	877
FY2021	152	0	41	171	0	74	0	54	149	0	0	641
FY2022	220	0	58	211	0	104	0	0	173	0	0	766
FY2023	242	0	67	231	0	110	0	0	218	0	0	868
FY2024	0	116	96	0	95	129	101	83	228	18	0	866
FY2025	283	116	1	273	1	2	0	94	227	19	0	1,016
Capacity as Used	314	129	1	314	1	2	0	97	233	25	0	1,116
Occupancy AU*	90.1%	89.9%	100.0%	86.9%	100.0%	100.0%	NA	96.9%	97.4%	76.0%	NA	91.0%
Occupancy AB*	87.9%	87.9%	1.0%	84.8%	1.0%	1.4%	0.0%	97.9%	93.8%	73.1%	0.0%	63.7%

Notes:

1. Lathrop Hall was converted back to a residence hall. It was used as administrative space Fall 2019–Spring 2023.
 2. Moore and Bartlett Hall are offline starting Summer 2023 due to major renovations.
 3. Eileen House management moved from Rural Student Services to Residence Life.
 4. Capacity as Used may exceed Capacity as Built due to triple occupancy of larger double rooms.
 5. For Fall 2024, McIntosh, Nerland, Stevens, and Skarland are closed (only used for a temporary/guest housing).
 6. All Occupancy Data is from Occupancy Reports run annually between the dates of September 11 – September 19.
- * AU: As Used – AB: As Built

Table 3.3 Residence Life Family and Faculty Occupancy, FY19–FY25

FY	Total		Occupancy
	Capacity	Occupancy	Percent
2019	176	161	91.5%
2020	170	156	91.8%
2021	170	145	85.3%
2022	169	141	83.4%
2023	169	129	76.3%
2024	169	109	64.5%
2025	171	137	80.1%

Notes:

1. Not all units may be available due to maintenance down time.
2. In fall 2024, Residence Life was able to significantly increase occupancy by collaborating with Facilities Services, improving processes and strengthening communication.

RECHARGE CENTERS

Appendix 3.A.2 – Recharge Operations

There were 27 active recharge centers in FY24, of which 14 ended the year with positive fund balances, 12 with negative fund balances, and one at net zero. These fund balances do not include the addition of their depreciated fund balances. In sum, the total UAF recharge center ending fund balance continued to decrease from negative \$19.0 million in FY23 to negative \$23.3 million in FY24. Significant deficits are discussed below.

In FY22, the utilities recharge experienced a drastic increase in expenditures due to a damaged turbine and a subsequent repair process that resulted in the university purchasing power from Golden Valley Electric Association (GVEA). In FY24, the Utilities recharge managed to end the year with positive net operations, but still carries a negative fund balance of \$19.6 million. UAF is working with UA’s General Counsel’s Office and Risk Management to recover as much of the turbine claim as

the insurance policy allows for. Plans are in place to adjust current recharge center rates and will continue to sell excess power to GVEA through the Power Purchase Agreement (PPA). Ultimately, UAF is estimating a seven-year recovery period.

The Facilities Services Maintenance Shop (i.e. Physical Plant Maintenance and Operations) recharge center is experiencing an operational deficit impacted by decreased staffing in necessary positions resulting in lower billable revenue. Standard shop rates include labor, shop supplies, personal protective equipment, supervisor effort, vehicle expenses and fuel. The Maintenance Shop is working to fill vacant positions and rates will be increased. The projected recovery time is estimated between four and seven years. UAF will continue to work with UA Human Resources to identify ways to improve hiring in a competitive job market.

Sikuliaq operations run on a calendar year basis supported by a cooperative agreement with the National Science Foundation (NSF). The deficit fund balance that appears at fiscal yearend (June 30) is not reflective of the ship operations on a calendar year basis, nor does it reflect an actual or projected deficit within its operations. The NSF provides an annual provisional rate that is fully reconciled at the end of the calendar year after all costs and days of ship use are known. These timing issues will be resolved by February 2025.

ENTERPRISE CENTERS

Appendix 3.A.3 – Enterprise Operations

Of the five active enterprise centers in FY24, two ended the year with positive fund balances and three ended with negative fund balances. These fund balances do not include the addition of their depreciated fund balances. In total, the enterprise center ending fund balance moved from \$1.6 million in FY23 to \$2.6 million in FY24.

The primary enterprise center drivers are the High-frequency Aerial Aurora Research Program (HAARP), and the Alaska Satellite Facility (ASF) Geophysical Detection of Nuclear Proliferation University Affiliated Research Center (GDNPUARC). HAARP is currently working through a multi-year plan to come out of a negative fund balance. Since FY20, HAARP has gone from a negative \$3.0 million ending fund balance to negative \$211 thousand in FY24.

Enterprise centers are specialized recharge centers; they charge other internal units or departments for goods or services but may have other defining qualities that may (or may not) require them to be separately classified as an enterprise fund. Some of these qualities may include:

- A different operating cycle than a fiscal year (such a calendar year).
- Direct sales to external parties.
- Rates are based on market and can incorporate competitive features.
- Existence of research and development (R&D) expenses: if significant recharge time exists that is not a direct billable activity but contributes toward a future billable product or service.
- Inclusion of a special charge code to avoid adding ICR through restricted funds because the center generates ICR expense directly. The reason for this varies, but happens due to the center having a very unique operation (such as Sikuliaq) or has primarily external sales (greater than 50%).

The presence of one of these qualities may not cause a recharge center to be classified as an enterprise, but typically two or more will.

FY25 Auxiliary and Recharge Center Deficits and Recovery Plans

Appendix 3.A.4 – Auxiliary and Recharge Fund Balance Updates & Recovery Plans, VCAS Queen memo, August 28, 2024

UAF is monitoring noted auxiliary and recharge deficits and establishing three to seven year recovery plans.