

United Academics AAUP/AFT Local 4996 (3/14/2022)

UNAC Estimate of Annual University of Alaska Revenue Generated by UNAC Bargaining Unit Members (millions)

Revenue amounts are derived from 5-year averages (FY17-FY21) of data for the entire UA system, provided through information requests and public documents:

Type of UA Revenue	Amount of UA Revenue Generated by UNAC Members	Revenue Details/Notes
Tuition/Fees	\$89.5M	This amount reflects the 68% of annual tuition/fees that UA reports is attributable to UNAC bargaining unit members (e.g., courses taught, labs, studios, lessons, performance ensembles, etc.).
Unrestricted General Funds	\$52.1M	UNAC bargaining unit members' salaries + benefits is 16.4% of annual UA operating budget; this amount is 16.4% of UGF, reflecting prorated UNAC members' support from the state appropriation to UA.
Grants/Contracts	<p>\$50M to \$100.7M</p> <p>This range is a conservative estimate of UA revenue generated by UNAC bargaining unit members' grants and contracts; e.g., UAF reports \$120M per year in faculty research investments and UAA ISER reports \$159M in UA research expenditures in 2020.</p>	UA reports \$50M annual grants/contracts with UNAC member(s) as PI and/or co-PI; using UA FY17-FY21 audited financial statements, UNAC estimates that 2/3 of total \$151M in UA federal, state, and local grants/contracts (FY17-FY21 average) are possible through the work of UNAC bargaining unit members.
Total Estimate/Range of Annual UA Revenue Generated by the Work of UNAC Bargaining Unit Members	\$191.6M to \$242.3M	The total cost of UNAC bargaining unit members' salaries + benefits is \$136.4M, so UNAC members' generate \$55.2M to \$105.9M more than total salaries and benefits.

A conservative estimate/range of the annual revenue generated by UNAC bargaining unit members for the UA annual operating budget is \$191.6M to \$242.3M, which is \$55.2M to \$105.9M more than the annual cost of our total salaries and benefits.

Additional Facts about Grants and Contracts Procured by UNAC Bargaining Unit Members:

- UAF Chancellor Dan White, in his UAF Chancellor's Report on Philanthropy (March 4, 2022), stated, "We celebrate our faculty who secure \$120 million in federal and state research investments annually."
- The UAA Institute of Social and Economic Research (ISER) reports that University of Alaska research activity generated \$242 million in additional economic benefit to Alaska in 2020 (report issued 10/22/2021, see summary info graphic on next page).

Additional Facts about UNAC Bargaining Unit Members' Salaries:

- For FY21, UNAC bargaining unit members' salaries were 10.4% of the UA operating budget (an additional 6% of the UA operating budget is spent on UNAC members' benefits).
- UA peer institutions spend a far larger proportion of their operating budgets on full-time faculty salaries than UA; for example:
 - Ferris State University spends 17.6% of operating budget of FT faculty salaries.
 - University of Montana spends 20.1% of operating budget on FT faculty salaries.
 - University of Wyoming spends 15.9% of operating budget on FT faculty salaries.
- The above UA peer institutions spend, on average, 17.9% of operating budget on FT faculty salaries.
- To match the above peer average, the University of Alaska system would have to increase its spending on UNAC bargaining unit members' salaries by 7.5% of the operating budget, or \$62.38M.
- In a 1/19/2022 presentation, UA estimated that the original UNAC Article 15: Compensation proposal (presented to UA in October 2021), would add \$60.8M to the UA operating budget for UNAC salary increases over the three years of the CBA; the UA estimate is actually slightly less than what UA should be spending on UNAC salaries each year compared to peer institutions.

Additional Reasons for Cost-of-Living Adjustments and Market Increases for UNAC Bargaining Unit Members' Salaries:

- UNAC bargaining unit members have had a 1% raise since July 2016, resulting in a total loss of purchasing power of about 17% due to inflation (i.e., 10% loss over 2016-2020 and an additional 7% loss for 2021).
- UA recognizes that UNAC bargaining unit members' salary increases are below national and state averages (UA Board of Regents presentation 2/24/2022).
- UA recognizes that annual employee turnover (including UNAC bargaining unit members) is 10.4%, which is above state (5.8%) and national (3.9%) averages (UA BOR 2/24/2022).
- UA wants to "Develop predictable Cost of Living Adjustment system" (BOR 2/24/2022).

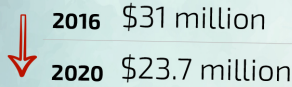
UA Economic Research Enterprise

Based on a July 2021 report by Dr. Mouhcine Guettabi
 Infographic: Mariah Oxford

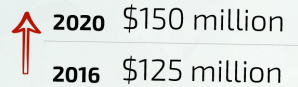


Research activities throughout the University of Alaska system create an enterprise that added **\$242 million in economic benefit** to the state in 2020, measured by jobs supported, total payroll produced and business sales generated. The infusion of these research dollars into Alaska leads to economic expansion.

While state funding (UGF) for research has gone down...



...outside funding has gone up.



That's because... UA researchers earn highly competitive grants from federal agencies. In 2020, for every institutional dollar, UAA generated an additional \$6.3 in external monies. At UAF, each institutional dollar generated an additional \$5.6. The national average was an extra \$2.95.



In 2020, research expenditures at UA institutions totaled more than **\$159.25 million***, creating jobs for university researchers and supporting sales to Alaska businesses. An additional **\$83 million** was generated by spending from UA employees, Alaska businesses and their employees.

DIRECT EFFECTS

Employment

UA research employees include faculty, staff and student assistants.



1,073

Payroll

More than half of research expenditures go to wages and benefits.



\$87.59 million

Spending

The rest goes to spending in support of research activities: services, goods, and travel.



\$71.66 million

ECONOMIC MULTIPLIER



AK BUSINESSES

Employees spend their wages, creating **induced** effects on the economy.

Spending on research activities creates **indirect** effects.

Both generate jobs, increased income and increased spending in the state.

INDUCED & INDIRECT EFFECTS

Employment

Employees in private businesses, in industries like construction, transportation, wholesale and retail trade, and services.



515

Payroll



\$39.39 million

Business sales



\$44.23 million

*Expenditures differ from awarded amounts because many grants are multi-year awards.



Alaska economic benefit from UA research activity:

\$242 million in 2020