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UAF's debt service is an operating budget obligation. We pay this each year by committing operating budget to our debt service account for the current year and part of the following year. Because this reserve account has been maintained, it gives us some ability to draw against needed reserves to make this transition more smoothly. It is of course, a one-time account and makes us more vulnerable in future years, but it is my perspective at this time that this transition approach is needed.

FY21 reduction target:

GF Reduction	\$12.3M
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Unfortunately, the current COVID-19 crisis and persistent uncertainty in state support of student aid/higher education is not likely to allow for immediate growth. This analysis does not take into account lost revenue from the COVID-19 pandemic, or savings. This health issue may require us to examine our business operations, although UAF is well positioned to continue leading UAF-specific or expand to deliver UA-wide online programs through eCampus' innovative model.

DMW:jdp