

Pat Pitney
UA President

Butrovich Bldg, Ste. 202, 2025 Yukon Drive
P.O. Box 755000, Fairbanks, AK 99775-5000
Phone: (907) 450-8000; Fax: (907) 450-8012
Email: ua.president@alaska.edu
www.alaska.edu



RE: Governor Dunleavy signs a FY23 budget supporting critical investment in the University of Alaska system

June 28, 2022

Dear University of Alaska Community,

Today Governor Dunleavy released the FY23 State of the Alaska budget completing the legislative appropriations process. We appreciate the Governor's support of the university system.

The budget provides financial stability for the UA system essential for our universities to focus on key state needs, and to address student demand for accessible, affordable, high-quality education.

This budget marks a turning point in support for the University of Alaska system, and represents the first operating budget increase in several years. The budget signed today includes a modest base operating budget increase for compensation and fixed costs, plus one-time investments in areas critical to Alaska's economic recovery.

Funding supports priority workforce programs in health and teacher education and research and workforce training in specific programs critical to the state's economic recovery including alternate energy, drones, critical minerals, heavy oil and mariculture.

Funding is also included for the highest deferred maintenance project and modernizing our student IT system. Improving our digital infrastructure is critical to facilitate student recruitment, retention, and success for our three universities.

Another excellent sign for students pursuing higher education in Alaska is the legislature's re-establishment of the Higher Education Investment Fund (HB322) in a manner protected from the 'budget sweep'. The budget bill signed by the Governor provides a fund balance of \$342 million, the level of the prior fund recognizing recent market losses. It will provide secure and stable funding for the Alaska Performance Scholarship, Alaska Education Grants and the WWAMI students for years to come.

I recognize that university employees have been working hard. The decreased staff size, the disruption of the pandemic, and the lack of compensation adjustments have taken a toll. I appreciate your continued service and commitment. This budget covers modest compensation increases for many university employees, after five years with only a single 1% increase. All non-union employees, local 6070 (crafts & trades) and firefighters will receive a 2% compensation increase starting in July. Consistent with the compensation philosophy approved by the Board of Regents last November, and under the guidance of our new Chief Human Resources Officer Memry Dahl, we are planning other actions to improve the employee compensation structure.

Due to negotiations, regrettably we were not able to secure funding for our faculty in this budget. We continue to engage in mediation and are hopeful that the confidential and voluntary Federal Mediation and Conciliation Service (FMCS) process will provide the best opportunity for productive discussions and a new agreement with our faculty union. When an agreement is finalized, a supplemental appropriation for UNAC's monetary terms will be submitted to the Legislature, who will reconvene in January 2023.

The modest increase in state funding is a significant positive sign to assure stability and focus on our academic programs and operations, but continued efficiencies and internal reallocations will be part of all of our budget processes in light of projected operating cost increases in excess of \$11 million and enrollment revenue declines. Student recruitment and retention is our highest priority, for funding stability and more importantly to meet the overwhelming workforce needs in our state.

Above all I want to celebrate this turning point and movement towards increased financial stability of our university system. While our footprint is smaller than it was before, we are strong, stable, committed to Alaska and our communities, and above all, providing quality education and experiences for our students. Click [here](#) for more detail on the FY23 budget.

Thank you for your hard work and commitment.

Sincerely,
Pat Pitney
University of Alaska President