Today, Governor Walker released his Fiscal Year 2019 operating budget and proposed a \$317 million state appropriation for the University of Alaska as well as <u>a proposal</u> to fund \$70 million toward our deferred facility maintenance. I appreciate that the Governor is addressing our extensive deferred maintenance backlog, however I am concerned about the prospect of a status quo operating budget. A status quo budget will compound the negative impacts of four straight years of budget cuts, and limits our ability to make much needed investments in student education, training programs, and the economic development our state needs.

The Board of Regents' operating budget request of \$341 million would restore a portion of these recent cuts and fund a strong strategic plan focused on economic development, workforce development, research, and educational attainment.

The simple truth is that, in state after state and nation after nation, a growing university is required for a strong economy, higher incomes, better health at a lower cost, less crime, and a lower cost of incarceration. The University of Alaska—in partnership with our K-12 and industry partners—is the single best investment we can make in our state's future.

This is just the first step in the appropriation process, and we will continue to engage with legislators and the Governor throughout the session. We will work to highlight our success, provide timely information, activate our key stakeholders, press our message and keep you updated often on our progress.

Jim Johnsen