

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



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Dear University of Alaska Community,

Governor Dunleavy released his FY27 budget proposal yesterday, with a \$6.5 million increase over FY26 for the University of Alaska System. It underscores the tightness of Alaska's fiscal environment and the critical need for us to continue making process improvements and finding innovative and efficient ways to serve our students.

The Governor's proposed budget partially funds key [Board of Regents' priorities](#), including partial funding for compensation and rising healthcare costs. At this time, it does not fully cover our compensation and operating expenses, nor our Tier 1 investment priorities.

The Board's Tier 1 budget priorities, totalling a \$29 million incremental increase, include employee compensation, fixed-cost increases, student mental health, and the Students First Action Agenda to increase student recruitment, retention, and graduation.

The Governor's Budget does include funding to stabilize the Higher Education Investment Fund (HEIF), which supports Alaska Performance Scholarships (APS). Stabilizing APS and the HEIF is critical to UA's enrollment and Alaska's future workforce.

While there is no funding for our critical capital project needs, including our \$60 million request to help address our critical deferred maintenance backlog, we will work with the Governor and Legislature to find a path forward.

The budget released yesterday represents a starting point for budget discussions in Juneau next legislative session. We will work with the Governor and the Legislature to secure the needed state funding to support the Board's Tier 1 Budget Priorities.

Thanks for all you do to help prepare our students to achieve success in Alaska's future.

Wishing you a safe and happy holiday season,

Pat Pitney



President University of Alaska