

Pat Pitney
Interim President

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July 1, 2021

Dear UA Community –

Today, Governor Mike Dunleavy announced the details of the FY22 operating and capital budget, and he has maintained the \$273 million appropriated by the Legislature for the university's operating budget but vetoed the \$31.6 million in capital budget funds for UA deferred maintenance projects.

We appreciate that the governor recognizes the extraordinary financial impact that COVID-19 has had on the university in accepting the legislative operating appropriation, but we still face a \$4.3 million reduction in state funding. This reduction is compounded by remaining COVID impacts of \$15.9 million. Additionally, the capital budget veto delays work on critical deferred maintenance projects. We will continue to pursue funding for these important projects.

The \$273 million state unrestricted general funds (UGF) for the operating budget, coupled with earned revenue, allows our universities to provide stability for core programs – especially those that address workforce shortages, critical research, and economic diversification – and training Alaskans for the post-COVID workforce.

The governor's budget announcement today focused on the operating and capital budgets, but there are additional issues the Legislature will address during the August special session. One of particular interest to the university is the funding mechanism for the Alaska Performance Scholarship and the Alaska Education Grant programs. Knowing that students need certainty now, earlier today I announced that the university will honor the state's obligation to the 5,400 Alaskans who have earned either the scholarship award or the needs-based Alaska Education Grant award. We understand that funding from the state to cover these scholarships will be delayed, but our immediate goal is to ensure students can make decisions for the fall semester knowing their scholarships are secure. Our students rely on these important financial aid tools to fund their education, and they have worked incredibly hard to earn them. I am particularly proud that 86 percent of those receiving the APS and AEG have chosen to attend one of our three universities.

I am confident the Legislature and governor will resolve this issue during the August special session. In addition to the scholarships and grant programs, this funding issue impacts the state's contribution to the WWAMI program, which provides \$3.2 million in funding to support 80 UAA medical students in partnership with the University of Washington. Your voice is critical for communicating the importance of these programs for the long-term. Please reach out to legislators and the governor to express the need to resolve this issue as soon as possible.

It is important to acknowledge that the university has managed more than \$100 million in state reductions to our operating budget, a 30 percent reduction since FY14. Looking forward, we continue our focus on reducing our facility footprint and administrative streamlining. However, our state's economic recovery is

dependent on a strong workforce, and the University of Alaska is focusing on student enrollment, creating stability in our core programs, and emphasizing research for Alaska's business and industry that benefits every community.

Sincerely,
Pat Pitney
Interim UA President