

RE: Governor Dunleavy signs UA FY27 budget

June 25, 2026

Dear University of Alaska Community -

Late yesterday, Governor Dunleavy signed the [FY27 Budget](#) into law with no vetoes. Over the last several years, our budget requests have balanced fiscal restraint with strategic investment and maintaining stability, and the FY27 request continued that approach. We are grateful for the Legislature and Governor's support of our funding requests and for maintaining investment in our educational mission. We look forward to working with them to build on the progress of the last several years and weather the uncertainty on the horizon in a sustainable way.

Operating Budget Summary/Highlights

- **Compensation:** The budget includes a **3% wage increase for union employees as required by collective bargaining agreements, and for eligible non-union staff***. Additional funds will partially cover the university's rapidly rising medical, dental, and vision premium costs for benefited employees.
 - **Staff who are part of the newly-formed CAUSE-UAW union are not eligible for the 3% increase as no collective bargaining agreement is in place for them. UA and CAUSE will begin negotiations on that unit's first contract this week.*
- **Fixed Costs:** Just over **\$700,000 will go towards key public safety needs at UAA, UAF, and UAS**. In addition to state funding, all available university-earned revenue - tuition, university receipts, and federal - was budgeted toward these costs.
- **Recruitment, Retention, and Graduation:** In support of the Board's **Student Attainment Framework (SAF)**, the budget provides **\$1.2 million in one-time funding to expand student recruitment efforts**. These funds augment the \$4.3 million of our own earned revenues we're putting towards that effort. Growing enrollment, improving retention, and speeding time to graduation remain top UA priorities.
- **Student Mental Health:** Nearly \$800,000 in new funding will allow us to expand mental health support across the system by adding in-house providers, expanding telehealth and virtual services, and improving our ability to support students in crisis. Students have been asking for this kind of additional support for the last several years, and these state funds will help us build on ongoing efforts across the system to support our students' mental well-being.

Capital Budget Summary/Highlights:

The capital budget prioritizes maintenance of aging UA facilities, supports workforce development, and completes projects already under construction at UAA and UAS:

- **Systemwide Deferred Maintenance - \$32.5 million:** Addresses the six most urgent deferred maintenance projects at each of UAA, UAF, and UAS. This has been Regent's #1 capital priority for years; we're very pleased to see it in this budget.
- **UAA Welding and Non-Destructive Testing Renovation - \$3 million:** Supports key workforce needs in critical minerals by renovating instructional space to potentially triple the number of welders trained annually.
- **UAF Campus Transit Fleet Maintenance Facility - \$1.38 million in UA receipts and \$5.44 million in federal receipt authority:** UAF will be able to capture a federal grant awarded in February to conduct maintenance on campus transit vehicles.
- **UAF Alaska Critical Minerals Collaborative (ACMC):** UAF is in the running to receive a multi-million-dollar National Science Foundation (NSF) Regional Innovation Engine grant that could provide up to \$160 million over 10 years to support critical minerals research. The state's support strengthens UAF's competitiveness for the award, which has more than \$300 million in committed private-sector in-kind support.
- **UAS Sitka Campus New Dock and Mariculture Training Facility (Phase II)* - \$2 million:** This project is already underway, and the funding will allow construction to be completed on facilities needed for UAS to expand its mariculture program.
- **UAA Alaska Leaders Archive Consortium Library Renovation (Phase 1)* - \$1.25 million:** Provides the final dollars needed to complete the first phase of renovation of the Consortium Library to house the Alaska Leaders Archive, leveraging millions in private donations and prior state funds while reducing UAA's DM backlog.

**Funding for these projects is contingent upon oil prices averaging \$80 per barrel or higher during the first half of FY27.*

Thank you for your continued dedication to the University of Alaska. Your work makes a lasting difference for students and the state.

Wishing you a safe and happy summer,

Michelle Rizk
Interim President
University of Alaska



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