



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,