



November 18, 2021

Dear University of Alaska employees,

Last week, the Board of Regents approved the University of Alaska FY23 operating and capital budget requests, including a modest increase in the operating budget. I am optimistic that we are rounding the corner to financial stability after eight years of budget cuts compounded by declining enrollment and the financial impacts of the COVID pandemic. Our academic and research programs are critical to the state's economic recovery and overall success, and I am grateful to all of our faculty and staff for their work to maintain quality programs in this transition to our smaller footprint.

The \$280.7 million operating budget, in state unrestricted general funds (UGF), represents a modest 3 percent increase, approximately \$8 million more than our current fiscal year. Even with an increase in state funding, we will need to continue to identify additional efficiencies and internally reallocate unrestricted funding to cover projected operating cost increases, estimated at \$11 million, and enrollment revenue declines. We have been fortunate that federal and state COVID recovery funding has helped reduce the financial impacts of the pandemic, protecting many university jobs.

That s

indicative of the value Alaskans place in our programs as we