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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 Legislat

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