

December 16, 2016

To: UAF Employees and Students  
From: Interim Chancellor Dana Thomas  
RE: FY18 Budget Update

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Yesterday afternoon, Gov. Bill Walker released his state budget proposal for fiscal year 2018.

The proposal includes about \$325 million for the University of Alaska system, which is the same funding level as our current fiscal year. In this difficult fiscal climate, we appreciate the governor's recognition of the importance of Alaska's higher education system in his budget proposal.

The governor's budget now goes to the Legislature for consideration during their regular session, which begins January 17, 2017.

As many of you already know, flat state funding translates to a reduction in the services or programs we can offer. That's because our fixed costs—for things like utilities, debt payments, benefits and facility maintenance and repair—increase each year. In addition, as noted in President Johnsen's budget message, the Regents have identified high-priority areas for investment that will require reallocations. Therefore, for UAF, even flat funding from the legislature could mean spending reductions in excess of \$10 million next year.

We know that a lot of things can change during the legislative session, and our legislators this year have a big challenge ahead as they consider how to balance the state's budget. After the first of the year, UAF leaders will begin working to shape our budget plans for next year, using the governor's budget proposal as a guide. We will be sharing information with you as it becomes available, so please keep an eye on your emails and Cornerstone newsletters over the course of the coming months. It's important for all of us to be as informed as possible.

As in past years, your input is important. There will be a variety of ways you can share your ideas and feedback on the budget at campus forums, in writing and in public testimony. UAF leadership will work with our public and government relations team to ensure we have a coordinated advocacy effort. I took careful note of your comments at the revenue forum earlier this year. Another way to weigh in now is the UAF Office of Management and Budget's online form. If you have an idea or something you would like us to consider in our budget planning, please feel free to share those thoughts at <http://bit.ly/ombfeedback>.

I hope you all have a restful holiday break. The coming year will demand creativity, diligence and careful consideration from all of us as we work together to manage another challenging budget cycle. I am confident we can rise to that challenge.