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grant revenues, understanding fully that grant funding is not available for general increases outside the grant purpose, or 2) reallocation from other components, knowing fully that tuition is declining and that a state funding increase of this magnitude is not possible. Overall, UNAC's current compensation and benefits proposals would cost an estimated \$75-80 million dollars over the three-year contract. If the proposals were funded through reallocation of current resources, the impact on staffing, program offerings, and operations would extend well beyond Governor Dunleavy's FY20-22 compact reductions.

I understand that the university's proposal is not as much as we all would like, given that all UA employees have worked the last several years in a difficult budget environment, under extraordinarily difficult conditions, and that institutions and individuals see inflationary pressure. However, the reality is that the university system continues to face budgetary constraints from years of decreased state appropriations, deferred maintenance, COVID, and enrollment declines. While we are turning the corner on these issues, there is much more work to be done, and increases in compensation must reflect this reality.

In addition to compensation and benefits, the parties are negotiating non-monetary proposals. This is a long-standing CBA that has served the parties well as evidenced by the absence of major disputes over its 25-