

June 28, 2016

Dear Colleagues -

This morning Governor Bill Walker announced a series of vetoes to the state operating and capital budget. This unfortunately included a \$10 million cut to the University of Alaska's operating budget and a veto of the \$18 million capital budget reappropriation for the U-Med road project.

While I am disappointed in today's news, we are clear in our priorities and will allocate the necessary reductions strategically. I want to share with you a summary of where these additional reductions will be taken.

- Approximately \$8.5 million in reductions will be allocated to the \$35 million in strategic investments outlined at the June Board of Regents meeting for campus priorities, research, K-12 partnership, and workforce development programs.
- Other areas such as compliance programs and those focused on development and student recruitment/retention will receive smaller increases than originally planned.
- The remaining \$1.5 million will come from reducing high level administrative positions at the system and campus levels.
- Left intact will be the \$9 million to offset the mid-year tuition increase; \$10 million for deferred maintenance; and, \$3 million for the debt service and operating costs of the UAF engineering building.

As you know, the university has been working on budget reduction options for months including the elimination of 579 positions - 160 through attrition, 172 through layoffs, and 247 through non-renewal of term contracts; the deletion, suspension, or expedited review of 95 degree and certificate programs; no increase in salary for high level administrators; increasing faculty instructional workloads; and implementing voluntary staff furloughs.

I know that these reductions are not without serious impact on our faculty and staff, but I also know we will work our way through them. I am confident in the progress we are making through Strategic Pathways and the assessment of our university accreditation that we will find the needed efficiencies to ensure we continue to serve our students and the state's higher education needs.

I want to share with you an update on single accreditation as well. Several months ago when I began the review of single accreditation vis-à-vis three separately accredited universities, I asked Dr. Dana Thomas, former Statewide Vice President of Academic Affairs and Research and current candidate for UAF interim chancellor, to conduct an assessment. Dr. Thomas's detailed assessment plan can be found at the link below. The complete report will be available in late-July.

http://www.alaska.edu/files/research/News_Updates/Detailed-Assessment-Plan-June-14-Revised-2.pdf

Jim Johnsen