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Many Traditions One Alaska

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Dear UA Colleagues,

After a series of direct discussions with the governor over the last week, I wanted to share some important news with you. The university has reached an agreement with Gov. Dunleavy that supports a total budget reduction in state funds to the university of \$70 million – about half of the \$136 million originally proposed – but the agreement spreads that cut out over three years.

Watch the recorded livestream of the budget announcement with Governor Dunleavy, UA President Jim Johnsen, and UA Board of Regents Chair John Davies at: <https://t.ly/BdOm7>. The Budget agreement between Gov. Dunleavy and the UA Board of Regents can be found here: <https://t.ly/qiyqJ>.

The multiyear step down in funding means that in FY20, which began July 1, the university's budget will be reduced by \$25 million in state general funds from the current level of \$327 million; in FY21, the university would see another \$25 million reduction from the state; and, in FY22 another \$20 million cut in state funds.

A \$70 million reduction, even over three years is a serious reduction. It will require careful review and streamlining of administrative structure, academic programs, and services to ensure that resources are focused on student access and achievement. But by restoring the legislature's appropriated funding for this year, and by spreading reductions out over the next two years, the required restructuring can be done more methodically, with less impact on students.

With more certainty about our FY20 budget, I will share a plan for its distribution in advance of the Board of Regents meeting on September 12-13. That plan will be based in large part on the scenario previously shared but it will be updated to reflect what we need to invest in to pursue our five strategic goals.

So what does this mean for Creating One UA

We are moving forward with presenting a plan for a new university structure, to the Board of Regents in September. While, this agreement gives us more time, future budget reductions compel us to move forward with planning efforts.

In the immediate short term, this multi-year step down means we will not impose furloughs as originally planned, but we will continue to bring down our costs through restricted hiring, travel, and procurement. We are eliminating subscriptions and memberships and we are consolidating licenses and contracts across the system where it makes sense. We are scaling back some of our facility maintenance and we are seeking to monetize facilities through sale and lease.

We also are consolidating administrative functions. Already in process is the redesign of Human Resources. Under consideration for the near term are Information Technology and Development. We are also looking at selected areas in Finance and University Relations. Teams comprised of administrative leaders across the system are working on these plans in conjunction with our several councils, which include representatives of UA faculty and staff governance organizations. We intend to finalize and implement these plans in phases through the coming year.

To reduce duplicative academic programs, we have scheduled a series of workshops the week of August 19-23 for the following academic areas (others may be added):

Health	Science / Arts / Humanities
Management / Business	Research
Engineering	Education
eLearning	CTE / Community Campuses

With input from these workshops we will develop our plan for academic restructuring at UA. Also informing the planning work is the survey that was sent out yesterday. Data from the survey will serve an important role in the Board of Regents' consideration of how the university will approach consolidation plans, and continue meeting the state's needs for higher education in a constrained financial environment. The Board plans to make decisions on university structure and programs in September, so please respond right away. Your participation in the survey is voluntary. All responses will be kept confidential -- only combined results without identifying information will be reported. The survey results will be reported to the Board, along with our plans, at the September meeting.

Here is a link to the survey: <https://www.surveygizmo.com/s3/5155807/University-of-Alaska-Board-of-Regents-Stakeholder-Survey-consent>

Finally, since communication is always important, especially in times like these, I will be meeting with faculty, staff, students, and community leaders across the state over the coming weeks and months to hear interests and concerns and to explain the what, why, how, and when of this important work for the long-term health of the university and our state.

While the challenge remaining is significant, it pales in comparison to the single year \$136 million cut we had anticipated.

Many thanks are due to all of you and to our legislators whose strong advocacy for UA brought us to this result. Appreciation is also due to Gov. Dunleavy whose agreement for a reduced cut and to a multiyear stepdown will give us the room to “pivot to the positive” and devote our attention over the next three years to ensuring student success, managed reductions and strategic growth.

#UAStrong
Jim Johnsen