

James R. Johnsen, Ed.D.

President

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UNIVERSITY  
of ALASKA  
*Many Traditions One Alaska*

DATE: July 1, 2019  
TO: All UA Employees  
FROM: President James Johnsen  
RE: Notice of FY20 Furlough Due to Budget Veto

As you may know, last Friday Governor Dunleavy vetoed \$130 million from UA's budget for the fiscal year starting July 1, 2019. While we will work hard over the next few weeks to encourage a legislative override of the governor's veto, we have little choice but to pursue salary and other cost savings measures immediately. Per Regents' Policy and University Regulation 04.07.115.E.1, this memo provides UA employees notice of furlough during the fiscal year 2020. A furlough is only the first among many difficult steps ahead if the legislature does not override the governor's veto.

**At this time, no furloughs will commence sooner than 60 days from the date of this notice. However, if a veto override is unsuccessful and the Board of Regents declares Financial Exigency, notice periods may be shortened.** My initial thoughts on furlough implementation is that we utilize ten working days in conjunction with winter and spring break - excluding paid holidays. We want to reduce the financial burden of furlough with as much advanced planning time as possible. Further details on furlough implementation will be communicated as the situation becomes clearer.

Employees not subject to furlough notice at this time\*:

1. Employees who hold H-1B visas, as defined in 20 CFR 655.731;
2. Graduate/teaching/research assistants, postdoctoral fellows/trainees, and other student employees;
3. Employees on military leave with pay;
4. Employees who perform functions essential to maintain health and safety, as determined by the chancellor or president;
5. Employees whose compensation is derived 100% from restricted funds; and
6. Employees who are members of collective bargaining units unless otherwise agreed.

\*Please note that if the Board of Regents declares Financial Exigency, contractual terms for ALL employees, including members of bargaining units and others not subject to this notice, may be modified.

Here are some essential details of furlough status:

- While employees are on furlough status they will not be permitted to work on behalf of the University;
- The University will continue employee health, life, and disability insurance, and employees remain responsible for making all employee benefit contributions;
- Retirement contributions by both the employee and the University are reduced by furlough and service credit may be affected.

Please go to <https://alaska.edu/pres/fy2020-budget/> for more information regarding the furlough, financial exigency, and layoffs. I will update you on the furlough and implementation details at a later date.

We will work diligently to seek a veto override by the Alaska legislature, which will make furloughs unnecessary. Thank you for your patience and dedication to providing higher education in Alaska.