

Dear UA Community –

Important developments regarding the University's budget are taking place. Here's an update on those developments and our plans for moving forward:

- Late last night the House passed a budget and adjourned. The House's budget would provide \$317 million of unrestricted general funding (UGF) for the University of Alaska, an \$8 million UGF cut from the current year. University services would be severely impacted by the House budget number, if it becomes final. The House number results in a total reduction of \$61 million (16 percent) over the past 4 years; that's the equivalent of more than twice the UGF operating budget for the University of Alaska Southeast.
- The Senate adjourned today after deciding not to concur with the House budget. To ensure government services will continue after July 1, the Governor called the legislature into a second special session to focus only on the operating budget, beginning at 1pm today.
- Until a budget is agreed on between the House and the Senate, the entire state government is without a budget for FY18 with just two weeks remaining before the new fiscal year begins July 1st. Without appropriation authority to expend funds from the state treasury, all state agencies are in uncharted legal territory. The state Department of Law wrote a fact sheet on this issue that you can read at: <http://law.alaska.gov/press/releases/2017/060817-Shutdown.html>.
- Despite the current budget impasse, I want to assure you that the university will continue to provide critical and core services, even in the absence of an appropriation.
- We have been working closely with the Governor's Office of Management & Budget, the state Department of Law, the Chancellors, Provosts, Vice Chancellors for Administrative Services, General Counsel, and other university leaders to prioritize the operations the University would continue if there is no state appropriation by July 1. That plan will be finalized this weekend and provided to the Governor's Office of Management and Budget on Monday.
- We do not currently plan to issue budget impasse-related furlough or layoff notices until after the Board of Regents meets on June 22nd. The University has delayed issuing furlough or layoff notices for a number of reasons. Those reasons include: many University operations are self-supporting during the summer, and many other University operations are core to our constitutionally mandated mission or are federally mandated, and must continue even in the absence of an appropriation.
- If a budget impasse continues, those employees not in areas related to safety, security, and our core constitutional mission of serving students and communities as well as the research and educational programs funded by external sponsors, will be issued furlough notices or, in the case of some represented non-faculty employees, laid off after appropriate notice. Notices may be issued to broad groups of employees and then rescinded during the required notice period as detailed staffing plans are refined. I urge you to review the FAQ document developed by Human Resources to answer many of your questions at: <http://www.alaska.edu/hr/budget-impasse-info/>. The FAQ will be regularly updated and there is a form where you can submit questions to be added.

- If the budget impasse continues into next week, I have asked each chancellor and respective HR director to host a town hall forum to address as many of your questions as possible. Those town halls will be held on June 23 and further details will be sent by your chancellor.

We certainly hope that the budget impasse is resolved by July 1, allowing us to avoid the disruption, damage and upset caused by issuing unnecessary furlough or layoff notices. However, we are rapidly approaching the point at which we can no longer wait for that possibility.

You can expect to hear from me with more specific information as it becomes available. Thanks for your patience and continued support during these very challenging times.

Jim Johnsen