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May 13, 2020

Dear UA Community –

This morning the Audit Committee of the Board of Regents met to discuss the university's current financial position and the significant budget shortfall we face. The budget has been impacted by a number of factors, most notably state funding cuts since 2015, enrollment decline since 2011, and the fiscal impact of COVID-19.

As a result, the Audit Committee directed me, in partnership with the chancellors, to create a series of options to address budget issues that the full Board of Regents will consider when it convenes in June. The ideas discussed today include:

- Additional integration of academic and administrative programs
- Revision of an allocation model for budget reductions moving away from pro-rata cuts
- Structural change [e.g., mergers, closures, changes of mission]

I will be meeting with the chancellors tomorrow to begin the work of supporting this direction, in consultation over the coming couple weeks with our governance leaders and our accreditors to gather input and ensure compliance with accreditation standards.

Additionally, the Academic and Student Affairs Committee of the board met today to finalize its work on the reductions or deletions of nearly 50 academic programs. The committee took into consideration extensive input from a number of individuals including industry and community members. The final committee recommendations will go to the full Board of Regents for its consideration in June.

I have no doubt that together we will chart a clear path forward, solve our budget issues, maintain our financial strength, and come out of this challenging time stronger than ever.

Sincerely,
Jim Johnsen