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Dear UA Colleagues –

I wish I had more definitive news to share with you, but please know that we are working hard toward a resolution of our budget issues that is in the best interest of our students, staff and faculty. In the meantime, keep advocating for UA. Your voices are being heard in Juneau and all over the state by our elected leaders.

Legislators are convening in Juneau this weekend to resolve the budget issues before them, namely the capital budget, reversing the sweep of scholarship funding, the PFD, and potential restoration of funds for UA vetoed by the governor.

During the past week, university leaders have had discussions with the governor's office and legislative leaders on our FY20 appropriation. While there is uncertainty about the final budget number, given results of the veto override vote, the governor's expressed intent to reduce state support for the university and his constitutional authority to veto any supplemental funding, there's no uncertainty that the university will face a substantial reduction. There's also no uncertainty that a cut that's even a fraction of the current \$136 million reduction will be doubled by the need to delay until January implementation of most academic program reductions. Finally, there's no doubt about the financial impact that a delay in receiving a final budget has had on the university.

You have seen the immediate impacts this week with the credit rating agency, Moody's, downgrading our credit rating by three notches. This makes bonding or borrowing money substantially more difficult and expensive. Moody's also issued a negative outlook citing the "unprecedented" budget reduction for the university and the Board of Regents' decision to delay a declaration of financial exigency.

In light of Moody's action, the certainty of a substantial reduction, and the ongoing budget impasse, Board of Regents Chair John Davies, after consultation with the board, will bring forward the question of a Declaration of Financial Exigency at the BOR meeting on Monday, July 22. The BOR agenda can be found at www.alaska.edu/bor/agendas/.

The board also will discuss structural options, and I hope you have the opportunity to watch or monitor the proceedings at www.alaska.edu/bor/live.

As things develop in Juneau, we will update you.

Thank you and stay UA Strong!

Jim Johnsen