

**Subject:** Regents declare financial exigency; consider structural options  
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July 22, 2019

Dear UA Community,

Today, on a vote of 10-1, the Board of Regents approved a [declaration of financial exigency](#) for the university. This difficult decision is a direct result of a massive \$136 million (41%) reduction in state funding, projected additional losses from declining enrollment and reduced research activity, and the lack of sufficient reserves to fund our current operations through the year.

It's important that we all understand what this declaration is and what it is not. As discussed with the regents, the declaration of exigency is a tool, not a plan, to implement necessary reductions to meet the budget shortfall in a timely manner. The declaration can be modified or cancelled if the legislature and the governor are able to successfully restore funding.

After thoughtful discussion, the board directed me to work with the chancellors and academic leadership to prepare high level plans for restructuring the university. The two plan options chosen for additional consideration by the board include a lead campus model and a single accreditation model. The regents will meet again next Tuesday and, based on the additional information, provide direction on a structure for the university system moving forward.

From that point until the next board meeting in September, the university community will have an opportunity for input on each option, with final decisions by the regents on September 12-13. Until then, little or no academic changes will take place -- no campus closures or interruptions to the fall student schedule.

Your voice in advocating for the university continues to be critical. Unfortunately, as of today the legislature has failed to restore funding reduced by the governor's veto or to return funds - including the Higher Education Investment Fund that supports the Alaska Performance Scholarship, Alaska Education Grant and WAMMI funding - that were "swept" into the Constitutional Budget Reserve. But there is still some hope for further funding.

As always, thank you for your hard work, your dedication to the university, your patience, and your perseverance during these extremely difficult times.

UA Strong!  
Jim Johnsen

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