

**Henderson State University Faculty Senate
Special Meeting
9 FEB 2022**

Senators present - Aaron Calvert (due to a class, he was not present the entire meeting but Margo Duvall, his alternate, served in his stead), Beth Wyatt, Brian George, Carly Cate, Carolyn Jester, Carrie Flora, Catherine Leach, Connie Phelps, Darrel Farmer, Deepak Pant, Dever Norman, Fred Worth, Holly Cothren, James Engman, Jane Adams, Janna Lock, Jonathon Barranco, Mark Mosser, Matthew Gross, Megan Hickerson, Michael Loos, Patrick Wempe, Richard Miller, Robert (Matt) Breece, Sally Crain, Shannon Wittig, Shari Valentine, Steve Adkison, Torri Ellison

Senators absent - none

Administrators present - Charles Ambrose (Chancellor), Bernadette Hinkle (Finance/administration), Brad Patterson (VP for Student Affairs), Jim Hunt (Provost)

Media - Jamie Adame (Democrat-Gazette), Lance Brownfield (Oracle)

Other guests - Tommie Campbell (Staff Faculty Senate Representative), Alan Blaylock, Alex Arce, Andrew Burt, Angela Boswell, Beth Maxfield, Bill Higgins, Brian Bagwell, Carmella Dickerson, Carrie Burt, Chris Todd, Christi Davis, Christopher Golston, Christy McDowell, Claudia Beach, David Mills, David Sesser, Edyta Schranz, Erica McDaniel, Flora Weeks, Gene Williams, Greg Gibson, Heather Thayer, Holly Boyette, Jack Higginbotham, Jamie Lipton, Jennifer Amox, Jim Buckner, Kasten Searles, Lacy Wolfe, Lisa Smith, Margarita Peraza-Rugeley, Nathan Campbell, Nevada Mills, Orlando Goodwin, Pam Davis, Peggy Dunn Sturba, Penny Whelchel, Randy Duncan, Ron Heinz, Ruth Eyres, Shannon Clardy, Sharon Paredes, Shelia Hollis, Susie Kirk, Suzanne Kordsmeier, Suzanne Neidhart, TaLisha Givan, Tina Hall, Tricia Wempe, Victoria Mirocke, Vivian Jones, William Henshaw, Zahra Zamanipour, Don Kelly, W Martin James, Jiyoun Park, Ajay Aggarwal, Allen Leible, Allison Divine, Amanda Jones, Amber Brownlee, Aneeq Ahmad, Anna Smith, Brad Phelps, Brett Serviss, Brittany Morrow, Bryon Martin, Carly Beggs, Carolyn Eoff, Carolyn Hatley, Chanda Hooten, Charity Dawson, Charlotte White-Wright, Cheryl Massey, Christopher Todd, Cindy Dillavou, Connie Loy, Connie Testa, David Evans, David Stoddard, David Warren, Denis Cordova, Carmella Dickerson, Doug Heffington, Drew Smith, George Baker, Ginger Harris, Haroon Khan, Holly Morado, Jana Jones, Jarrod Bray, Jennifer Maddox, Jessica Allen, Jim Harper, Jim Wilhelm, Joe Campbell, John Price, Jon Higginbotham, Judy Caryle, Julie Mills, Katherine Strause, Kathy Muse, Kelci Martinez, Kelly Stewart, Kristen Benjamin, Kristi Glass, Kristopher Dunn, Lacy Klinger, Lanesha Funderburk, Larry Monette, Leah Hasley, Lenette Jones, Linda Evans, Lynn Glover-Stanley, Malcolm L Rigsby, Marck Beggs, Margo Duvall, Marty Campbell, Maryjane Dunn-Whitener, May Tsao-Lim, Millie Bowden, Mindy Daniels, Nathan Holloway, Nikki Laird, Paul Williamson, Peggy Woodall, Phil McDaniel, Renee Walls, Renn Tumilson, Rick Demalade, Ricky McDaniel, Rob Redding, Russ Breshears, Scott McKinnon, Shane Broadway, Shawn Jones, Shelly Austin, Stacey Howard, Stephanie Barron,

Stephen Clack, Steve Carter, Steve Fellers, Steven Becraft, Steven Garner, Steven Listopad, Susan Calico, Tami Arnold, Tammie Townsend, Thom Copeland, Tiffany Carter, Tonia Mcbay, Trae Warner, Trudi Wempe, Willica Morgan, Wrenette Tedder

Additional guests who didn't register their attendance and whose screen names are sufficiently cryptic that I didn't know who they are - Bradsha, Brian, Buckl, Campbell, Chapmak, ClarkT, George, Houses, John, Kelly, Leew, Lynn, Matthews B, Maxfiem, MirockD, Molly L, Mvickers, Penninb, Reynolds, Six identified only by a phone number, Sp, Trudi's Iphone, W Holt, William's ipad

Call to order by Dr Engman at 3:15 p.m.

Motion, second to read the questions - motion passed.

The following questions were submitted by the Faculty Senate and will continue to be updated as needed.

[note - Some questions have two parts to the answer. The first part is the answer Dr Ambrose submitted in advance of the meeting. Anything in italics is additional response given during the meeting. If a question is in italics then it was asked during the meeting rather than being a pre-submitted question. The non-italics portions are word-for-word from Dr Ambrose gave prior to the meeting. The italics portions are the secretary's best efforts at presenting the main parts of other statements made during the meeting and should not be viewed as a word-for-word transcript.]

Q: Will Henderson follow the financial exigency protocols set out in the 2016 Faculty Handbook?

A: Yes. The 2016 Faculty Handbook has been our guide throughout this process.

Q: What is the timeline for the financial exigency process?

A: Based on protocols set by the 2016 Faculty Handbook, the anticipated timeline is as follows:

February 3: Chancellor communicates intent to begin financial exigency process.

February 17: Deadline for Faculty Senate to provide Provost with written concurrence or disagreement with the proposal; academic administrative personnel will separately conduct their own analysis and submit recommendations on the same timeline.

March 11: The Chancellor plans to present an update at the regularly-scheduled Board meeting on March 11, 2022. However, the Board will consider a decision regarding the financial exigency recommendation at a separate, specially-called meeting due to the 30-day window stated in the Faculty Handbook for this action.

30-day program/position review process: Provost works with faculty (either through the Faculty Senate or a Senate-approved committee and the academic administrative personnel consisting of full-time faculty members) to determine recommendations for program cuts and position eliminations.

Following the 30-day review process: Provost will communicate the recommendations to the Chancellor.

Late April/Early May: The Arkansas State University System Board of Trustees will consider the recommendations for implementation.

Dr Engman noted that the handbook seems to require a different timeline than outlined above. Dr Ambrose said that our current financial situation cannot sustain a year of planning and a year of notice. We will honor the year of notice.

Some of the time in the process will be used for data gathering and evaluation of the data before elimination of programs or faculty lines.

The university is carrying \$4.8 million in payables and is seeking to get those paid down. Trying to make progress on this and continuing to make payroll is our goal. We also want to present a budget next year at around \$55 million. This and the past couple years saw a budget around \$68 million. The goal of \$55 million is so furloughs will not be continued into next year and to maintain viability of the university.

We are carrying three significant structural deficits (cash deficit, inability to pay our bills, our payroll) that are putting our accreditation at risk.

Faculty have basically been getting paid out of savings (operating at a cash loss) rather than revenues, hence exigency is essential. It is unfortunate that we have to work this quickly to get HSU into a size and shape that are sustainable.

What the process does regarding HLC and accreditation - places the university under financial monitoring by HLC and DOE in the area of liquidity. It also gets reported in resources used by prospective students. If we were in the Southern Association for accreditation, we would already be under probation and at risk of losing accreditation. Exigency would be viewed as a positive in addressing the crisis.

Q: Registration begins 3/28 and it appears information for course offerings will be incomplete. How do we proceed?

A: There will certainly be problems due to the current uncertainties. We will do what we can to enable students to continue their programs. We are assured of assistance from other ASU schools, particularly Three Rivers and Jonesboro in helping students finish out in any programs that are terminated.

Q: What would happen in the event that the Faculty Senate or the Senate-approved committee does not determine recommendations for program cuts and position eliminations or does not arrive at recommendations according to required criteria/priorities?

A: We will have to set objectives for what we can do and seek to find ways to make it possible to meet student needs. This includes determining how we assess programs. To accomplish what we need to accomplish, we need to understand and be able to quantify unit based costs in every program. We need a fiscal objective. That would include our instructional spend for next year and the future.

Faculty senate will be involved in this process. Consensus and engagement will be priorities. As we work through that, there are a lot of considerations that will be made that are in the benefit of students and faculty. Criteria says thoughtful engagement will be made based on who is best qualified to make sure program needs are met.

Recommendations will hopefully come from provost and faculty committee that will then be passed on to the system board. If the objectives cannot be agreed upon and university integrity is not deemed sustainable then there will be institutional review of the recommendations, possibly revised, and sent forward to the board.

Cost of delivery will be a major focus. Signature programs will hopefully be identified. But all of our undergraduate programs operate at a fairly significant loss.

The most important parts of our structural deficiency are retention and completion rates being so low. PELL eligible students have 27% graduation rate, overall it is 37% (statewide is 67%). We have enrolled 10809 students over last 5 years. 3597 graduated. Nearly half (47%) who enrolled in 2016 or since are gone and have not completed degrees. It should be near 80% graduated or still here. The driving figure towards exigency is that those 47% account for about \$7 million of our \$10 million student payables.

Last metric to be involved is career readiness of our graduates and alignment of that to what Arkansas needs. Most southern Arkansas counties are in deficits in a variety of ways. We want our graduates to be competitive. What programs align with the needs of the region?

Q: Can we address salary inequities across campus within our current cost-saving process?

A: There are compression issues, particularly involved when comparing to our peer institutions. HSU's history of financial challenges contributes to that. Attempts to right-size salaries are going on in departments using a variety of methods. This is also true with staff. It is a complex position management problem in HR. Balancing responsibility and salary is an ongoing process. Administrative overhead and spending are a large part of this. A solid, competitive wage/benefit structure is imperative in having a viable institution. But we first have to make the university viable by cutting costs and aligning our resources with priorities in order to gain the kind of efficiency we need. Right now, trying to make payroll is a challenge.

Q: Metrics - Huron data is faulty but you're saying Huron data will be used. Why are we going to use their data if we want to have confidence in trying to make recommendations?

A: Huron can make adjustments to the data based on information from the university and departments. For \$1 million we could get a very good, very timely data set for making those decisions. The report we got is a very surface level report.

Institutional research from HSU shows

HSU - 298 credit hours per instructor of credit hour production

ASU - Jonesboro - 402 credit hours per instructor credit hour

A goal for us should be more like 600 credit hours per instructor annually to be cost effective.

We need data-informed tools for making our decisions. We need a valid academic performance portfolio. The administration will seek to provide valid data on which to make these decisions.

Huron is a snapshot that did not consider the financial crisis. It is not a data-informed tool to make decisions about.

Q: When will faculty be given notice if positions will be eliminated?

A: Faculty will be given notice within 10 days of the Arkansas State University System Board of Trustees approval of recommendations for implementation. Based on the schedule above, this could occur in late April/early May.

Q. What metrics will the Faculty Senate be using to determine program effectiveness? What is the source of the data, and when will it be available?

A: The week after spring break, the Chancellor will provide financial targets, proposed frameworks for a Reimagined Henderson and student success measures, and access to an academic performance and viability portfolio defined by institutional research and data analysis tools. The ASU System Office will provide support to the data gathering and tool building needed to inform a data-informed faculty process. Assistance from Huron Consulting is under consideration.

Q: Will tenure-track and non-tenure-track faculty be treated differently?

A: The processes governing tenured and non-tenured faculty are set forth in the 2016 Faculty Handbook, which is available online at <https://hsu.edu/pages/faculty-staff/faculty-senate/2016-faculty-handbook>.

Q: If an untenured faculty member is released, may a more senior, tenured faculty member voluntarily retire in order to restore that person's job, for at least the next year?

A: No. Retirement plans should be coordinated with Human Resources as described in the Fiscal Responsibility and Financial Exigency FAQ available

at <https://hsu.edu/pages/creating-the-future-of-college-reimagining-henderson/fiscal-responsibility-and-financial-exigency-process-next-steps-faqs>.

Q: Are non-tenured reductions going to be within senate recommendations or separate?

A: *Distinction between eliminated programs and reduced programs. Maintaining quality of programs will help dictate how these decisions are made.*

Q: If a faculty member retires early and the university fails, will the Arkansas State University System honor the commitment to cover the university's portion of the health care benefit until retirement age?

A: Henderson will not close. Each ASU System institution is responsible for paying its own employee salaries and benefits. There is no mechanism for the ASU System or another System institution to cover such costs or unfunded liabilities.

Q: If we find out that our position is going to be eliminated, do we still have the option to retire and receive the insurance benefit of current retirees?

A: Yes, if an employee meets current retirement eligibility requirements and formally retires before June 30, 2022. The window as supported by Human Resources will open March 1, 2022.

Q: Historically, fall contracts have not been issued until August, which gives employees inadequate time to budget in case of a significant salary change. If faculty members are retained for the 2022-23 school year yet are slated to have a reduction in salary, when will they be informed?

A: The goal is to have this information available at the regularly scheduled meeting of the ASU System Board of Trustees on June 2. Historically, the June Board of Trustees meeting is when campus operating budgets are considered.

Q: What is the fringe benefits percentage that is added to each salary dollar?

A: 28 percent

Q: As a faculty member in an accredited program, I am concerned about staffing requirements needed for accreditation. Are we considering the effects of the loss of accredited programs on the rest of the university and on the state of Arkansas?

A: Yes. However, Henderson must prioritize its Higher Learning Commission accreditation, which requires us to address our financial stability at this time. Our ability to strengthen our financial position and implement strategies to address our organizational deficits will be monitored by the Higher Learning Commission for

Accreditation and the U.S. Department of Education for ongoing access to federal financial aid.

Institutional accreditation is our paramount consideration. There will surely be some unintended consequences from what we are doing. We will certainly try to minimize that. We certainly could lose some specialized accreditations.

Q: How will academic administration be restructured?

A: In the future, Henderson will utilize a Chief Learning Officer/Dean of the Faculty to centralize academic leadership and instructional allocation within an Office of the Chief Learning Officer. As part of the overall university realignment, Henderson also would reduce the current number of Assistant and Associate Deans at the college level along with the current number of academic departments, and therefore chairs, in a meta-major model of academic programs led by a reduced number of program directors. There also will be changes to the overall senior administrative structure of the university as part of the plan.

There will also be reductions in other administrative positions and spending. These changes will have incomplete effect in this fiscal year but will have a more complete effect in the 22-23 fiscal year.

Q: How much will the elimination of dean/chair stipends save the university?

A: Henderson anticipates annualized savings of \$499,140.

Q: If chairs/directors, etc., lose their stipends, will coaches' stipends be eliminated?

A: Coaches do not receive stipends from the university. Like all Henderson employees, coaches will be taking one furlough day per week.

Q: Did Henderson send \$1.9 million to athletics from Educational and General Funds last year?

A: The amount of \$1,391,407 was transferred to athletics from Educational and General funds during the previous fiscal year. The annual athletic transfer is approved by the Arkansas Division of Higher Education and is based upon a state statute.

He will send more complete information including comparisons with other Arkansas public universities.

Q: What is the message that we are sharing with current and future students? Is there a unified plan for countering the negative impacts that these circumstances could create?

A: Information about what students can expect during the changes and an FAQ have been shared with all current students. Admissions counselors are in contact with future students who are already admitted or have inquired about Henderson and are providing assistance. The chancellor and vice chancellor of student affairs met with two groups of student leaders and also have a general campus student forum scheduled for February 15. The FAQ will continue to be updated and is available online at <https://www.hsu.edu/StudentFAQ>.

We are reaching out to the 6200 students who owe us money and are thus not able to register or get transcripts. We are their impediment to upward mobility. So we are going to try to reach out to those students to try to get them reengaged with us or another school. We may be able to help them get an associates degree through ASU-Three Rivers. That can provide revenue in receiving owed moneys but also help students improve their life position. Some may have already completed the requirements for an associates degree that we could reverse articulate through ASU-Three Rivers.

Q: Questions were asked about problems our situation creates with recruiting. Will the program for which we are recruiting them still exist?

Most of these questions really cannot be answered now but we should have answers around the end of April or early May.

Q: After Henderson achieves financial stability, will competitive salaries be offered? If not, what does it plan to do to cultivate excellence in its faculty and staff?

A: The Administrative Efficiencies component of Henderson's Strategic Resource Allocation Model addresses reclassification and realignment of roles and responsibilities to align to student success outcomes and completion. Reclassification and realignment are important components for identifying job position responsibilities and aligning those to market values. Competitive salaries and classifications that reflect job responsibilities are elements of a long-term sustainability plan. Additional information about the Strategic Resource Allocation Model is available at <https://www.hsu.edu/futureofhenderson>.

This HAS to be a priority once we are in a position to address it.

Q: How much does Henderson expect to save this year with the anticipated staff position cuts and faculty/staff furloughs?

A: Henderson anticipates saving \$3,207,288 in this fiscal year.
This gets us close to where we can fund salaries but we need more savings so that we can get our payables more up to date.

Q: What is the target amount to cut from this fiscal year's budget?

A: The current modified cash budget indicates a cash gap estimate of approximately \$12 million.

This is the low end. Possibly \$12.5-13 million. We are trying to re-issue or negotiate some things like debt service to try to find some savings. We spend about \$2300 more per student in E&G funds more than ASU does. That needs to be reduced.

Q: Can we get weekly enrollment numbers updates, along with last year's numbers, and your projections for budget impact?

A: Current and past semester enrollment numbers are available in the Census Reports that are available on myHenderson. Enrollment data for the Fall 2022 class is changing daily and can be made available by the admissions team. We are creating dashboards on the critical elements of the Modified Cash Budget to track savings, revenue performance, and our overall progress toward improving our cash position.

Q: Is there a structure by which the Arkansas State University System can offer assistance to mitigate our exigency, and if so, is that possible? If not, why not?

A: The ASU System has a small operating budget and does not have significant discretionary funds or reserves. However, in recognition of institutional challenges, the System has done, and continues to do, a considerable amount of work for Henderson at no charge, although such services would typically carry a cost to the institution. The other six institutions in the ASU System are independently appropriated institutions. If any funding were to be transferred from another institution to Henderson, it would have to be in the form of a loan with interest. Considering the already high debt load of Henderson, this is not a feasible option. Henderson is exploring options to align some instruction with what is offered by Arkansas State University in Jonesboro as well as course offerings by Arkansas State University Three Rivers.

Q: What are Henderson State University and Arkansas State University System administrators doing to appeal to the state legislature and the governor to advocate for Henderson?

A: Administrators secured state agreement to defer payment on the \$6 million no-interest loan until June 30, 2028. State funds of \$3.885 million were secured to cover implementation costs for the systemwide Enterprise Resource Planning (ERP) conversion. There is also considerable work under way to re-issue our current institutional debt within the positive value of the ASU System's consolidated financial statements. Work continues to constantly communicate with elected policymakers on behalf of Henderson.

Q: I understand this realignment is probably inevitable, but what efforts were made to procure financial assistance now to extend the timeframe for meaningful

program cuts and layoffs? It's not about kicking the can down the road, it's about giving us the time now to make the hard choices in a meaningful way and to also honor the faculty handbook timeline.

A: With our fiscal deficits and our loan from the state, the ASU system is not structured to provide immediate financial assistance. Donors are enthusiastic about our efforts to reimagine the university to make it more stable and something they can support. We are not the only school in the state with such problems, though our situation is more acute.

Q: What percentage of our students are prepared for college compared to the average? That is key to understanding the difference in graduation rates.

A: 2/3 to 3/4 of our students are ill-prepared. With Pell eligible or RISE students, the numbers who are prepared are smaller. Much smaller. We are not designed to meet the needs of these students. That is a large part of the need to reimagine.

Q: Positive efforts to plug the gap - We are so important to the region, educationally and economically. Can't we persuade legislators and alumni who can help significantly?

A: We're trying, reimagining will help with that. We are reaching out to those people. Some of those people could make transformative gifts.

Q: When does exigency end?

A: When we do not have to worry about making payroll, pay our bills, etc. Three steps - Make payroll through summer, reallocate for a 22-23 budget that we can work with, have 60 days cash on hand.

Q: Will the two former administrators who got us here ever be held accountable?

A: All I can do is lead us forward.

Motion, second for adjournment - adjourned at 5:42 p.m.

Respectfully Submitted,
Fred Worth, Secretary
Faculty Senate