



May 2, 2022

Dear Members of the Campus Community,

Today we are sharing the financial exigency recommendations from the Chancellor and the Financial Exigency Committee. These recommendations will be considered by the Arkansas State University System Board of Trustees on Thursday, May 5 at 10 a.m. Connection information will be available at asusystem.edu in advance of the meeting.

The steps we have taken to improve our financial sustainability—modified cash budget, furloughs, position management, and slowing overall spending—are contributing to our ability to pay salaries and benefits through the summer and to pay debt service and vendor invoices. These steps help to improve our cash position through the remainder of this fiscal year, but they do not address the historical structural deficits that led to the Board of Trustees approving Henderson's recommendation of financial exigency on February 9, 2022.

We cannot grow our way out of this challenge without implementing significant academic restructuring through the financial exigency process. As margins between net tuition and instructional costs widen, our only choice is to re-engineer ourselves to offer the academic degree programs that best fit student and community workforce needs.

The financial exigency process has pushed us to think holistically about organizational size and shape, to align our academic portfolio to available resources and workforce needs, and to forge community partnerships and instructional capacity with ASU System institutions and others to re-engineer ourselves to be a student-ready college.

Academic degrees in the current portfolio have been reclassified as either Future Degrees or Teach-Out Degrees. Henderson will continue to offer the academic degrees listed as Future Degrees. Teach-Out Degrees will be phased out over time. Actively enrolled Henderson students and freshmen enrolling in Fall 2022 will be supported to complete degrees in their current academic major, even if the degree has been selected for future teach-out. We will work individually with students in teach-out degree programs to ensure that we provide the classes needed for students to graduate.

Henderson is a close-knit community, and these changes are difficult but necessary to ensure that we are a student success driven and sustainable institution for many years to come. The stress and anxiety related to our challenges has been elevated by the many questions that have been addressed in a very short period of time. We are providing support—including counseling and opportunities to explore alternate licensure for teaching—and will continue to update employee resources at hsu.edu/hrtransitions. Our reality is that we must make these decisions and effect this level of change to support the on-going operations of the institution.

Both sets of academic restructuring recommendations and a Frequently Asked Questions document are available at hsu.edu/futureofhenderson.

Joining you in service,

Chuck Ambrose