



January 11, 2023

Dear Members of the Campus Community,

Welcome back to campus! I hope that you had an opportunity during the holidays to celebrate with family and friends and to take a well-deserved break after a year of significant change for Henderson in 2022.

At the beginning of 2022, we faced a \$12.5 million projected budget shortfall, which prompted us to implement a modified cash budget and work through financial exigency. We experienced as much change in a 12-month period as any public higher education institution ever has. This has been a difficult experience for the entire campus and required changes that no chancellor wants to recommend unless absolutely necessary to sustain our educational mission.

Twelve months later, we begin 2023 with new optimism—perhaps a cautious optimism as we still have work to do—however, we can see progress in restoring our financial integrity.

Based on FY22 audited financial statements:

- Henderson received no audit findings by the Arkansas Bureau of Legislative Audit.
- We improved from 7 days of cash on hand in 2019 to 50 days of cash on hand in 2022 and continue to work toward the 60 days of cash on hand required by policy for Arkansas State University System institutions.
- Through the combined efforts of Henderson's modified cash budget and financial exigency, we decreased accounts payable from \$6,926,687 to \$1,383,746 for an improvement of \$5,542,941.
- Personal services expenses decreased from \$30,768,950 to \$23,498,322, for a reduction of \$7,270,628, or 23.4 percent.
- Henderson's net position improved from \$21,013,662 in FY21 to \$31,946,526 in FY22.

A more complete financial report is available at <https://www.hsu.edu/futureofhenderson>. We will continue to implement our modified cash budget in 2023 and will explore options to address our long-term debt.

We also will begin important conversations about Destination: Who We Are, What We Do, and Where We Are Headed. This begins with student success and aligning tools and talent to address access, completion, and outcomes. We know that college costs too much, takes too long, and does not always align with student needs. We already have a heart for mission that is so evident in our Reddie Spirit and now can work together to define processes and identify technology and other tools to improve retention and completion rates. Please look for opportunities to join these conversations in the coming weeks.

Joining you in service,

Chuck Ambrose  
Chancellor