



March 28, 2022

Dear Campus Community,

The Arkansas State University System Board of Trustees voted today to certify Henderson State University's recommendation of financial exigency. In accordance with the Faculty Handbook, the Provost and Financial Exigency Committee must now develop recommendations over the next 30 days to reduce or eliminate instructional programs as well as terminate and/or reduce employment of faculty. We anticipate that the overall compression of the academic programs will be approximately 30-40 percent for a permanent reduction of spend and/or reallocation of instruction.

The Financial Exigency Committee will be aided by academic data and financial models, including data derived from the ASU System Office in partnership with the Huron Consulting Group, in making and forwarding its recommendations to the Chancellor. I, along with the Leadership Team in consultation with the resources provided by the Arkansas State University System, will then make my own evaluations and recommendations to the ASU System Board. The Board will consider all of these recommendations at a called meeting in May.

As communicated in my campus memo on March 3, metrics used to evaluate academic programs will include:

- Net cost basis of delivery and overall net revenue production
- Unit-based cost of instruction defined at the seat level
- Student success rates with weighted priority for degree completion
- Alignment to community-based needs and 21st century durable skills

Please see the Reimagining Henderson: Academic Performance and Program Viability document available at <https://www.hsu.edu/futureofhenderson> for additional details about reengineering the academic program structure, academic meta-themes, and overall academic productivity.

Financial exigency is not only driving a fundamental reshaping of instructional allocation at Henderson. The process also is pushing 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 provide seamless P-16 educational pathways. All of these efforts must promote community-based learning with customized and scaffolded supports to enhance student completion and

experience. Reimagining Henderson allows us to redefine student success and create a college that works for all students.

With the declaration of financial exigency, we have reached the most difficult part of our efforts to improve our immediate cash position and restore the overall financial health at Henderson. The sacrifices that you are making as a campus are enormous. Our financial situation requires that we make significant changes to establish a financial flooring that will sustain Henderson's educational mission for future generations of Reddies. These changes bring a high level of uncertainty in addition to the furloughs and salary reductions. Please know that your efforts to serve students and to support each other during this difficult time are appreciated.

I continue to be available to answer any questions, and I will provide ongoing support and communications throughout the process. Please do not hesitate to contact me if I can provide clarification or assistance.

Joining you in service,



Chuck Ambrose