



Dear Colleagues,

As promised in [my October 15 email related to budget](#), here is an update on the work done by our leadership team to address the need for a temporary budget reallocation in this fiscal year. We've discussed in several forums how our fall enrollment drove the need to look at our budget. Rather than waiting until the end of the year to scramble to balance the budget, I asked that every division in the university explore its budget now to assess the extent we could either delay expenditures or otherwise free up one-time funds.

The plan is to set those reallocated funds aside in case we need them should we actually experience the projected shortfall at the end of the year. The easiest thing to do in situations like this is to make across-the-board reallocations (where everyone takes the same percentage cut). But I believe it is wiser to be strategic in making these reallocations (some divisions may have more capacity to cover a budget shortfall than others in any given year). Even though every division was asked to examine how they could help manage the reallocation, my priorities were to seek budget reallocations that minimized the impact on central functions, especially in Academic Affairs and in Enrollment Management. **The short answer is we have located areas to address the shortfall, and they will be minimally impactful to our campus.**

Centrally, we identified temporary savings of approximately \$500,000 by delaying one capital project and getting better than budgeted bids on a couple of other projects. We also identified \$250,000 of unbudgeted salary savings associated with our OVRIP program of 2018. This allowed us to address roughly one-half of the projected budget shortfall at the institutional level.

Last week, each division proposed budget reallocations that, combined, more than covered the remaining projected \$750,000 deficit. The source of these reallocations was primarily carry-forward accounts and unfilled employee lines. That allowed us to greatly limit the impact on Academic Affairs and Enrollment Management.

I am grateful for those other divisions and offices that will continue to do more with less so that the impact of the projected deficit does not limit our fundamental mission in Academic Affairs or the vital role of our Admissions Office. This budget reallocation exercise would not have been possible without the collaborative effort of the entire campus. Thank you to everyone who carefully and candidly examined their budget to assess the extent we could manage the reallocation.

I have been thinking a lot about what I have heard from individual discussions as well as the feedback gained during our current Strategic Plan Town Halls. I believe that the university thrives when everyone understands our situation and why decisions are made. This is especially the case when it comes to our budget. My sense is that you want to know more as well. Unfortunately, being transparent about things like our budget can cause distress for some, and I get it. But I also hope that the distress is allayed by understanding that there is a plan and that you have a role in that plan.

Another transparency example is our strategic plan. If you have attended one of the sessions, you have heard the following sobering statistics. The college-going rate for Arkansas high school graduates has been dropping (the most recent cohort has only 47% of high school graduates attending college) and that 2019 college enrollment across the state was down by -2.4% (compared

to -1.2% for A-State). Fortunately for A-State, our concurrent and online student population has grown tremendously, resulting in 5.7% growth in A-State enrollment since 2014. The truth is, though, that growth masks what is happening with on-campus enrollment, which has declined over the years. You also learned that college enrollment is facing tremendous challenges in 2025 as the post-2008 recession “baby bust” cohort begins to enter their college-aged years. Our new plan leads us right up to 2025 and we need to prepare for that reality. THAT is why I was so pleased to see so many of you at recent faculty, staff, and even our alumni Town Hall sessions this month. We can only move forward if we move forward together.

You have a voice in our future and you can only participate if you are fully informed. That is why I am so transparent with the budget. I am not trying to create a sense of crisis or gloom. The truth of the matter is that I am very optimistic about our shared future. I grow more optimistic after every strategic planning meeting. I feel like we are building something special together. But I do want you to be informed. That is just one reason that I created “Coffee with Kelly” – an opportunity for members of the campus community to meet with me over a cup of coffee to chat about anything that is on your mind. We have had three sessions already and I look forward to more of those.

Finally, I want to thank all of our leaders throughout the university who have been responsive to fiscal challenges and who continue to manage our resources responsibly in these turbulent times. I am also grateful for all of our faculty/staff members who continue to carry on A-State’s noble mission in spite of our current challenges and who are beginning to imagine a new future at A-State. I genuinely value what each and every one of you do for our university. Thank you for your hard work and your patience as we work through this budget process.

Kelly

P.S. If you missed one of the earlier Town Hall meetings, we have one last one set up for November 6 at 5:30 p.m. in the Union Auditorium. Come be part of A-State’s future!

P.P.S. And if you want to come to a Coffee with Kelly, [here is that link](#).



Kelly Damphousse

Chancellor

kdamp@AState.edu

Share this email:



[Manage](#) your preferences

Got this as a forward? [Sign up](#) to receive our future emails.

View this email [online](#).

P.O. Box 2220

State University, AR | 72467 US

This email was sent to billsmith@astate.edu.

[To continue receiving our emails, add us to your address book.](#)

emma