



Dear Colleagues,

During the Fall Faculty Conference, I shared some of the demographic and enrollment trends that would impact our current and future operating budgets. Two weeks later, we released our fall enrollment numbers, confirming that our student population is down slightly compared to last year (but about the same as Fall 2017). Even though our enrollment losses were lower than the state and national averages, lower enrollment negatively affects our overall operating revenue.

As a result of our decreased enrollment, I have asked our campus leadership to begin the process of identifying budgeted areas that can be reduced or projects that can be delayed to meet the budget shortfall for the current fiscal year 2020. Our budget office has determined that we need to reduce our FY20 budget by about \$1.5 million. Over the next days, I hope that your college and department leadership will begin discussions with you about their plans to address the budget shortfall. Every division in the university will be asked to reduce their FY20 budget.

Friends, like everyone in higher education today, we face a significant budget challenge if our enrollment numbers do not increase. In the short term, this FY20 budget reduction could become permanent in FY 2021. In the long-term, decreases in enrollment will result in fundamental changes to A-State's mission and capacity. That is why the strategic plan that you are creating is so vital. We need to meet these challenges head-on and with an honest assessment of where/who we are (and want to be).

Based on the adoption of new enrollment management practices, I am cautiously optimistic about treating this as temporary reduction in our operating budget for FY20. We are already seeing positive results for the Fall 2020 freshman class (especially increased applications). But to get our current applicants to become FA20 freshmen, we need to continue to engage them throughout the year. That is why events like next Saturday's Pack Preview are so vital. Students often tell me that their interactions with our faculty/staff members during such yield events were the key factor in deciding to attend A-State.

Our enrollment objectives are not just about freshman recruitment. They also include efforts to increase our retention numbers, and to expand the number of A-State transfer students. This Thursday, for example, we are welcoming about 300 potential transfer students to campus to encourage them to consider A-State. I'm pleased that we topped 75% in freshman retention this year, but we need to continue to make improvements there.

Here's the bottom line. To account for the \$1.5 million in budget reduction, we have identified some capital projects that can be temporarily delayed. We are also working on calculating the early retirement savings for the current year. Those two items will make up about half of the budget reduction. We will then ask each division to reduce their respective budgets to make up the remaining half (about \$750K). These conversations have already begun in some divisions. Last week, for example, our provost started discussing budget reductions with our deans. Each of our vice chancellors will have similar discussions this week about the FY20 reductions. Again, let me stress, we plan to share this burden across all areas of the university.

In an operating budget of just over \$170 million, a reduction of \$1.5 million is a very small percentage, and with deferral of capital projects the \$750,000 is less than half of one percent (0.44%, to be exact). But I do appreciate that even these modest reductions will be a significant sacrifice for some of us.

As we begin to meet in Strategic Planning Town Halls next week, the impact of declining enrollment on our budget (and thereby, our mission) is something we all need to keep in mind. The decisions we make together around our future goals must take into account the contemporary context in which institutions like

goals must take into account the contemporary context in which institutions like A-State find ourselves.

Sincerely,



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 .
To continue receiving our emails, add us to your address book.

emma