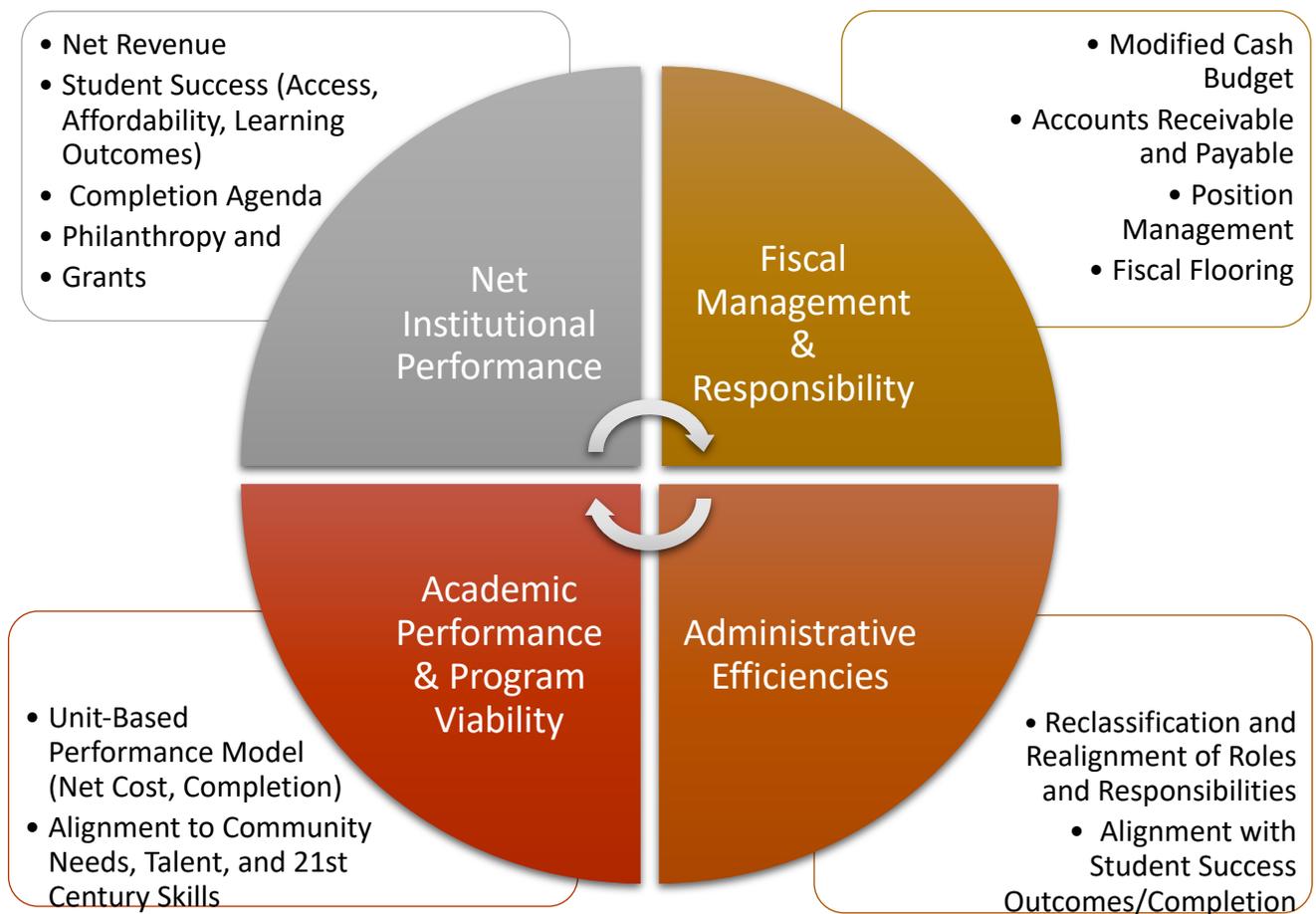


January 27, 2022

Dear Members of the Campus Community,

This memorandum introduces Henderson’s Strategic Resource Allocation Model, which consists of four elements we will build out and utilize to meet both the challenges and opportunities for Fiscal Year 2022 and beyond. The four elements include Fiscal Management and Responsibility, Academic Performance and Program Viability, Administrative Efficiencies, and Net Institutional Performance.

Henderson’s Strategic Resource Allocation Model



Fiscal Management and Responsibility

As discussed during our Campus Conversation on January 13, we must improve our financial position, meaning that we have enough cash for debt service payments and to make payroll through the summer. This will require us to make permanent cuts sooner rather than later, and I anticipate operational decisions by early spring. These are difficult decisions but necessary to not only continue our educational mission but also to reshape our delivery model for student success and completion.

We will roll out a dashboard in the coming days to quantify our savings and will continue to address processes to streamline accounts payable and receivable as well as purchasing. Additional resources—including the Modified Cash Budget Pro Forma, Position Management Process FAQ, and Rapid Response Team Cost Savings Survey—are available at <https://hsu.edu/futureofhenderson>.

Academic Performance and Program Viability

An academic performance review, extended institutional review of program viability, and changes in the academic administration structure will be evaluated as part of Henderson's Strategic Resource Allocation Model.

The Academic Data Assessment completed by Huron provides an initial assessment that can be used to begin building tools to enhance performance based on net cost of delivery and student completion. Additional inputs will include data from the Arkansas State University System and a unit-based evaluation process beginning this semester that will align outcomes to 21st century community-based workforce needs. We expect to receive this information in the coming days and will share the findings.

Administrative Efficiencies

An on-going review of administrative efficiencies will target our budget and structural deficits while also building a foundation to realign all university resources to an institutional completion agenda for student success. In the next 18 months, job descriptions and compensation across the university will be realigned to a student success model through reclassification and realignment of roles and responsibilities.

Net Institutional Performance

Henderson's Strategic Resource Allocation Model will redefine institutional performance in terms of net cost, market demand, and student success metrics—access, opportunity, completion, and learning outcomes aligned to 21st century community-based needs.

Simply put, we must evolve to better serve students. Henderson's retention and completion rates are among the lowest in Arkansas. We have a moral obligation to the students we recruit and teach to provide the necessary support structure for them to complete degrees that meet regional workforce needs.

As we implement this model, you will receive regular communications relevant to the primary focus areas that will formulate plans for the remainder of Fiscal Year 2022 and moving toward the Fiscal Year 2023 budget. I appreciate everyone's efforts and look forward to our continued work together to implement Henderson's Strategic Resource Model.

Please plan to join a Campus Conversation on February 3 at 12:15 p.m. Connection information will be shared in advance of the meeting.

Joining you in service,

Chuck Ambrose
Chancellor