

TO: The Campus Community  
FROM: Joel E. Anderson  
RE: Immediate Budget Reductions  
DATE: August 30, 2013

UALR is facing a significant reduction in enrollment this fall as compared with last year, larger than we anticipated a few weeks ago. The official census day for the Arkansas Department of Higher Education is September 3<sup>rd</sup>. However, the only category in which we expect any notable increase by that date is high school concurrent enrollment, and it has only marginal impact on revenue. The final number is expected to show a decline of 3% - 4% with a shortfall of annual tuition revenue of \$3 million. Therefore, we need to take early action—and the earlier the better.

Our strategy to recoup the budget shortfall this year is two-fold. First, we will reduce all non-personnel accounts by 10% of the amount in the accounts at the start of this fiscal year, July 1, 2013. Second, we will institute a semi-hard freeze on all hiring.

The approach we are taking will enable us to continue to offer excellent educational experiences to our students. They should be barely aware, if at all, of the steps we are taking.

The 10% reduction in non-personnel accounts will be applied to all maintenance and operations accounts—unit maintenance accounts, fee accounts, auxiliary accounts, designated funds, and others except non-discretionary accounts such as grant funds, donated funds, and capital (construction) appropriations. Also, we do not plan to reduce scholarship accounts.

Units will have fewer dollars to spend but will retain their existing discretion to spend their available dollars on their diverse needs. This means that there will be no general restriction on specific categories of expenditures (such as travel and equipment purchases).

The semi-hard freeze on hiring means that when personnel positions, for whatever reason, become vacant, they will be left vacant. There will be exceptions for critical positions in all major divisions, such as public safety and information technology services. Impact on enrollment will be a primary concern as we decide whether to fill positions this year and as we develop next year's budget.

Both steps are relevant to the academic and administrative restructuring processes that are underway on campus. We are actively seeking innovative ways to manage our resources in support of our goal of becoming one of the top metropolitan, community-engaged, research universities in the SREB region.

UALR will maintain its momentum in serving state priorities by providing vital educational opportunities to our students, greater numbers of college graduates for the state, and research that increases human understanding in many disciplines and that contributes to the economic progress of Arkansas.

In the meantime, I ask that we all do more to improve our future circumstance. We can, for instance, work hard together to increase spring enrollment. All units can make a difference in recruiting and retaining students.

I request everyone's cooperation as we implement these steps.