

UAM Faculty, Staff, Friends, and Alumni,

On January 15, 2018, I will have served as your Chancellor for two years. It is difficult to believe that the time has gone by so quickly. I have appreciated all who have stepped forward to share your UAM experiences and welcome me and my family to the UAM Community.

I have updated you periodically through the UAM Magazine; however, as I have visited with Academic and Support Units on our three campuses, I have carefully considered my expectations when I came to UAM as well as the path we have taken forward. My purpose today is to provide you with some current perspectives concerning our University.

It is no secret to anyone that higher education is different today than it was when many of us went to school . . . and UAM has not been insulated from the changes in expectations for performance. This means that policies and practices at UAM must reflect federal and state guidelines, effectiveness in operation, and accountability for faculty, staff and students. In my initial conversations with President Bobbitt, he was honest and open about the expectations he had for UAM as well as for all institutions in the University of Arkansas System.

As many of you know, I spent the first 120 days visiting with people on and off campus, getting to know the expectations of our students, and understanding what the data was telling us about our performance. As I visited with various community groups, the concern about the future of UAM was evident. The first time I was asked if I had been brought to UAM to close the institution, I was surprised. After that, I began to realize that the concern was sincere, even though it was difficult for those asking the questions to articulate the basis for their concern.

During this time, it was also important to focus on the impact of Performance Based Funding that was outlined in a bill that passed in the last legislative session and is currently being implemented. Our first step was to establish a Performance Funding Watchdog Group to monitor data, communicate with the campuses on issues to address as we move forward, and to anticipate issues before they occur.

The bottom line is that UAM is changing and must continue to adjust going forward. And, we all know that change is difficult – especially when it directly impacts our immediate world. As we have changed structure, there have been several colleagues leave UAM for different reasons, including retirement, promotions and opportunities to move closer to family. We thank them for their service to UAM and wish them well in their future endeavors.

As I have worked with the leadership team to frame our work at UAM, it became clear that our ultimate goal was Student Success. Therefore, we continually ask what impact each decision has on the success of our students. We know that if our students succeed, UAM succeeds and the communities we serve succeed.

Recruiting, retaining, and graduating students is the lifeblood of UAM for many reasons, not the least of which is helping develop a productive citizenry. It is also financial – not just with institutional operations but also with economic development. Each student generates approximately \$249.00 per credit hour. If they are full-time taking 15 credit hours, the total cost

for a residential student (including housing, books, etc.) is \$18,788 per academic year, which makes UAM one of the most affordable institutions in the state. We depend on this income to provide student services as well as support our faculty and staff as they develop and deliver our educational programs. While the quality of the educational experience is critical to our success, we cannot talk about the future without looking at the financial implications for the institution and our communities.

When we do not retain students from year to year, it is not a simple replacement strategy that maintains our economic balance. The UAM Fall Undergraduate FTE (Full Time Equivalent) Enrollment¹ reported to the Arkansas Department of Higher Education (ADHE) from 2011–2015, indicates there has been a decline (-460) in student population:

Year	FTE Enrollment	Annual Loss	Net Loss from 2011
2011	3234		
2012	3218	-16	16
2013	3092	-126	142
2014	3077	-15	157
2015	2774	-303	460

Using the Fall 2017 tuition and fee schedule, the loss in tuition revenue resulting from the 2011–2015 decrease in FTE undergraduate enrollment is approximately **\$3.4 million**.

Another way to view this is to look at retention, or the number of freshmen who return to complete their education through the sophomore, junior and senior years. There were 469 first-time, full-time freshman (FTFTF) enrolled in UAM Fall 2017. The first year retention rate for UAM is 46% (ADHE). If UAM can raise the retention rate for this group of students to the level (74%) of other high performing universities with comparable student demographics, we would have 131 more students in the pipeline each term to graduate.

Current Retention: $0.46 \times 469 = 216$ students

Target Retention: $0.74 \times 469 = 347$ students

Increase 131 students

These 131 sophomores will then be counted in the junior class and finally the senior class. Therefore, the cumulative annual gain to the institution for fall semesters is 3×131 or 393 students over three academic years. Again, using the Fall 2017 tuition and fee schedule, the gain in tuition due to the increase in FTE UG (undergraduate) enrollment from retention of admitted students is approximately **\$2.9 million**.

Whether you consider the impact of reversing the financial implications of the straight drop in FTE UG enrollment over the period 2011–2015, or the potential gain that can occur if students are retained at a higher rate, UAM stands to gain between **\$2.9 and \$3.4 million**.

The total budget for UAM is approximately \$39.1 million with \$18.5 million, or 47 percent, in state appropriations. While UAM has not done an economic impact study recently, those that have been done by other institutions indicate that approximately \$5.00 is generated for every \$1.00 invested in higher education. This means that UAM generates, on average, **\$92.5 million** for Southeastern Arkansas communities and the state of Arkansas for the state dollars invested.

That being said, I, too, had some expectations when I came to UAM. As the new chancellor, I began asking questions, especially when I was unable to receive clear and defined answers about budgetary practices as well as the strategic framework within which UAM operated. One of my first concerns focused on the availability of flexible dollars with which to improve classroom technology, address faculty and staff salary issues, and repair/maintain buildings and grounds. The key to solving this particular challenge is in the management of both scholarship awards and investments in the athletic program.

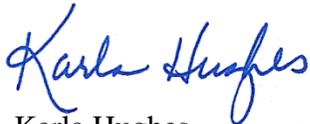
As we learned more, we realized there was a need for a cross-campus plan for strategic decision making. In order to leverage our resources, we have had to evaluate the culture, expectations and accountability within and across units, as well as communication strategies. Therefore, our Executive Team has focused on planning and problem solving. While there are many initiatives that are on our radar, we have already moved forward with the following:

1. Implementing a fall/December graduation ceremony based on a proposal from the Student Government Association;
2. The development of a Strategic Plan through a campus wide process. In reviewing the feedback from the Higher Learning Commission, the institutional accrediting body, there has been a lack of development and progression at UAM in this area. The Plan, approved by the Board of Trustees in September will be addressed on the unit level as we go into the spring semester to enhance a coordinated and documented process to support student success;
3. Partnering with the Education Advisory Board to provide faculty and staff with data dashboards that support advising students for success and provide UAM with data to support program improvement;
4. Engaging an external financial consultant to review our operation and identify strategies for improving the support provided for unit budget managers;
5. Focus on the institutional infrastructure to better support day to day activities such as financial aid processing, work flow, and scheduling, as well as using technology to support an on-line enrollment application and scholarship databases;
6. Construction of a Student Success Center, a proven strategy across the country to facilitate student services and support from entry to exit. The Center will be completed in summer 2018;
7. Renovation of the first floor of the Taylor Library and Technology Center, opened Fall 2017, to create a Learning Commons that accommodates student study behavior, provides interactive technology, and access to tutoring as well as the Writing Center;
8. Renovation Phase I of Horsfall Hall has brought the residence hall into the 21st century with amenities that today's students want, while respecting the historical architecture of the campus;

9. Outlining a plan for both the structural and financial aspects of a new Center for Science and Mathematics. The architects will begin discussion with key individuals on updating and adapting the design that was created several years ago. In addition, the Office of Advancement is working with the School of Mathematical and Natural Sciences to develop a detailed fundraising roadmap. And, with the completion of the Herbarium next to the Planetarium and Museum, we are evaluating the opportunities for creating a center on campus focused on the physical and mathematical sciences; and,
10. Development of a comprehensive deferred maintenance plan with priority rankings and cost estimates. This year we have had to react to failing equipment and mold issues. Approximately **\$1.5 million** has been spent in unplanned repairs in the past year. The major work done to date includes replacement/repair of heating/cooling systems in the Library, Science building, Bankston Hall, the apartments, Royer Hall, the Indoor Practice Field, Steelman Field House, and the University Center; work to eliminate steam driven utilities in four buildings to control mold issues; replacement of stairs at Maxwell Hall and the campus apartments to increase safety; replacement of a defective bucket truck; repair of boilers at the Maintenance Building; and repair of the handicap lift and addition of a cover for weather protection at Babin Business Center. The good news, however, is that we have a plan for reroofing and roof repair next year, as well as improvement of the roadways on campus – with the help of the Arkansas Highway and Transportation Department.

I have shared a lot of information with you. However, this knowledge should give you concrete reasons to feel optimistic about the direction our University is headed. My hope is that you will continue to engage with us to achieve these goals.

Thank you,



Karla Hughes
Professor and Chancellor

¹ FTE is used to express the equivalent number of students taking 15 student credit hours per semester to account for the mix of part- and full-time students.