



March 25, 2020

Greetings,

I hope this email finds you and your family well. It has been harder than I thought it would be to get used to this social distancing. We are still in emergency operations mode and will continue in that format until April 20th. Limited emergency personnel are periodically on campus conducting operations, but otherwise the campus is closed. Hopefully, we will be on the downhill side of this thing by then. If things haven't improved by April 20th, we will assess the situation and make a decision on how we finish the semester.

As many of you may have heard, the Governor announced a budget reduction for the current year ending on June 30th, 2020. This reduction was necessary because the State pushed the State Income Tax deadline to July 15th. In doing so, the revenue we would have received in this fiscal year has now been moved to 2021. The State is also expecting a significant decline in revenue for the next few months due to the economic slowdown associated with the virus. As a result, the Governor has recommended a budget reduction for each institution. The reduction for ASUMH will be \$310,000. The State will reduce our disbursements between now and June 30th by that amount.

We will be able to withstand this cut by pulling together and making decisions that reduce expenses and maximize revenue. Nearly one-half of the \$310,000 reduction is our productivity funding for this year. We had scheduled to purchase equipment with these funds, so we will eliminate those purchases for now. The other \$150,000 in cuts will be covered by estimated savings in operations (\$30,000), travel (\$15,000), unexpended salaries on vacant positions (\$50,000), and contingency (\$55,000). We are also going to be at least \$100,000 short in tuition revenue which will have to be made up from contingency. We can also draw from our fund balance, if necessary to finish the year.

I wanted each of you to know the situation these cuts will create. I also wanted to reassure everyone that our budget and finances are fine. We can weather this storm. Finances will be tight next year, and we may not be able to purchase everything we would like to have, but I assure you we will get everything we need to continue to serve our students.

Please be safe and practice the recommended social distancing and health standards. I look forward to seeing all of you back on campus in the near future.

Thanks,

Robin Myers

Chancellor