

PRESIDENTIAL

UPDATE

Andrew Hugine, Jr., President

FALL 2009

Dear AAMU Family:

Having to deal with the cumulative effect of budget reductions and previous years of enrollment declines has begun to take its toll on our fiscal resources. In an ideal world, state revenue would be plentiful, the pool of AAMU-bound high school seniors unending, and our ability to maintain talent boundless. Alas, this is not an ideal world, and these are certainly not ideal times.



Hugine

Although the Fall 2009 enrollment yielded a modest increase of more than 200 students over last year, the steady loss of more than 800 students in undergraduate and especially graduate programs has siphoned off an estimated \$6-8 million in much-needed revenue.

While I realize that many are uncomfortable when such stoic business terms are applied to higher education, perhaps even more persons expect that the overflowing well from which their paychecks are drawn should be constantly full and should always run with military precision. However, a number of understandable factors impact that well. Chief among these are enrollment and tuition, state appropriation (or lack thereof), and revenue brought in from research and auxiliary services.

As aforementioned, enrollment figures spread over a five-year period are down; AAMU has had to come to terms with an 11 percent reduction in its state appropria-

— See Page Two

Hugine Optimistic About SACS Visit

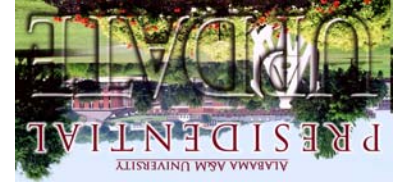
Although a definitive statement will not be received until December 2009, President Andrew Hugine, Jr., says he feels optimistic following the recent visit of a special committee from the Southern Association of Colleges and Schools (SACS). The committee visited the AAMU campus to review the University's compliance with the agency's core requirements and criteria.

"While no decision will be rendered until the organization's December meeting," says Dr. Hugine, "we are pleased to report that no recommendations have been reported in the interim period. This is positive and encouraging."

Dreams Deferred

AAMU will use the \$3.6 million in government stimulus money it has received to address "the tremendous backlog" of deferred maintenance pertaining to student residence halls, says President Hugine.

Stimulus monies have specific guidelines and cannot be used to address long-term, ongoing commitments (e.g., positions). They are intended for one-time expenditures that are likely to help reduce the need for future student fee increases.



Letter from President Hugine, Continued from Page One

tion, as well as the imminent threat of a 7.5 percent reduction at some time in 2010.

Each of these fiscal shortcomings is difficult enough individually. However, when they are combined, the result is the creation of a very challenging environment in which to offer top-notch academic programs. Only the dastardly misinformed would suggest that such challenges are somehow unique to AAMU or that AAMU has been callous in its attempts to make the best of a bad situation. Nonetheless, this noble institution will remain true to its mission of teaching, research and service as we work through some trying situations and make difficult but necessary decisions.

Having partial bearing on those decisions is the way AAMU compares to similar benchmark institutions. Collected recent data suggests that, considering its enrollment and programs, AAMU is overstaffed (personnel) by more than 200 positions.

If comparable institutions with similar curricular structures are performing optimally and leaner, then it is very likely that resources at AAMU are being tied up in personnel costs. Such costs impact adequate cash flow, deferred maintenance and repairs, health and safety issues, the school's ability to address student housing concerns, future levels of compensation for faculty and staff, as well as the efficiency and productivity of overall operations. To be competitive as we move forward, we will have to right-size AAMU over time, barring any unforeseen circumstances.

Budget Strategies Based on Shared Sacrifice

A furlough currently in effect will generate some \$2.1 million throughout the fiscal year. That cost-saving measure should be viewed as an avenue through which about 50 jobs have been saved and as an action that the University and Board have taken to cushion necessary employee reductions to balance the budget as mandated by the state. Additionally, a reduction in overtime and supplemental pay, along with the use of outsourcing, will be implemented to minimize personnel reductions and costs to the operational budget.

While these are difficult economic times, particularly as health and other costs continue to rise, these adversities help the University to hone its direction and to recommit itself to its 135-year-old land-grant mission. As we are pressed to look at AAMU in terms of the dynamics that confront businesses from day-to-day, we also become cognizant of the fact that businesses forced to restructure themselves for the times often emerge even stronger and more viable.

We ask that members of the AAMU Family continue to be more prudent and mindful of the challenges the institution faces. Your continued commitment to the success of this great institution is very much appreciated.

Sincerely yours,

A handwritten signature in blue ink that reads "Andrew Hugine, Jr." in a cursive script.

Andrew Hugine, Jr.
President