



Office of the President

NORTHERN ARIZONA UNIVERSITY

May 20, 2020

Dear Lumberjacks,

As we continue to navigate the new realities brought on by COVID-19, we are focused on developing a plan that ensures we are prepared to effectively resume in-person classes in the fall while closely following recommendations from health experts and government officials. This planning will ensure that our institution is sustainable over the long term and that we continue to effectively carry out our student-centered mission while prioritizing the safety of our community.

Our university community has shown great flexibility and adaptability this spring semester, and we will expand our state-of-the-art flexible academic delivery models, bolstered by robust student services that support the needs of every student and provide the personal connections that have defined NAU for more than 120 years. We will continue to be a university committed to providing access and opportunity, and, in addition to a robust residential campus experience in Flagstaff, during these challenging times we will particularly focus on expanding our online education, where we can market our superior academic offerings on a year-round basis as well as continue to partner with community colleges for high demand pathway degree programs. In addition, we are working closely with our international students and partner institutions to continue to meet their needs through innovative programming and online resources that will maintain and strengthen these important collaborative relationships.

As we develop budgets for the next fiscal year, one key element is planning to offset the financial impacts of enrollment challenges. As I have shared previously, enrollment-driven revenue is essential to our university and provides the bulk of funding for our operations. Demographic changes, declining numbers of high school graduates, and changing attitudes toward higher education pose significant challenges to all colleges and universities. In addition, the sudden and unprecedented disruption to the economy brought on by the pandemic has caused further strain on college enrollment, as students and their families—including international students weighing options about studying abroad—navigate uncertain financial circumstances.

I appreciate the time the COVID-19 Recovery Workgroup is spending diving into these issues—we had another productive meeting this week—and the ongoing dialogue with the Faculty Senate Executive Committee has provided an opportunity to share information and discuss impacts, including input from faculty throughout campus. I continue to work closely with the NAU Executive Team, deans, and stakeholders from the university community to tackle these challenges. Together, we will make decisions that recognize this new operational reality and ensure fiscal sustainability for our institution that will enable NAU to continue to meet our students' expectations for a high-quality educational experience. I share this with our university community because we must look beyond the semester ahead, as the impacts of the pandemic and overarching enrollment challenges are far from temporary. Our leadership team is assessing all options and will be transparent in decision-making efforts, guided by the mandate that we uphold our mission and maintain NAU's long-term institutional health.

I have asked all units to explore a range of options to address the revenue decreases that we expect in FY21 and beyond. NAU adopted process changes to assist our students and families, such as moving the student acceptance date from May 1 to June 1, recognizing these adjustments decrease planning predictability. To ensure we can adapt to the most up-to-date enrollment

information, we will use a number of strategies and will phase in budget decisions over the next weeks and months, focused on our mission of student access and success. Based on current enrollment data, we are looking closely at instructional and student support needs and will adapt plans accordingly. In addition, we are assessing efficiencies, reviewing expenditures, and analyzing opportunities to reallocate resources across campus that will enable us to continue to meet student needs while addressing our financial challenges.

Finally, I am pleased to report that NAU just received its second allocation of Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. The first allocation was designated for our students, and disbursement began last week. This second allocation, specifically designated for the university, will help NAU recover costs associated with the significant changes brought on by COVID-19, allowing us to close out the current fiscal year with a balanced budget as we continue our work in preparation for the next fiscal year.

While there will be challenges ahead, with every Lumberjack focused on our mission and the opportunities of our future—and demonstrating the tremendous resilience and flexibility we have seen throughout our university community all spring—I am confident we will successfully adapt and emerge stronger than ever.

Sincerely,

A handwritten signature in black ink, appearing to read "Rita", written in a cursive style.

Rita Hartung Cheng
President