

From: "[Hebert, Ashley N.](mailto:ashley.hebert@trincoll.edu)" <[ashley.hebert@trincoll.edu](mailto:ashley.hebert@trincoll.edu)>

To:

Date: 3/31/2020 4:46:03 PM

Subject: Message from PBC Co-Chairs

Dear Trinity Faculty and Staff Colleagues:

As co-chairs of the President's Planning and Budget Council (PBC), we are writing to update you about the implications of COVID-19 for our resources and priorities as a community.

This pandemic is of course global in scope, and Trinity College is not immune to its hardships. It is affecting every country in the world, every demographic of society, and every sector of the economy. It is both a public health crisis and a financial crisis. It is upending higher education, both small colleges and large research universities, public and private, of varying endowment sizes.

In higher education, Trinity remains quite fortunate from a financial perspective. We have a larger endowment than many colleges, a strong balance sheet, and robust cash reserves. We also have an established strategic plan that guides our institutional priorities and planning. Significantly, we have dedicated faculty and staff who care deeply about the college and each other, and we are committed as an institution to shared governance. All of these factors will serve us well as we respond to this crisis.

The first step before us, from a planning and budget perspective, is to understand the magnitude of the problem we are facing. We are now beginning to do this and have discussed what we know openly with the PBC. Like most of our peers, the news is not good. We are currently forecasting a budget shortfall of between \$7 million and, on the high end, \$10 million for this fiscal year (FY20). The most significant factors behind this deficit are in student room-and-board refunds and a projected shortfall in gifts.

The second step is to determine any savings we may have for the remainder of this fiscal year. Certainly, we know there will be savings from not living, learning, and working on campus, as well as savings from restrictions on travel — even as we recognize that these factors have dislocated and disappointed us profoundly as a community. The Business Office is trying its best to estimate those savings across divisions. They're also exploring other possibilities, including refinancing current debt and taking buildings offline in the short-term; they are working actively to determine the feasibility of these and related savings. We still also need to know the exact impact of the federal stimulus package for Trinity and pursue this relief.

Members of the PBC have suggested that the Board of Trustees, in their fiduciary role, consider further alternatives, including that they accept a deficit for this fiscal year, take an additional draw on the endowment, and/or borrow credit. We take these recommendations seriously and will convey those views, as we all engage in this work together. Global realities are nonetheless grim, with financial markets in disarray, borrowing markets drying up, and our endowment having lost over 20% of its value as of month-end March. All colleges (and we are in weekly conversation with our counterparts in NESCAC and Connecticut independent colleges) are facing remarkably similar challenges.

Indeed, the inordinately high level of uncertainty, both from a health perspective and in terms of the impact on enrollments for fall 2020, makes planning at this time challenging. Still, we need to begin planning, creatively and systematically, for different scenarios and possibilities, and we have started this work with the PBC and other governance groups. In the near term, we have a responsibility to consider what we can do proactively to minimize the *longer-term* impact of this ongoing crisis. Our obligation to future generations at Trinity will mean that we cannot cut our way to greatness. Which principles will guide our next steps? In close conversation with the PBC, we are proposing the following principled commitments:

- We will minimize harm to our community by working to retain and support our faculty and staff;
- We will ensure, if salaries and benefits are impacted, that the highest paid employees shoulder more of the costs than the lowest paid employees;
- We will avoid layoffs through the end of June and then afterwards to the extent possible;
- We will make temporary one-time adjustments where we can, to forestall long-term harm;
- We will empower employees to make voluntary choices affecting their work and pay;
- We will continue working flexibly to generate revenue for the College;
- We will not stop consulting each other, through our shared governance processes, especially on matters that have an impact on the curriculum;
- We will listen generously to each other, while communicating as often and transparently as possible, before and not just after decisions are made;
- We will hold firm to our commitment to academic freedom; and
- We will act in ways that support students and sustain our core mission as a liberal arts college.

Already, we have taken or are actively considering initial actions as a college. In March, to ensure the health and safety of our colleagues, we increased employee sick-time balances by 21 days. We have also initiated a hiring pause until June 2020; and on the academic side, the deans are in conversation about this with department chairs and program directors. Likewise, we

are evaluating existing and planned capital projects, intending to save as much as possible without compromising the health and safety of our campus. We will also need to decide very soon whether in-person courses and programs will be possible this summer.

We thank our PBC partners for pushing us to consider all angles, and we invite you to send your best ideas to your governance representatives on the Council. Given the magnitude of this crisis, it will not be easy, and it will require that to some extent we all share in the sacrifices. It will take our best and most creative collective thinking to respond as effectively as we can to this pandemic, recognizing that the people who work at Trinity College are the institution's greatest assets. We will get through this together, as strategically and humanely as possible.

Sincerely yours,

Sonia Cardenas  
Interim Dean of the Faculty and Vice President for Academic Affairs

Dan Hitchell  
Vice President of Finance