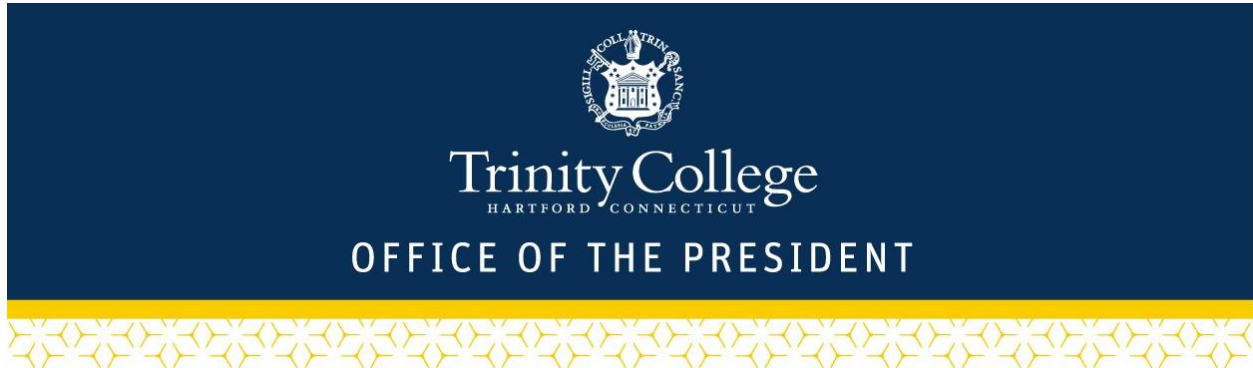


From: President Joanne Berger-Sweeney <President@trincoll.edu>
Sent: Thursday, June 25, 2020 4:41:48 PM
To: President Joanne Berger-Sweeney <President@trincoll.edu>
Subject: Our Challenges, Our Choices



June 25, 2020

Dear Faculty and Staff,

Throughout its history, Trinity College has remained true to its mission—our unwavering pledge to educate “bold, independent thinkers who lead transformative lives.” It is this mission that sets our students and alumni apart and that distinguishes the very nature of who we are and will continue to be through the COVID-19 pandemic and beyond. The decisions that we have made during the last several months to respond to the global health crisis underscore both our commitment to this mission and our dedication to the health and safety of our community.

These commitments also guide some of the difficult choices that we must make now for the long-term financial sustainability of our institution. Our plans for reopening in the fall are taking shape, and I expect to share more details about those plans in the next several days. Today, I write to share our decisions about the budget and the rationale for them. At a high level, the rationale is straightforward: We must reduce the costs of our operations and create efficiencies to support our student-centered mission. We must confront our current financial challenges head-on and have the agility to build for the future.

Our Challenges, Our Choices

The upcoming year provides us with considerable financial challenges and choices. Much like other colleges and universities, we expect a decline in revenues and an increase in expenditures. Given the current global crisis, one choice we have made this year is to not raise the comprehensive fee for students in the coming year. Tuition and room and board fees will remain flat and will cover the four terms of the new academic calendar; financial aid also will apply across these terms. We know that our families need additional flexibility and support during this time. We are grateful that the faculty Financial Affairs Committee, the senior administration, and the Finance Subcommittee of the Board of Trustees support this decision.

We anticipate reduced tuition and room-and-board revenues, with a likelihood of fewer students and increased demand for financial aid. We also anticipate that philanthropy could slow down in response to the economic downturn and increased unemployment. On the expenditure side, we will have to fund new health and safety measures to keep our community safe, creating contingency funds for unanticipated expenses in a truly unpredictable year (approximately \$4 million). We also must ensure that we have the resources to support our most vulnerable students, staff, and faculty. Our best estimate right now is that these factors would lead to an operating deficit in FY21 between \$14 and \$22 million.

Despite these serious financial challenges and our need to respond to them, we must provide an extraordinary educational experience for our students, continue to advance knowledge and research, and keep our community as safe as possible. We must set a new baseline of operations partly so we can invest, innovate, and grow as we emerge from the pandemic. We must ensure that we are fulfilling our mission today and into the future.

From Principles to Process

In streamlining some of our operations, we were guided by the following principles:

- Supporting our mission and strategic goals as a liberal arts college;
- Balancing our capacity to meet increased health and safety needs now with the ability to recover—stronger and better—after the pandemic;
- Listening to our community, which has expressed a strong desire for shared responsibility for our future.

To inform our decisions, we conducted surveys and consulted with governance groups. We found many competing interests, recognizing that these decisions affect each individual differently and quite personally. I asked division leaders to engage in a strategic exercise of reducing their budgets by 15 to 20 percent, aware that a single approach would not address all of our needs as a complex organization. While the President's Planning and Budget Council is not responsible for any of our decisions, it offered valuable advice and was a strong partner, challenging us to adhere to our best values and principles as a community.

Budgetary Decisions

After careful review and deliberation, we have decided for FY21 to take the following steps, which together represent a total savings of \$17.2 million—roughly the midpoint of the projected operating deficit:

- Restore the college's contribution to retirement benefits for all employees to 9.5 percent, which had been suspended for the final quarter of FY20. While the suspension was a reasonable short-term measure, we felt it important to restore this benefit to avoid a long-term impact on individuals' retirement savings.
- Refinance several bonds, delay capital projects, and renegotiate service contracts, saving approximately \$5 million.

- Redistribute a significant portion of the special draw from the endowment (\$1.8 million)—originally designated for the comprehensive campaign—to the general operating budget.
- Enact progressive salary cuts for senior administrators, ranging from 5 to 10 percent for cabinet members and 15 percent for me as president.
- Enact progressive salary reductions averaging 4 percent for 80 faculty members and academic administrative staff who make more than \$105,000.
- Reduce divisional non-compensation budgets by \$5.8 million. Such cuts are being made as strategically as possible. For instance, in light of the critical work under way and as an acknowledgment of the significant work ahead to address racism at Trinity, we are sustaining the full non-compensation and programming budget for the Division of Diversity, Equity, and Inclusion.
- Enact personnel measures across the college, including 11 layoffs and the freezing of 26 unfilled positions. For the 11 whose roles are being eliminated, we are offering a severance package that provides a minimum of 10 weeks of salary and health benefits through December 2020 and employment counseling services.
- Institute unpaid furloughs for 136 staff members, ranging from two to eight weeks in duration. Those furloughed may be eligible for unemployment benefits from the state, and they will retain their Trinity health benefits throughout.

These decisions were challenging and forced us to make difficult trade-offs, which no doubt will inflict pain in our tight-knit community. Even in these trying times, however, the process of reaching these decisions has shown our community pulling together and shared governance working at its best. Division leaders will be following up tomorrow with information relevant to each of their areas, providing more details and context.

Thank you for your sacrifices and hard work and for your ongoing support of Trinity during these challenging times. Together, guided by our mission, we will face the uncertain future before us, with the faith that working together, we will make it through to the other side.

Sincerely,

Joanne Berger-Sweeney
President and Trinity College Professor of Neuroscience