

From: "Provost Richard M. Locke" <provost@brown.edu>
Sent: Tuesday, April 7, 2020 4:38 PM
To: "community.announce.allbrown@lists.brown.edu"
<community.announce.allbrown@lists.brown.edu>
Subject: Addressing financial Impacts of COVID-19 as a community

Dear Members of the Brown Community,

The novel coronavirus pandemic has wreaked havoc on nearly every aspect of our lives, with distressing consequences on many dimensions. The steps we have taken as a University to move to remote instruction, telecommuting for all employees for whom this is possible, and to reduce population density on campus have been designed to promote the health and safety of our staff, faculty and students while continuing to remain operational and fulfill our mission of teaching and research, which in many ways is more critical than ever. We have accomplished a great deal by working together, and we write once again to call upon our community to join together to address the current and longer-term challenges we face.

Our goal is to emerge as strong as possible from this period, both as a university and as a community. As President Paxson wrote yesterday, doing so will require that we address the significant fiscal impact that COVID-19 has had on the University, and ensuring that the difficult financial decisions we make are grounded in Brown's values. This will require cooperation, discipline and some shared sacrifice.

We are writing to outline how we plan to do this in the year ahead, recognizing that what we know about the pace and repercussions of the COVID-19 pandemic are evolving.

Financial implications to-date

The financial impact of the health crisis for Brown has already topped \$20 million. Guided by our core values, we have supported undergraduate students with travel, moving and instructional expenses; credited fees for room and board; and are waiving the summer earning expectations of all current and admitted students, covering this with scholarship aid. We are providing support to address the distinct needs of graduate students during this period of uncertainty, and we have remained committed to sustaining our current workforce and to taking steps to avoid layoffs. We have also offered the option to tenure-track faculty to extend the tenure clock by one year. Along with these efforts, we have had to make changes to our summer, pre-college and other programs to ensure the health and safety of participants. Throughout this period, we have partnered with Providence and Rhode Island to assist with increasing local community needs, which President Paxson described in this [letter](#).

All of these actions in support of our community as a result of COVID-19 continue to be critically important. At the same time, the University has incurred both substantial costs and diminishing revenues. Depending on the duration and overall impact of the pandemic, losses in revenue and increases in costs could climb to at least \$50 million over the next several months, and potentially much more.

Actions for sustaining Brown's financial health

To continue to achieve our priorities of meeting full financial need for all aided undergraduates and maintaining graduate student fellowships, and to the extent possible, preserving the workforce and avoiding future layoffs, it is essential that we act now to safeguard our financial health. Brown must take the following actions, which we reviewed with the University Resources Committee earlier this week, to reduce spending and stabilize the budget:

Suspend Hiring: As we [announced in a letter](#) late last month, effective as of March 23 and until further notice, the University has suspended any new hiring for the current year and for the fiscal year beginning July 1, 2020. This hiring freeze extends to all faculty and staff positions, and includes seasonal/intermittent hiring and other temporary hiring through vendor partners. The only exceptions will be for searches that are already well underway this year, and for very few critically-strategic hires in the year ahead.

Freeze Salaries and Voluntarily Reduce Senior Officer Salaries: Salaries make up one of the largest components of the University's budget, and in most years, we seek to recognize the contributions of our community through regular salary increases. This year, this will not be feasible as we seek to support our students and preserve as much of our current workforce as possible. Salaries for all University faculty and staff will remain at current levels, and we will not be offering salary increases for Fiscal Year 2021, which begins on July 1. This means that there will be no increases to existing salaries through merit or performance bonuses. The performance evaluation process is expected to continue. Since the University's contractual obligations to provide salary increases to some of our employees remain in force, we intend to engage in good faith bargaining and will reserve our right to reach equitable arrangements with our unionized staff to ensure we can achieve this commitment for all our employees.

President Paxson and Provost Locke will each take a 20% reduction in their salaries, and members of the senior administration have volunteered to take 15% reductions in their salaries.

Slow Capital Projects: The University has many construction activities taking place across the University. The Capital Planning Committee, which the provost chairs, is evaluating current and planned projects to offer recommendations to President Paxson and the Corporation as to which will proceed, which will be slowed, and which will be suspended or postponed based on the mission-critical nature of the project and financing structure.

Defer Non-Critical Purchasing / Discretionary Spending: We have already announced that during this period of telecommuting, purchasing operations continue for areas that have been identified as critical for University operations and research. Other purchasing needs should be carefully considered during this period of limited on-campus operations, and discretionary spending should be discontinued or deferred until further notice. This includes discontinuing engagement with consultants or vendors for non-essential work. Please work with the relevant dean or senior administrator to evaluate the necessity of these assignments.

Limit Travel: In conjunction with the University's response to COVID 19, Brown suspended all international and domestic travel organized, sponsored or supported by the University (or conducted as part of an appointment or employment at Brown). When travelling safely becomes possible, only approved categories of travel will be permitted. This will include essential academic travel, travel funded through grant or other external sources, or travel to conduct essential University business. Travel must be approved by the relevant dean or senior administrator.

We know that the impact of COVID 19 has been both deeply disturbing and highly disruptive, and that these new operational changes offer additional challenges. We must take these steps to do all that we can to support our current staff, students and faculty, and to continue to contribute to the world through the exceptional teaching, research and service that distinguishes Brown. If you have questions about these action steps, we hope you'll participate in this week's meeting of the Brown University Community Council (BUCC), [Wednesday, April 8, from 1 p.m. to 2:30 p.m.](#), where we'll join President Paxson in discussing the pandemic's effects on the University.

Our actions are guided by a sense of unity, with a belief that we can accomplish much more together, guided not only by our values of inclusion and equity, but also by ensuring that the effects of this crisis do not fall disproportionately on the most vulnerable members of our community. We are grateful for all the work that so many have done already to respond directly to this public health crisis.

The University has a proven track record of withstanding challenging economic periods. While this is a highly fluid situation, and we cannot fully predict the future, we are optimistic that we will weather this moment. We will need to be especially disciplined, as well as innovative, which is a defining strength of our community.

Sincerely,

Richard M. Locke, Provost
Barbara Chernow, Executive Vice President for Finance and Administration