

From: "President Christina H. Paxson" <president@brown.edu>
Sent: Monday, April 6, 2020 2:41 PM
To: "community.announce.all.students@lists.brown.edu"
<community.announce.all.students@lists.brown.edu>
Subject: Difficult financial decisions to be shaped by Brown's values



BROWN

Dear Brown Students,

I'm writing to share a letter I sent today to Brown's faculty and staff as the University joins organizations and businesses across the country in facing deep economic challenges created by the COVID-19 pandemic. The letter outlines the commitments that will inform the difficult financial decisions that I and other University leaders will make in the days and weeks ahead. The well-being of you, our students, is at the center of many of these commitments, along with the well-being of our Brown employees.

As I note in the letter, we anticipate that the costs associated with COVID-19 will exceed \$20 million in the current fiscal year (which ends June 30), and we expect losses in revenue and increases in costs over the next several months could be at least \$50 million, and possibly significantly more, depending on the duration of the pandemic.

I hope you'll read the letter below to understand how Brown's values will shape the tough choices we make in the months ahead as we address very difficult economic realities.

Sincerely,

Christina H. Paxson
President

Letter to Brown Faculty and Staff
Difficult financial decisions to be shaped by Brown's values

Dear Faculty and Staff Colleagues,

The response of Brown employees to the COVID-19 pandemic has been nothing short of extraordinary. It took the entire community to help most of our undergraduate students get home safely and shift to remote teaching, student support services and all of our business operations. I especially want to recognize staff in Dining, Facilities, Campus Life, Public Safety, and other units who have continued to come to work on the campus to support the 380 students who

remain in residence halls, and conduct other essential work that cannot be done remotely.

Despite being in an uncertain and difficult time, we have already demonstrated how we can come together and overcome challenges we face. We will need to continue to rely on the strength of our community in the months ahead.

The COVID-19 pandemic has created economic challenges for businesses and organizations across the country, including Brown. In the current fiscal year, which ends June 30, we anticipate that the costs associated with COVID-19 will exceed \$20 million. Depending on the length of the pandemic, we expect to incur substantial losses in revenue and increases in costs over the next several months, on the order of at least \$50 million, and possibly significantly more, depending on the duration of the pandemic.

Currently, Provost Richard M. Locke and Executive Vice President for Finance and Administration Barbara Chernow are leading efforts to develop plans and budgets for the coming fiscal year. With input from the University Resources Committee and a special Corporation committee focused on the University's finances, these plans will consider varying scenarios based on the length of the pandemic and potential impact for Brown. Provost Locke and EVP Chernow will provide regular updates on our financial position and announce and explain the rationale for decisions as they are made.

We will need to make tough choices in the months ahead as we address very difficult economic realities. Today, I want to assure you that our choices will be informed by five commitments that are grounded in Brown's values.

1. We are committed to protecting the health of our students and employees. We will not resume full campus operations until it is safe to do so. Some public health experts believe that COVID-19 will dissipate in the summer but with the potential for sporadic outbreaks in the fall. We are preparing for this possibility by developing a public health plan for Brown that will seek to mitigate the chance of students and employees acquiring the virus after campus operations resume. Implementing this plan may be costly, but it is essential.

2. We are committed to developing plans with the goal of maintaining the financial well-being of students and employees, especially those who experience the greatest impact. For students, this means continuing to meet full financial need for all aided undergraduates and maintaining graduate fellowships. For employees, although it is impossible to make promises in this time of great uncertainty, my hope is to avoid future layoffs to the best extent practicable. Avoiding layoffs will require thoughtful planning, but I believe we have a caring and deeply supportive community that would engage in acts of shared sacrifice for the good of the whole to avoid laying off dedicated employees.

3. We are committed to protecting Brown's mission of education and research, including focusing resources on Brown's highest priorities. In making choices about what aspects of our work to preserve and grow, academic areas — education and research — will take precedence over activities that are less central to the University's core mission. Across all areas of the University, we will work as a community to set priorities so that our students continue to have

excellent educational and co-curricular experiences, our faculty's scholarship and research is appropriately supported, and our work is conducted as efficiently as possible.

4. We are committed to protecting the long-term financial health of the University. The Brown University endowment, which provides permanent support for things like employee salaries, academic programs and financial aid, must be protected during this time of volatile financial markets. We are fortunate to have had three years of excellent endowment returns, which will help to sustain the University now. During this crisis, it is essential for Brown's long-term financial health to continue to build the endowment through fundraising and careful investment management.

5. We are committed to transparency. There is still great uncertainty about how long the pandemic will last. I know that many of you have questions about what the future holds. I wish I could address all of these questions, but many of them can't yet be answered. However, I am committed to ensuring that Brown faculty and staff will be kept fully informed about challenges as they arise, and given opportunities to ask questions and provide input as decisions are made. One such opportunity will be at the next meeting of the Brown University Community Council on [Wednesday, April 8, from 1 p.m. to 2:30 p.m.](#) I hope you will attend online.

We are living through an extraordinarily challenging time. I recognize that this health and economic crisis is affecting many of you personally and professionally, and creating stresses that none of us could have imagined only a few months ago. It has been gratifying to see how, despite these challenges, you have continued to do heroic work at Brown, support each other, and care for your families and communities.

I ask for your continued dedication as we take on Brown's financial challenges in the weeks and months to come. I have no doubt that as we work together, Brown will emerge from this crisis as a stronger university and a more tightly knit community.

Sincerely,

Christina H. Paxson