

Update on Brown's Response to the Economic Crisis

April 14, 2009

We write today to inform you of recent steps we have taken to deal with the current financial situation.

As you may recall, we have had to reduce the Education and General and the Division of Biology and Medicine's FY10 budgets respectively by \$30 million and \$10 million relative to what had been originally planned for fiscal year 2010. The salary freeze that most of us will experience next year is the major source of those relative reductions. In effect, almost all of the faculty and staff are contributing significantly to ensure that we can maintain our focus on our highest priorities. While we had hoped to achieve the necessary additional savings from vacancies, it has not proved possible. Therefore, for FY10 (July 1, 2009 to June 30, 2010) we have taken the following recent actions related to position eliminations due to the economic downturn.

Because of the substantial portion of the University budget devoted to compensation expense, we had to take the difficult step of eliminating a total of 67 administrative and support positions from the projected 2009-2010 budget. Thirty-six of these were positions that were already vacant. However, sadly, thirty-one positions with incumbents have also had to be eliminated.

For those thirty-one individuals losing their jobs by June 30, we have increased severance packages, sought alternative placement within Brown, provided outplacement services, and offered other transitional assistance. Each of the thirty-one employees has now been informed of these decisions and measures through conversations with his/her supervisor and Human Resources personnel. We all deeply regret the necessity for job losses in such a difficult economic environment. As we continue to address the revenue shortfall in the budget, we will continue to seek ways of minimizing the number of such losses. The impact of these lay-offs will be felt by all, not merely because we know the difficulty they present for the individuals and the families affected but also because of our knowledge of and appreciation for what their presence and efforts have meant for the Brown community.

The staff hiring pause will continue indefinitely. Requests for exceptions will continue to be reviewed by the Vacancy Review Committee. By effectively managing vacant positions, we hope to achieve near-term budgetary savings and, more importantly, reduce the need for layoffs in future years. Operating budgets have been cut in many units, with reductions expected in travel, participation in conferences, printing, publications, hospitality, telecommunications, etc. We appreciate the many suggestions for budget savings recommended by so many in the Brown community. Many are already being implemented.

As you know, we have also begun planning for the budget reductions needed for FY11 and beyond. The Organizational Review Committee, which was established to help guide the efforts to maximize organizational efficiencies, will be expanded this spring to include more faculty, student and staff representation. The Committee will focus its attention this spring on making sure that the processes that are used to determine where to make reductions are broadly inclusive and consultative. We expect that those processes will get underway at the beginning of the fall semester. Most of the decisions made next year will go into effect beginning July 1, 2010.

Recognizing that continued uncertainty is difficult and stressful for everyone, we are committed to

providing information about the process and status of decisions on a regular and timely basis. In that regard, we wanted you to be aware that all the necessary cuts for 2009-2010 have been identified and all individuals affected have been advised of their status. The next decisions about possible position eliminations due to the budget shortfall are not expected until the spring semester, 2010.

Further information about Brown and the economy, including support services and other programs for staff, is available on-line at:

<http://www.brown.edu/web/economy/> and:
http://brown.edu/Administration/Savings_Suggestions/.

Thank you all for your continued understanding and help.

David Kertzer, Provost

Elizabeth Huidekoper, Executive Vice President