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[Staff-I] Expense-reduction measures

1 message

Presidents Office <presidents-office@cca.edu>
To: staff-l@lists.cca.edu, faculty-l@lists.cca.edu

Thu, May 14, 2020 at 9:25 AM

Dear Colleagues,

This week, as we celebrate the extraordinary accomplishments of our graduating students—539 remarkable artists, designers, architects, and writers who have persevered to complete their degrees under the most difficult of circumstances—it is with a heavy heart that I write to share details of budget-reduction measures that we must now take to ensure the future of our college.

As Provost Carland and I shared last month, the impact of COVID-19 on CCA has been profound, as it has for colleges and universities across the country. The necessary cancelation of summer programs and the associated loss of housing revenue, along with increased expenses related to the pandemic, will result in a net loss of approximately \$3 million this summer alone. And, while we are vigorously planning for and committed to delivering a high-quality fall semester, we know the pandemic will have a significant effect on enrollment and next year's operating budget.

Across the higher education landscape, most public and private institutions are anticipating major decreases in enrollment—with projected declines between 10 and 30%. We don't yet know exactly how this will affect CCA, but in a time of tremendous uncertainty, we must plan and be prepared for a loss of operating revenue in the range of \$10 to \$25 million or greater for next year. Adjusting for this loss, we must make significant reductions in our expenses to ensure the integrity of our academic mission and to secure the financial well-being of our institution.

As I've communicated previously, we have already taken several measures to reduce expenses: As soon as we became aware of the severity of this pandemic, we put in place a hiring freeze, which we have extended indefinitely. We suspended all non-essential travel and advised all divisions to curtail expenses. The senior vice presidents and I took pay cuts of 10% and 25% respectively.

At that time, we committed to paying all regular staff through May 15, the conclusion of our academic year. **We are extending that commitment through May 25, to include the three paid holidays of the long Memorial Day weekend.**

Following are the next steps we are taking to reduce costs in response to the unprecedented situation that confronts us.

Suspension of 403(b) retirement match

CCA has been matching, up to 5%, the salary-reduction contributions that many employees choose to make to their 403(b) retirement accounts. As of May 31, the college will temporarily suspend its discretionary matching contribution, but employees may continue their own payroll contributions if they wish.

Executive pay reductions

In addition to the pay reductions already taken by the senior vice presidents and myself in April, the remainder of the vice presidents will take pay reductions of 5% effective with the next pay period.

Staff furloughs

On May 26, CCA will begin furloughs of approximately 90 staff positions across the college, many associated with work reductions related to COVID-19. The furloughs will vary from 50% to 100% of work time. The decision to defer furloughs from May 15 to May 26 enables staff members to be paid their full salaries for an additional week and to receive the three paid holidays of the long Memorial Day weekend.

While on furlough status, staff members will retain their health benefits. Furloughed employees will be able to apply for the increased levels of unemployment aid available for those out of work due to the pandemic.

Both furloughed and non-furloughed employees will receive notification of their status from HR tomorrow, May 15, and divisional leadership will schedule follow-up meetings to discuss the transition.

How these measures affect staff members represented by SEIU Local 1021 has been and will continue to be discussed in detail between the union's and the college's bargaining teams. The college values the substantial contributions the teams have made to our efforts to respond to the effects of the pandemic on the CCA community.

Our college entered this period of unprecedented disruption from a place of stability, and with discipline we will weather the storm. Please know how much I appreciate the commitment and resilience of this entire community. It is exceptional, and I know the difficult sacrifices we are asking each of you to make are significant.

Our next all-staff meeting is scheduled for Wednesday, May 20 at 11:00 a.m. and I, along with other members of the college's leadership team, welcome that opportunity to answer the questions you may have.

Sincerely,



Stephen Beal
President

Staff-I mailing list

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