

From: Presidents Office <presidents-office@cca.edu>

Date: Fri Apr 17 2020 10:07:05 GMT-0700 (Pacific Daylight Time)

Subject: [Staff-I] Message from the President and Provost — summer programs and financial challenges

Dear Colleagues,

We are writing today to expand on several updates that we shared in this week's all-faculty and all-staff meetings, including decisions regarding summer programs, information about the impact of the pandemic on CCA's budget, and some measures we are taking to address the serious financial challenges brought on by COVID-19.

First, we want to acknowledge the immense disruption we are all living with, and the magnitude of your efforts to continue teaching and supporting our students as they navigate this period of uncertainty, disappointment, and change. Meeting with students this past week and hearing about their experiences as we've shifted to remote teaching and learning, we were reminded again and again of the *heart*, as well as the creativity and expertise, you bring to your work.

From the earliest days of this crisis, the health and well-being of our students, faculty, staff, and community has been the absolute priority that guides each decision we make and every action we take, and it will always remain so. Additionally, our actions are governed by our commitment to CCA's essential educational mission, and our responsibility to preserve the financial security of the college so it may continue to serve this mission for generations to come. These are the priorities that have guided the difficult decisions outlined below.

Summer programs

Given the likelihood that some form of physical distancing will be necessary for some time and the return to normal campus activity will not be immediate, we are continuing the suspension of in-person programs and classes through the summer. While some summer degree classes will be able to take place remotely, all of our summer youth programs will be canceled. We are currently considering options for our MDES and MFA Comics programs, which start late in the summer, in case they cannot launch in person. We know this raises many questions about specific programs and the services that support them, and we will share more information as decisions are made in the coming weeks.

Just as we will not return to in-person instruction until we are confident it is safe to do so, we will continue to follow the recommendations of state and local public health officials regarding when members of the CCA community who are currently working remotely may safely return to campus.

Meeting financial challenges

CCA entered this period of unprecedented challenges from a place of financial stability. We achieved this by maintaining balanced annual operating budgets, a practice that undergirds our institution and provides confidence to the entire CCA community, including the Board of Trustees and generous donors to the college. Balanced operating budgets are foundational to securing a healthy future for CCA. Since this public health crisis hit in March, it has become increasingly clear that securing a balanced budget for the upcoming year will depend on taking decisive, significant steps to reduce expenses in alignment with anticipated reductions in revenue.

We are projecting a loss of revenue in the current fiscal year (FY2020, ending June 30) related to the impact of COVID-19. Further, the cancelation of this summer's programs will result in about \$3 million of lost revenue from tuition and housing. While we don't yet know the scale of the pandemic's impact on fall enrollment, we are modeling a number of potential scenarios and, like other colleges and universities, we anticipate a significant decline in new and continuing students. Our models indicate the potential of at least a \$9 million deficit for FY2021. In order to achieve a balanced budget, the college must also prepare for a corresponding reduction of expenses for FY2021 of \$9 million—about 10% of CCA's total annual operating budget.

CCA has committed to continuing to pay all faculty, regular staff, and student employees at current levels through May 15, when we complete our spring term.

Looking ahead as we plan for this extraordinarily challenging time, we are examining our budget from every angle and are calling on our community to pull together to reduce expenses and conserve financial resources. Following are several measures we have implemented thus far:

Senior leadership pay reduction and retirement plan pause: President Beal and the college's senior vice presidents are taking pay reductions of 25% and 10% respectively, for the remainder of this fiscal year and extending as long as necessary. They also will give up the college's 5% match of salary contributions to their 403(b) retirement accounts.

Hiring freeze: We are indefinitely extending a pause in ranked faculty appointments and staff hiring that has been in place since early March. With a very few exceptions to replace vacancies in critical positions, no new searches will be launched and current vacancies will not be filled.

Non-essential travel and discretionary spending: The suspension of non-essential travel that has been in place for several weeks will continue indefinitely. We are also asking all vice presidents to review their budgets for the current and upcoming fiscal years, and reduce discretionary spending that is not critical to student learning outcomes or essential campus operations.

Capital projects: Capital projects are not funded from CCA's annual operating budget. Work continues on Founders Hall, our student housing at 188 Hooper Street, which is still on schedule to open this fall. Construction on Double Ground is currently on hold under the San Francisco public health order. We will be in touch with more details on the construction start date as we learn more.

We will communicate details about additional measures in the coming weeks. Before decisions are reached we will consult regularly with the senior cabinet, our Board of Trustees, academic leaders, and representatives from our two distinct SEIU bargaining units (unranked faculty and staff).

Many private colleges and universities across the country, facing similar budget challenges, have already announced or implemented widespread payroll reduction measures, including furloughs, long-term layoffs, and benefits reductions. We are in the process of determining the extent of payroll and other expense reductions that will be needed at CCA.

Before May 15 we will announce measures necessary to achieve a balanced budget. Our decisions will be guided by our academic mission and our CCA values, and we will do all in our power to make the best possible decisions—socially, ethically, and economically—to support our students, our excellent faculty and staff, and the future security of the college.

We recognize this news is difficult to hear, and it raises many questions to which we do not yet have answers. In an effort to provide clear and consistent communication as this situation evolves, we will share timely information with you on a regular basis. CCA's Communications office has also set up a designated email address, questions@cca.edu, where you may submit questions, which will be answered as quickly and thoroughly as possible. Human Resources questions may be directed to hr@cca.edu. And the [COVID-19 Portal page](#) continues to be a repository of resources and information for the CCA community.

Once again, thank you for your resilience, your resourcefulness, and the kindness and respect with which you are supporting our students and one another through this difficult time for our world, our country, and our college.

Sincerely,

Stephen Beal
President

Tammy Rae Carland
Provost