

September 30, 2020

Dear Chairs and Directors,

As the new academic year proceeds, Rutgers continues to experience extraordinary impacts from COVID-19 along several dimensions: adjustment to extended telework for most faculty, staff, and their families; remote learning for most students; and the loss of the in-person social/professional relationships that form an essential part of the college and work experience for all of us.

COVID-19 continues to have an adverse effect on employment and the economy nation-wide which has negative collateral impacts on family finances, on state, and local government revenues and on institutional budgets at colleges and universities like Rutgers. Specifically, in the School of Arts and Sciences we are projecting a loss of revenue in FY 2021 that is significantly greater than the loss we experienced in FY 2020. We were able to adapt to the abrupt loss of revenue last spring through reductions in budgeted costs like cessation of business travel, delay of purchasing, cancellation of traditional spring events, and not filling vacant positions. That filled the majority of the revenue gap. The remainder was filled through an equitable, coordinated use of cash reserves by departments, programs, centers and School administration. Recently announced discussions regarding the possibility of restoration of state funding to the university may provide some welcome budgetary relief for SAS but, unfortunately, it will not solve our fundamental problems.

Since the revenue gap this year is significantly larger than last year, we need to take a comprehensive, strategic approach that uses our diminished means while still achieving our traditional ends of providing a first rate Rutgers education to students, advancing our research programs, and serving and engaging the public.

The primary fiscal lesson of FY 2020 was to reduce costs first and use cash second. To this end, we have already restricted spending from SAS-provided faculty research accounts to 50% of the expected annual amount and imposed dean-level approval for expenditures over \$500. Along with other schools, SAS is subject to spending approval at the chancellor-level for purchases over \$5,000. While SAS will fulfill its faculty startup commitments, we ask chairs to work closely with faculty to distinguish expenditures that must be made now from those that could be delayed until next year without causing undue harm.

A challenge we face is that personnel cost is, by far, the single largest category of expense in our annual budget. We cannot close the revenue gap without cost reduction in this category. Like all schools, SAS currently has no authorized faculty searches, has restricted postdoc hiring to external grant accounts only, and has numerous staff vacancies that will not be filled this year. We have already worked closely with you to use the teaching capacity of full-time instructors more efficiently. We are carefully examining staffing levels across the School to eliminate some staff positions without causing undue harm to operations. In addition, we ask departments to work closely with deans to create a spring semester schedule, and soon a fall 2021 semester schedule, that uses T/TT and NTT effectively to teach those courses critical to timely degree completion and one

that refrains from offering courses that traditionally have low enrollments. While we recognize that remote teaching is new territory for many faculty, we must devote ourselves to providing a high quality, interactive educational experience. Doing remote instruction well is critical to recruitment, retention and timely graduation of our students.

In the next several weeks SAS will provide FY2021 budgets to departments, programs and centers. Due to the revenue gap they will be bare bones. For example, programming budgets for centers will be significantly reduced in recognition that COVID-19 impacts greatly reduce the kinds of in-person activities that these budgets support. Departments may have to use their existing reserves for operating expenses. In addition, units may have to provide cash from their reserves at the end of the fiscal year to close the revenue gap, just as they did in FY 2020. Finally, you are encouraged to work closely with your SAS development officer to identify any gift accounts you may have whose donor agreement permits the use of gift funds for operations.

We must not lose sight of the fact that decisions we make this year will affect our mission in subsequent years, so we must always think ahead. Despite the significant revenue shortfall, SAS is supporting a new Signature Course on Black Lives Matter that has attracted widespread interest, and SAS has allocated new funds to start a Paul Robeson Lecture Series. We will invest in a program of Faculty Fellows who will collaborate with chairs and deans on diversity, equity, and inclusion and will work closely with the Division of Diversity, Inclusion and Community Engagement in charting an inclusive path forward at Rutgers. We must leverage our new found capacity for remote instruction to develop a large-scale program of degree completion for non-traditional students. We must pursue external funding opportunities from research agencies and philanthropic foundations with increased vigor and creativity. Finally, despite our financial difficulties, there will be no cuts made to the total amount of SAS funding provided to our graduate programs. Precisely how we will equitably balance support of existing graduate students with recruitment of new graduate students remains to be determined. Nevertheless, it seems clear that maintaining graduate program budgets is the single most effective way to support both the research and teaching missions of the School.

SAS and Rutgers face unusually difficult challenges this year. There are no easy solutions or painless decisions. Navigating successfully through this uncertain terrain requires real leadership from each one of us in order to fulfill our teaching and research missions in this time of COVID.

Our students and their families are counting on us.

Sincerely,



Peter March