

From: "Mrasek, Jean" on behalf of "Boschini, Chancellor Victor"
Date: Thursday, May 14, 2020 at 2:22 PM
To: All TCU Faculty & Staff
Subject: MESSAGE FROM THE CHANCELLOR: Update



May 14, 2020

Dear Colleagues,

Once again, I want to thank you for your continued focus on our students, and for your dedication to Texas Christian University. Your positive outlook and determination reflect the caring and connected culture that you have helped shape here at TCU for many decades.

I come to you today with a financial update from this week's meeting of the Executive Committee of the TCU Board of Trustees. Our Board leadership continues to review finances as well as enrollment projections to determine our next steps regarding cost reduction and long term fiscal responsibility. The initial good news is that early enrollment numbers continue to show promise. However, we also know that COVID-19 continues to plague our country, with devastating consequences both personally and professionally for many families. We will experience a budget shortfall, with scenarios that model more and less impact, depending on ability to host a variety of on-campus events, enrollment of both returning and incoming students, the possible future disruption in services, the return of our athletic program, and myriad other factors that impact revenue and expenses.

It is no surprise that TCU, along with our colleagues in higher education, is experiencing unprecedented financial disruption and significant budget impact. Many colleges and universities are implementing budget reductions, hiring freezes, changes to employee benefits, and furloughs. The impact of COVID-19 is far-reaching with a ripple effect upon all of us. And while we cannot protect this community from difficult impacts, we understand the weight any actions have on us and our families as we carry out our important work to preserve our mission.

Last month we announced several cost containment measures, including:

- 1) voluntary coaching and executive salary reductions,

- 2) searches and hiring on hold,
- 3) changes to new employee benefit options,
- 4) changes to retiree benefits, and
- 5) reduction of 20% in the Fiscal Year 2021 operating budget.

Today we are announcing additional changes to employee benefits, chiefly, a reduction in the percentage TCU contributes to employee retirement accounts, from 11.5% to 8%. This is in line with the new employee contribution of 8% previously announced in April.

This news is difficult to deliver, but this reduction will result in significant cost savings to our overall budget and will allow TCU to still maintain competitive employee benefits for current and future employees. I can certainly attest to the fact that Vice Chancellor and Chief Human Resources Officer Yohna Chambers and her team have worked diligently to renegotiate rates with vendors and providers to minimize impact to our overall benefits package. We know that some universities are wholly suspending, offering significantly lower contributions, or requiring an employee match for retirement account contributions during this time.

Additional adjustments, and some additions, for Fiscal Year 2021 include:

- 1) adding TCU paid parental leave for eligible staff (currently exists for faculty)
- 2) adding TCU paid short term disability; and, thus eliminating catastrophic and extended leave programs
- 3) reducing eligible dependent tuition credits from 110% to 100%

Vice Chancellor Chambers and her team will communicate additional information about the changes in the coming days. The Human Resources team works continuously to identify employee benefits that provide the best quality services and care at the most competitive rates.

TCU must fulfill its academic mission for students. Teams are working around the clock to ensure a safe return to campus and the execution of our TCU Connected Campus plan. The Chancellor's Fall 2020 Campus Readiness Task Force is leading the charge to ensure we deliver the TCU experience and we provide increased financial support to enable families' access to all that TCU offers. We have faith in our students and in our community, and expectations that we will be together on campus in the fall.

Thank you for your patience, and continued kindness. We all have concerns about the future, but TCU has every reason to be hopeful and grateful for our wider community of support, both financial and emotional. Please stay safe and healthy.

Sincerely,

Victor J. Boschini, Jr.

Chancellor