

Dear Longwood Faculty and Staff,

America is two months into squarely confronting this pandemic crisis.

Sometimes it can be tempting to think a return to normalcy will be around the corner, especially here in Farmville, as the rhythm of the school year approaches its normal ebb. Instead, it has grown clear that we and the country are just beginning what will likely be a time of grave and deep disruption. Perspective on the crisis is still hard to fathom: more Americans have now died from Covid-19 than died in the Vietnam War, and more than 33,000,000 Americans have lost their jobs since the crisis began, a pace and scale of unemployment that exceeds the worst of the Great Depression almost a century ago.

In recent days, I wrote an [op-ed](#) for the Richmond Times-Dispatch with Hampden-Sydney President Larry Stimpert that stressed our obligations to our students and community to reopen for in-person learning this fall, and higher education's obligations to help in the sustainable reopening of society more broadly.

In this time of such disruption, the Board of Visitors and I are confident about the far future for Longwood. But we all should be clear-eyed about the challenges ahead.

Every source of revenue for us will be severely stressed next year. The state itself has altered its normal budget process, and will make decisions about budget cuts in the late summer or fall. In the meantime, the escalating unemployment crisis has left so many families fearfully uncertain whether they can afford tuition and fees. Our enviable endowment and reserves, even apart from legal restrictions, cannot replace annual revenue. Nor could any readily imaginable scenario of federal help. We must do all we can to assist students and families with college costs. At the same time we must prepare for unexpected Covid-related expenses. And we must find ways to continue to make essential investments in core initiatives, like Civitae, that will provide resilience for the future.

We need to take hard measures now to prepare for next year. As this crisis has unfolded, I've committed to you to do all I can to avoid tearing at the fabric of the University community – our great source of strength. In practice, that means doing everything possible to keep our people employed – and, especially during this anxious time, tied to the Commonwealth's strong health insurance and other benefits.

I write today in some detail to explain the difficult but important steps I am announcing, along with the principles behind them. Layoffs and mass furloughs, with working hours cut entirely, are growing common in America and Virginia, but we are well enough positioned to take a different path.

The plan I am sharing with you today, and will explain in detail below, is a temporary pay reduction across campus that:

- Will be shared across the University
- Is progressive in nature in order to fall least heavily on our lowest-paid employees
- Offers staff additional time off for unpaid days to help them address family and other pressures during this time
- Includes faculty but respects their unique contractual situations and the exceptionally difficult work they were called upon to perform this spring as classes moved online
- Maintains Longwood's full contribution to retirement and health benefits
- Returns to present levels of full pay over the course of next year, to serve as base going forward

These issues and the steps themselves are complicated, so I ask each of you to read this message carefully. Additional information is being shared in this [FAQ](#), and HR will be in touch soon with every classified and A/P employee with specific information about how they are affected. They are also standing by to answer individual questions you have by phone or email at HRCovid19@longwood.edu.

This spirit of shared sacrifice is true to our character as an institution and community.

ECONOMIC OUTLOOK AND INITIAL BUDGET STEPS

The extraordinary disruption of this crisis has affected us all at the University in a range of ways, with unforeseen challenges of telecommuting, closed schools, and care for family members. Some of us have struggled to find ways to accomplish our work; others have been greatly challenged by new circumstances and responsibilities.

I am proud Longwood has navigated as we have over the course of this semester, thanks to the incredible work of so many of you. With tools such as emergency leave, we have managed to keep our payroll structure in place, even as the workflow impact of the shutdown has fallen highly unevenly on our staff. We have also done right by our students with housing and dining refunds.

Unfortunately, the situation for the fiscal year starting July 1 is different and, in truth, unprecedented in the arc of any of our own careers.

Sources of revenue like conferences and events, and NCAA Tournament revenue distributions, have dried up. More seriously, state funding, which looked so promising just months ago, is all-but-certain to be severely impacted in the months ahead. For example, a reduction of 7 percent in our state funding, which some project as possible or even a low estimate, could amount to \$2.2 million.

Most importantly, education groups are predicting national declines in college enrollment of as much as 20 percent. I don't expect that here, but students provide the overwhelming share of Longwood's revenue. The speed and depth of the financial reverses facing the families of so many of our prospective and returning students is staggering. It will take every ounce of our ability and innovation as planners, mentors and educators – and every possible financial resource – to help our students stay on track. Again, we do not expect an enrollment drop as severe as 20 percent. But to give a sense of scale, if we did see an enrollment decline of 20 percent, that would mean a loss of \$19.6 million in annual revenue next year.

In short, with the state budget in flux and spring admissions deadlines pushed back around Virginia and nationwide, we can't yet predict exactly what we will face. We may in fact be better off than many peer institutions. But even across the range of scenarios we are analyzing, we know the scale will be such that we must prepare now – or almost certainly face more sudden and devastating cuts midway through next year, forcing actions from which it could take far longer to recover.

Naturally, as we build next year's budget, the first steps are actions such as freezing salary increases, and limits on travel and certain operating budgets. However, by far the biggest portion of Longwood's budget is spent on people – our faculty and staff. There is no mathematical way to prepare adequately for next year without reducing expenditure on compensation.

To achieve what is necessary, we could eliminate positions now, as a number of institutions have already announced. I cannot promise we can avoid such steps in the future. But today I am asking the full university community to share in a broad-based sacrifice in order to preserve jobs – and their accompanying benefits – as best we can.

The plan I am detailing below represents that shared sacrifice, the course true to our spirit – an effort to keep us whole as best we can. In this time of crisis, when public safety is crucial, it also exempts police and certain others involved in the emergency operations of facilities.

In total, these temporary payroll actions amount to \$3.3 million, only a portion of the savings we will ultimately budget for next year, but a very significant amount as we look to help students and families with college costs.

With such uncertainty likely through the summer and fall, I cannot promise these steps will be sufficient. But that is my highest hope, and it is where I believe we must start.

PAYROLL STEPS

CLASSIFIED STAFF

Classified employees generally have a lower pay-scale than others at Longwood, tightly governed by state policy. Their hours and pay will be reduced the equivalent of 8 hours over each pay period of approximately 2 weeks, for 33 weeks, or 15 pay periods, effective May 10 through December 24. Hours and pay are planned to return to normal with the January 15 paycheck. These hours off may be scheduled with your supervisor flexibly over the course of each pay period.

On an annualized basis, this represents a 5.7 percent pay reduction for each classified employee. Again, Longwood's full health and retirement benefit contributions will continue at current levels.

Employees will work with supervisors to schedule, as flexibly as possible, eight hours off from work obligations every two weeks during this time. The first paycheck which will reflect this difference will be June 1. For more details, please consult the [FAQ](#).

ADMINISTRATIVE/PROFESSIONAL STAFF (A/P)

A/P (administrative staff) span a broad range of pay-scales, and have been affected in a broad range of ways by the crisis and lockdown.

Salaries for A/P employees will be temporarily reduced based on a progressive sliding scale as follows:

- 7 percent reduction on the first \$45,000 of income of all A/P employees
- 9 percent reduction on any income between \$45,000 and \$60,000
- 11 percent reduction on any income between \$60,000 and \$80,000
- 12 percent reduction on any income between \$80,000 and \$140,000

Each employee will receive communication from HR confirming their effective salary reduction. Because of the progressive structure, the effective annualized reductions for employees in this category will range from 7 percent for the lowest-paid employees to a maximum effective reduction of 9.9 percent.

- A small number of senior A/P employees who earn more than \$140,000 will take a flat, across-the-board 15 percent reduction in salary.

In exchange for this reduction, each A/P employee will be provided a bank of 30 days of additional leave. These days may be used starting immediately to deal with challenges related to the stay-at-home order, and must be used by June 30, 2021.

The June 1, 2020 paycheck will reflect the temporary changes outlined above, and full base pay is expected to be restored as of the paycheck for June 1, 2021, prior to the close of the 2021 fiscal year.

Longwood's full health and retirement benefit contributions will continue at current levels.

FACULTY

Longwood faculty typically work under 9 month contracts paid over 12 months. This year, some of the weeks between semesters in December and January will be treated as unpaid leave. All faculty will have two weeks of unpaid leave over this time. Faculty in the highest-paid faculty quartile will have two additional weeks of unpaid leave, for a total of four, while faculty in the second highest-paid quartile will have one additional week, for a total of three.

These weeks of unpaid leave amount to the following annualized temporary reductions in compensation:

- First and second quartiles (salary below \$66,847): 4 percent
- Third quartile (salary \$66,848 to \$76,239): 6 percent
- Fourth quartile (salary above \$76,240): 8 percent

These reductions will be prorated over the course of next contract year and will first be reflected in paychecks starting September 1. Full base pay will be restored at the end of the contract year, heading into academic year 2021-22.

Longwood's full health and retirement benefit contributions will continue at current levels.

UNIVERSITY LEADERSHIP

Separately from the AP steps described above, each of the University vice presidents will take a 20 percent temporary reduction in pay beginning June 1 through June 1, 2021.

As president, I will take a 25 percent reduction from my full salary.

CONCLUSION

These are serious steps that I know will have a meaningful impact on our community and be heavy to bear. I do not take them lightly, and I must reiterate they represent only a portion of the savings we will budget for next year. I can assure you I would not be taking them if there were easy alternatives.

That said, I believe these steps are fair and enduring, particularly in conjunction with the federal stimulus checks many families are receiving, and structured in a way appropriate for our community. Altogether, about 70 percent of Longwood employees will see reductions of 7 percent or less, and more than half of the total savings will come from the top 20 percent of earners. I hope the additional time provided to classified and A/P staff will help with the challenges of child care and other family situations I know nearly everyone now faces.

Let me now close on a hopeful note. As I have said before, I believe on the other side of this crisis America will discover a renewed appreciation for the kind of residential learning we have done so well for so long, since the early nineteenth century. Our beautiful campus in bucolic Farmville will hold even more powerful allure. The in-person connection, mentoring and moments of epiphany we provide – because of you – will be all the more important, and understood and cherished as all the more important.

The work ahead is hard, but I believe sincerely we can emerge from this turbulent passage stronger. We have advantages of structure, camaraderie and common purpose that will be revealed in this moment, helping not just carry us through, but even to steal a march on our peers and rivals. You

are, and will remain, at the very center of every plan and aspiration we have for this place. I am so grateful to be standing with you in this challenge.

My deep thanks always,

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