

Dear Haverford Faculty, Students, & Staff:

We write to report on the meeting of the Board of Managers held June 12, 2020. The Board conducted this extra, fifth meeting of 2019-20 in order to complete business it had deferred from its April meeting, while the College and the world were still gaining an understanding of the COVID-19 pandemic and its impacts.

The Board conducted three items of fiduciary business at this meeting, and a fourth item bearing on the quality and character of the Haverford community. The three fiduciary items were:

- The Board exercised its formal responsibility over the design of the College's defined contribution plan, which holds the 403(b) retirement accounts for Haverford employees, by reviewing and authorizing a reduction of the College's contributions as previously presented by President Raymond to the Haverford community. The reductions were put in place to mitigate a portion of the financial losses stemming from the COVID-19 pandemic, and the Board acknowledged and regretted the necessity of these changes and their impact on the community.
- The Board approved an operating budget for FY2020-21. As of March, the College was prepared to propose a GAAP break-even budget after five years of disciplined work to regain fiscal equilibrium by balancing its operating expenses and revenues on a full-accrual basis. Due to the economic consequences of the pandemic and the College's desire to moderate the level of expense reductions within the FY 2020-21 budget, that goal is temporarily out of reach. As we prepare for next year Haverford must anticipate a range of possible financial scenarios due to uncertainty around some key budget factors, including student financial aid and the number of students who will return to campus. The Board approved a "baseline" budget that anticipates some changes to student enrollment as well as increases to financial aid, reductions to compensation due to a salary freeze and benefit change, a hiring freeze, and reductions to discretionary expenses. The Board also approved a more stringent "guardrail" budget that contains a number of contingencies should financial conditions prove to be more challenging. In the event that there is a steep decline in revenue or increase in expenses in the coming COVID-affected academic year, the College would be required to take additional steps to reduce operating expenses in line with this "guardrail" budget. The Board expressed confidence in the approach outlined by President Raymond and the campus leadership team and pledged its partnership in working through the uncertainties of the period ahead while maintaining the quality and character of Haverford's educational program.
- The Board conducted its annual evaluation of the president.

In a special executive session, the Board resumed a discussion it began in December upon receiving the report of the Drinker Ad Hoc Committee. A special report focused on that discussion is forthcoming.

The Board wishes to acknowledge publicly the great contributions of three Managers who are concluding their service this year: Anjan Chatterjee '80, Jon Evans '77, and Ann Satterthwaite, as well as Provost Fran Blase and Dean of the College Martha Denney, who throughout their respective tenures have given invaluable service to Haverford.

We would like to thank the faculty, staff, and students who contributed to this productive meeting.

Charley Beever '74, chair
Garry Jenkins '92, vice chair
Wendy Raymond, president