



# Office of the President

NORTHERN ARIZONA UNIVERSITY

May 28, 2020

Dear colleagues,

Maintaining my commitment to transparency and keeping our university community informed, I want to share the additional steps we are taking to address our impending budget challenges and ensure NAU's long-term financial sustainability.

First and foremost, I want to reiterate that all decisions we make are grounded in our strategic goals. We will not compromise on providing an accessible, affordable, and exceptional educational experience for our students and on being good stewards of state resources.

That said, these times pose immediate and long-term challenges, which will unavoidably impact our university community. It is never easy to contemplate losing valued colleagues who have been so important to our success as an institution, and, more importantly, the success of our students.

We must, however, recognize that these are unprecedented times. We are experiencing a global depression caused by an event none of us could have foreseen or avoided. More than 30 million Americans are out of work. Governments at all levels are strapped and less able to support higher education. And the impact of this pandemic is only magnifying and accelerating dramatic changes in enrollment trends and demographics that will continue to impact higher education into the future. As a result of these factors, virtually all universities across the country have implemented a variety of measures to reduce their costs, and many of them have taken steps that are far more drastic than ours.

Facing a potential shortfall of more than \$100 million in revenue, we strategically looked at our projected fall student enrollment and needed instructional capacity. We found a way to issue contracts to a significant majority of faculty. There is no reduction in our tenured or tenure-track ranks, even as we remain uncertain about our final enrollment numbers for fall. I know the success of our students greatly depends on our ability to provide them a fully realized residential campus experience, supported by high-quality, personalized instruction, and we will maintain our 19:1 student-to-faculty ratio.

As we continue to address the financial challenges before us, sacrifices will be shared across the institution. To that end, salary reductions of 10 percent for myself and NAU's Executive Team have already been established and will begin July 1. In order to prepare for next year's budget, we will also implement campus-wide tiered furloughs or pay reductions beginning July 1. The community has expressed an urgency to receive additional furlough and salary reduction information, so today we are releasing that the anticipated range will be between 5-15 days or a 5-10 percent salary reduction to be implemented in a tiered process based on employee compensation levels. In addition, previously approved sabbaticals are under review, and no new applications for sabbaticals will be considered for the next year. A retirement incentive option is also under development. Details on each of these will be provided next week.

I am mindful of the toll that this unprecedented situation has taken on our faculty and staff as well as the entire Flagstaff community. We will continue to make decisions about our future with this consideration in mind.

Thank you for your support and commitment to NAU.

Sincerely,

A handwritten signature in black ink, appearing to read "Rita". The signature is fluid and cursive, with a large initial "R" and a trailing flourish.

**Rita Hartung Cheng**  
President