

Dear Colleagues,

On behalf of the Mary Baldwin University Board of Trustees, I write this evening to update you about how we are moving forward to position Mary Baldwin for her best future. Last week, the college deans notified you about select faculty reductions. This action was taken as part of a broader, multi-stage plan being developed to protect the health and future of our institution. At this inflection point, we must work diligently to secure MBU's place amidst unprecedented change. This moment demands proactive and decisive action to overcome significant financial constraints. Leadership of Mary Baldwin has taken bold action numerous times over our 181-year history as we have innovated to serve the evolving needs of our students. While the challenges we face are not unique to Mary Baldwin, in a community of our size, these actions hit hard and close to home. We hear you.

The context. MBU, alongside many institutions across the country, is facing increasingly large operational deficits, forcing tough strategic choices. Demographic shifts, technological innovation, changes in student needs, emerging educational providers, and the urgency to equip our students with the much-needed skills to enter the workforce are driving the relevance and redefinition of higher education, particularly for MBU's potential student population.

As discussed during recent Town Halls, these significant external market pressures have a profound effect on MBU's operations and finances. We also shared that the Board has engaged an external firm, EY-Parthenon, to help us chart a course forward that will allow MBU to navigate these pressures effectively and sustainably while staying true to our institution's mission.

The bigger picture. It is likely that the transition timeline to this new paradigm for MBU will take place over several years. Yet we must take action now in planning for our next fiscal year (which begins in July), to not only support this emerging redirection but, more importantly, to help us balance our budget given the pressures bearing upon us: declining enrollment, increased competition for students, changing student preferences, a general market downturn, rising costs, and an unpredictable economy. The Board therefore directed the administration to undertake significant cost reductions, including reductions in instructional expenses.

The decision. On December 12, the Board took the first steps to reduce overall university spending. These initial cuts fell significantly short of the target budget reductions necessary to ensure the continued financial viability of the institution. As such, we authorized the administration to not renew a number of annual contracts. Where possible, the administration worked creatively to reassign time, saving jobs and the university resources. Ultimately, seven contracts were not renewed. Those individuals were offered severance, even though that is not stipulated in their contracts. As the MBU primary governing documents (the Articles and By-laws) make clear, Trustees have "final authority with respect to all matters"¹ as well as a "primary duty to act without fear or favor in the best interests of the University."² While painful, we are confident in the actions taken to date.

Our commitment. We understand the dismay of those who remain. We have long tried to stave off such reductions and fought hard to retain faculty. In fact this scale of contract non-renewal is unprecedented. It is imperative, however, for MBU to reduce expenditures and reallocate

¹ From Article II, Section 1 of the MBU Bylaws.

² From Article II, Section 4 of the MBU Bylaws.

resources to safeguard its ability to continue its inspiring mission of service to its students and their needs.

As members of the Mary Baldwin community ourselves, we feel this pain acutely. However, we are confident we are taking the necessary steps to ensure the viability of the institution we are all invested in seeing thrive. As we move into a presidential transition, there will be more change as we evolve to best respond to student needs. We, the Board of Trustees, remain grateful for your continued understanding as we navigate this moment together.

Sincerely,

Gabby McCree, on behalf of the Board of Trustees