

May 7, 2020

To the Andover community:

On behalf of the Board of Trustees, we write with an update on recent board decisions surrounding the Coronavirus pandemic and its near- and long-term effect on our Andover community.

We are profoundly grateful for the exceptional way that Andover has responded to this crisis, approaching every decision with the safety of the community as its highest priority. From the earliest days of the outbreak, Jim Ventre's call for teamwork has resonated; the school has remained nimble, navigating a constantly shifting public health landscape and unpredictable financial environment. Jim has led with equanimity, compassion, and decisiveness when needed most.

From virtual classrooms and staff meetings to the team in technology and the counselors in Sykes, acts of *non sibi* abound. Faculty and staff stood up an online curriculum in a matter of days. They continue to learn and adapt, knowing that this is the right thing to do for our students.

From locations on campus to home offices across state borders, staff continue to support academic and administrative operations, ensuring that Andover continues to run effectively. Responding to new financial realities, managers acted swiftly and thoughtfully to cut existing budgets and find substantial savings in fiscal years 2020 and 2021.

From the (Virtual) Boardroom

The Coronavirus pandemic has presented the global economy and the education sector with unprecedented uncertainty. We do not yet know the course the virus will take, but we know that the impact of this health crisis on the global economy has been severe. Job losses are expected to reach levels not seen since the Great Depression, supply chains are being disrupted, and public policy responses—both fiscal and monetary—have been dramatic and sobering.

Institutions like Andover face both operating and financial uncertainty. Financial market volatility has put pressure on our endowment, and we must be prepared for further downside risk. Our ability to open our campus safely and the costs of doing so also remain uncertain. While Andover enjoyed another stellar admission season, final numbers will remain unclear until mid-July at the earliest.

In the midst of these challenging times, we rely on a few guiding principles: protecting the safety and wellbeing of all members of our community, ensuring that no student is turned away from Andover for financial reasons, and delivering the exceptional educational experience for which we are known.

We further recognize that these times require sacrifices from all of us. The board is committed to doing all within its power to preserve our exceptional school for the long term. To do so, we are compelled to make adjustments to our cost structure for the next fiscal year.

With gratitude for the shared sacrifices of our Academy employees, our students, and their families, trustees made the following decisions to guide the Academy in fiscal year 2021 (July 1, 2020 through June 30, 2021):

- Significant reductions in facilities and technology renewal budgets.
- Reductions in goods and services budgets across the Academy. This includes a substantial decrease in resources for Learning in The World, as all programs are on hiatus until further notice.
- Flat funding of the salary pool. Given the latest economic data, endowment performance, and uncertainty around enrollment, the board regrets not being able to offer raises, as previously hoped.
- Targeted hiring freeze.

These actions are expected to yield savings of more than \$11 million and partially offset decreases in the endowment and uncertainty around tuition revenue. Trustees will continue to work with school leadership to monitor this evolving crisis. We will reconvene periodically in the weeks to come to review these decisions in the latest context of the crisis and projections for fall enrollment. Over time, we expect to have a better understanding of whether additional measures will be necessary to ensure the long-term strength of the Academy.

Planning Ahead

A number of factors outside of our control will determine the shape of Andover's fall term. It is our intention to open in September with students back on campus, subject to our making the campus safe for the community and adhering to regulatory constraints. At the same time, we are developing contingency plans, recognizing that we may have to be flexible in our approach given uncertainty around health and safety protocols, international travel, and varying health risk profiles in our community.

Still, we remain confident in Andover's ability to respond with ingenuity and resourcefulness. We are incredibly grateful for the organizational planning structure established by Jim in collaboration with trustees and Dr. Raynard Kington. Jim has appointed the Pandemic Response Group (PRG) to oversee the development of operational strategies and contingencies based on several possibilities, taking into account the safety of community members, public health data, and government regulations. Its work will be informed by the Scenario Planning Group, the Strategic Enrollment Group, and the Faculty Task Force. Each will contribute collaborative strategies to guide the Academy's academic program and administrative operations in the months ahead. Informed by recommendations from these groups and other experts, the PRG will issue a final set of recommendations to the Board of Trustees in mid-June.

We proceed with both caution and determination. Andover has the best minds and hearts “keeping school,” solving problems, and developing contingency plans. Much remains outside of our control, but we are privileged to be part of an institution that has used its enduring values to navigate challenging times for 242 years. We will continue to lean on these values for strength and guidance in the weeks ahead.

Best wishes for your health and wellbeing,

Peter L.S. Currie '74, P'03 *President, Board of Trustees*

Amy C. Falls '82, P'19, '21 *President-elect, Board of Trustees*