



McClelland Hall
1130 E Helen Street
Tucson, AZ 85721
520-621-2165
<https://eller.arizona.edu>

May 1, 2020

Dear President Robbins,

We are writing this letter to communicate the concerns of the Eller College Advisory Council about the proposed furlough and pay reduction program communicated via email on April 17, 2020. Like you, we mourn with individuals that have lost or will lose loved ones to Covid-19. We also recognize the devastating effects of Covid-19 on the social fabric of our society, including those that now live in fear of this virus. Further, we acknowledge the devastating economic effects of Covid-19 on individuals, countries, and the world. We express our gratitude for your efforts to lead our university in this uncertain and difficult time. With the hope that we can help you in your efforts, we are requesting you do the following: (1) seek the faculty's input and expertise to unleash the ingenuity of our collective community to create a revised plan to address the projected shortfall, (2) provide further detailed information about the specific assumptions that gave rise to the current and projected financial statements and make these financial statements publicly available, and (3) consider the effect of the proposed furlough and pay reduction program on faculty retention. We believe taking these steps will engage the faculty and focus everyone's efforts on upholding the University's Teaching and Research Mission.

Our first request is that the central administration empower the collective university community to face the upcoming crisis together. The University of Arizona faculty have experience and expertise that will allow them to develop creative solutions to the financial woes we face. Incentivizing such creative solutions is key to solving the budget shortfall. As C.S. Lewis states, "Two heads are better than one, not because either is infallible, but because they are unlikely to go wrong in the same direction."

To that end, we would like to offer our time and expertise to develop these creative solutions. We applaud the efforts of our colleagues throughout campus who are treating infected patients, supplying PPE to cover shortfalls, and developing new testing methods, and we are eager to join them by "treating" the economic consequences of this crisis. As representatives of every department within the Eller College, we are experts in Accounting, Economics, Finance, Information Systems, Management, and Marketing, all of which are critical to addressing the current financial crisis. By engaging with us, you will not only harness valuable resources within the University, you will also move towards rebuilding the faculty's trust and increase faculty buy-in going forward.



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Our second concern centers around transparency, or a lack thereof. The faculty have no barometer to assess the appropriateness of the furloughs/pay reductions because the central administration has provided little information about how they arrived at their projections. Your email dated April 28, 2020, was a step in the right direction, but more transparency is needed. For example:

- What does the administration assume about the enrollment of in-state and out-of-state students in future years?
- What factors led to the projected \$97 million-dollar loss in the current fiscal year?
- How did prior losses or money spent on prior initiatives impact the current state of the budget?

We also request that the administration provide information about various scenarios (i.e., stress tests). For example, how would the projections differ if we were online in the fall, and what was considered in lieu of or in addition to furloughs and salary reductions? Providing the faculty with this information will help them process, understand, and prepare to deal with the inevitable economic turbulence that lies ahead.

Finally, the plan is decidedly more drastic than any other plan put forth by peer institutions. As a result, the proposed furlough and pay reduction program will make it difficult to retain and attract faculty, which will inhibit the University's Teaching and Research Mission.

Thank you for taking the time to hear the concerns of the Eller College Advisory Council. We encourage you to create a feedback loop so the individual voices of faculty can be heard and ask that you implement the items we have outlined. Thank you for your leadership. We are confident that together we can Bear Down and thrive despite this crisis.

Sincerely,

A handwritten signature in blue ink that reads 'Rick Mergenthaler'.

Rick Mergenthaler, Eller College
Advisory Council Chair and Associate
Professor of Accounting

A handwritten signature in black ink that reads 'Hope Schau'.

Hope Schau, Professor of Marketing



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A handwritten signature in black ink, appearing to read 'Nathan Podsakoff'.

Nathan Podsakoff, Stephen Robbins
Professor of Management and
Organizations

A handwritten signature in black ink, appearing to read 'Jan Voci'.

Jan Voci, Business Manager

A handwritten signature in black ink, appearing to read 'Bin Zhang'.

Bin Zhang, Assistant Professor of
Management Information Systems

A handwritten signature in blue ink, appearing to read 'David Brown'.

David Brown, Assistant Professor of
Finance

A handwritten signature in blue ink, appearing to read 'Tiemen Woutersen'.

Tiemen Woutersen, Professor of
Economics, Eller Fellow