



UNIVERSITY OF NOTRE DAME
OFFICE OF THE PRESIDENT

September 20, 2011

Dear Colleagues:

Last February, I formed a committee to undertake a thorough review of our budget and identify \$20 million to \$40 million in recurring expenses or potential revenue that can be redirected to fund new initiatives. Since then, the economic situation in our country and around the globe has not improved. In fact, persistent debt and unemployment issues in the United States and Europe have increased uncertainty in the financial markets.

Despite the economic uncertainty, we must continue our momentum and advance our vision for Notre Dame. To do this, we realized that we must find the resources within our recurring budget so that we could fund new faculty positions to further strengthen teaching and research, financial aid to meet the growing needs of our students, and enhanced staff support, libraries and infrastructure to accomplish our educational mission.

The Strategic Funding Committee met regularly last spring, and the committee's working group spent the summer evaluating potential new revenue opportunities, many of which were submitted by employees to the Advancing Our Vision website. In total, the Committee has identified \$30 million in recurring funds that it has recommended we redirect toward the priorities I mentioned. I would like to thank this group for their excellent work and thank those who submitted more than 250 ideas to the website, many of which the Committee adopted.

Because we recognize that the loyalty of those who work at Notre Dame is one of our most valuable assets, the primary goal in identifying resources that could be redirected was to protect jobs, benefits and salaries, and we have done that.

At the same time, we have worked hard to identify process improvements that can save money and also improve service. One example is the implementation of TravelND, where new partnerships and replacing paper forms and processing with an online system saves time, repetitive effort and a projected \$1.3 million annually. Another example is the new VOIP phone lines that offer more modern functions and still save about one-half million dollars each year.

Another area that we have given great attention is faculty and staff benefits, which many of our peers have cut significantly since the economic downturn in 2008. For example, we implemented a voluntary staff early retirement option that will help employees retire in a better

financial position, allowing some an opportunity to retire earlier or with more security than they would otherwise have. We are also opening an on-campus wellness center to provide more convenience and support the productivity of our employees and their families. These initiatives are positive for employees and also save money that can advance our aspirations.

But I have also been clear that continuing our momentum will require help from many of us. For instance, early retirements may result in reorganization that requires some people to pick up the duties of those who are leaving.

We also plan to limit a few of the perks that have been offered in the past. In doing so, we made every attempt to spare those who earn the least and can hardly afford more financial stress. Instead, we looked at eliminating or reducing perks that our peer institutions have never offered: a 20 percent subsidy in the voluntary purchase of football tickets and a cell phone policy that has had few restrictions. More details about these changes will be available online at <http://advancingourvision.nd.edu/> following our Town Hall meeting on Wednesday.

I am sure most of you are aware that we just completed a campaign that raised more than \$2 billion for Notre Dame. The obvious question is, “Why can’t the University use that money to fund new initiatives?” – and I understand that sentiment. But the truth is that our generous donors have given that money for very specific purposes, mostly to improve student opportunity through financial aid and to improve the campus through new facilities. These benefactors have made sacrifices for the future of Notre Dame, and now it is our turn to match their commitment.

While we have not made specific, final decisions about how to spend the recurring budget money we are redirecting, I can give you one example of an area of need. Over the last three years, our commitment to a need-blind admissions policy while meeting the full demonstrated need of every student added \$30 million to our annual financial aid costs – from \$76 million to \$106 million.

That is money we could not spend to hire new faculty – the scholars who will continue to provide our students with an unparalleled undergraduate education, contribute research and scholarship, and do all this in a university community informed by its Catholic mission. We hope to address this challenge, using the reallocation to hire a substantial number of new faculty members over the next few years.

I am proud of the hard work and dedication shown by all on campus in the last few years, which has allowed us to make significant progress towards our goals. But, I now ask all of you to join me in supporting these collaborative efforts to advance our vision of Notre Dame as a powerful force to heal, unify, and enlighten our world. I believe that this redirection of a small percentage (3 percent) of our total budget will allow us to build on our successes and make the coming years even more exciting for Notre Dame.

In Notre Dame,

A handwritten signature in black ink, appearing to read "John I. Jenkins", with a horizontal line extending to the right.

Rev. John I. Jenkins, C.S.C.
President