



May 14, 2020

Dear Gilman Community,

The past few months have been some of the toughest times that our modern world has endured, and we thank you for your continued commitment to your son's Gilman education. The Board of Trustees and School Leadership have been hard at work understanding the current economic landscape in order to outline a path forward. Our goal is to take action now to help safeguard against future financial uncertainty, ultimately ensuring the unparalleled Gilman experience for years to come. We are writing today to share with you important decisions that will help us plan for this mounting uncertainty and the continued employment of our faculty and staff.

Based on a thorough review of fiscal alternatives and considerations for our community, the Board of Trustees has approved the School's application for and acceptance of a loan under the Paycheck Protection Program (PPP), funded through the federal CARES Act. **We are confident this is a necessary step to protect Gilman jobs and, ultimately, mitigate financial strain related to the pandemic on faculty, staff, students, and their families.** More than 70% of Gilman's operating expenses are tied to its people, and we remain committed to supporting our dedicated faculty and staff who are working tirelessly to adapt and ensure that a robust Gilman educational experience is continuing.

It is important to remember that tuition does not cover the full cost of a Gilman education and that all students benefit from income generated by our endowment and by philanthropy given through our annual fund. Collectively, our endowment and annual fund account for 22% of our revenue and help to provide the essential funds necessary to provide the full Gilman experience that we all know and love. During these unprecedented times, the value of the School's endowment has fallen, and we must anticipate lower investment income. It is also important to understand that our endowment is largely restricted, meaning, we cannot just draw funds for use at our discretion. We are also projecting a decrease or delay in annual giving revenue and an increase in demonstrated need for tuition assistance. Given the extreme uncertainty of the pandemic, we must prepare for potential outcomes that could include lower revenues, higher expenses, and operating losses that will need to be absorbed, all without sacrificing our delivery of the Gilman experience.

Above all, know that during this time of immense uncertainty we are committed – now more than ever – to being leaders in supporting our community, to keeping families at Gilman, and to minimizing the financial burden that many of our families are facing. To that end, we want to provide an update on the steps we have recently taken:

For Our People and Community, We Have:

- Provided necessary technology, including laptops and hotspots, for faculty, staff, and students in order to ensure equal access for continuity of teaching and learning.

- Served our community in many ways, including lending 3D printers that are helping to produce personal protective equipment (PPE) for first responders, donating our supply of masks and gloves, and sending handwritten letters and videos of hope to those on the front lines.
- Encouraged flexibility and extended sick leave for employees facing individual and/or family health challenges due to COVID-19.
- Placed emphasis on the importance of mental health and wellness, including counselor-led sessions with students, parents, and faculty; formal and informal virtual group gatherings for students and faculty; and alumni webinars with field experts.
- Worked carefully with our contract-service vendors, such as our food service provider, FLIK, and our cleaning service, CBS, to ensure the financial stability of their employees, who are integral to our school operation, and the continuity of these agreements.

For Our Financial Sustainability, We Have:

- Created an emergency fund and expanded tuition assistance for families experiencing financial hardship, helping to fund both tuition and non-tuition expenses. We strongly encourage families experiencing such hardship to reach out to Director of Enrollment Amy Furlong, afurlong@gilman.edu, for assistance.
- Secured refunds for our families for canceled abroad and domestic trips.
- Prorated and/or absorbed fees in support of co-curricular activities and programs, including our Lower School After School Program (ASP).
- Delayed non-essential capital projects to defer associated costs.
- As mentioned above, accepted a loan under the Paycheck Protection Program (PPP).
- Instituted a temporary hiring freeze for non-essential, non-academic positions.

This is an extensive list of measures, **but it does not mark the end of our collective work.** Please know that we will continue to focus on striking the appropriate balance of supporting our community – both within our walls and within the greater Baltimore area – while adjusting spending, all without sacrificing the quality of and commitment to the Gilman experience.

Please continue to stay safe and be well.

With Gratitude,

Henry P. A. Smyth
Headmaster

Mark R. Fetting '72 PP'00,'05
President, Board of Trustees