



BETHLEHEM UNIVERSITY

جامعة بيت لحم

*Office of the
Vice Chancellor*

مكتب نائب الرئيس الأعلى

20 September 2020

Greetings from this beautiful, holy place as we enjoy the wonder of summer here with beautiful clear skies, hardly a breath of wind, warm temperatures, and being in the place where Jesus was born! However, because of the number of cases of COVID-19 in Palestine and in Israel, people are facing severe restrictions. This is part of the unpredictable situation in which we are living. Thanks to many of you who have been in touch in a supportive way. Because of what has been happening here, I am sorry I have not been able to respond individually to your e-mails, but I do appreciate your support.

I generally only write at Christmas and Easter, but I want to take the opportunity to bring you up to date on some of the things that have been happening here given these unprecedented times. After the lockdown on March 5, we managed to finish the Spring semester on time online at the end of May, and then similarly a summer semester, but, unfortunately, there was no graduation! We have been forced to have the Fall semester online as well and one of the big disappointments is that the 978 new students (the largest in our history) will be introduced to Bethlehem University online! This is not the best introduction and does not give them a good feel for the place. It does not allow our returning students to interact and welcome them. However, there is little we can do about that.

We have not had students on campus since 5 March and with the Fall semester now online, if students are able to return for Spring 2021 at the end of January, it will be eleven months without them here. It is certainly a strange place without students and we are emerging into an unpredictable and unprecedented world. We are fortunate that we have some very forward-thinking academics and technical people here who are making the most of the situation and finding ever better ways to provide for our students.

The COVID-19, while not the cause, was the trigger for a major financial crisis at Bethlehem University. The budget deficit has been rising over recent years because of several factors: the increase in the salaries bill; the money from the Palestinian Authority not arriving; the unexpected increase in the arrangement for currency exchange moving from \$300,000 per year to last year being over \$700,000; some cutbacks from major donors, the impact of COVID-19 on other donors, etc. While the revenue from tuition and fees along with fundraising has been slowly increasing, it has not been at the same rate as the increase in salaries. Then COVID-19 hit us in early March with the result that there have been no pilgrims here since then. With so many of the families of our students being involved in the hospitality industry, it has meant many of those families have had no funds coming into the home since then. That has, of course, made it difficult for them to pay their tuition, which we needed for salaries!

The challenge we are facing is predominantly a financial one. We were faced with a situation where we did not have any reserves left to provide funding for salaries in this current 2020-2021 academic year. In a very conservative draft budget we were some \$1.5 million short of what we needed.

When the Palestinian Authority reduced and then stopped their support of Bethlehem University in 2017, which had been around \$300,000 a year, we began taking steps to address this loss and so cut back on budgets, with subsequent protests from faculties and offices. Initially, there was no indication

that the lack of funds from the Palestinian Authority would become permanent, so we lived with some hope that we would get something. The attempts to raise money to cover the deficit met with only mild results and I have found it very difficult to convince donors to contribute to operational costs! So, it is an uphill battle to increase fundraising for the operational budget.

With some \$1.5 million short of what we needed, we began to look at where we could make savings. With 75% of our operating budget going in salaries and benefits, that was an obvious place where savings could be made, so a process of restructuring began to be planned.

The main driving force for restructuring is the payroll bill, but it is not the only one. For some time the Academic Office has been reviewing what is being offered, exploring what the needs of the Palestinian people are and seeking to develop new programs to meet them. Software engineering was introduced two years ago and a new program in Medical Laboratory Sciences began in this present academic year. What is very heartening is that these new programs have been oversubscribed this year, which indicates that we made good decisions in choosing to introduce them.

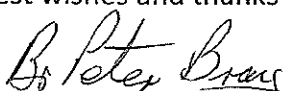
I certainly do not like the restructuring process and would much prefer not to be doing it. We had numerous meetings with the Union to seek to find a way to manage the budget, but in the end we could not reach an agreement and find the needed funding. I was pushed, therefore, to the only option left to me, that is restructuring with the loss of some jobs and the reduction of hours for some others. That saved us what we needed but I was conscious of the impact that would have on people here at Bethlehem University with the unemployment situation here in Bethlehem being so dire and the possibility of getting another job very remote, but we didn't have reserves to dip into and I have a responsibility for the sustainability of Bethlehem University!

When we moved to introduce the restructuring, the Union called a strike and that continued for two weeks. The Deans of the faculties then intervened and over the course of several days worked with the Executive Committee of the Union and arrived at an arrangement which was virtually what the Union had rejected three weeks before. With some intense discussions an agreement was reached at 10:30pm last Sunday evening. I signed the agreement with the Union at 8:00am on Monday morning and at 9:00am everyone returned to work! In this deal the restructuring was put on hold and the Administration will withhold up to 15% of the salaries of employees (on a sliding scale depending on the salary) to be repaid within ten years. This loan from employees buys time and will mean we will have the cash to get through this academic year, but it does not solve the underlying problem. Hopefully, in the course of the year we may be able to find an answer.

Over the past twelve years I have talked about and worked to create an oasis of peace and a beacon of hope here. I am aware of the impact a major restructuring would have on that and am very reluctant to do it, but may be forced to do so. We have started a process of review with external consultants, which will provide us with the opportunity to step back and seek to find better ways to organize, run, teach, assess, and generally serve the young people entrusted to us. I am hoping this will provide a turning point in the way we respond to our wonderful students and set us up to be more sustainable.

Thank you for your support of the mission we are engaged in here and I ask you to keep us in your prayers as we navigate these uncharted waters!

Best wishes and thanks for your interest in and support for Bethlehem University.



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