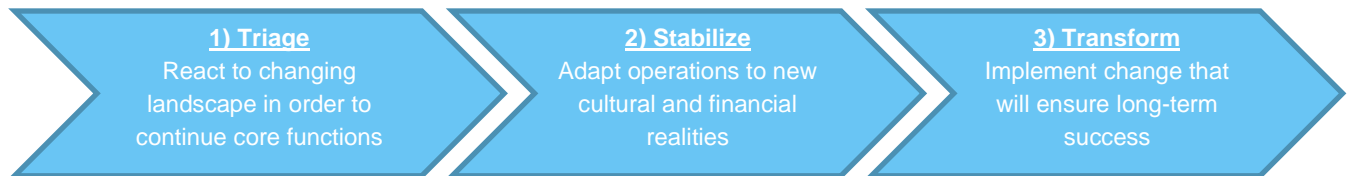


# Higher Ed COVID-19 Tracker

Findings Update – Thursday, April 2nd

Huron continues to aggregate and track industry trends and the “actions” taken by universities. Today’s *Tracker* includes:

## Latest Trends and Articles of Interest Links



<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Latest Trends</p>	<ul style="list-style-type: none"> <li>▪ More institutions have announced plans to shift to <b>online instruction for summer courses</b></li> <li>▪ <b>Declining endowment values</b> cited in <b>requests for fundraising</b>, with funding needs driven by the <b>costs of switching to online education</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Calls for <b>additional federal support</b> for higher education are increasing, as <b>Coronavirus-related expenses</b> are likely to far exceed provisions in the recent stimulus</li> <li>▪ Institutions have begun to open or renew <b>lines of credit</b> to increase mid-term <b>access to cash</b></li> <li>▪ <b>Financial challenges faced by families</b> cited as a reason for <b>not instituting</b> a planned 3% tuition increase at Ohio Wesleyan University</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Economic impacts</b> from the coronavirus pandemic may interfere with <b>legislative initiatives</b> intended to promote college access and affordability</li> <li>▪ At least <b>three institutions</b> have announced they <b>will close</b> since the start of the pandemic, with the coronavirus cited as a contributing factor</li> </ul>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Articles of Interest</p>	<p>A. <a href="#">University of North Carolina System</a>, <a href="#">University System of Georgia</a>, and <a href="#">University of Idaho</a>, among other institutions, have moved all summer courses to online or remote formats</p> <p>B. Coronavirus: <a href="#">Amherst College</a> seeks contributions to cover remote learning costs</p>	<p>C. Moody's: \$14B stimulus funding <a href="#">unlikely to cover</a> colleges' coronavirus expenses</p> <p>D. Coronavirus has choked off revenues for private colleges: <a href="#">how much cash do they have on hand?</a></p> <p>E. Ohio Wesleyan <a href="#">cancels tuition increase</a> planned for 2020-2021 academic year</p>	<p>F. Coronavirus scrambles higher ed's <a href="#">state funding outlook</a></p> <p>G. How much did coronavirus disruptions affect <a href="#">2 closing colleges?</a></p>

## Articles of Interest Summaries

### TRIAGE: React to changing landscape in order to continue core activities

- A. [University of North Carolina System](#), [University System of Georgia](#), and [University of Idaho](#), among other institutions, have moved all summer courses to online or remote formats
- USG, UNC, Duke, and UI have all announced that summer sessions will be online only
  - Institutions also continue to postpone and make alternative plans for commencement ceremonies and other on-campus programs that take place during the summer months
- B. **Coronavirus:** [Amherst College](#) seeks contributions to cover remote learning costs
- The costs associated with transitioning from in-person to online-remote learning at Amherst College could exceed \$10 million, according to the college's trustees chair.
  - Amherst College was one of the first institutions to close campus, on March 9<sup>th</sup>, and switch to an all online format
  - The trustees chair wrote, "financially, the College remains secure, though we will experience substantial increased costs to honor the commitments we have made... As you'd expect, the College's endowment valuation has already declined, and may decline further, due to the economic environment"

### STABILIZE: Respond and adapt to new cultural and financial realities

- C. **Moody's: \$14B stimulus funding [unlikely to cover](#) colleges' coronavirus expenses**
- Moody's reports that the higher education portion of the stimulus "could help the sector retain financially at-risk students and blunt the "immediate budgetary impact" from the crisis, but will not cover the financial implications during FY21
  - Moody's estimated that the remaining stimulus funds, after at least half is used to cover emergency financial aid for students, will account for approximately 1% of total university expenditures
- D. **Coronavirus has choked off revenues for private colleges: [how much cash do they have on hand?](#)**
- The Chronicle has assembled a database of liquidity measures for private colleges
  - March has seen at least four private, nonprofit institutions draw upon or seek the availability of lines of credit, including:
    - Cornell University: renewal of \$75 million line of credit
    - Alvernia University: established \$15 million line of credit
    - DePaul University: expecting to draw \$21 million on multiple lines
    - Ursinus University: established a \$5 million line of credit
  - Credit rating agency Moody's notes that the effort to increase liquidity is considered a "credit-positive action"
- E. **Ohio Wesleyan [cancels tuition increase](#) planned for 2020-2021 academic year**
- Ohio Wesleyan University announced this week that it is canceling a planned 3% tuition increase for the 2020-2021 academic year
  - "The COVID-19 pandemic is causing dramatic financial challenges for some of our students and families, and we want to support them in this uncertain time," said President Rock Jones, Ph.D. "We believe canceling next year's tuition increase will help students continue their educations in the fall and persist to graduation," Jones said.

**TRANSFORM:** Implement change that will ensure long-term success

**F. Coronavirus scrambles higher ed's state funding outlook**

- Most states were in good financial shape before the coronavirus pandemic, even having contributed to “rainy day” funds which could mitigate the FY20 impacts of the coronavirus
- More ambitious, longer-term legislative impacts may be at stake however, including a range of “free tuition” programs. While the proposed legislation had not yet been approved, financial impact from the pandemic will likely negatively affect initiatives in states, including:
  - New Mexico: \$17 million intended to cover tuition for in-state community college students
  - Washington: Shoring up a free-tuition program funded by increased business taxes
  - Pennsylvania: Effort by the governor to redirect horse-racing industry subsidies to provide tuition support
  - New Jersey: The governor wanted to expand free tuition efforts from two- to four-year colleges.

**G. How much did coronavirus disruptions affect 2 closing colleges?**

- The San Francisco Art Institute (SFAI) will not admit any new students and MacMurray College (IL) will close its doors permanently. [Notre Dame de Namur University](#) has also announced plans to not admit any new students for the fall
- Although SFAI has sought possible merger deals, negotiations have collapsed as campus leaders have been required to focus on their own institutions in the wake of the pandemic
- The financial pressures associated with the pandemic – potential revenue and enrollment declines, room and board refunds, and students' diminishing ability to pay – are exacerbated at institutions already struggling with enrollment, small endowments, and limited means to offer financial aid