

GOING VIRAL

*RESPONSES TO THE COVID-19 PANDEMIC
IN THE AMERICAN HIGHER EDUCATION INDUSTRY*

May 1, 2020



Agenda

This presentation provides a directional, representative overview of the higher education industry's response to Covid-19. **Analysis includes data from 158 institutions** (see breakdown in Appendix) and captures discrete actions taken in response to Covid-19 between January 1 and April 21, 2020.

20+ Huron consultants collected data by tracking institutions' public-facing websites daily. Huron tracked over 175 types of actions (see detail in Appendix) that were iterated over several weeks. **The actions are extensive but not exhaustive of all institutional actions.**

Whenever possible, the dates of the actions were logged to allow for longitudinal analysis, though in some cases dates were unclear or unavailable.

Huron supplemented this analysis with additional perspectives, anecdotes, and insights based on our industry experience, including work with many of these institutions.

1

Executive Summary

Summarizes key takeaways and considerations from initial analysis

2

Institutional Actions

Assesses actions impacting the broader campus and its operations

3

Student-Related Actions

Assesses actions impacting student life and academics

4

Employee-Related Actions

Assesses actions impacting the institution's workforce

5

Financial Controls

Assesses actions taken in response to financial pressures

6

Appendix

Summarizes institutions and actions included in dataset

Section

1

EXECUTIVE SUMMARY



OVERVIEW

High-level summary of the effort and Huron's data gathering process



TIMELINE OF RESPONSES

Master timeline of all actions tracked between January and April 2020



ACADEMIC TERMS

Summary of actions impacting specific academic terms



FINANCIAL IMPACTS

Overview of financial impacts documented to-date industry-wide



LOOKING AHEAD

Huron's perspective on actions to come across US higher education



Executive Summary

Overview

On January 30, the World Health Organization declared Covid-19 a global health emergency. The pandemic's spread has radically challenged higher education in unprecedented ways.

As early as January 15th, U.S. institutions began responding to the COVID-19 pandemic by:

- Establishing dedicated websites to update their communities on the pandemic
- Announcing actions through internal emails, public memos, social media, and multimedia channels

Huron began tracking actions publicly announced by a set of 150+ U.S. institutions¹

- Identified over **175 types of actions**, ranging from “Mandating Remote Instruction” to “Changing Paid Leave Policies” to “Restricting International Travel”
- Huron has logged over **6,000 total actions** announced by the institutions since January 1, 202

158 Institutions Tracked

45 States across the Continental U.S.

56% Public Institutions
44% Private Institutions

Average Enrollment: 23,208
Total Enrollment: 3.7M

Range of Baccalaureate Colleges to R1 Institutions

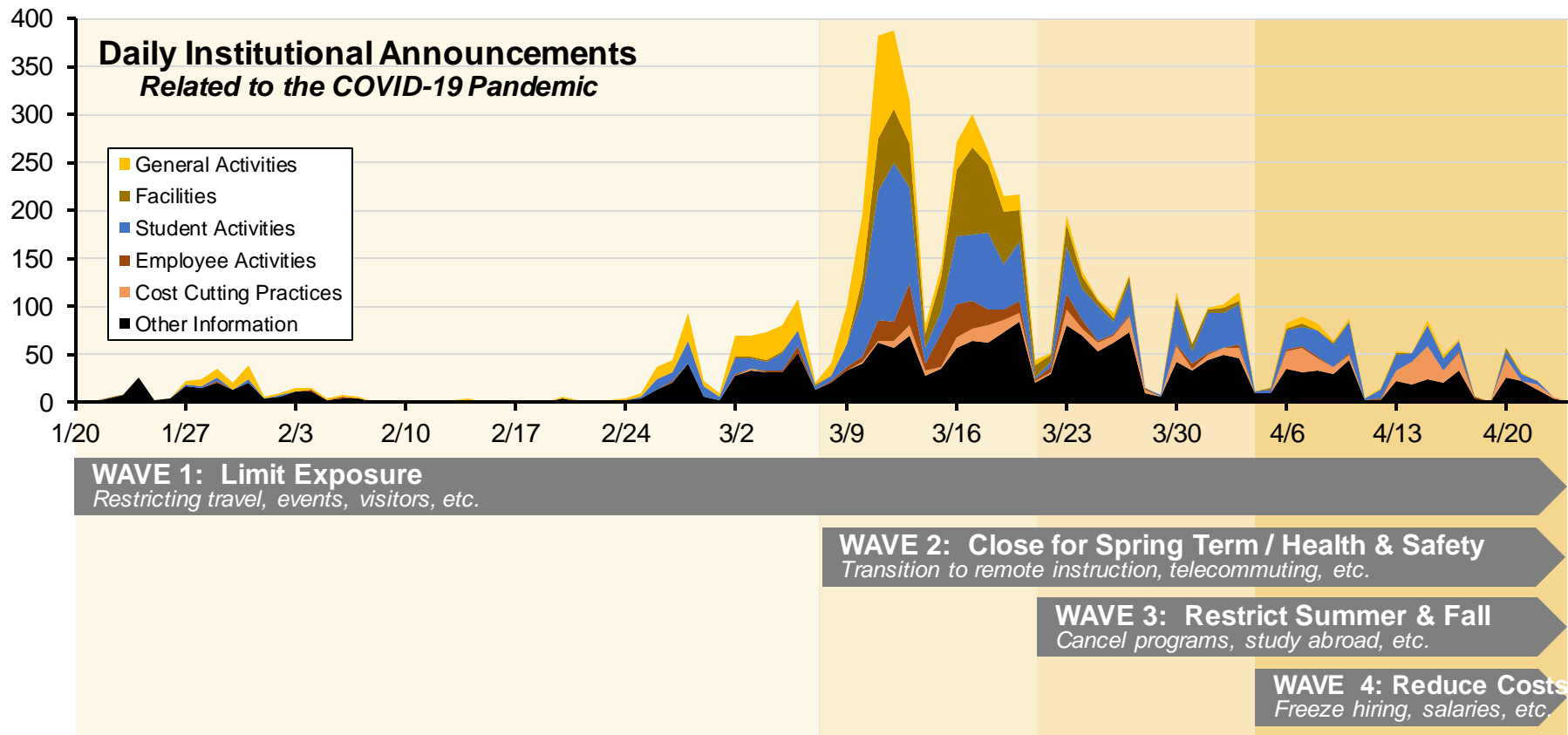
14 Athletic Conferences Represented

The analysis of institutional actions that follows highlights broad trends to-date, specific examples and anecdotes, and Huron's perspective on trends to anticipate moving forward.

Executive Summary

Timeline of Responses

Huron has been tracking the announcements and actions of over 150 institutions across the country and has organized the announcements in four general waves.

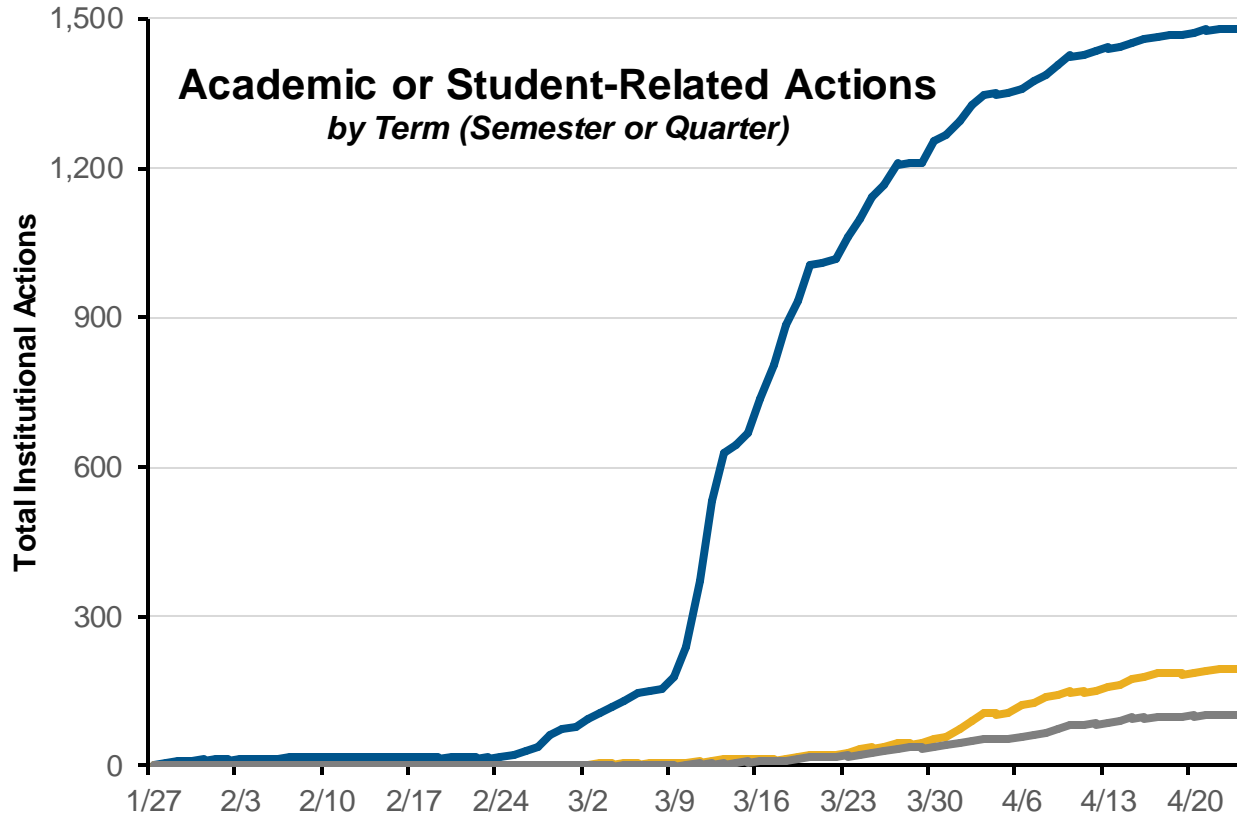


The four waves overlap and are staggered largely due to differences in the geographic impact of COVID-19. The next waves will likely focus on FY21 and re-opening campus.

Executive Summary

Academic Terms

Institutions responded quickly in early March to close campus for the Spring and transition to remote instruction. Summer/Fall decisions have typically been announced later/more slowly.



Sample Actions by Term

Spring Term

- Mandate Remote Instruction (96%)
- Change Grading Policies (73%)
- Cancel Study Abroad (70%)
- Refund Housing Fees (68%)

Summer Term

- Mandate Remote Instruction (64%)
- Cancel Study Abroad (21%)
- Cancel K-12 Programming (9%)
- Reduce Tuition (5%)

Fall Term

- Mandate Remote Orientation (9%)
- Delay Registration (7%)
- Change Admissions Policies (7%)
- Cancel Study Abroad (3%)

Institutions had to respond urgently to the COVID-19 pandemic in the middle of the Spring term, and many are now turning to planning for the Fall.

Executive Summary

Financial Impacts

Given the financial and economic impacts of the COVID-19 pandemic, many institutions have begun taking aggressive action to control costs.

Immediate Financial Impacts from COVID-19

Refunds for Students

Refunds for housing and dining (>80% of institutions)

Additional Financial Aid

Some institutions offered funds for students to travel home

Cancelled Travel

Many institutions refunded expenses for cancelled travel for students and employees

Support for Remote Work

Several institutions had to update their IT infrastructure to accommodate remote work



HIRING FREEZES

Over 70 institutions have announced either freezes or strong restrictions on hiring faculty and staff for the immediate future

Sample List of Institutions:

Colgate University, WPI, University of Houston, Kansas State University, Villanova University, Miami University, Bucknell University, University of Nevada-Las Vegas, Cornell University



SALARY FREEZES

Over 35 institutions have publicly announced freezes on salary increases for faculty and staff for fiscal year 2021

Sample List of Institutions:

Baylor University, Indiana University, Washington State University, Stanford University, Dartmouth College, University of Southern California, University of Colorado Boulder



SPENDING CUTS

Over 30 institutions have restricted spending to only necessary purchases, especially while staff are telecommuting

Sample List of Institutions:

Duke University, University of Miami, MIT, Wichita State University, Georgetown University, Marquette University, Brandeis University, University of Chicago

Many institutions are mimicking financial actions they undertook in response to the Great Recession, though discretionary spending has already been reduced from their Covid-19 response.

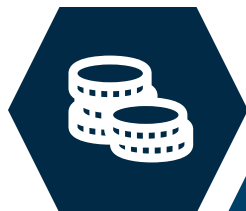
Executive Summary

Looking Ahead

Institutions will spend the summer modeling scenarios for reopening campus and resuming operations. The following considerations will drive their contingency plans and timelines.

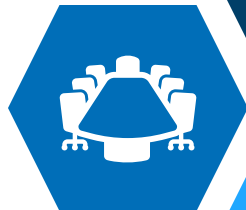
FINANCES

What will our response cost? What might we recoup? What is the longer-term impact on revenues?



OPERATIONS

What critical functions must continue?
What functions could we stop doing?
What projects should we still prioritize?



PHYSICAL ENVIRONMENT

What will we be able to open? How will distancing affect space planning? What health and safety measures are needed?



WORKFORCE & COMMUNITY

How can we engage a remote workforce? How will necessary cost reductions affect us? How should we continue to serve our communities?



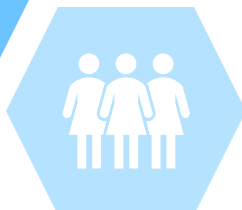
COMPLIANCE

How will shifting regulations impact us? What supplementary policies do we need in place? What is our capability for monitoring?



STUDENT NEEDS

How do we engage students and alumni? Will we be able to maintain enrollment? Which programs have high demand and needs?



Most institutions will test scenarios for resuming normal operations (i.e., in-person instruction, open facilities, research activity, etc.) or some hybrid in Fall 2020, Spring 2021, or Fall 2021.

Section

2

INSTITUTIONAL ACTIONS



SUMMARY OF FINDINGS

Huron's significant takeaways from institutional responses to the pandemic



TRAVEL RESTRICTIONS

Analysis of actions affecting personal and institution-sponsored travel



EVENT RESTRICTIONS

Analysis of actions limiting on-campus events or updating events policies



FACILITY RESTRICTIONS

Analysis of actions updating facilities access or operating hours



ADDITIONAL GUIDANCE

Analysis of general guidance and informational communications



LOOKING AHEAD

Huron's perspective on institutional actions to come



Institutional Actions

Summary of Findings

Most institutions instituted a range of campus-wide actions that affected all constituents and altered institutional operations across the board.

COMMUNICATING W/ THE COMMUNITY	RESTRICTING TRAVEL	LIMITING ACCESS TO FACILITIES	LIMITING CAMPUS ACTIVITIES
<p>Frequent deployment of robust approaches, including dedicated websites, public status trackers, & announcement archives</p> <hr/> <p>Occasional use of online channels to great success (live town halls, social media, presidential videos)</p> <hr/> <p>Nearly all using public-facing Covid-19 websites</p>	<p>Widespread mandates for traveler check-ins with health services (to establish chain of care)</p> <hr/> <p>Near-universal limits on institution-sponsored international travel before domestic</p> <hr/> <p>Initial restrictions on individual countries or blanket limits based on CDC guidance</p>	<p>Waves of limitations often including housing/dining, recreational, and then research facilities</p> <hr/> <p>Release of daily/weekly lists with updated facility hours and operations</p> <hr/> <p>Development of ad hoc processes to request/grant access for essential employees</p> <hr/> <p>Use of online trackers</p>	<p>Initial requests for units to cancel events or make them remote</p> <hr/> <p>Mandated cancelation of in-person events on most campuses by March</p> <hr/> <p>Specific restrictions to the general public, but challenges with enforcement</p>

In the early weeks of Covid-19 response, institutions took more general preparatory and...

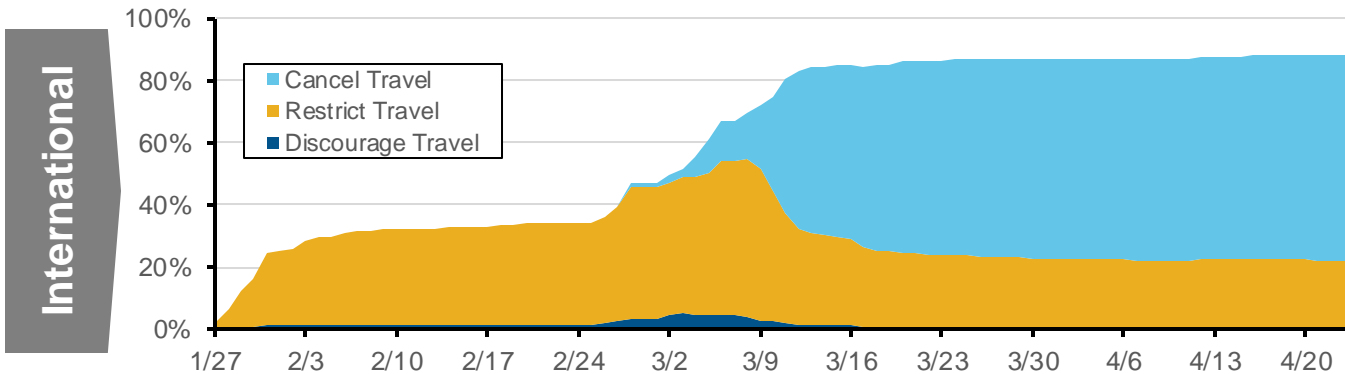


...protective actions designed to limit campus activity and slow the spread of the pandemic.

Institutional Actions

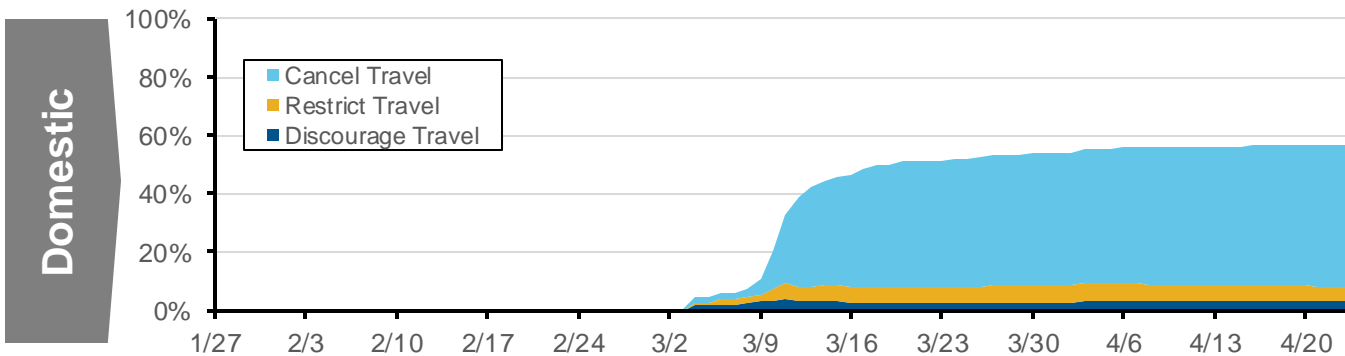
Travel Restrictions

Nearly 90% of institutions have restricted or cancelled international travel, but only 60% of institutions have announced similar restrictions for domestic travel.



International Trends by Month

January – China, S Korea
February – Italy, Spain
March – All countries



Domestic Trends

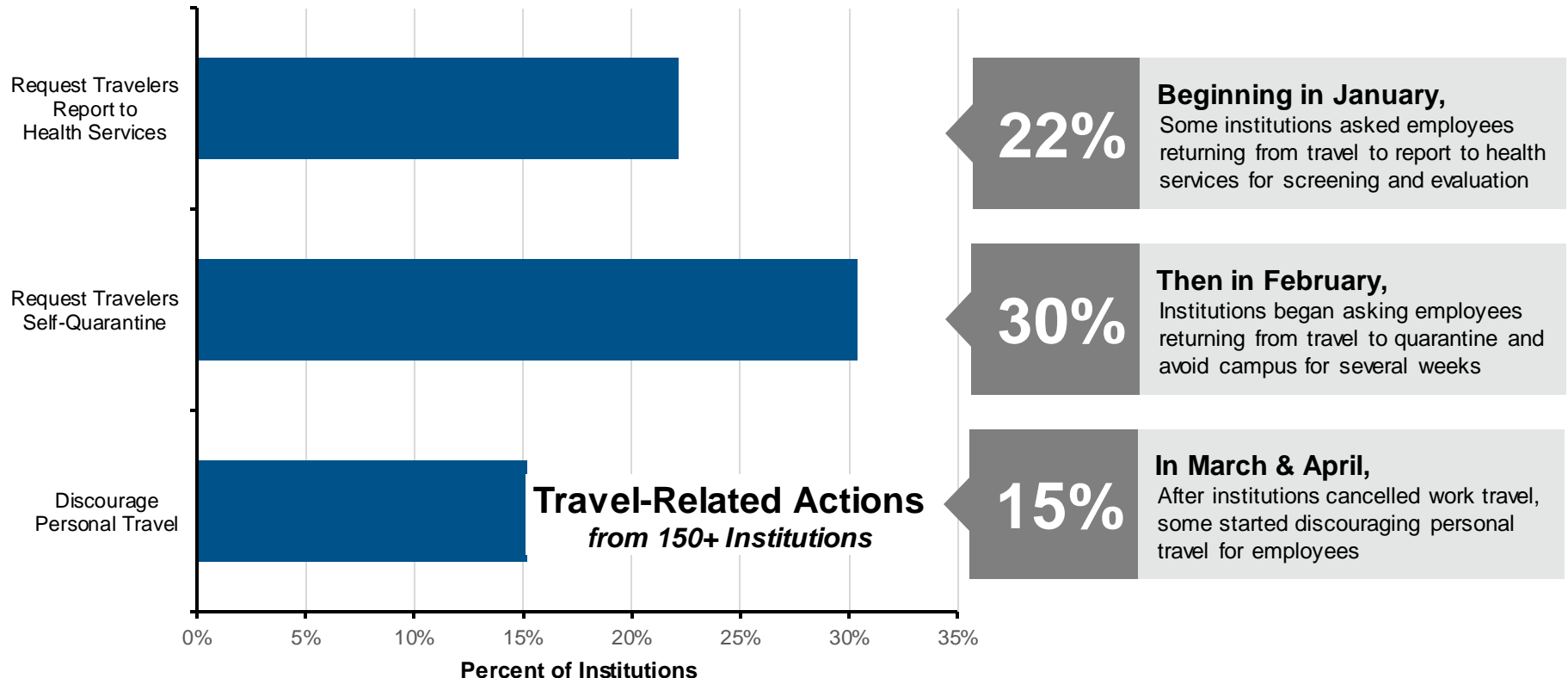
In early March, most institutions cancelled all student and employee travel anywhere in the United States

The earliest institutional actions related to the COVID-19 pandemic were to restrict international travel. Domestic travel restrictions were largely announced when campuses closed for the Spring term.

Institutional Actions

Travel Guidance

Several institutions also provided guidance to their employees, especially those who were travelling during the early days of the COVID-19 pandemic, to protect the campus community.

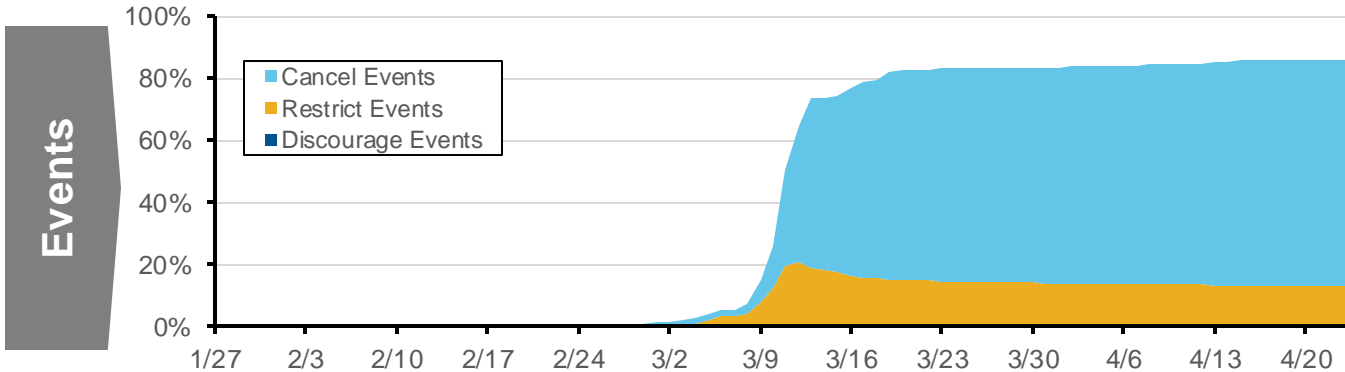


Institutions which had invested in travel management programs often met the “duty of care” obligation regarding institution-related travel and were able to quickly locate their travelers.

Institutional Actions

Event Restrictions

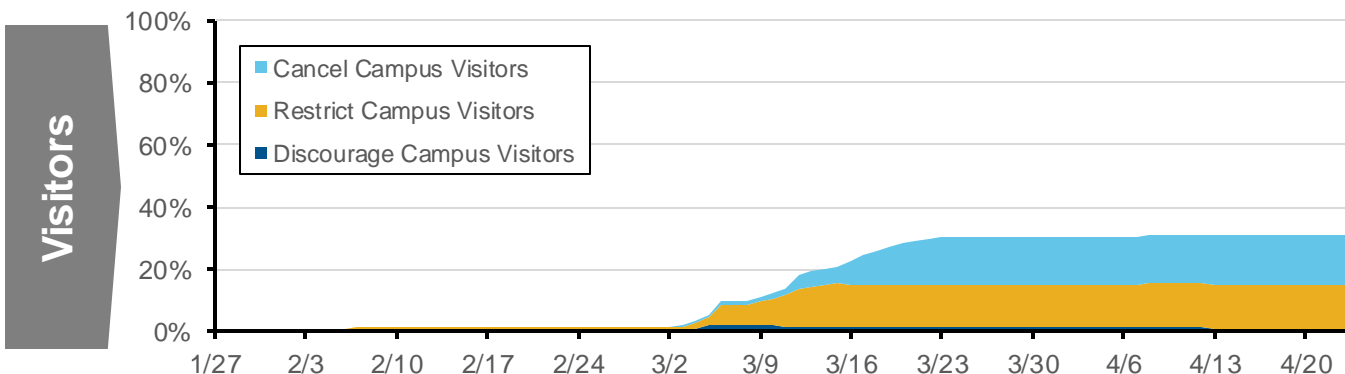
Institutional campuses are flurries of activity throughout the Spring term, with student events, academic conferences, and administrative gatherings. Most were cancelled in early March.



Early Event Guidance

Focused on large groups and on-campus events...

But from 3/9 to 3/11
Many institutions cancelled all events



Open Campuses are Difficult to Close

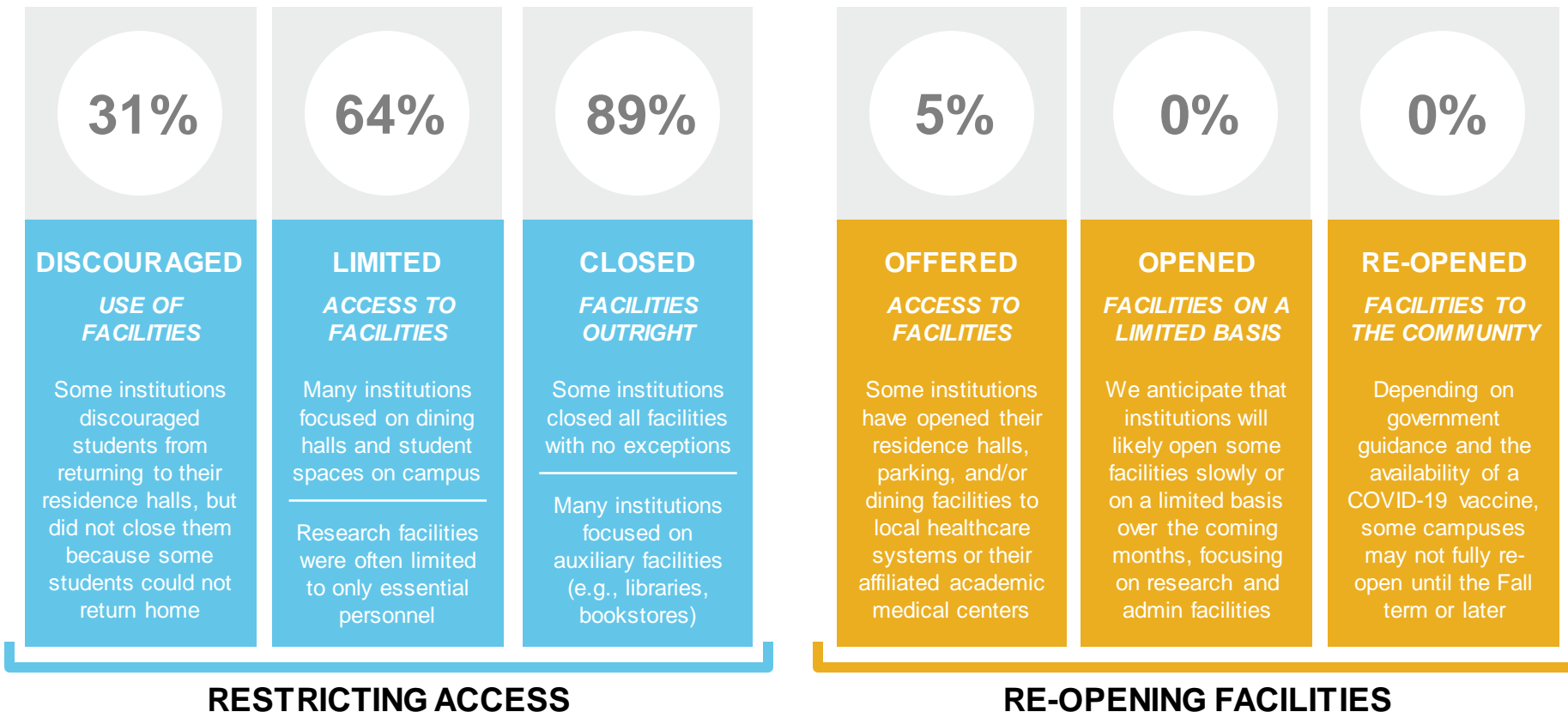
While some institutions attempted to restrict access to visitors, most focused on their own communities first

Though some institutions did not publicly announce event cancellations and visitor restrictions, the vast majority enforced such actions after closing their campuses to students and employees.

Institutional Actions

Facility Restrictions

Institutions reacted quickly to restrict access to their facilities in late February and early March. Only a few have started leveraging their facilities to support the healthcare systems.

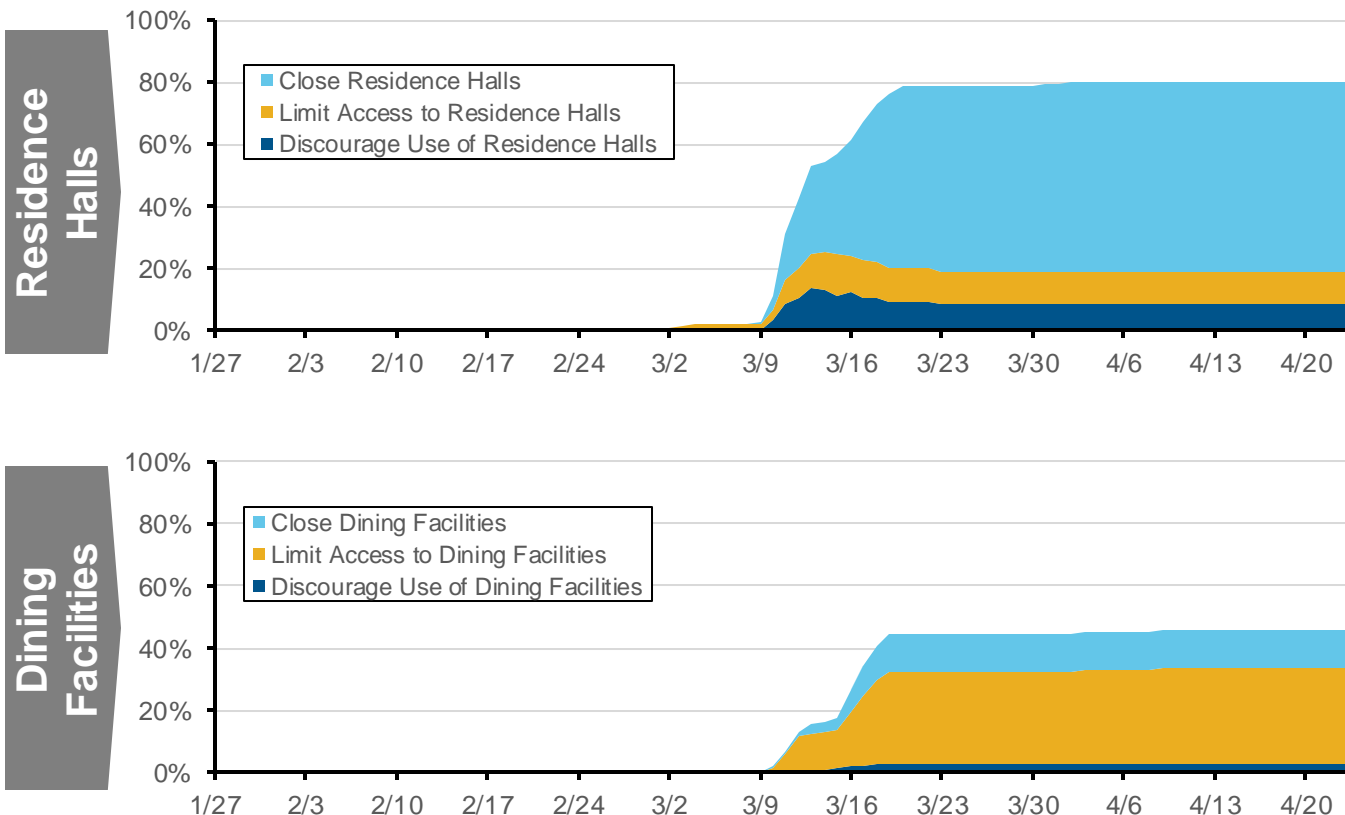


Institutional administrations are taking guidance from state and local governments regarding when to re-open their facilities and campuses. At this point, no institutions* have publicly re-opened.

Institutional Actions

Residential & Dining Facilities

Institutions acted quickly to close residential halls and dining facilities in early March, though many offered exceptions or limited hours for students who could not return home.



Different Approaches

Some institutions...

...announced closures early-on with no exceptions or options for students who could not return home (e.g., international students)

These announcements were often met with outrage from students and negative media attention

Other institutions...

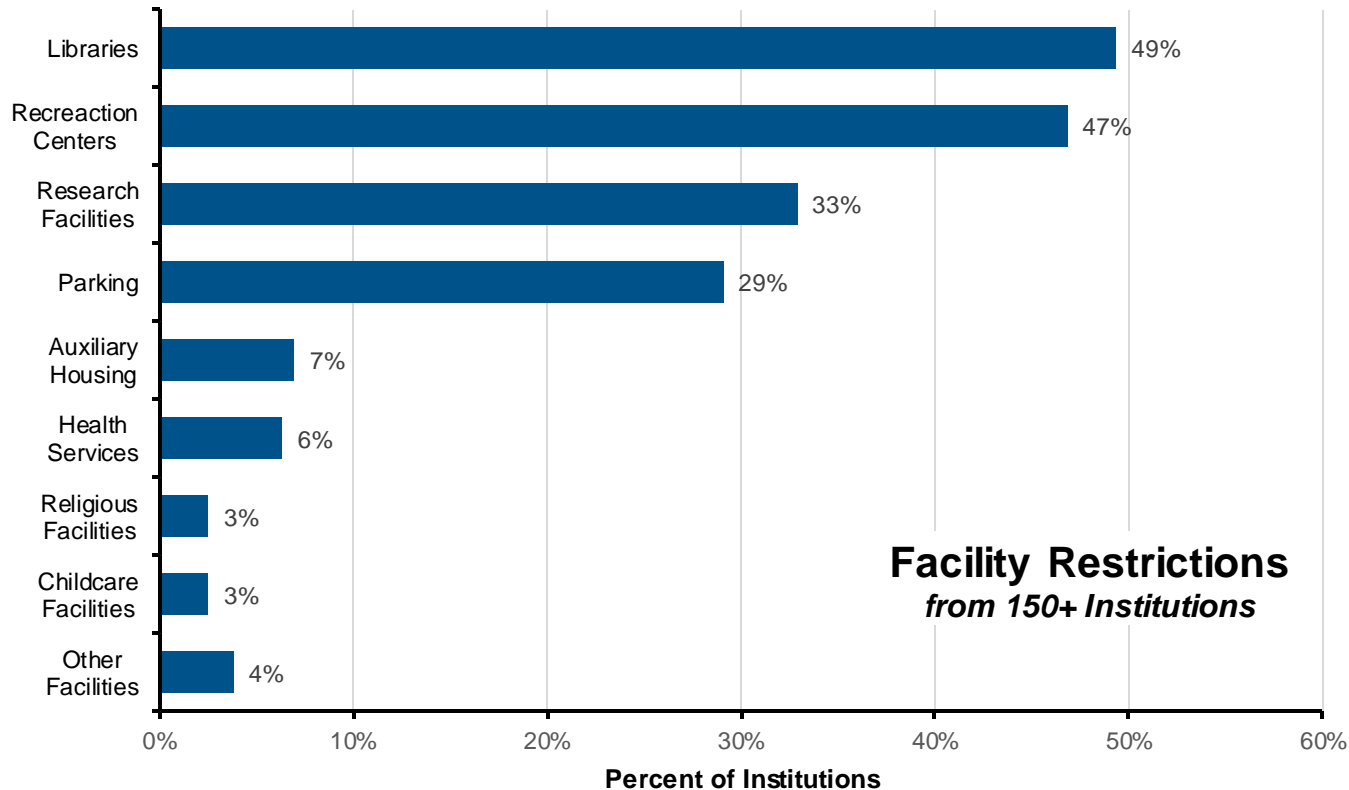
...avoided such negative backlash by including appropriate provisions for students who could not leave campus

Most institutions have retained limited hours for dining facilities, but the vast majority have closed their residential halls to all but a select number of students.

Institutional Actions

Other Facilities

Many institutions announced individual restrictions and closure of certain facilities in early March as they grappled with the impact of the COVID-19 pandemic.



33%

**OF
UNIVERSITIES**

Restricted access to or closed all on-campus facilities outright in early March

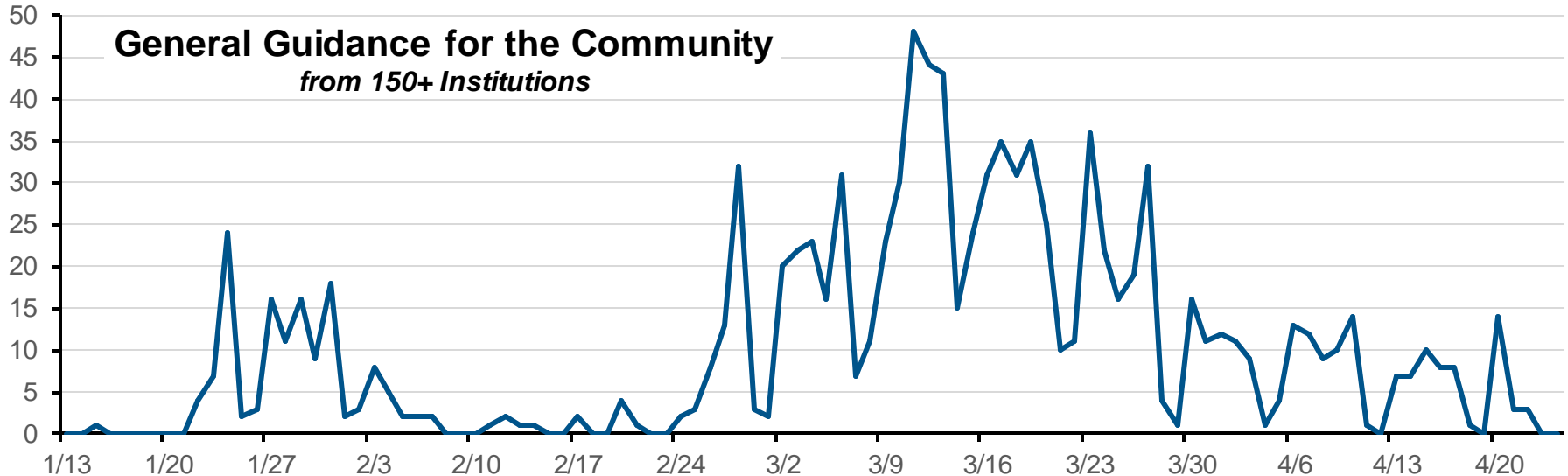
Most institutions announced piecemeal closures of facilities over the course of a few weeks in a series of public memos and email announcements

A select few institutions created facility websites which showed the status of all on-campus facilities in real-time. These status trackers helped stakeholders identify closures in one location.

Institutional Actions

Guidance for the Community

In addition to announcing decisions impacting their employees, students, and facilities, most institutions also sent guidance and information to their communities related to COVID-19.



Even if they did not have actions to announce, institutions significantly increased communication with their communities in March as the pandemic began spreading more widely.

Institutional Actions

Looking Ahead

Based on actions to-date, Huron anticipates lingering restrictions on institutional travel and precautionary restrictions of campus facilities aligned with local and state guidance.

CONTINUING RESTRICTIONS	CANCELLING INT'L TRAVEL	ACCESSING DINING/ RESIDENCE HALLS	LIMITING DOMESTIC TRAVEL
<p>Continuation of existing event and travel restrictions for awhile</p> <hr/> <p>Facilities closures likely in effect until social distancing guidelines loosened</p> <hr/> <p>Other remaining restrictions driven by internal cost controls</p>	<p>Restrictions on institution-sponsored travel continuing into Summer and Fall</p> <hr/> <p>Potential relaxation of guidance regarding personal travel mid-Fall term</p> <hr/> <p>Continued mandatory quarantine for anyone traveling internationally</p>	<p>Continued closures through Summer</p> <hr/> <p>Additional options for returning student belongings</p> <hr/> <p>Additional use of facilities for healthcare workers or patients</p> <hr/> <p>Fall opening contingent on institutional operating status and students returning</p>	<p>Decisions highly dependent on monitoring of state-specific regulations</p> <hr/> <p>Potential easing of restrictions for essential personnel as early as late Summer/early Fall</p> <hr/> <p>Continued requests for traveler self-reporting to institutional health services</p>

Institutions will likely continue scenario-based contingency planning in alignment with their...



...states. Additional restrictions and precautions are expected to continue through the Summer.

Section

3

STUDENT-RELATED ACTIONS



SUMMARY OF FINDINGS

Huron's significant takeaways from institutional responses to the pandemic



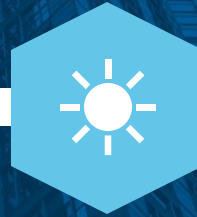
REMOTE INSTRUCTION

Analysis of actions related to remote course delivery



SPRING TERM

Analysis of actions impacting the student experience for Spring 2020



SUMMER TERM

Analysis of actions impacting the student experience for Summer 2020



FALL TERM

Analysis of actions impacting the student experience for Fall 2020



LOOKING AHEAD

Huron's perspective on institutional actions to come



Student-Related Actions

Summary of Findings

The first waves of institutional actions included many changes to student programming and the student academic experience.

PREPARING FOR REMOTE COURSES	RELAXING STUDENT POLICIES	CANCELING STUDY ABROAD	PAYING STUDENT WORKERS
<p>Extensions of Spring Breaks to allow faculty a transition period</p>	<p>Initial waves of change to Spring grading policies and withdrawal deadlines</p>	<p>Initial cancelation of Spring programs in China/Italy</p>	<p>Frequent commitments to pay graduate student stipends in full</p>
<p>Several large technology investments to aid remote learning</p>	<p>Subsequent waves incl. transition of Summer courses online & waivers of Summer fees</p>	<p>Widespread cancelation of all Spring programs by mid-March</p>	<p>Commitments to continue paying undergrads, often contingent on ability to work remote</p>
<p>Provosts encouraging syllabus adaptation and flexibility</p>	<p>Frequent refunds of housing and dining fees and occasional relaxation of parking and recreation fee policies</p>	<p>Occasional student refunds for Spring study abroad fees</p>	<p>Pay limitations for some schools' Federal Work Study students based on funds limited</p>
<p>Student access to internet and technology as a major barrier</p>		<p>More recent waves of Summer/Fall study abroad cancelations</p>	

Initial actions focused on adapting instruction, student programming, and student policies for the...

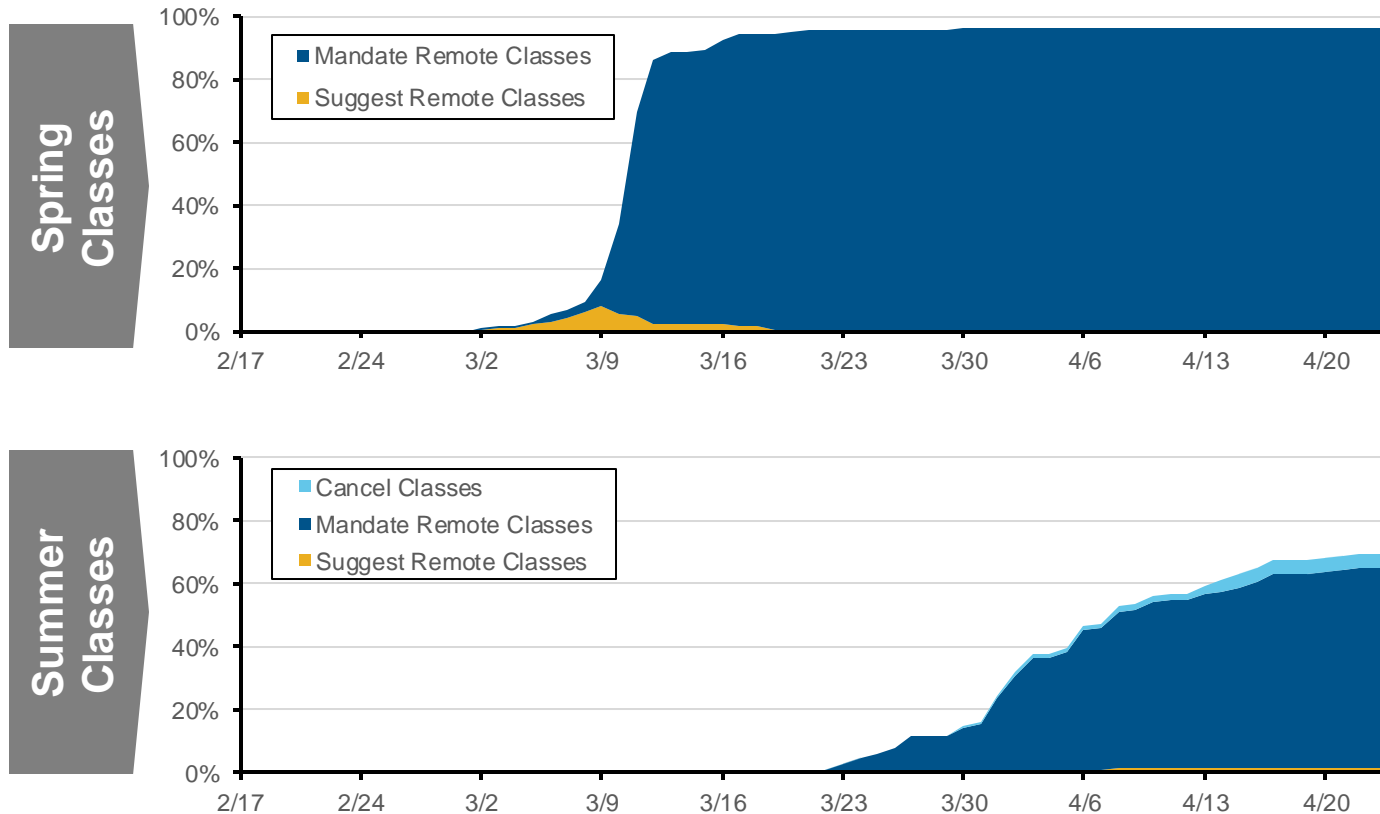


...Spring term, with many institutions then pivoting to shift for the Summer and Fall terms.

Student-Related Actions

Remote Instruction

Most institutions transitioned their Spring courses to remote learning over the course of three days. 75% of institutions have mandated the same for Summer courses since late March.



Early-on,
some institutions had to quickly prepare for remote instruction

10%

Invested in Technology Upgrades

6%

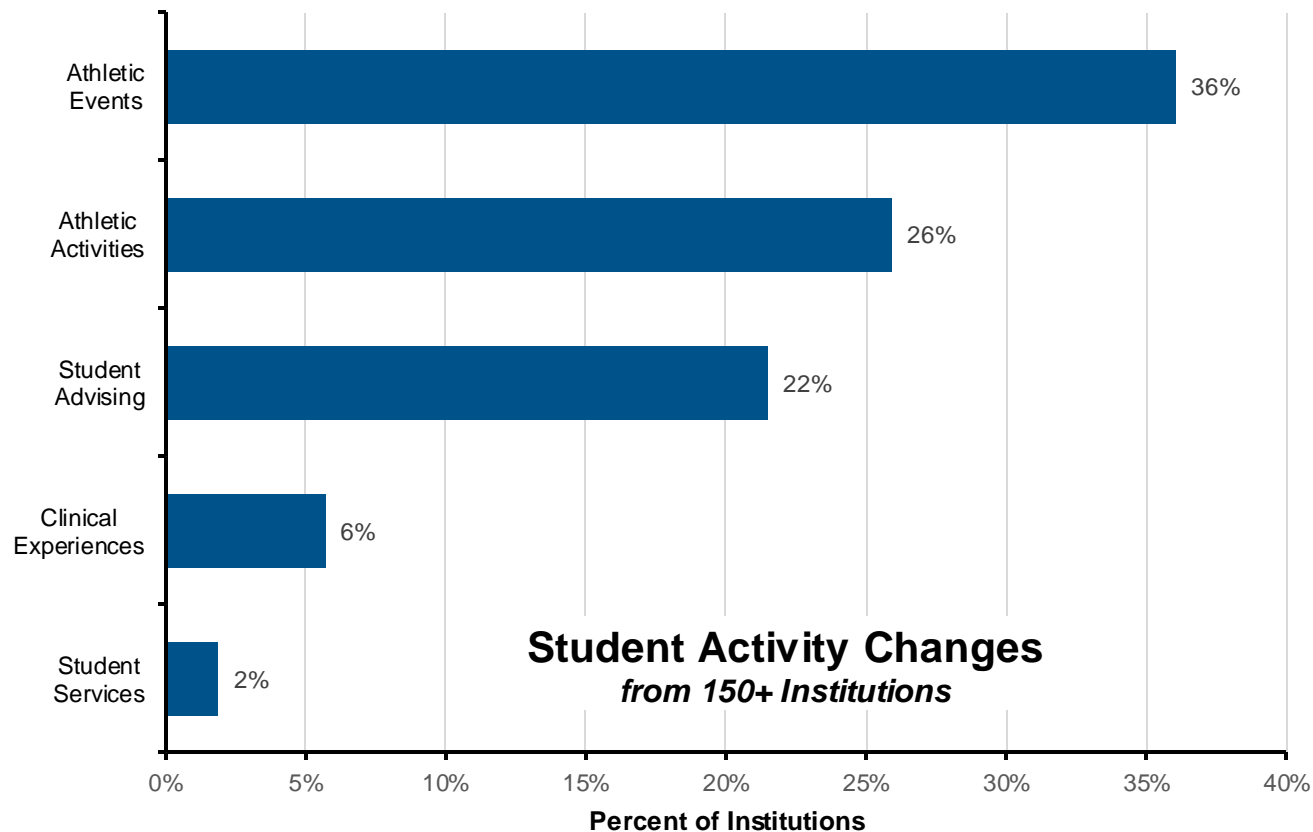
Asked Students to Evaluate their Connectivity

Most institutions will likely have transitioned their Summer courses to remote instruction by May 1st if current trends continue. Thus far, few institutions have announced remote instruction for the Fall.

Student-Related Actions

Spring Term Student Support & Activities

Institutions were far less consistent in terms of the public announcement of changes to student services and activities, partially due to the quick transition to remote instruction.



Progression of Decision-Making

Early Decisions

Many institutions announced restrictions to student services in late February when other activities were cancelled

Campus Closures

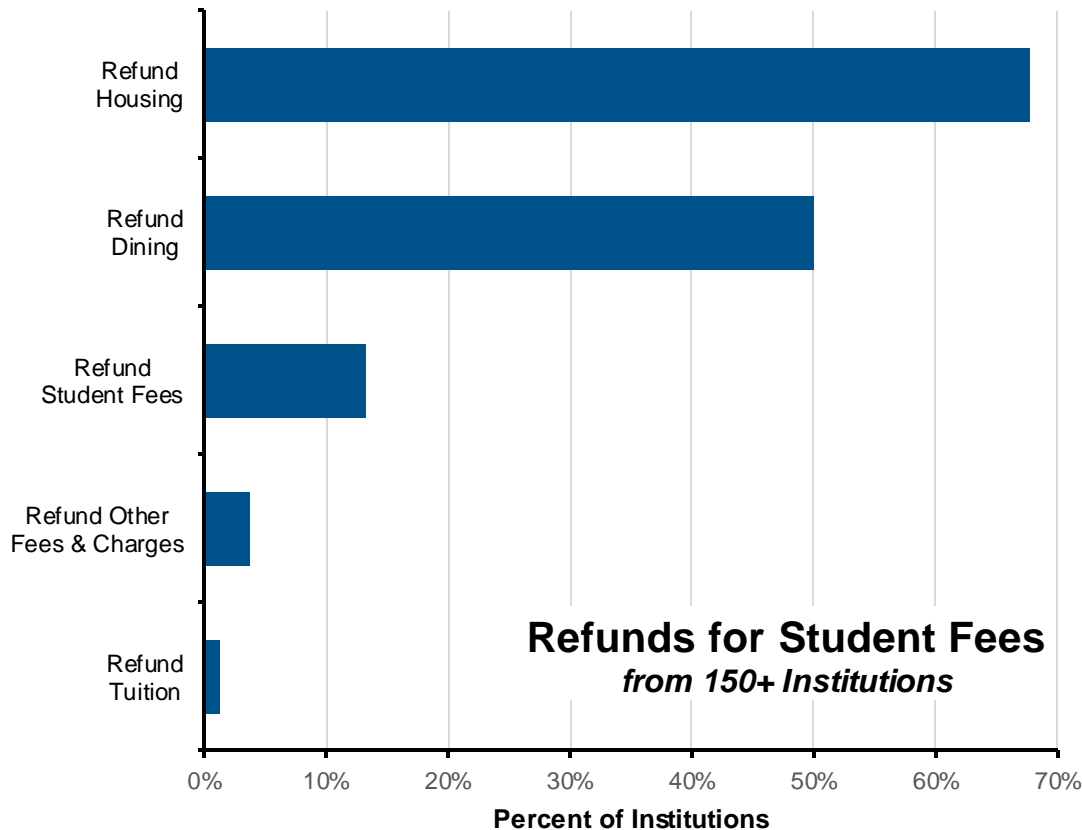
Once campuses transitioned to remote instruction, all student activities were cancelled or transitioned to remote

Many institutions announced changes in or cancellation of student activities in consultation with third parties like athletic conferences and clinical partners.

Student-Related Actions

Refunds for the Spring Term

Institutions began refunding students for room and board once instruction transitioned to remote methods. Few institutions have offered refunds on tuition or fees.



68%

Most institutions offered

Pro-rated refunds on housing based on the proportion of days utilized

50%

Refunds for dining

Were often offered and processed alongside housing refunds

13%

Most fee refunds

Were related to student activities that were cancelled for the Spring term

4%

Other fees and charges

Included academic-related late fees, application fees, etc.

1%

Only one institution

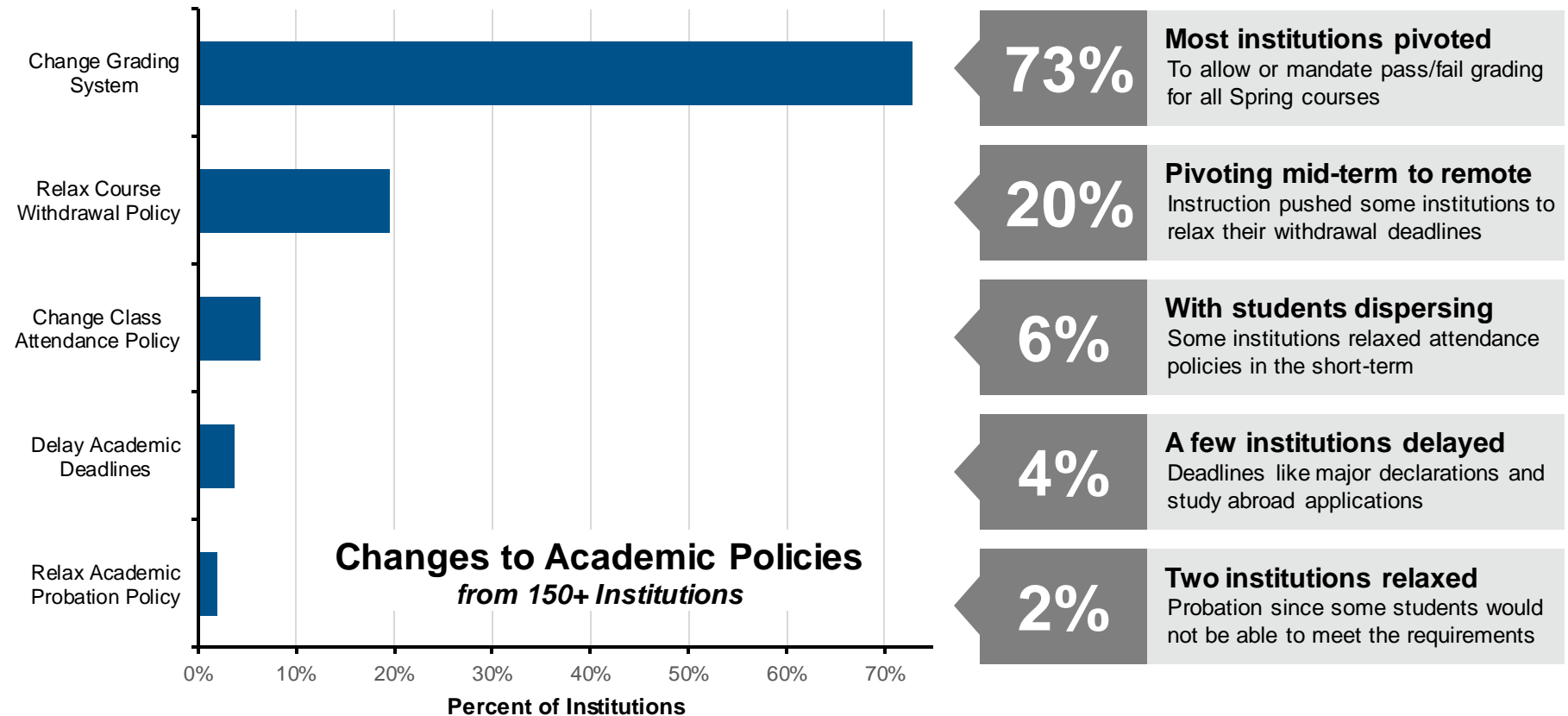
Offered a partial refund for tuition for the spring term

Recent stories in the media indicate that institutions may be asked to grapple with refunds for tuition through lawsuits or other means. Most institutions have not offered public statements.

Student-Related Actions

Academic Policy Changes for the Spring

Because of the speed with which institutions pivoted to remote instruction, many also relaxed their academic policies for the Spring term to allow flexibility for students and faculty.

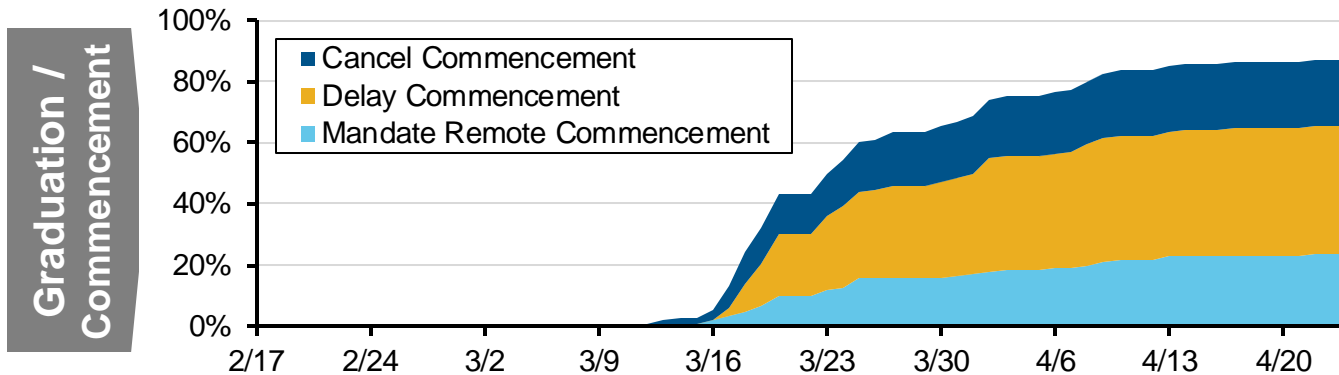


Many institutions that did not publicly announce policy or deadline changes still allowed exceptions on a case-by-case basis. Other institutions announced these changes internally only.

Student-Related Actions

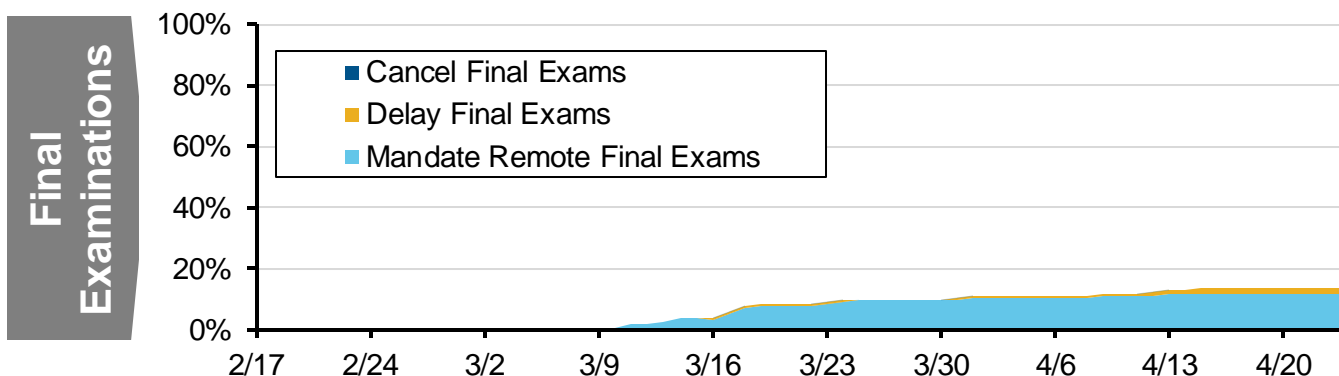
End of Spring Term

For commencement, most institutions have announced a remote event, delays, or an outright cancellation with plans to follow. However, very few have cancelled or delayed final exams.



Commencements will look different in one way or another.

Many institutions have committed to hold in-person activities in the Fall or create remote celebrations in the Spring.



In alignment with remote instruction,

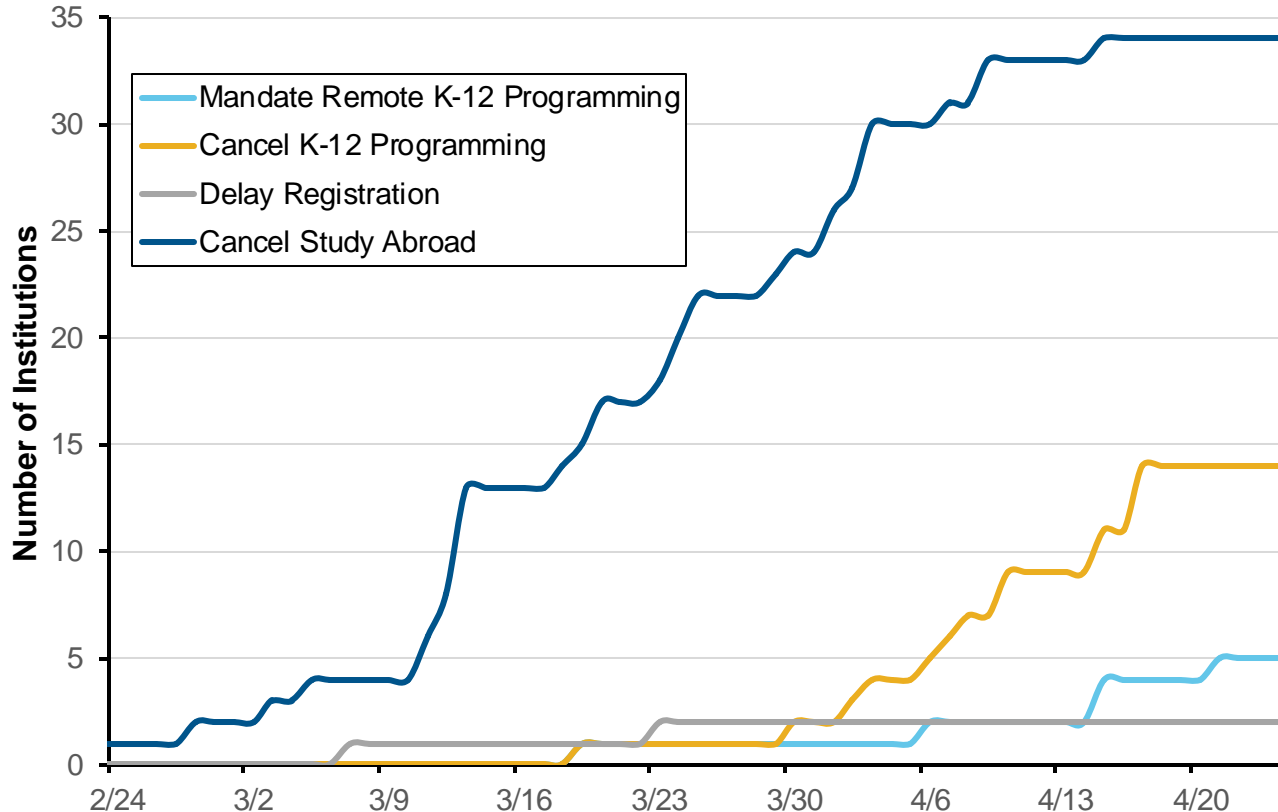
Most institutions adapting final exams did so by making them remote also. Few canceled them outright or changed the exam schedule.

Roughly 20% of institutions have stayed quiet on commencement or have announced that they are waiting to see what the situation will be in May/June.

Student-Related Actions

Summer Term

Aside from moving courses to remote instruction, many institutions have started restricting other Summer term activities, like study abroad and K-12 programming.



76%
OF
INSTITUTIONS

Have announced decisions about the Summer term – largely matching the decisions for the Spring term, including:

Remote Instruction

Student Event Restrictions

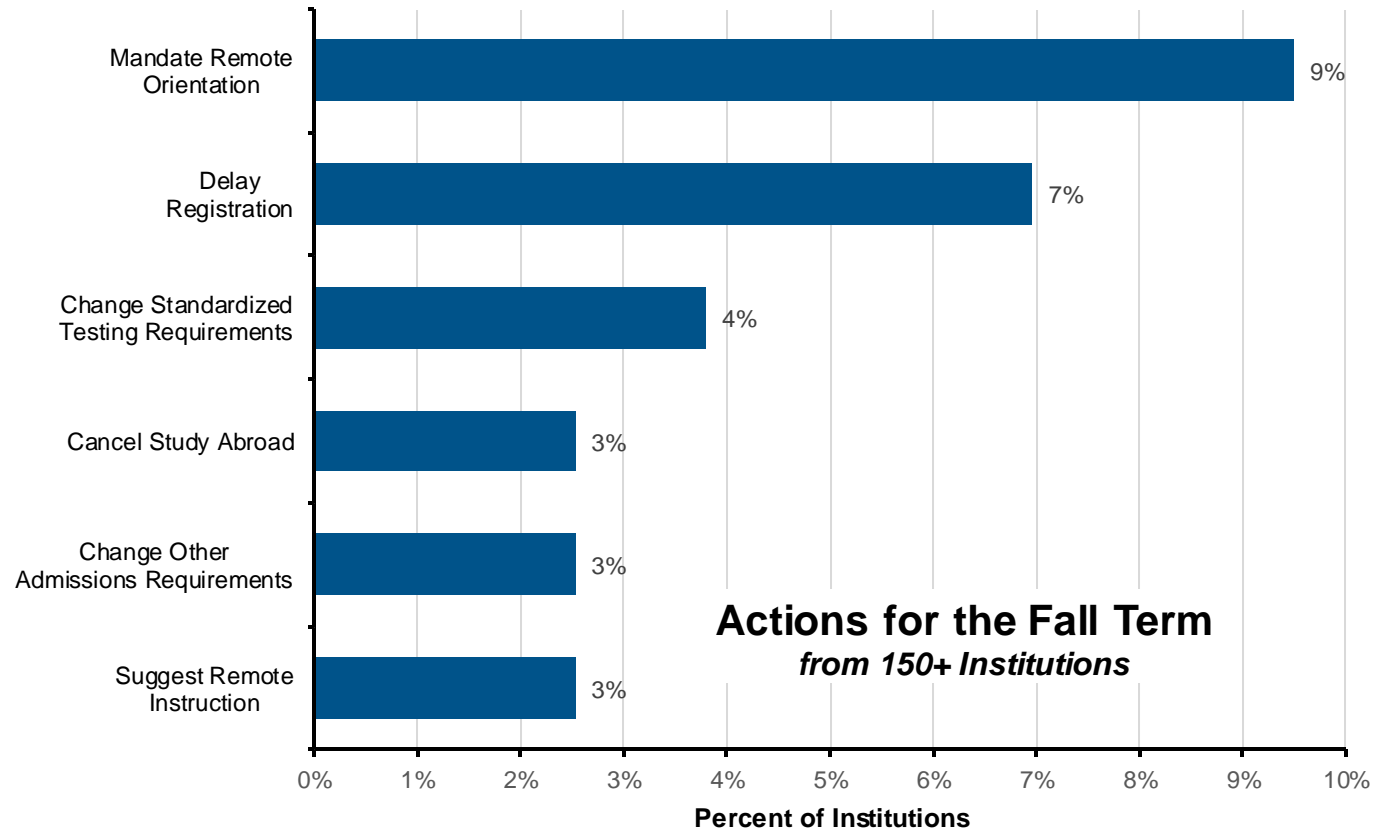
Study Abroad Cancellations

Given the generally high profitability of summer programs for institutions – especially K-12 programming – these restrictions can result in a significant revenue reduction.

Student-Related Actions

Fall Term

For the Fall term, institutions have focused on targeted actions to address the COVID-19 pandemic and maintain enrollment numbers.



40%
OF
UNIVERSITIES

Have announced decisions about the Fall term – largely focusing relaxing admissions policies and enrollment processes.

Very few institutions have publicly announced how instruction will be delivered in the Fall.

The number of institutions relaxing admissions practices and delaying enrollment deadlines has been increasing steadily in April to ensure Fall enrollment hits its targets.

Student-Related Actions

Looking Ahead

As student needs and expectations shift, institutions will be forced to continue adapting practices to provide remote student support and engage prospective students.

REQUESTING TUITION REFUNDS	ENGAGING VIRTUALLY	SUSTAINING FALL ENROLLMENT	LIMITING FALL ACTIVITIES
<p>Uptick in requests for Spring tuition refunds</p> <hr/> <p>Additional requests for tuition discounts or refunds for Summer/Fall</p> <hr/> <p>Increase in student lawsuits related to refunds</p>	<p>Growth in number of virtual commencements</p> <hr/> <p>Increased reliance on virtual recruitment activities (e.g. campus visits, interviews)</p> <hr/> <p>Expansion of online student advising, co-curricular activities, and mental health services</p>	<p>Increased recruitment of local students</p> <hr/> <p>Additional relaxations of admissions requirements (e.g. test-optional)</p> <hr/> <p>Emphasis on holistic admissions</p> <hr/> <p>Increased reliance on wait lists</p> <hr/> <p>Greater shift toward need-based financial aid</p>	<p>More widespread study abroad cancellations</p> <hr/> <p>Limitations to student activities (e.g., athletics, organizations, other programming)</p> <hr/> <p>Continued – although perhaps loosened – restrictions on athletic activities</p>

As concerns about Fall 2020 enrollment grow, campus leaders and enrollment managers will...



...take further actions to preserve their applicant pools, ensure high yields, & serve current students.

Section

4

EMPLOYEE-RELATED ACTIONS



SUMMARY OF FINDINGS

Huron's significant take-aways from institutional responses to the pandemic



REMOTE WORK

Analysis of actions related to employee telecommuting



EMPLOYEE SUPPORT

Analysis of actions related to employee policies and financial support



FACULTY CHANGES

Analysis of actions related to faculty tenure, sabbatical, and leave



LOOKING AHEAD

Huron's perspective on institutional actions to come



Employee-Related Actions

Summary of Findings

Out of concern for their campus workforces, institutions began to introduce a series of changes to employee work expectations, human resources policies, and faculty/PI roles.

RESPONDING QUICKLY	PROVIDING FLEXIBILITY	ADAPTING POLICIES	REASSURING EMPLOYEES
<p>Transitions to remote work over the course of five days for most institutions</p> <hr/> <p>Quick initial wave of policy changes</p> <hr/> <p>Early and ongoing communications at many institutions, even if minimal updates were available</p>	<p>Suggested or required remote work at most institutions</p> <hr/> <p>Flexibility of hours and schedules encouraged by campus leaders</p> <hr/> <p>Issuance of explicit guidance for managers & supervisors</p> <hr/> <p>Expanded childcare offerings for employees on some campuses</p>	<p>Revisions to the definition of “essential employee”</p> <hr/> <p>Frequent extensions of leave policies and relaxation of vacation accrual caps</p> <hr/> <p>Early commitments to continue employee pay</p> <hr/> <p>Small number of extensions of the faculty tenure clock</p>	<p>Announcements emphasizing that faculty would not be impacted by slowdowns of activity</p> <hr/> <p>Several announcements reassuring staff of continued employment through of the fiscal year</p> <hr/> <p>Dedicated employee FAQs to keep personnel informed</p>

Most institutions communicated early & frequently with employees even if actions had not yet...

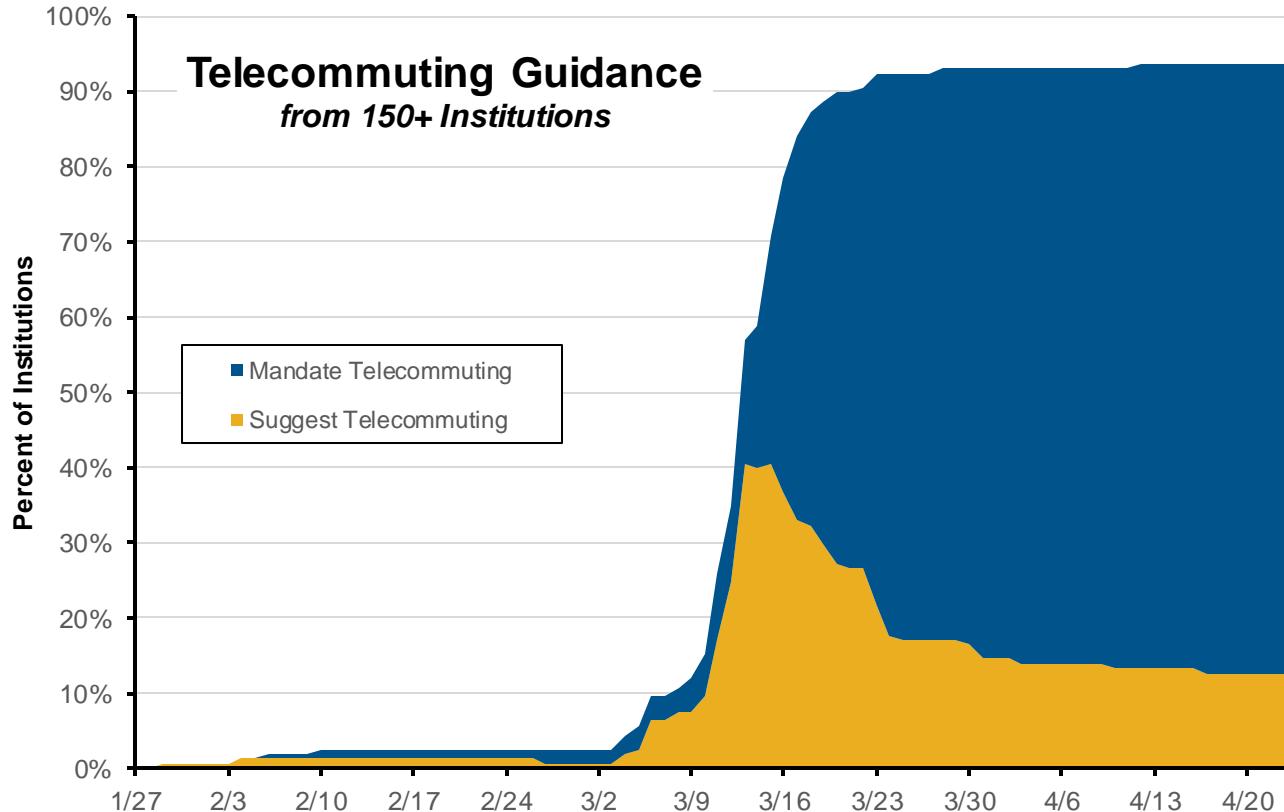


...been taken. Dedicated websites and FAQs signaled the priority of keeping employees informed.

Employee-Related Actions

Remote Work

With the COVID-19 pandemic spreading in early March, institutions began mandating remote work for employees in quick succession after mandating instruction be delivered remotely.



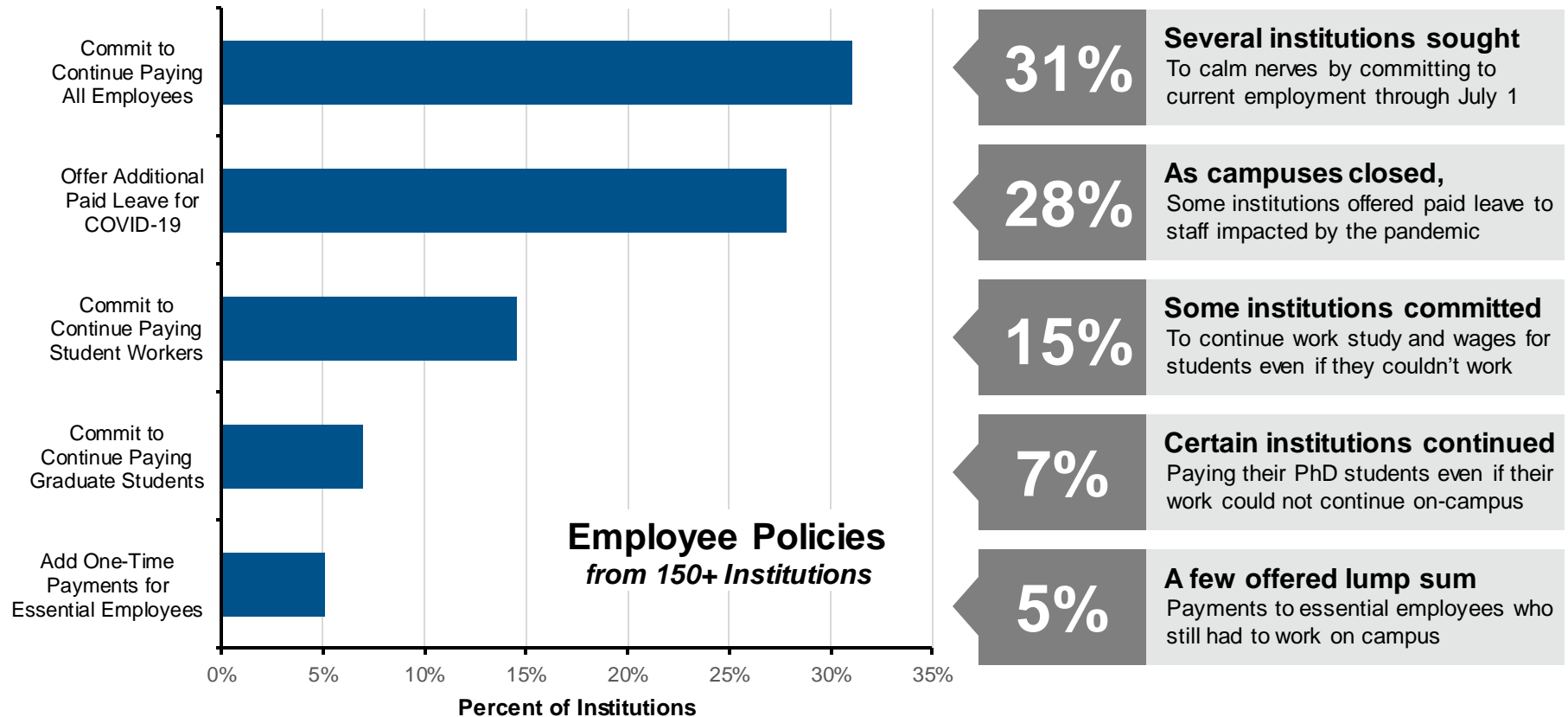
94%
OF
UNIVERSITIES
Transitioned to mandatory or suggested remote work for non-essential employees through telecommuting

Most institutions firmed up their restrictions for employees during the week of March 9th – by cancelling or restricting institutional travel and mandating employees work remotely.

Employee-Related Actions

Employee Support

Recognizing the stressors on their employees, many institutions made explicit commitments to continue paying employees or adjusted policies to provide support and reassurance.

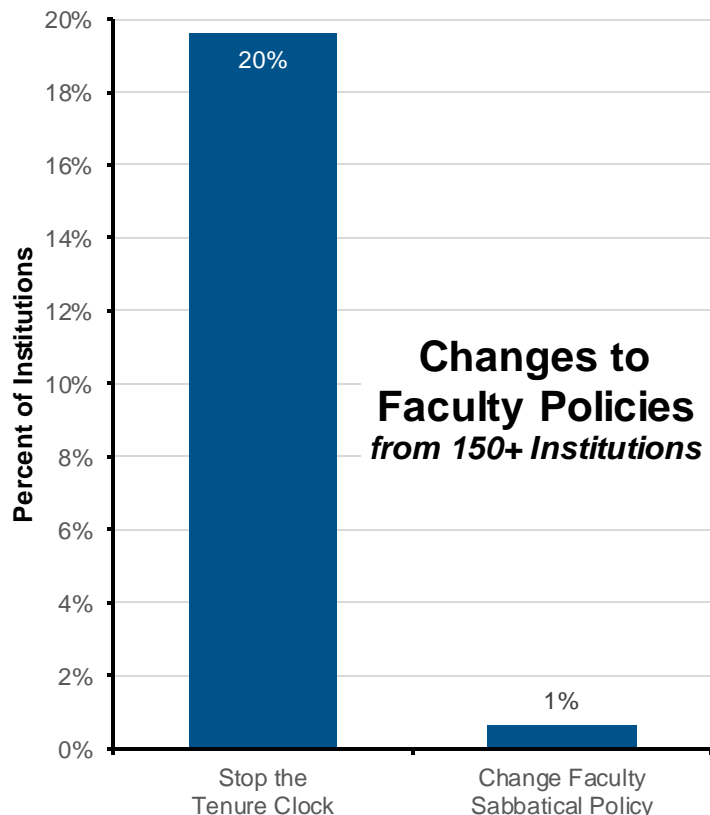


Initial employee support actions were often timebound (e.g., end of the fiscal year). Institutions will likely revise these commitments as the financial impacts of the pandemic become clearer.

Employee-Related Actions

Faculty Changes

A handful of institutions have explicitly addressed faculty workloads, adjusted tenure and sabbatical policies, and provided general faculty guidance.



CONSIDERATIONS FOR THE FACULTY :



TENURE CLOCK

Given the abrupt changes in research and instruction, some institutions “stopped the clock” to offer flexibility to tenure-track faculty



SABBATICAL

As more institutions grapple with changes to the Fall term, they may allow faculty to begin sabbatical early or change the sabbatical “clock”



FINANCIAL EXIGENCY

Though none of the institutions tracked have declared a state of exigency yet, several smaller institutions have shuttered due to the pandemic

As institutions grapple with the long-term impacts of Covid-19, they may be forced to consider cuts, restrictions, or changes to the faculty workforce that would previously have been “off the table.”

Employee-Related Actions

Looking Ahead

Institutional personnel will continue to experience noticeable changes to their routines and environments through the Summer and Fall – and likely beyond.

PLANNING FOR REENTRY

Reliance on state & local government guidance for when employees can return to work

Staggered phases of certain employee types returning to campus

Slower staggered returns to on-campus work based on geography and region

ADJUSTING HIRING PLANS

Slowdown of student hiring given limited number of students on campus for Summer

Reevaluation of hiring needs based on adjusted campus activity and financial resources

Revisions to position descriptions, particularly for executive leaders

REEVALUATING CERTAIN POLICIES

Reevaluation of personnel policies, particularly around essential and non-essential classifications

Revisions or delays to visa processing timelines

Adaptations and revisions to exception approval processes

ALLOWING WORK-FROM-HOME

Long-term changes to institutional work-from-home practices

Greater flexibility for individual units to determine appropriate work arrangements

Near-term changes were designed to help institutions absorb the immediate effects of Covid-19.



Some institutions may capitalize on the disruption to make longer-term policy and practice changes.

Section

5

FINANCIAL CONTROL ACTIONS



SUMMARY OF FINDINGS

Huron's significant takeaways from institutional responses to the pandemic



COST CUTTING

Analysis of actions related to employee discretionary / travel spending and capital spend



PERSONNEL EXPENSES

Analysis of actions related to salary, benefits, and other personnel expenses



OPERATING EXPENSES

Analysis of actions impacting departmental spending or institutional operating budgets



CAPITAL EXPENSES

Analysis of actions impacting capital projects



LOOKING AHEAD

Huron's perspective on institutional actions to come



Financial Control Actions

Summary of Findings

Recognizing that COVID-19's impact would last far beyond the Spring term, institutions announced cost-cutting measures designed to soften the near- & long-term financial impacts.

REACTING TO THE PANDEMIC	TARGETING PERSONNEL COSTS	MINIMIZING NON-ESSENTIAL COSTS	SLOWING CAPITAL PROJECTS
<p>First waves targeting highest spend categories and most readily accessible financial levers</p> <hr/> <p>Initial actions related to personnel and operating expense restrictions</p> <hr/> <p>Subsequent actions related to capital projects and budget reevaluations</p>	<p>Various workforce restrictions beginning in mid-late March</p> <hr/> <p>Frequent hiring and salary freezes</p> <hr/> <p>Some restrictions to overtime pay and employee spending</p> <hr/> <p>Occasional pausing of all recruiting activities</p>	<p>Limitations to employee and departmental discretionary spending in recent weeks</p> <hr/> <p>Pausing of planned or in-progress capital projects</p> <hr/> <p>Occasional restrictions to the institutional purchasing process</p>	<p>Complications due to contracts and donor funding</p> <hr/> <p>More nuanced approaches rather than blanket freezes</p> <hr/> <p>Pausing of unfunded projects or those not started</p>

The first waves of financial controls included adjustments to internal operations and...

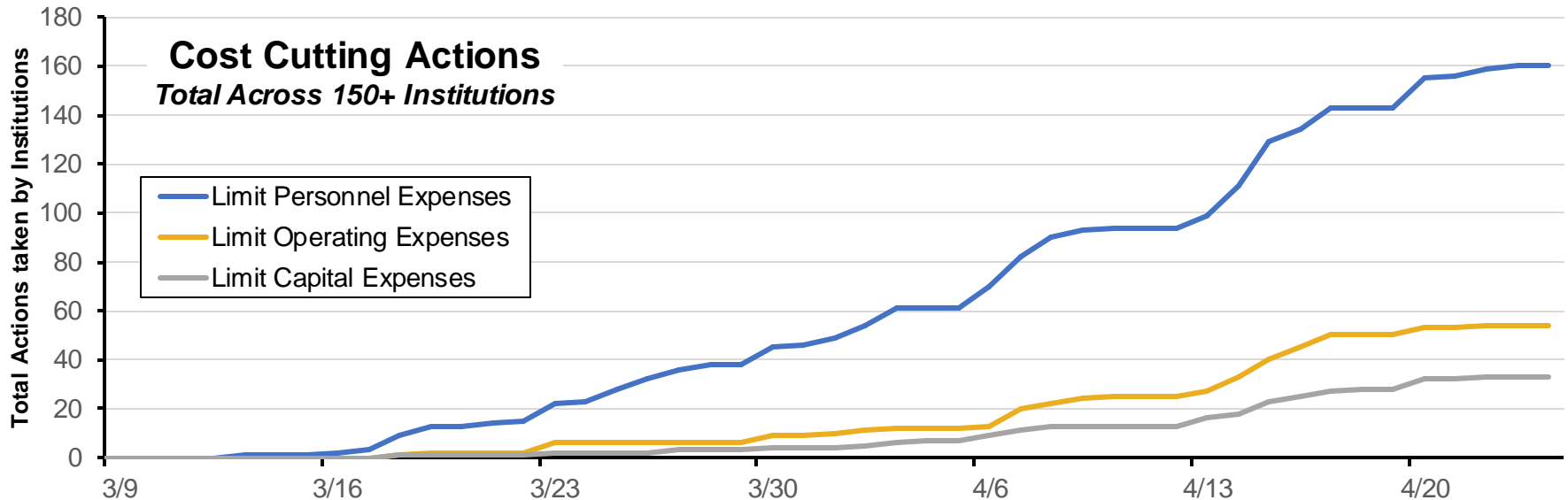


...actions designed to curb personnel costs. Huron expects these measures to continue.

Financial Control Actions

Cost Cutting Activities

Most institutions announced limitations to personnel expenses, followed by a more recent increase in operating and capital expense restrictions.



Other Cost Cutting Actions
Percent of Institutions



28%

Establish a Donor Fund for COVID-19



9%

Review the FY21 Operating Budget



8%

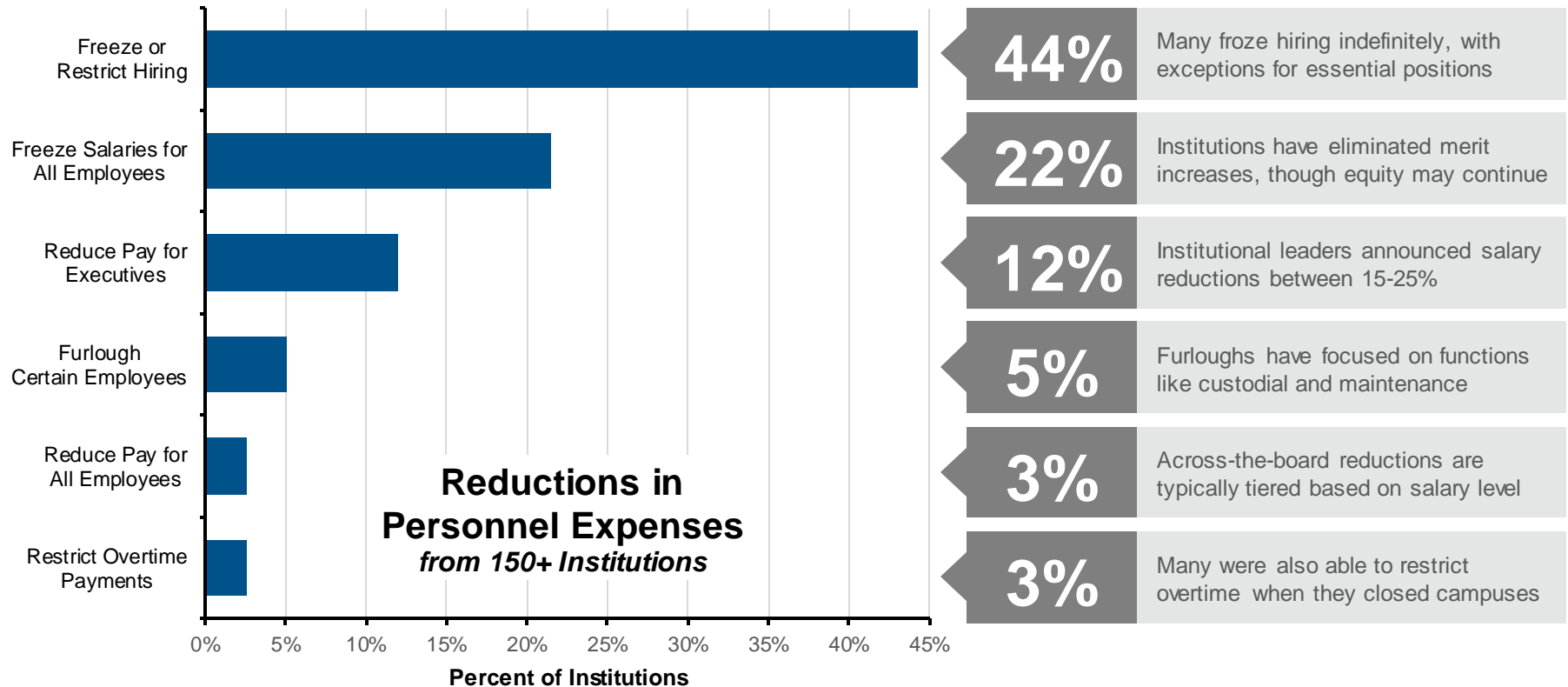
Estimate the Financial Impact of the Pandemic

Reactive cost cuts may help institutions absorb the initial impacts of Covid-19, but we will likely see an uptick in long-range reductions and FY21 budget reevaluations.

Financial Control Actions

Personnel Expenses

Hiring restrictions were by far the earliest and most common personnel actions announced. More recent waves have included various restrictions of existing employee salaries.

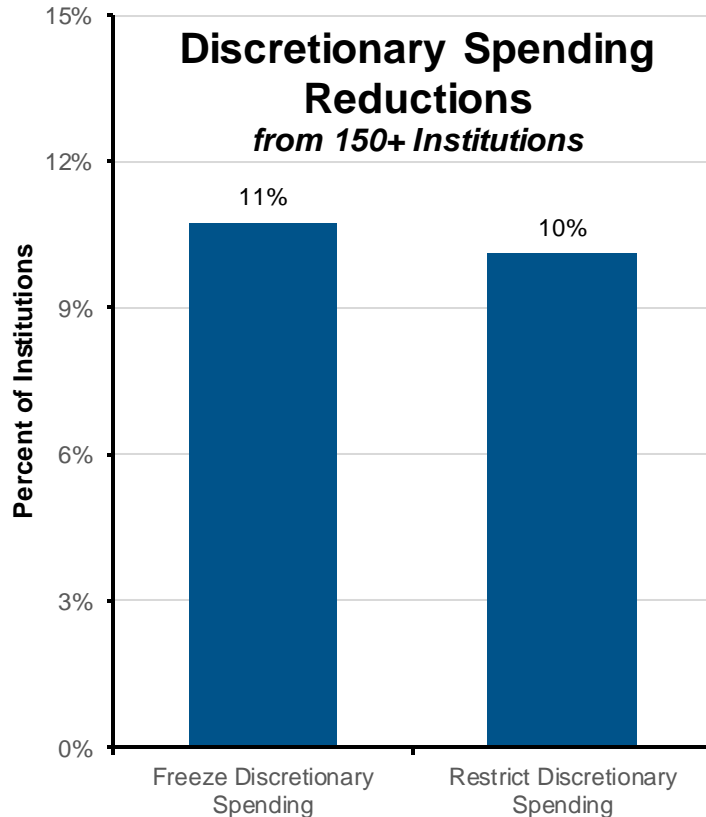


Salaries and benefits are the largest operating expense categories for institutions. Many will likely announce additional personnel cuts as the financial impact of the pandemic becomes clearer.

Financial Control Actions

Operating Expenses

Nearly a quarter of all institutions in the dataset restricted or froze discretionary spending, which most frequently included employee travel spend, supply purchases, and athletics.



TOP COST CUTTING TARGETS:



REDUCING TRAVEL SPEND

Institutions were naturally able to reduce travel due to COVID-related restrictions, but many also limited travel for the next year to cut costs.



FREEZING SUPPLIES & SERVICES

Many institutions are restricting spending by lowering purchase authority levels, restricting p-card spending, and increasing scrutiny.



CUTTING SPORTS TEAMS

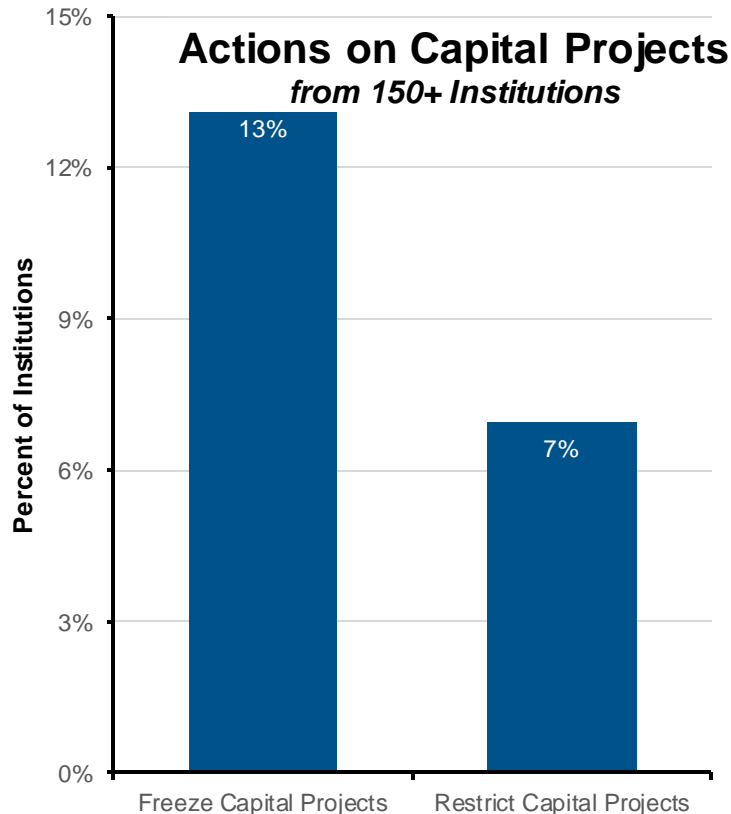
A few institutions have started announcing the elimination of certain sports teams – many of which were under review before the pandemic.

Mandated reductions to discretionary expenses will likely increase as institutions revisit FY21 budgets. Sweeping cuts (e.g. sports teams) will likely increase over the course of the summer.

Financial Control Actions

Capital Expenses

20% of institutions restricted or froze capital projects entirely, although funding sources and project timelines complicate their ability to immediately freeze all spending.



CAPITAL PROJECT CONSIDERATIONS:



EXCEPTIONS TO THE RESTRICTIONS

Many institutions announced exceptions for capital projects which are donor-funded, have begun construction, or have a strategic priority.



SLOWING THE CONSTRUCTION PROCESS

Most institutions halted capital projects due to statewide stay-at-home orders, which naturally slowed the construction timelines and expenses.

Institutions will likely reprioritize capital projects based on needs and reduced revenue projections. Most projects will likely remain be frozen until institutions have clearer pictures for the Fall term.

Financial Control Actions

Looking Ahead

Preliminary financial projections and pending changes to Summer and Fall operations suggest that many institutions will be forced to take additional financial control actions.

CONSIDERING FURLOUGHS	CUTTING OR FREEZING PAY	REEVALUATING BUDGETS	REVIEWING FUNDING MODELS
<p>Increases in the number of schools considering furloughs through the Summer</p> <hr/> <p>Possible evaluation of academic roles that were historically exempt from furloughs</p> <hr/> <p>Mandatory unpaid-leave days as a furlough alternative</p>	<p>Additional schools cutting executive leader salaries</p> <hr/> <p>Additional schools instituting salary freezes for FY21</p> <hr/> <p>Limitations to graduate student and undergraduate worker pay beyond Spring term</p>	<p>Revisions to initial FY21 budget plans through the Spring and Summer</p> <hr/> <p>Widespread mandates for campus units to trim budget requests</p> <hr/> <p>De-prioritization of nonessential projects and discretionary spending for FY21</p>	<p>Reevaluation of funding approach for certain schools or units</p> <hr/> <p>Measures to ensure equitable distribution of revenue</p> <hr/> <p>Greater central financial control in the near-term</p> <hr/> <p>Closer examination of policies relating to fund balances and use of reserves</p>

Near-term cost-saving measures will likely transition into longer-term financial mitigation...



...strategies as institutions get a better understanding of Covid-19's lasting impacts.

APPENDIX





The analysis in this presentation included a sampling of major U.S. higher education institutions and covered a variety of actions.

The following appendices provide further detail on the institutions and actions included in the dataset.



Institutional Sample Overview

Huron collected data on the Covid-19 responses of 158 US institutions. The institutions in the dataset were categorized as follows based on available IPEDS data.¹

	Category	Definition
	Institutional Type	<ul style="list-style-type: none">• Private• Public
	Carnegie Classification	<ul style="list-style-type: none">• Doctoral Institutions• Baccalaureate Colleges• Master's Colleges and Universities• Other
	Region	<ul style="list-style-type: none">• City• State• Zip Code
	Enrollment	<ul style="list-style-type: none">• Total Undergraduate• Total Graduate

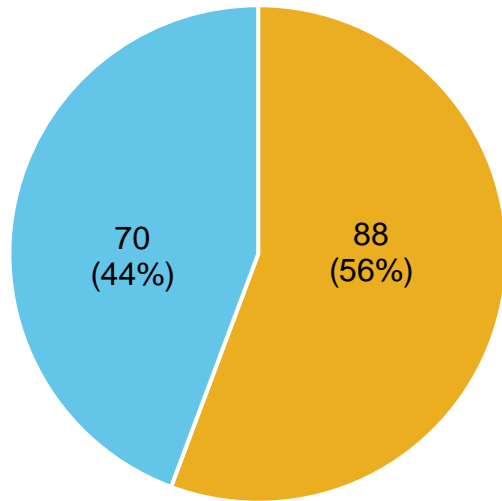
The following slides break down the 158 institutions in the dataset by the four categories above.

Institutional Sample

Type and Carnegie Classification

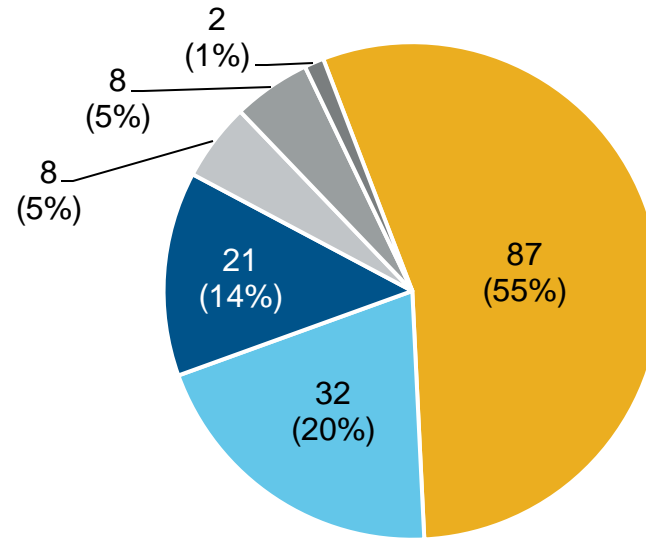
Just over half of the institutions in the dataset are highest research (R1) doctoral institutions. The dataset is nearly evenly split between public and private non-profit institutions.

Total Institutions by Type (n=158)



■ Public ■ Private not-for-profit

Total Institutions by Carnegie Classification (n=158)

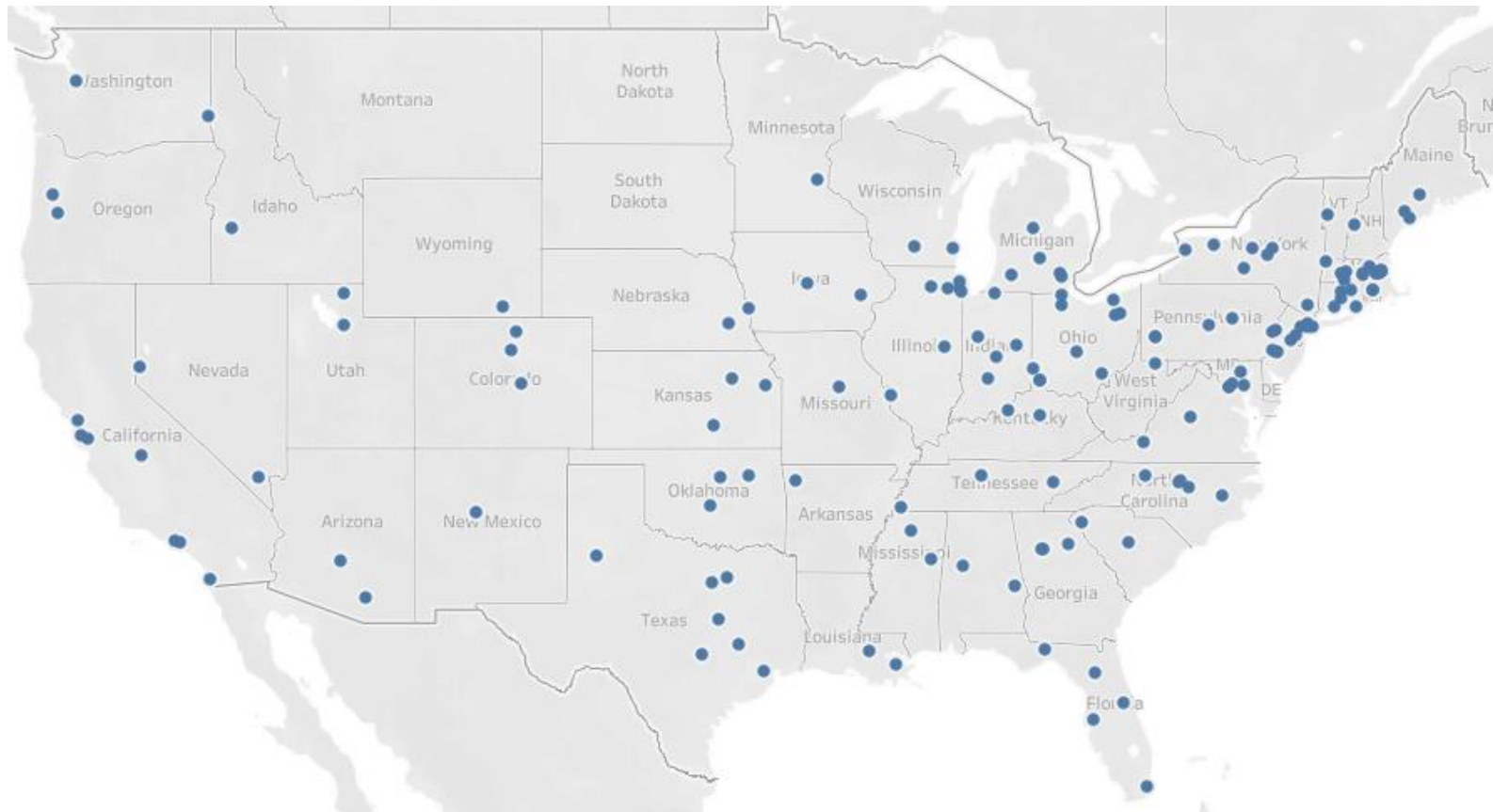


- Doctoral Universities: Highest Research Activity
- Doctoral Universities: Higher Research Activity
- Baccalaureate Colleges: Arts & Sciences Focus
- Doctoral Universities: Moderate Research Activity
- Master's Colleges & Universities: Larger Programs
- Other

Institutional Sample Region

The dataset includes institutions from all regions of the country, with a large concentration in the Midwest and Northeast.

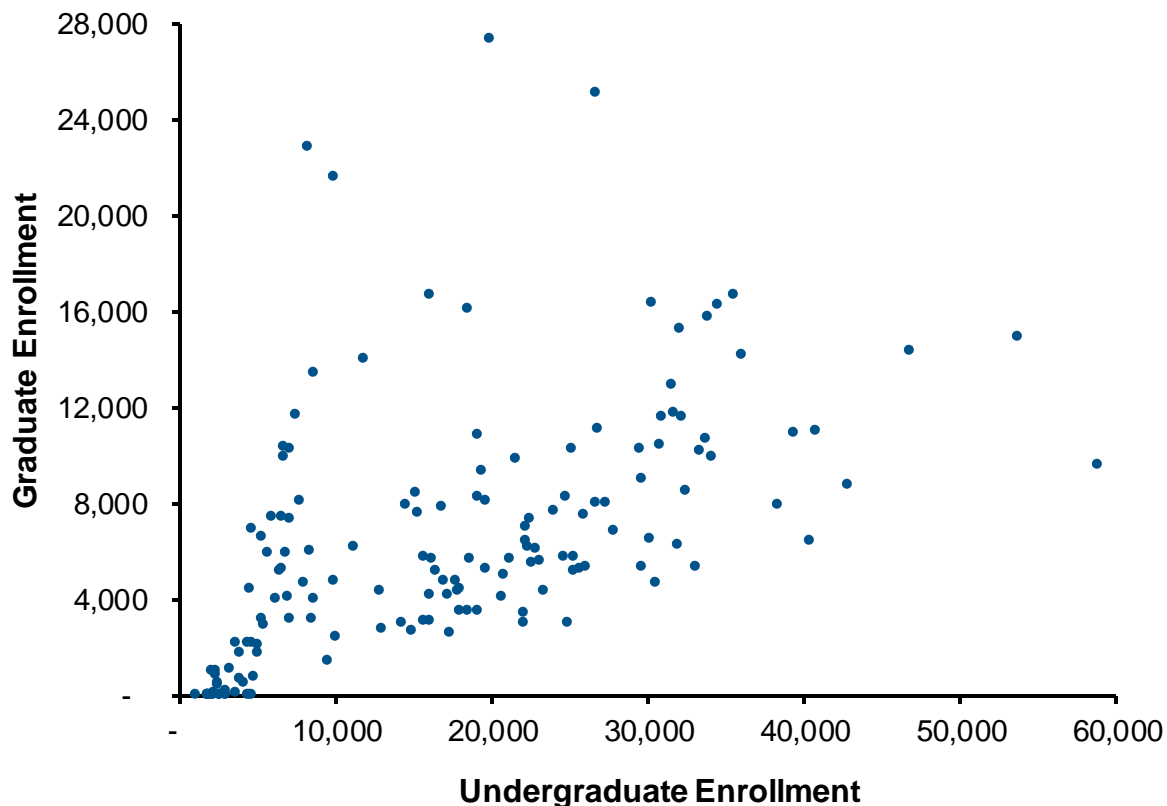
Total Institutions by Location (n=158)



Institutional Sample Enrollment

The majority of institutions in the dataset are heavily undergraduate-focused, though nearly all enroll a mix of undergraduate and graduate students.¹

Total Institutions by Enrollment (n=158)



Enrollment Breakdown

100% Undergraduate:
14 institutions

75-99% Undergraduate:
76 institutions

50-74% Undergraduate:
51 institutions

<50% Undergraduate:
17 institutions

Action Tracking

Data Definitions

Huron tracked over 175 discrete actions across several categories and on several scales. Actions were tracked as follows.

Institutional Actions

Actions impacting the broader campus and its operations, including:

- Residence and dining halls
- Research facilities
- Campus events
- Athletic activities
- Parking and transit

Student-Related Actions

Actions impacting student life and academics, including:

- Class instruction
- Grading systems
- Commencement
- Study Abroad
- Admissions policies
- Fall orientation

Employee-Related Actions

Actions impacting the institution's workforce, including:

- Telecommuting
- Employee travel
- Employee payment
- Leave policies
- Furloughs
- Tenure clock

Financial Control Actions

Actions taken in response to financial pressures, including:

- Discretionary spending
- Capital projects
- Fee refunds
- Recruiting and hiring
- Budget reviews

Decisiveness: Actions were categorized on several spectrums based on their decisiveness

Suggesting → Mandating
Delaying → Restricting → Canceling

Discouraging → Limiting Use of → Closing
Reducing → Refunding → Offering for Free

Timeframe: Where appropriate, actions were also categorized by term (e.g., Spring Summer, Fall 2020)

QUESTIONS?

PLEASE FEEL FREE TO CONTACT US

Mark Finlan

Managing Director

404.444.1102

mfinlan@huronconsultinggroup.com

Jay Rowan

Director

703.967.3478

jrowan@huronconsultinggroup.com

