

COVID-19 & Higher Education

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and for Oregon Alliance of Independent Colleges & Universities

The Alliance is the voice of Oregon's independent, non-profit higher education sector, actively supporting the success of our member colleges and universities, their students, and alumni.

The mission of the Oregon Alliance is to represent and serve its 15 member institutions, all of which are regionally accredited, nonprofit, private colleges and universities in Oregon.

The coronavirus pandemic has halted business as usual for Alliance institutions. Campuses shifted to remote learning almost overnight, adjusted instructions, stopped clinical lab work, and assisted students with no place to go. Now institutions are also dealing with an uncertain future, potential financial challenges and a likely recession.

According to Deloitte research, the most immediate challenge for most institutions involves cash flow. As institutions lose tuition, fees, and revenue from residence halls, dining facilities and other auxiliary enterprises, they also face unexpected expenses, including partial refunds on fees, room, and board, and the need to fund additional technical solutions.

In addition to those challenges, we now face uncertainty surrounding enrollment and the start of the fall semester. If students are unable to return to campus this fall, all higher education potentially faces what could be extraordinary attrition. One school predicts a 12% drop in retention, a reduction of 22% in incoming freshman and a reduction of 27% in transfer student enrollment.

Just as with the public schools, our students, our instructors, our staff have all both shifted and suffered. The challenges ahead are daunting, but we are in it together.

Some facts specific to Alliance institutions response to the COVID pandemic:

- Most of our institutions extended spring break and used the additional time to prepare for the transition to online learning for the remainder of the semester.
- All moved entirely to online learning to complete the Spring semester.
- Most campuses purchased Zoom licenses and used it, along with their already-in-place Learning Management System, to transition to online teaching and learning.
- Particularly challenging was transitioning experiential learning, such as internships, field placements, labs, clinicals, and student teaching, to the online environment.
- Another complex challenge was moving as many residential students as possible out of the dormitories as quickly as possible. This meant staff had to identify who moved out and on what date, determine who should be granted permission to stay, figure out what to do with student belongings that could not be removed, and calculate room and board refunds.
- Overall, the faculty and staff at the Alliance institutions did an incredible job of making the transition to online course delivery as smooth as possible. Faculty were creative in how to effectively deliver course content, while also caring for their students' wellbeing and connecting them with resources for financial, emotional, and health issues. IT teams were integral in quickly creating the infrastructure required for fully online teaching and learning, as well as making training and resources available to faculty, staff, and students.

Challenges

- Some students reported challenges in their home environments such as computer or internet access, busy and distracting households, caring for family members, and the necessity to work to financially support themselves and their families. Toward the end of the semester, faculty, staff, and students alike have reported experiencing “Zoom fatigue.”
- All of our campus communities mourned the loss of the personal connections and supportive programming that makes them so unique. They lost experiential and service-learning opportunities, end-of-year traditions, Commencement ceremonies and even the opportunity to give hugs and say goodbye to friends and mentors.

Supporting Students

At George Fox, we have an economically diverse student body, with roughly 30% of our undergraduate students receiving Pell grants. We will support these and other vulnerable students by:

- Paying out more than \$50,000 in institutional funds to aid-eligible work-study students who were prevented from working by the virus,
- Distributing more than \$90,000 in institutional funds to cover financial emergencies through student emergency funds
- Distributing \$2 million in funds from the CARES act directly to students

Budget Issues

- This Spring, the most significant financial impact to our campuses came from the room and board refunds and the loss of auxiliary revenue.
- Costs associated with transitioning to online (e.g. software licenses, laptop or computer purchases) and cleaning/ decontamination likely had the second most significant financial impact on our campuses.
- Many of our campuses also experienced a significant loss of revenue due to a paralysis in fundraising.
- Most (if not all) of our institutions are self-funded for unemployment insurance. The CARES Act provides that nonprofits that are self-funded for unemployment insurance will be reimbursed at a rate of 50% for their unemployment insurance claims AFTER they pay the full 100%. Having to pay the full 100% upfront and then wait to be reimbursed for 50% of it places a great cash-flow burden on our campus budgets. Waiving the 50% owed by employers upfront would bring a great deal of relief to our campuses but increasing the reimbursement rate to 100% would be ideal and tremendously helpful.

Budget Impact

- Looking ahead, our institutions are expecting a decrease in fall enrollment and thus a significant decrease in tuition revenue this fall. This will have the biggest financial impact upon our institutions. Because tuition is such a large part of our institutions’ revenue, a decline in enrollment of 20% would require a significant reduction in the size of the college’s workforce, which will potentially limit our future enrollment. Also, given the rising unemployment numbers, financial aid needs are likely to be greater.
- At George Fox we returned more than 3 million dollars for room, board and cancelled study abroad trips.
- As a result of the budget shortfalls our institutions have already begun taking measures that will affect our employees and the communities they live in.

Employee Impact

- In March, every institution immediately instituted telework policies for staff who are able to work from home. Some individuals who are essential to the college's continuing operations and functioning have continued to access campus buildings and offices as necessary.
- Institutions with under 500 employees are participating in the Paycheck Protection Program, which allows them to retain their pre-COVID-19 staffing levels for 8 weeks.
- The institutions who have over 500 employees and are therefore ineligible to participate in the Paycheck Protection Program are implementing a wide array of cost saving measures, such as Work Share, hiring freezes, and reductions in pay and retirement contributions. Some have already announced furloughs and layoffs.

Looking Ahead - Enrollment

- Nearly every Alliance institution extended its deposit deadline for incoming freshmen from May 1 to June 1. Therefore, it is difficult to definitively determine how enrollment will be impacted in the Fall.
- Enrollment numbers have declined since the start of the COVID-19 crisis. Admissions offices are reporting a lot of engagement with parents and students, which is promising; but, with so much uncertainty about the Fall and the financial instability in so many households right now, there is definitely hesitancy to enroll. Some students will inevitably choose to take a gap-year.

Also Looking Ahead

- Campuses are preparing various contingency plans and considering a wide array of options, such as starting early and ending by Thanksgiving, instituting modular course scheduling, and implementing hybrid or hyflex course delivery models.
- Campuses are very concerned about how to ensure the safety of their faculty, staff, and students with the return to in-person instruction. Some are doing all new student orientation events online. They are determining how to enforce social distancing in the classroom and dorm settings.
- Institutions are purchasing PPE, installing Plexiglas dividers in busy offices and sneeze shields at service counters, creating plans for thorough cleaning and disinfecting, changing food services models, and designating areas for quarantine. They are working on ways to create a campus culture in which the safety measures that must be enacted can be effectively instituted.

At George Fox, COVID19 has implications for all the normative practices that happen at a residential campus. From athletics to biology labs to dining hall times to residence halls all have to be examined in light of COVID19. We are challenged in our continued efforts to serve diverse communities, promote upward mobility, and provide a quality education without assurances we will be provided liability protection against claims made because COVID19 was contracted on our campus.

If you are asking how you can help Alliance institutions, we would like:

- 1) The OHA/HECC guidance for phased opening finalized
- 2) Self-funded unemployment insurance assistance
- 3) Some kind of liability protections for our organizations as we move into an uncertain time.

Thank you for your time and your public service.