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TO: House Education Committee Members

FROM: Ben Cannon, Executive Director

DATE: 12/15/2020

SUBJECT: Presentation to the Committee on Response to COVID-19 and Wildfire

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The Higher Education Coordinating Commission was asked to respond to two main questions for today's presentation: (1) How is the reopening going, and (2) Describe trends in enrollment and attendance decline since COVID-19 and the wildfires? Has there been a fiscal impact from enrollment declines?

In response to **question one**, HECC is pleased to report that Oregon's colleges and universities have, generally, successfully adapted their operations for 2020-21 in ways that continue to serve students well while maintaining health and safety. Under the Governor's Executive Order 20-28 and associated OHA standards/HECC guidance, Oregon's higher education institutions, public and private, have been required to significantly limit and/or modify in-person activities occurring on their campuses. The State's framework permits each institution to determine its own balance between in-person versus remote activity, as long as the institution meets the minimum health and safety standards that State guidance requires. Given the range of institutional missions, sizes, and locations, Oregon's colleges and universities have varied widely in their operational approaches this fall. Broadly speaking, however, at Oregon's public colleges and universities, a very high proportion of instruction has occurred remotely. Dormitories have been filled to well less than capacity in order to accommodate physical distancing and other safety requirements. Gatherings for events, clubs, and other extra-curricular activities have been deeply curtailed. While a larger proportion of instruction at Oregon's private colleges and universities has occurred in-person, this sector also reflects significant institution-by-institution variation. As at the public institutions, in-person instruction must adhere to State-imposed requirements for physical distancing, face masks, class sizes, and more. For both sectors, these requirements have necessitated widespread reconfigurations of campuses, classrooms, and common areas.

As a result of these modifications and other steps, Oregon has experienced very little campus-based COVID-19 transmission. Larger and more concerning clusters of disease transmission have been associated with off-campus housing and events, particularly earlier in the fall. Colleges and universities have worked actively with local public health authorities, along with off-campus housing managers and student groups, to supply information to off-campus students, provide access to testing, and make arrangements for students' isolation and/or quarantine. These and other actions appear, broadly, to have helped flatten the case curve associated with off-campus college and university students.

While Oregon's institutions have been reasonably successful to date in managing the spread of COVID-19, the impacts of this year on the student experience have been profound. While many students have undoubtedly appreciated having more options for remote coursework, HECC staff has frequently heard that remote courses are no substitute for high-quality, in-person experiences. Sizable enrollment declines across the public system (details below) likely reflect, in part, some students' conclusion that they are not a good fit for online coursework. Even more fundamentally, some "hands-on" courses, including many within the career and technical education portfolio at community colleges, simply may not be possible to offer online.

Research and data indicates that for many first-generation students, low-income students, and students of color, "high-touch" approaches to advising, tutoring, and other supports are particularly critical for success. While many colleges and universities have transitioned these services online, students undoubtedly experience those services and their impact differently. Moreover, in spite of many colleges' and universities' aggressive efforts to equip students with the technology they need to access their coursework remotely, students may still face barriers related to broadband access, hardware/software, and a quiet workspace at home. Finally, the underlying challenges of food and housing insecurity that many Oregon college and university students experienced pre-pandemic—a function partly of rising tuition and cost of living—have been exacerbated by the pandemic. In addition, college students were more likely to work in many of the lower-paying sectors that have been particularly impacted by the pandemic, including hospitality. Reduced student incomes, rising student costs, and lower student perceptions of the value of remote learning have undoubtedly slowed progress towards Oregon's postsecondary attainment goals.

**Question two** is best answered in part by providing information contained within a letter from Governor Brown to Congressional leadership, dated December 1, 2020:

The pandemic dramatically shifted the landscape of the higher education sector overnight, and institutions of higher education responded as ably as possible—shifting all but the most high-touch, technical programs online. As a result, institutions faced significant cost related to technology investments, the development of pedagogically sound course work, and training. In addition, to support a resumption of on-campus learning when necessary or desirable, institutions have incurred cleaning and testing costs required to ensure the safety of students, faculty, staff, and the surrounding communities.

These direct costs are significant, but represent only a portion of the financial burden institutions face. Despite the needed and appreciated investments in the CARES Act to provide emergency support to students in need, institutions issued tens of millions of dollars in refunds to students who changed their academic plans out of emergent necessity, and face millions of additional dollars in lost revenue from students that did not return for this fall semester. Institutions with robust on campus auxiliary operations (such as dining and housing) face further revenue losses related to unavailable meal plans and empty dorm rooms.

The current estimate for total financial loss, both direct costs and lost revenue, for Oregon community colleges and public universities, is \$120 million in state FY 2020.

Despite unemployment statistics that typically portend enrollment spikes, community college enrollment year-over-year has plummeted 23% [headcount] from fall 2019 levels. Public university enrollment declined a more modest, but still troubling 3.8% [headcount, for all students including accelerated learning students, and 1.9% for admitted students]. These declines represent students deferring enrollment decisions, which comes at economic cost, but includes thousands of students that were, but are not now currently enrolled. The financial stability of these students is of great concern, given the potential for these students to hold debt without the increased earnings power provided by a degree. The likelihood these students return to complete their degree decreases over time, and support to the state and institutions to provide direct additional financial aid resources to these students will improve their outcomes.

These enrollment declines are not distributed equally. At community colleges, declines were larger than average among Hispanic/Latinx students and in CTE, adult basic education, and accelerated learning courses. At universities, declines among admitted undergraduates were steeper for Native Hawaiian/Pacific Islander and Native American/Alaska Native students, for rural students, and for Oregon residents. HECC has submitted to the Committee a fall 2020 enrollment summary that shows, in greater detail, institutional fall term enrollment.

Enrollment declines are also concentrated in areas most affected by the pre-fall term wild fires. These institutions also face the most significant budgetary effects from wildfire. Information collected by HECC shows a total expected economic loss to institutions of \$4.6m. About \$3.3m of this impact is direct costs related to wildfire, including campus closure expenses, overtime and hazard pay, and other costs. The remainder is loss related to tuition, fees, and other revenues. Greater detail has been submitted to the Committee.

HECC expects to receive additional financial information from institutions that includes non-wildfire related financial losses to institutions for the fall 2020 term shortly.

Direct costs, enrollment declines, and a challenging Governor's Recommended Budget level for both the community college and public university support funds are expected to place institutions in difficult financial positions in the near-term, resulting in a high likelihood of service reductions and tuition increases without further financial investment.