



UNIVERSITY OF OREGON

Impact of COVID-19 on University Finances

October 30th, 2020

Tuition and Fee Advisory Board

Agenda

- Impact of COVID-19: Spring 2020
- Actions taken to reduce expenditures
- Projected impact of COVID-19:
FY2021

COVID Shutdown: March 2020

- UO at end of winter term. Institution faced considerable risk related to Spring term.
- Enrollments held steady Spring term.
- However, significant impact on campus auxiliary operations due to shut down
 - Housing dropped to under 200 students in dorms
 - Student Rec Center closed – student fees not charged
 - EMU almost completely closed – student fees not charged
 - Child care centers closed
 - Parking activity down

FY2020: Impact of COVID-19 on Auxiliary Operations

Auxiliary Operation	Initial Projection COVID-19 Impact	FY2020 Actuals COVID-19 Impact	Notes
Housing and Dining	\$14.4 million	\$11.6 million	Expenses reduced further than initially projected through HR and other actions
Health Center	\$0.6 million	\$0.7 million	
Athletics	\$2.3 million	No losses spring term	PAC-12 distribution maintained; HR actions, spending freeze, and other expense reductions implemented
EMU	\$1.3 million	\$1.1 million	
PE & Rec	\$1.6 million	\$2.6 million	Increased COVID-19 leave costs
Transportation Services	\$400K	\$577K	
Olum Child Care	\$110K	\$253K	
Printing and Mailing	\$260K	\$103K	
Total Losses	\$20.9 million	\$16.9 million	

Actions Taken to Reduce Expenditures

- Hiring Freeze
- Pay Action Freeze
- Travel freeze (for health reasons)
- Voluntary pay reductions – senior leadership (President, Provost, Vice Presidents, Deans, Athletic Director)
- HR actions in Auxiliary Operations (Leave without Pay with extended benefits; FTE reductions, Layoffs)
- Agreement with United Academics to extend collective bargaining agreement (with no annual salary increase) to June 2021
- Workshare program – summer FTE reduction program
- Direction to limit Services and Supplies (“S&S”) expenditures to essential expenses
- Progressive Pay Reduction Plan (“PPR”)

FY2021: E&G Fund

- State Funding
 - Operating support intact for FY2021
 - Operating support for FY2022 will likely decrease
 - Sept 2020 state revenue forecast more optimistic – possible that cut will be limited
- Tuition Revenue
 - Enrollment of continuing students steady
 - First year enrollment down from targets
 - Impact of first year enrollment drop will last four to five years
 - One time Covid-related savings will help FY2020 E&G fund finances

E&G Fund Enrollment: Some Possible FY2021 Scenarios

Scenario	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Resident First Year	1950	1950	1950	1950
Non Resident First Year	1850	1950	2050	2150
Total First Year	3800	3900	4000	4100
Tuition Gap from Base Scenario	\$20 million gap	\$17 million gap	\$14 million gap	\$11 million gap
Projected S&S and workshare savings	\$6 million to \$13 million	\$6 million to \$13 million	\$6 million to \$13 million	\$6 million to \$13 million
Project Net Gap	\$7 million to \$14 million gap	\$4 million to \$11 million gap	\$1 million to \$8 million gap	Up to \$5 million gap

*Assumes consistent enrollment patterns for continuing students and transfer students.

FY2021: Significant Impact Projected On Auxiliary Operations

Auxiliary Operation	FY2021 Projections Size of Loss	Notes
Housing and Dining	\$11.0 million - \$15.1 million	Fall 2020 Housing Residents down approximately 35%
Health Center	\$1.0 million - \$2.2 million	COVID-19 impacting delivery of other services (e.g. dental, PT)
Athletics	\$56.3 million - \$81.1 million	Significant impact of changes to Football schedule and operations
EMU	Up to \$1.6 million	Closed summer 2020; no student fees collected summer term; largest loss related to repeat campus shutdown
PE & Rec	Up to \$2.1 million	Closed summer 2020; no student fees collected summer term; largest loss related to repeat campus shutdown

Appendix – detailed scenarios

Housing & Dining: FY2021 Scenarios

Scenario	Housing Deposits As of 9/4	30% Reduction in Students in Housing	35% Reduction In Students in Housing	35% Reduction in Students in Housing plus one Term Shutdown
Projected Revenue	\$59.4 million	\$57.5 million	\$54.2 million	\$41.4 million
Projected Expense	\$70.4 million	\$68.6 million	\$66.2 million	\$56.5 million
Net Loss	(\$11.0 million)	(\$11.1 million)	(\$12.0 million)	(\$15.1 million)
Assumptions	<ul style="list-style-type: none"> • Barnhart Hall dedicated to quarantine and isolation (478 beds) • Dining aligned to CDC and OHA standards • Significant HR actions necessary 	<ul style="list-style-type: none"> • Barnhart Hall dedicated to quarantine and isolation (478 beds) • Dining aligned to CDC and OHA standards • Significant HR actions necessary 	<ul style="list-style-type: none"> • Barnhart Hall dedicated to quarantine and isolation (478 beds) • Dining aligned to CDC and OHA standards • Significant HR actions necessary 	<ul style="list-style-type: none"> • Barnhart Hall dedicated to quarantine and isolation (478 beds) • Dining aligned to CDC and OHA standards • Significant HR actions necessary

Athletics : FY2021 Scenarios

Scenario	Post Jan 1st Football & Other Sports with Fans	Post Jan 1 Football & Other Sports without Fans	No Football Play Basketball & Other Sports	No Sports
Projected Revenue	\$51.6 million	\$41.1 million	\$23.2 million	\$19.6 million
Projected Expense	\$107.9 million	\$105.8 million	\$104.3 million	\$95.9 million
Net Loss	(\$56.3 million)	(\$64.7 million)	(\$81.1 million)	(\$76.3 million)
Assumptions	<ul style="list-style-type: none"> • 8 game football season • PAC-12 Champ Game • No Bowl Games • 25% fans for social distance • Conference only basketball season (25% fans) • NCAA Basketball Tournament • Post Jan 1: other sports with some fans 	<ul style="list-style-type: none"> • 8 game football season • PAC-12 Champ Game • No Bowl Games • No fans in stadium • Conference only basketball seasons (no fans) • NCAA Basketball Tournament • Post Jan 1: other sports without fans 	<ul style="list-style-type: none"> • No football season • Conference only basketball season (no fans) • NCAA Basketball Tournament • Post Jan 1: other sports with no fans 	<ul style="list-style-type: none"> • No sports competitions in FY2021

Health Center: FY2021 Scenarios

Scenario	No Reduction in Fee Paying Students	5% Reduction in Fee Paying Students	10% Reduction in Fee Paying Students	15% Reduction In Fee Paying Students
Projected Revenue	\$15.0 million	\$14.3 million	\$13.5 million	\$12.8 million
Projected Expense	\$16.0 million	\$15.7 million	\$15.4 million	\$15.0 million
Net Loss	(\$1.0 million)	(\$1.4 million)	(\$1.9 million)	(\$2.2 million)
Assumptions	<ul style="list-style-type: none"> Health Center, unlike EMU and SRC, was open during summer 2020 and collected mandatory fees No drop in fee paying students Assumes some drop in regular Health Services due to pandemic, but all services available 	<ul style="list-style-type: none"> 5% drop in fee paying students during the academic year Center operating at minimum scale due to past HR actions and vacant positions; further HR actions challenging 	<ul style="list-style-type: none"> 10% reduction in fee paying students during academic year Center operating at minimum scale due to past HR actions and vacant positions; further HR actions challenging 	<ul style="list-style-type: none"> 15% reduction in fee paying students during academic year Center operating at minimum scale due to past HR actions and vacant positions; further HR actions challenging

EMU : FY2021 Scenarios

Scenario	5% Reduction in Fee Paying Students	10% Reduction in Fee Paying Students	15% Reduction in Fee Paying Students	15% Reduction plus One Term Shutdown
Projected Revenue	\$15.6 million	\$15.2 million	\$14.8 million	\$12.6 million
Projected Expense	\$15.6 million	\$15.2 million	\$14.8 million	\$14.2 million
Net Loss	No loss	No loss	No loss	(\$1.6 million)
Assumptions	<ul style="list-style-type: none"> • Summer 2020 EMU closed / fees not charged (represents 5% reduction in fee paying students) • No drop in fee paying students during academic year • Assumes incidental fee funding intact 	<ul style="list-style-type: none"> • 5% additional reduction in fee paying students beyond summer 2020 lost revenue • Assumes incidental fee funding intact • Vacant positions not filled 	<ul style="list-style-type: none"> • 10% additional reduction in fee paying students beyond summer 2020 lost revenue • Assumes incidental fee funding intact • Requires employment actions 	<ul style="list-style-type: none"> • EMU shutdown for full term (no EMU student fees collected that term) • Other two terms – 15% reduction in fee paying students • Requires significant employment actions

PE & Rec : FY2021 Scenarios

Scenario	5% Reduction in Fee Paying Students	10% Reduction in Fee Paying Students	15% Reduction in Fee Paying Students	15% Reduction plus One Term Shutdown
Projected Revenue	\$9.3 million	\$8.8 million	\$8.3 million	\$5.6 million
Projected Expense	\$9.3 million	\$8.8 million	\$8.5 million	\$7.7 million
Net Loss	No loss	No loss	(\$200K)	(\$2.1 million)
Assumptions	<ul style="list-style-type: none"> • Summer 2020 Student Rec Center closed / fees not charged (represents 5% reduction in fee paying students) • No drop in fee paying students during academic year 	<ul style="list-style-type: none"> • 5% additional reduction in fee paying students beyond summer 2020 lost revenue • Vacant positions not filled • Reduction in student employment 	<ul style="list-style-type: none"> • 10% additional reduction in fee paying students beyond summer 2020 lost revenue • Requires employment actions • Hours of operation likely affected 	<ul style="list-style-type: none"> • Student Rec Center shutdown for full term (no student fees collected that term) • Other two terms – 15% reduction in fee paying students • Requires significant employment actions • Hours of operation likely affected (terms not shutdown)