
FISCAL UPDATE Article

Fiscal Services Division

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COVID-19 IMPACT ON UNIVERSITY REVENUE AND EXPENSES — BOARD OF REGENTS MEETING — APRIL 30, 2020

Special Meeting. The Board of Regents met virtually in special session to receive comments from the institutional leaders regarding revenue losses and increased expenses related to the COVID-19 pandemic. The universities cited the following estimates of revenue loss and increased expenses:

- University of Iowa (UI) — \$76.0 million
- University of Iowa Hospitals and Clinics (UIHC) — \$70.0 million
- Iowa State University (ISU) — \$89.0 million
- University of Northern Iowa (UNI) — \$28.0 million

Highlights of the institutional presentations follow.

Special Schools. Superintendent Steve Gettel noted that the schools' administration is meeting three times a week to review and modify its response to the pandemic, relying on guidance from the Iowa Department of Public Health, the Pottawattamie County Executive Policy Team, the Iowa Department of Education, the area education agencies (AEAs), and the Board of Regents. As part of the Iowa School for the Deaf (ISD) continuous learning plan, resources have been provided to school districts, but Department of Education guidance requires that no direct services be provided unless the district has implemented a plan for required learning and the Individualized Education Program (IEP) team has met to determine appropriate services for the student. Following guidance from the AEAs, ISD staff respond to school district requests only through AEA administrators.

ISD is providing voluntary enrichment activities through June 10, the last scheduled day of school. Superintendent Gettel outlined the efforts of staff in providing the enrichment activities and noted that participation was 50.0% during the first two weeks but in the past week has dropped below 25.0%. More than 10.0% of families lack Internet access. All eight ISD graduating seniors will graduate on time. Summer camps, extended learning activities, and all face-to-face professional development through August 2 have been canceled.

Only 17 of the 250 students with direct service goals are attending school districts that have implemented a plan for required learning and, therefore, can receive direct services. On April 16, the AEAs began allowing direct service staff, including Iowa Educational Services for the Blind and Visually Impaired (IESBVI) faculty, to provide support to school districts providing voluntary learning opportunities.

Superintendent Gettel said his staff are waiting for guidance from the Department of Education regarding implementation of a "return to learning" plan for the next school year. ISD will need to purchase a minimum of 20 Wi-Fi hotspots and laptops for current and future needs. The IESBVI staff may face challenges if school districts extend the school year beyond their 180 contract days. He noted some of the challenges facing staff in resuming school in the fall.

University of Northern Iowa. President Mark Nook noted that \$28.0 million in lost revenue and increased expenses includes the following:

- Refunds to students for fees for courses, labs, room and board, and recreation and health
- Study abroad
- Summer tuition

- Loss of National Collegiate Athletic Association (NCAA) and cultural events revenue

UNI is expected to receive a total of \$7.6 million from the federal government, half of which has been received and must be allocated to students. The university is awaiting the release of the remaining half, which may be used toward administrative costs related to the pandemic.

President Nook said fall enrollment for returning students is on track with past experience, but it is too early to evaluate enrollment of freshmen and transfer students.

Iowa State University. President Wendy Wintersteen noted that ISU incurred costs for the cancellation of study abroad programs and university events, transition of academic coursework and student services to a virtual format, cancellation of NCAA athletic events, and refunds of fees. Losses to the university include projected earnings and interest from the ISU Foundation endowment, the university museums, the Memorial Union and bookstore, the Iowa State Center, and the Veterinary Medical Center and Diagnostic Laboratory. Additional expenses include personal protective equipment and cleaning supplies and costs to move coursework online and support employees working remotely. President Wintersteen noted that this does not include the impact to the university's research enterprise.

President Wintersteen said fall enrollment is likely to be down and noted that the university is working with international students so they may complete their first year of coursework online if they have difficulty getting visas.

University of Iowa. President Bruce Harreld noted that UI has experienced revenue loss and increased expenses due to:

- Transitioning to virtual instruction and shifting employees to work-from-home status
- Cancellation of study abroad programs and repatriation of students, faculty, and staff
- Closing residence halls
- Pausing research infrastructure
- Canceling elective health procedures at UIHC facilities
- Setting up new supply chains for personal protective equipment

President Harreld said he expects fall undergraduate enrollment to be down by 9.0% or 10.0%, but graduate and professional-level enrollments are showing strength, which is common during economic disruptions.

Tuition Rates for 2020-2021. At the end of the meeting, Board President Michael Richards gave a brief statement regarding the impact of the pandemic and recommended that the Board not increase tuition or mandatory fees for students in the next academic year. The Board will meet May 4, 2020, to discuss tuition setting, with a final vote scheduled for June 4, 2020. The agenda item for the May 4 meeting can be found [here](#).

President Richards said the intention is for campuses to be fully operational in August, but only if supported by guidance from the Centers for Disease Control and Prevention, the Iowa Department of Public Health, the Governor's Office, and other authorities. He announced the creation of an advisory group of four members of the Board to look at administrative and academic collaborations and efficiencies. The advisory group will submit recommendations to the full Board at the Board's November 2020 meeting. President Richards said consideration should be given to: (1) allowing students enrolled in one Regents university to take classes online from another Regents university, (2) consolidation of administrative functions, and (3) a moratorium on new construction.

Additional Information. The Board also approved the sale and award of bonds. The agenda items and audio of the meeting, as well as information on upcoming meetings, can be found on the Board's website [here](#).

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