
Docket Item:

Financial Outlook – Panel Discussion

Summary:

A panel of representatives, including independent colleges and universities along with community colleges, is invited to provide feedback on how institutions are coping with financial conditions resulting from the pandemic. Some of the key questions include those listed below.

Docket Material:

The COVID-19 global pandemic has had an extraordinary impact on both institutions and students, especially for those who can least afford to attend. As reported by the State Higher Education Executive Officers (SHEEO), national census data collected the last week of August as a component of the Household Pulse Survey (HPS) indicate that for households where at least one adult was planning (before the pandemic and recession) on taking postsecondary classes:

- 29% have canceled all plans;
- Blacks are the most likely of the race/ethnicity categories (34%) to have canceled;
- Those households where the highest credential is a high school degree or GED are the most likely of the education attainment categories to cancel (35%);
- Lower- and low-income families are more likely than upper-income families to have canceled plans, with those making between \$50,000 - \$74,000 being the most likely (38%); and
- Those families who rely on alternative means for income/spending (borrowing from friends and family, deferred payments, SNAP) are far more likely (41% - 43%) to have canceled their plans.

With that in mind, the institutions have had to rethink some of their financial planning. Helpful insight would include more information relative to the following questions:

- What financial challenges have been experienced related to COVID-19 response?
- What assumptions were made for the FY2021 budget including enrollment, state funding, ending fund balance, and others?
- What enrollment insights exist for the fall term and how does that affect the institution's financial planning?
- What other financial headwinds exist now and over the next few years?
- How are equity efforts being protected during the pandemic?

Staff Recommendation:

For discussion purposes only.