COVID-19: Responding to College and University Concerns

Telephone Town Hall
Tuesday, June 9, 2020
Please keep your microphone muted unless you are speaking.

- **Mary Bachinger**, Director, Tax Policy
- **Liz Clark**, Vice President, Policy & Research
- **Bryan Dickson**, Director, Student Financial Services and Educational Programs
- **Steffon Gray**, Assistant Director, Research and Policy Analysis
- **Sue Menditto**, Senior Director, Accounting Policy
- **Megan Schneider**, Senior Director, Government Affairs
www.nacubo.org/Topics/COVID-19

- Guidance
- Accounting Tutorials
- Checklists
- Business Partner Tools
- Telephone Town Hall Archive
- Flash Poll Findings
- + much more
Episode 51: Navigating the Uncertainty COVID-19 Brings to Colleges and Universities

Episode 52: The Coronavirus Economy and Charitable Giving

Episode 53: Endowments: How are Colleges Responding to Current Needs Without Shortchanging the Future?
Race and Diversity Resources from NACUBO

A Proactive Approach to Addressing Racial Tensions on Campus
You can find the recording on our website here:

tiny.cc/nacuboproactive

Business Officer Magazine
Explore articles related to race, diversity, inclusion, and equity, workforce recruitment, and campus unrest:

https://www.businessofficermagazine.org/topics/diversity-and-inclusion/
• 3 general sessions
• 21 concurrent sessions to customize your learning
• Moderated roundtables each day
• Earn up to 14 CPE credits for attending live sessions + access to recordings of many sessions to watch later on-demand

Monday’s opening speaker will be Jaime Casap, Google Global Education Evangelist
During this unprecedented time, colleges and universities have had to quickly pivot to online teaching and learning and move other critical functions online. What lessons have we learned about the transition thus far? How have functions within a business officer’s portfolio (e.g., bursar functions, HR roles) been impacted? How will lessons learned guide planning for the fall term and beyond?
113 Members Participated in NACUBO’s Poll on Institutional Liquidity Concerns

Number of survey participants by institution type

Source: Poll of NACUBO member institutions, conducted May 26-June 1, 2020.
Most Surveyed Institutions Are Somewhat Concerned About Their Liquidity Outlook

Share of surveyed institutions that report concern about their liquidity outlook through December 31, 2020

Four-Year Private, Non-Profit Institutions
68 schools

- Not at All Concerned: 3%
- Somewhat Concerned: 12%
- Concerned: 25%
- Extremely Concerned: 60%

Four-Year Public Institutions
28 schools

- Not at All Concerned: 4%
- Somewhat Concerned: 61%
- Concerned: 32%
- Extremely Concerned: 4%

Two-Year Public Institutions
14 schools

- Not at All Concerned: 36%

Source: Poll of NACUBO member institutions, conducted May 26-June 1, 2020.
Less Than Half of Institutions Have Faced Liquidity Issues Due to the COVID-19 Pandemic

Number of responding institutions facing increased liquidity issues as a direct result of their response to the COVID-19 pandemic, by institution type

<table>
<thead>
<tr>
<th>Institution Type</th>
<th>Yes, facing increased liquidity issues</th>
<th>No, not facing increased liquidity issues</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-Year Private, Non-Profit Institutions</td>
<td>27</td>
<td>39</td>
<td>2</td>
</tr>
<tr>
<td>4-Year Public Institutions</td>
<td>10</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>2-Year Public Institutions</td>
<td>5</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>All Institutions</td>
<td>43</td>
<td>66</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: Poll of NACUBO member institutions, conducted May 26-June 1, 2020.
Institutions Without Liquidity Concerns Report a Strong Cash Position

How institutions without pandemic-related liquidity issues plan to handle their cash needs

Note: Figures provided are number of institutions. Multiple answers allowed.
Source: Poll of NACUBO member institutions, conducted May 26-June 1 2020.
## Most Institutions Are Concerned or Extremely Concerned About Enrollment, Loss of Auxiliary Revenue, and the Future

Share of participating institutions that report concern about liquidity-related issues

<table>
<thead>
<tr>
<th>Liquidity-Related Issue</th>
<th>Not At All Concerned</th>
<th>Somewhat Concerned</th>
<th>Concerned</th>
<th>Extremely Concerned</th>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrollment Decline</td>
<td>4%</td>
<td>19%</td>
<td>32%</td>
<td>46%</td>
<td>112</td>
</tr>
<tr>
<td>Loss of Other Auxiliary Revenue</td>
<td>5%</td>
<td>19%</td>
<td>41%</td>
<td>35%</td>
<td>112</td>
</tr>
<tr>
<td>Uncertainty About the Future</td>
<td>3%</td>
<td>16%</td>
<td>47%</td>
<td>35%</td>
<td>113</td>
</tr>
<tr>
<td>Decline in State Funding</td>
<td>45%</td>
<td>19%</td>
<td>15%</td>
<td>21%</td>
<td>110</td>
</tr>
<tr>
<td>Loss of Summer Auxiliary Revenue</td>
<td>15%</td>
<td>27%</td>
<td>39%</td>
<td>19%</td>
<td>112</td>
</tr>
<tr>
<td>Decrease in Annual Giving</td>
<td>4%</td>
<td>42%</td>
<td>38%</td>
<td>15%</td>
<td>113</td>
</tr>
<tr>
<td>Decline in Athletic Revenue</td>
<td>49%</td>
<td>25%</td>
<td>16%</td>
<td>10%</td>
<td>111</td>
</tr>
<tr>
<td>Decrease in Endowment Value</td>
<td>11%</td>
<td>43%</td>
<td>37%</td>
<td>9%</td>
<td>113</td>
</tr>
<tr>
<td>Faculty/Staff Benefit Obligations</td>
<td>27%</td>
<td>39%</td>
<td>26%</td>
<td>8%</td>
<td>112</td>
</tr>
<tr>
<td>Loss in Clinical Revenues</td>
<td>75%</td>
<td>17%</td>
<td>5%</td>
<td>4%</td>
<td>109</td>
</tr>
<tr>
<td>Decline in Research Activity</td>
<td>68%</td>
<td>25%</td>
<td>6%</td>
<td>1%</td>
<td>109</td>
</tr>
</tbody>
</table>

Source: Poll of NACUBO member institutions, conducted May 26-June 1, 2020.
Many Institutions Indicate That a New Federal Loan Program Directed to Higher Education Would be a Helpful Debt Solution

Number of responding institutions identifying potential debt solutions as most helpful to their liquidity issues

Note: Multiple answers allowed.
Source: Poll of NACUBO member institutions, conducted May 26-June 1 2020.
Most Private Institutions Have a Line of Credit While Most Public Institutions Do Not

Number of institutions that report having a line of credit, by institution type

- **4-Year Private, Non-Profit Institutions**: 55 have a line of credit, 13 do not have a line of credit (total 68 institutions)
- **1-Year Public Institutions**: 7 have a line of credit, 21 do not have a line of credit (total 28 institutions)
- **2-Year Public Institutions**: 13 have a line of credit, 13 do not have a line of credit (total 26 institutions)
- **All Institutions**: 64 have a line of credit, 48 do not have a line of credit (total 112 institutions)

**Source:** Poll of NACUBO member institutions, conducted May 26-June 1, 2020.
Most Institutions With Lines of Credit Have Not Drawn on Them Since Mid-March 2020

Share of institutions that have drawn on their line of credit since mid-March 2020, by institution type

**Four-Year Private, Non-Profit Institutions**
- 55 schools
- 84% Have not drawn on line of credit since mid-March 2020
- 16% Have drawn on line of credit since mid-March 2020

**Four-Year Public Institutions**
- 7 schools
- 100% Have not drawn on line of credit since mid-March 2020

*Source: Poll of NACUBO member institutions, conducted May 26-June 1, 2020.*
Most Institutions Have Not Been Forced to Renegotiate Debt Covenants Due to the COVID-19 Pandemic

Percent of surveyed institutions that have had to renegotiate debt covenants

- Unsure: 4%
- Have Had to Renegotiate Debt Covenants: 17%
- Have Not Had to Renegotiate Debt Covenants: 79%

Source: Poll of NACUBO member institutions, conducted May 26-June 1, 2020.
NACUBO Flash Poll

Please respond to the questions at the survey link.
Today’s Hot Topics:

• Accounting Questions
• Washington Outlook and Updates
Next NACUBO Telephone Town Hall
Tuesday, June 23, at 1 pm ET

We will not host a Telephone Town Hall next week.
Stay tuned across our various platforms.

ED Provides New COVID-19 Student Aid Guidance
The Department of Education has added an FAQ on how to comply with Title IV policies when students are impacted by the coronavirus, including implications for room and board refunds. Read more.

NACUBO Online Community
Through your NACUBO account, NACUBO members from institutions of higher education have access to unique listservs where you can share content, make contacts, and generate discussions with your colleagues.
Thank you for your NACUBO membership.

We are able to serve higher education business and financial officers through advocacy efforts and professional development activities, and can offer essential technical expertise, because of members like you.