



Kentucky Public Postsecondary Institution Impact of COVID-19 and CARES Act Funding

Interim Budget Review Subcommittee on Education
July 8, 2020





Presentation Overview

- Financial Impact of COVID-19
- Status & Impact of CARES (Coronavirus Aid, Relief and Economic Security) Act Funding
- Outlook for 2020-21

Impact of COVID-19

Related Costs & Lost Revenue (FY 20)



Campus	COVID-19 Related Costs	Lost Revenue	Estimated Total Impact	% of 19-20 General Fund
UK	\$29,400,000	\$28,539,400	\$57,939,400	22.4%
UofL	3,492,000	18,425,000	21,917,000	17.5%
EKU	7,093,000	1,982,200	9,075,200	14.4%
KSU	3,548,600	2,524,200	6,072,800	23.8%
MoSU	6,012,200	1,499,800	7,512,000	19.7%
MuSU	5,587,600	1,479,100	7,066,700	16.0%
NKU	4,292,100	1,641,000	5,933,100	11.5%
WKU	8,470,500	743,900	9,214,400	12.6%
KCTCS	8,046,200	12,076,900	20,123,100	11.6%
TOTAL	\$75,942,000	\$68,911,500	\$144,853,700	17.0%

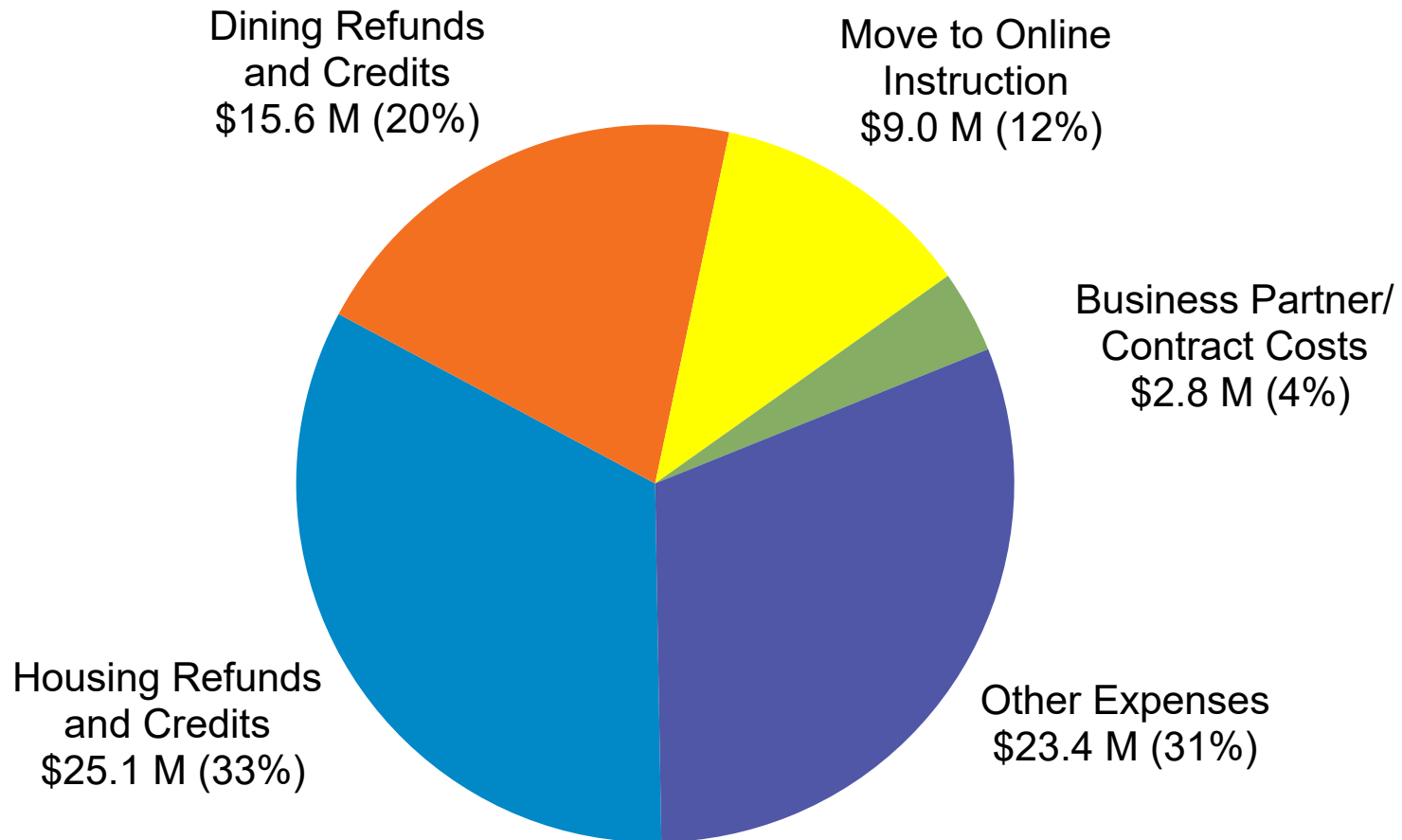
Notes: Figures shown do not reflect hospital or clinical costs/lost revenue. COVID-19 costs include housing/dining refunds and credits, transitioning to 100% online instruction, and other costs. Lost revenue includes tuition and fees, athletic and other events, investment income, and other sources.

Impact of COVID-19

Major Cost Drivers (FY 20)



SYSTEM TOTAL = \$75.9 M

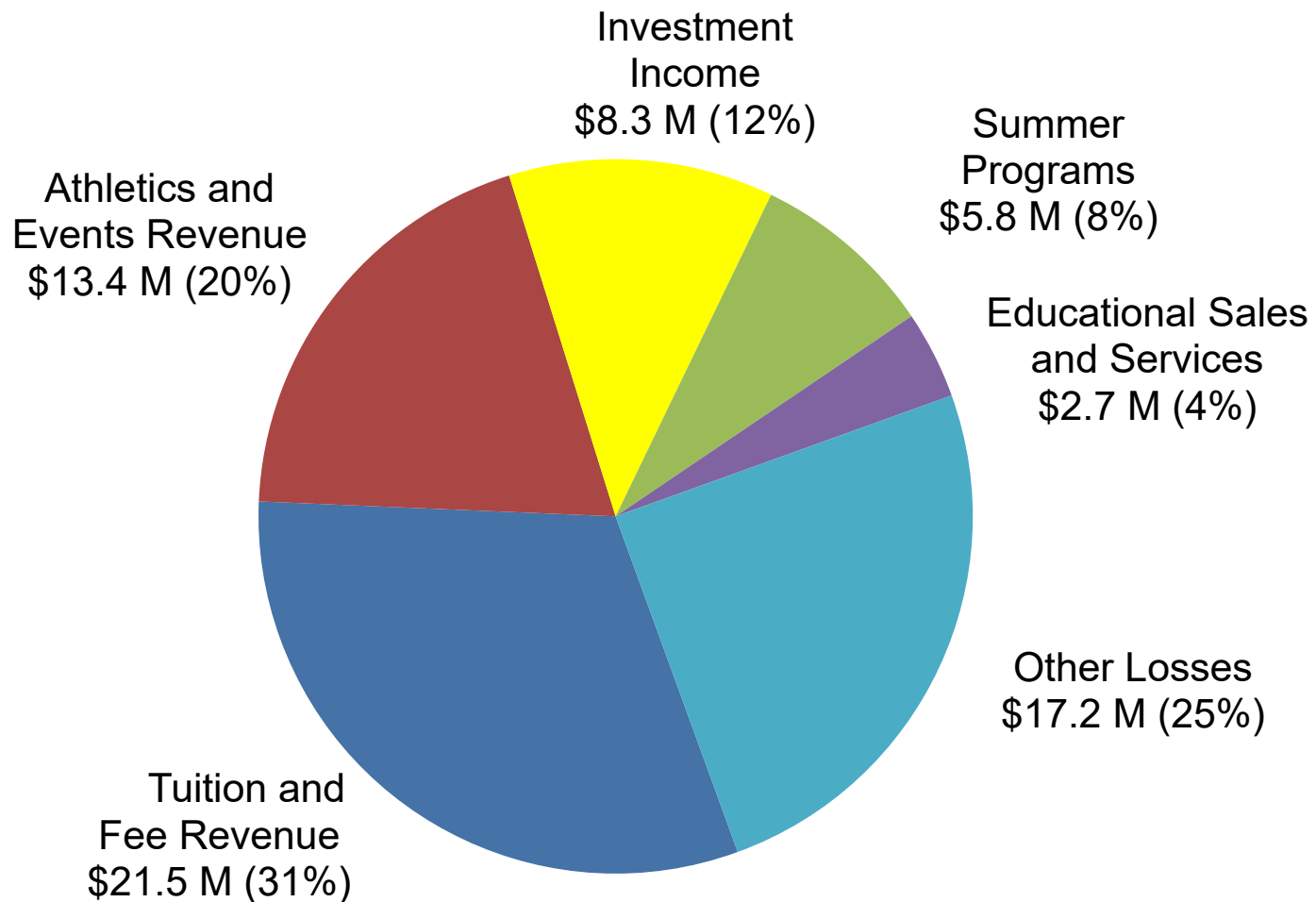


Impact of COVID-19

Lost Revenue Components (FY 20)



SYSTEM TOTAL = \$68.9 M



Status of CARES Act Funding



The CARES Act provides two major pools of funding to colleges and universities:

1. Higher Education Emergency Relief Fund (HEERF)
2. Governor's Education Emergency Relief Fund (GEERF)

Status of CARES Act Funding

Higher Education Emergency Relief Fund



- Two main pools of HEERF funding:
 - 45% for **Emergency Cash Grants to Students.**
 - 45% for **Institutional Grants.**
- Final 10% of HEERF is reserved for minority and low-income serving institutions.
- Kentucky's share of these pools equals \$156 million, which goes to all eligible schools (public and private).
- Distribution formula based on share of Pell students (75%) and overall enrollment (25%).

Status of CARES Act Funding

HEERF - Grants to Students



Campus	Student Grants	Amount Disbursed to Students by 6/30/20	Percent Disbursed
UK	\$8,905,529	\$8,905,529	100%
UofL	6,239,395	6,239,395	100%
EKU	5,271,384	4,201,150	79.7%
KSU	686,039	52,294	7.6%
MoSU	3,008,220	1,247,767	41.5%
MuSU	3,135,385	1,282,781	40.9%
NKU	3,999,482	1,512,750	37.8%
WKU	5,318,247	2,674,775	50.3%
KCTCS	17,946,582	15,808,633	88.1%
TOTAL	\$54,510,263	\$41,925,074	76.9%

Notes: Figures do not include allocations to private or proprietary institutions.

Source: U.S. Department of Education, Office of Postsecondary Education, KY Public Postsecondary Institutions, Chief Budget Officers.

Status of CARES Act Funding

Grants to Students – Allowable Use



- All funds must be distributed directly to students (for emergency needs like food, shelter, childcare, and educational costs).
- Campuses cannot use funds to reimburse for housing or dining refunds, or credit student accounts to pay overdue bills.
- CPE provided broad guidelines to Kentucky campuses, encouraging grants prioritizing student success, retention, progression and completion.

Status of CARES Act Funding

HEERF - Grants to Institutions



Campus	Institution Grants	Amount Disbursed to Institutions by 6/30/20	Percent Disbursed
UK	\$8,905,529	\$8,905,529	100%
UofL	6,239,395	2,847,007	45.6%
EKU	5,271,383	0	0
KSU	686,038	24,549	3.6%
MoSU	3,008,220	2,068,418	68.8%
MuSU	3,135,384	3,135,384	100%
NKU	3,999,481	3,520,230	88%
WKU	5,318,246	4,055,869	76.3%
KCTCS	17,946,574	825,070	4.6%
TOTAL	\$54,510,246	\$25,382,056	46.6%

Notes: Figures do not include allocations to private or proprietary institutions.

Source: U.S. Department of Education, Office of Postsecondary Education, KY Public Postsecondary Institutions, Chief Budget Officers.

Status of CARES Act Funding

Grants to Institutions – Allowable Use



- Funds are intended to cover significant COVID-19 related costs at higher education institutions.
- Current uses by KY campuses:
 - Reimbursement for housing, dining, and parking refunds.
 - Technology related to delivery of instruction (e.g., laptops, hot spots, course design, infrastructure).
 - Training to move to online environment.
 - PPE, campus cleaning, and supplies.
 - COVID-19 testing and monitoring.

Status of CARES Act Funding

Governor's Emergency Education Relief Fund



- Governors have broad latitude on use of Governor's Education Emergency Relief Fund (GEERF) allocations.
- Kentucky received \$44M, with \$13.8M going to higher education under the administration of CPE.
- Funding was distributed as follows:
 - \$8.8M to the public universities.
 - \$2.5M to KCTCS campuses.
 - \$1M to Kentucky's non-profit, private colleges and universities.
 - \$1.5M for emergency reserve housed at CPE.

Status of CARES Act Funding

GEERF – Allowable Use



- Allowable uses include:
 - Enhanced online programming.
 - Targeted financial aid for high-need students.
 - Mentoring and advising.
 - COVID-19 testing and contact tracing.
 - Other costs associated with pandemic response.
- CPE is entering into MOAs with each campus.
- Contracts were sent to public institutions June 26; funding will be released as soon as possible.
- Regular campus reports will detail the use of funds and outcomes.

Outlook for Academic Year 2020-21



- Minimal to no tuition increases
- Uncertain fall enrollment
- Fixed cost increases (excluding COVID-19)
- Concerns about state support
- Campus restart plans

Outlook for AY 2020-21

Minimal to No Tuition Increases

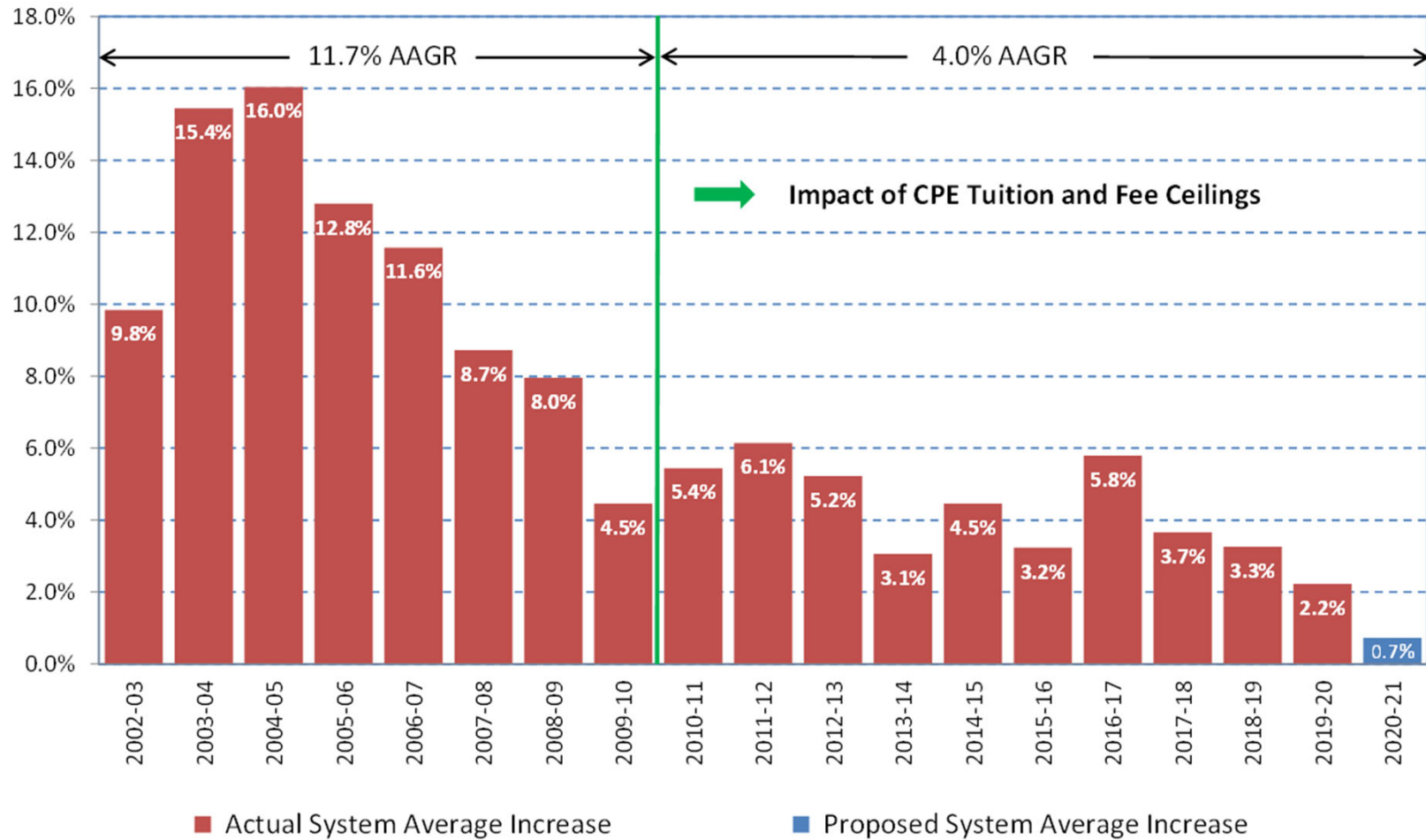


Campus	2019-20 Tuition & Fees	2020-21 Tuition & Fees	Dollar Change	Percent Change
UK	\$12,360	\$12,484	\$124	1%
UofL	11,928	12,162	234	2%
EKU	9,866	9,866	0	0
KSU	8,800	8,800	0	0
MoSU	9,290	9,290	0	0
MuSU	9,336	9,468	132	1.4%
NKU	10,296	10,296	0	0
WKU	10,802	10,802	0	0
KCTCS	5,460	5,610	150	2.7%

Notes: Charges shown reflect annual full-time rates (i.e., 30 or more credit hours per year). Murray's increase represents a previously approved increase in its asset preservation fee. KCTCS's increase reflects five additional dollars in its per credit-hour rate (from \$174 to \$179).

Outlook for AY 2020-21

Lowest Tuition Increase in Decades



Outlook for AY 2020-21

Anticipated Enrollment Declines



Campus	Fall 2019 FTE Students	Fall 2020 FTE Students	Number Change	Percent Change	Impact on Fall Revenue
UK	28,570	27,200	(1,370)	-4.8%	(\$8.8M)
UofL	15,411	15,265	(146)	-0.9%	(\$610K)
EKU	11,865	11,230	(635)	-5.4%	(\$5.8M)
KSU	919	900	(19)	-2.1%	(\$3.4M)
MoSU	6,800	6,261	(539)	-7.9%	(\$3.0M)
MuSU	7,497	7,432	(65)	-0.9%	(\$1.1M)
NKU	11,811	11,826	(15)	0.1%	(\$1.5M)
WKU	14,182	13,647	(535)	-3.8%	(\$4.9M)
KCTCS	43,562	38,334	(5,228)	-12%	(\$11.2M)
TOTAL	140,617	132,095	(8,522)	-6.1%	(\$40.3M)

Notes: Number of FTE students based on fall 2019 actual and fall 2020 projected enrollment. Projected revenue losses reflect a combination of enrollment declines, minimal to no increase in resident undergraduate tuition and fees, and decreases in nonresident tuition and fees.

Outlook for AY 2020-21

Campus Restart Plans



- Campus-wide planning efforts in partnership with CPE.
- Priority #1 - the health, safety and well-being of students, employees, and the community.
- CPE provided guidance in May emphasizing:
 - Adherence to state, federal, and CDC guidelines.
 - Flexibility in program delivery combining in-person, hybrid, and online approaches.
 - Recovery measures to support the most vulnerable students.
 - Detailed restart plans from each campus covering a range of contingencies.

Outlook for AY 2020-21

Campus Restart Plans



- Ending in-person classes at Thanksgiving
- Extending resident move-in period
- Designating on-campus quarantine spaces
- Providing masks for students and employees
- Contingency planning for possible return to remote learning
- Offering student support services virtually
- Conducting campus visits and student recruitment virtually

Outlook for AY 2020-21

Campus Restart Plans



- Offering a mix of online and face-to-face instruction to on-campus students
- Repurposing large, multi-function or outdoor facilities for instruction
- Providing professional development for faculty on virtual instruction
- Requiring daily temperature and health checks for employees
- Expanding carry-out and delivery dining options and limiting dine-in services

Questions?



Twitter: CPENews and CPEPres



Website: <http://cpe.ky.gov>



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