

# Higher Education's COVID-19 Crisis: Opportunities for the Fall 2020 Term and Beyond

By Charles Kim

 **SYNTELLIS**

***KaufmanHall***

 **ellucian.**



# Introduction

Colleges and universities continue to face many uncertainties as they plan for the 2020-21 academic year. While we hoped for a quicker end to the disruptions caused by the COVID-19 pandemic, the impact and level of uncertainty will remain for the foreseeable future and the need to deal with its impacts—including social distancing and profound economic effects—will be major priorities until a vaccine or effective treatments are available.

## Fall 2020 Models:

As the fall semester approaches, most institutions have communicated plans to start the semester using a version of one of the following models:

- **Model One:** Campuses remain closed and coursework stays online.
- **Model Two:** Campuses reopen, but with certain social distancing measures still in place that will affect operations and events and the looming possibility of return to full-scale remote learning if the pandemic intensifies again. Some institutions have adjusted the academic calendar (e.g., early start, cancellation of fall breaks, etc.) or will offer blended instructional delivery.

This guide outlines and analyzes possible impacts, potential solutions, and opportunities presented by the models across five key elements: academic product mix and modality, student support, enrollment and revenue, operations, and external partnerships.



## General Considerations

Regardless of the model the institution is planning for, the following considerations will apply:

- **Differentiate** between rapidly put-together remote classes and intentionally produced online courses.
- **Implement scenario modeling**, both at the unit or initiative level and organization-wide, to quantify the potential financial impact of course modality choices, enrollment results, and changes in tuition revenue, financial aid costs, and revenues from auxiliaries such as housing, athletics, and student fees.
- **Evaluate modeling tools** and avoid manual modeling when possible. Identify which software systems provide key modeling data and functionality to help you dynamically model and compare multiple scenarios that mix and match the baseline models, initiatives, and drivers you've developed
- **Ensure adequate liquidity** through debt refinancing, lines of credit, or other means as a buffer against the significant risk that the coming academic year will present substantial cash requirements, even if campuses reopen.
- **Maintain a willingness to invest** when opportunities arise. This means retaining, where possible, the ability to fund initiatives that would strengthen your institution in areas such as online infrastructure, opportunistic faculty hiring, new program development, and student career services.
- **Focus on cost containment** through various tactics, including wage and non-critical position hiring freezes, early retirement incentives, or discretionary spending reductions or elimination.
- **Mobilize support networks**, including alumni and corporate advisories, while remaining sensitive to the challenges these constituencies also face in dealing with the pandemic's impacts.
- **Automate manual processes**, such as financial reporting, to drive efficiency across the institution and quickly provide leaders with the KPI tracking, operational, financial, and third-party data needed to facilitate informed, objective decision-making



# Models for Fall 2020

## Issue Analysis: Academic Product Mix and Modality

Possible Impacts	Potential Solutions	Opportunities
<div style="display: flex; align-items: center;"> <b>Model 1: Campus Closed</b> </div>		
<ul style="list-style-type: none"> <li>• Insufficient time to increase quality of all remote learning before fall</li> <li>• Need to adjust academic product mix while keeping graduation trajectories viable</li> <li>• Student pushback against remote learning</li> </ul>	<ul style="list-style-type: none"> <li>• Align schools and departments by developing faculty training on purposeful online learning; publicize quality examples</li> <li>• Invest in instructional design now and into fall</li> <li>• Delay some courses until spring, if possible</li> <li>• Develop specific methodologies to create more personable online learning</li> </ul>	<ul style="list-style-type: none"> <li>• Create broad, innovative thinking on academic product mix by aligning schools and departments around this effort</li> <li>• Create communication channels to support faculty creativity around online learning</li> <li>• Develop high-quality MOOC-type courses for fall; supplement with small student-support sections to personalize the experience</li> </ul>
<div style="display: flex; align-items: center;"> <b>Model 2: Campus Open</b> </div>		
<ul style="list-style-type: none"> <li>• Students reluctant to return to campus, request option for virtual courses (with associated extra expenses)</li> <li>• Need to return to remote/online learning during the term</li> </ul>	<ul style="list-style-type: none"> <li>• Check Spring 2020 course evaluations to identify successful remote and online courses and cross-link successful online courses from spring to those needed for fall term</li> <li>• Consider using online courses more broadly on an ongoing basis</li> </ul>	<ul style="list-style-type: none"> <li>• Integrate/partner courses from different schools to decrease required resources to teach while increasing quality</li> <li>• Compare outcomes from purposefully developed online courses to those from similar in-person courses to create more potentially successful options for various scenarios</li> </ul>

**Issue Analysis: Academic Product Mix and Modality** *(continued)***Model One: Campus Closed**

While faculty and online professionals did a remarkable job in pivoting to remote learning within weeks during the Spring 2020 term, most courses could not realistically achieve the quality of purposefully produced online learning. If campuses remain closed and remote learning continues, there still will not be enough time to consistently increase the quality to purposefully produced online learning across all course offerings. Institutions may also face pushback from students (and their parents or guardians), who might believe that remote course offerings are not equivalent to in-person courses.

Potential solutions include developing specific methodologies to create higher quality, more personalized online courses. Institutions should dedicate all resources possible to enhance instructional design availability now. They should also consider omitting courses from the fall lineup that are less amenable to online learning and making a push to scale. At first, scaling online learning may seem to be counterintuitive to a personalized student experience. But a large, very high-quality MOOC-type course that includes small student support sections led by faculty or TAs may go a long way to personalizing the experience while at the same time increasing overall quality.

**Model Two: Campus Open**

Even if campuses open to in-person instruction in the fall, some additional remote/online learning may need to continue. Not all students may be willing to return to campus; parents or guardians might also be reluctant to have students return. To mitigate these concerns, some institutions may adjust

their fall start dates or cancel term breaks. If the coronavirus resurges in the fall, campus must be ready to temporarily close again, which would trigger comprehensive remote learning once more.

Administrators, deans, and department chairs should consider pooling department/school resources by highlighting and modeling quality online courses and offering them collectively. Financial modeling should be started immediately to determine the cost implications of teaching the same courses in dual modalities — some expenses will be shown more clearly through a model utilizing correct assumptions, and that takes time. Given the time constraints, modeling should be started and done as comprehensively as possible now, knowing that more work will be performed over time.

**Opportunities:**

Both scenarios offer multiple opportunities for innovation. Increasing collaboration past traditional silos and scaling courses toward high-quality delivery in true teaching partnerships should create both scale and quality, if done well.

In the case of campuses remaining closed, these courses of action will be necessary and imminent. If campuses reopen, the sense of urgency might decrease, but institutions will lose much opportunity if they do not continue innovating around purposefully produced online learning and creating even more robust benefits for faculty and students alike.

# Issue Analysis: Student Support

Possible Impacts	Potential Solutions	Opportunities
<b>Model 1: Campus Closed</b>		
<ul style="list-style-type: none"> <li>Challenges in delivering consistent, high-quality student support services in a remote environment</li> </ul>	<ul style="list-style-type: none"> <li>Deploy innovative, potentially non-traditional service models (e.g., text, chat, or videoconferencing)</li> </ul>	<ul style="list-style-type: none"> <li>Gather constituent feedback, evaluate and potentially redesign services, processes, and technologies in a holistic, student-centric way</li> </ul>
<b>Model 2: Campus Open</b>		
<ul style="list-style-type: none"> <li>Constituent groups demand proactive, transparent communications due to continued uncertainty and evolution of the pandemic</li> <li>Students seek additional online/remote services</li> <li>Mental health and wellness services in higher demand</li> </ul>	<ul style="list-style-type: none"> <li>Revisit, refine, or redesign communication strategies</li> <li>Enable greater use of technologies and remote service offerings</li> </ul>	<ul style="list-style-type: none"> <li>Ask constituent groups to provide feedback on proposed future-state design of services and communication strategies</li> <li>Use constituent feedback to redesign services, processes, and technologies</li> </ul>

## Issue Analysis: Student Support *(continued)*

### Model One: Campus Closed

If campuses remain closed for the Fall 2020 term, higher education will be challenged to provide consistent and high levels of services for their students. Holistic student support can be critical to student satisfaction and success. Although higher education generally has highly passionate and committed professionals, technologies may be limited, staff may not have robust training on available technologies, or “traditional” in-person service models may be favored. Examples of critical student services include information technology, academic advising, financial aid, registration, bursar/student accounting, counseling centers, career services, and specialized services (e.g., veterans support).

Institutions should evaluate services, student satisfaction levels, and feedback from both pre-pandemic and the Spring 2020 terms. In areas where professionals struggled to provide services or student satisfaction fell in Spring 2020, institutions should consider what technologies or alternative service models or functionalities (e.g., text, chat, videoconferencing) are available to enhance these services for the fall term.

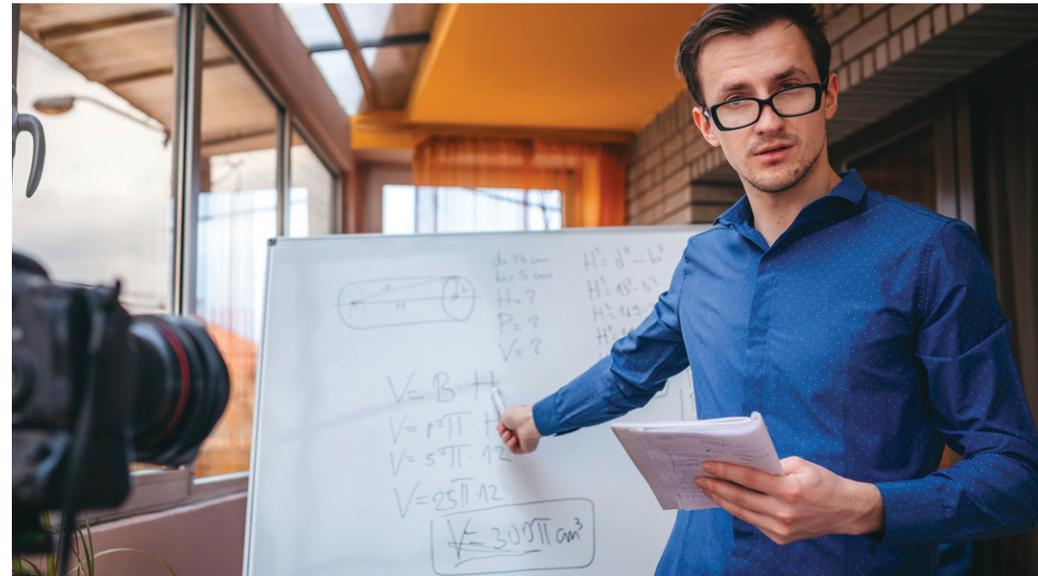
### Model Two: Campus Open

Although a scenario where campuses reopen more closely mirrors “normal,” the effects of the COVID-19 pandemic will likely have a lasting impact on students. Students (as well as parents and guardians) will likely seek greater transparency and more proactive communications, particularly given the risk that COVID-19 resurges in the fall. Mental health and wellness needs may also be greater. Students newly sensitized to social distancing may seek online and remote services to a greater extent than typical.

### Opportunities:

Institutions have an opportunity to engage their constituents to understand their needs and concerns in a detailed way, and to be agile and responsive to these needs as they evolve in a post-pandemic world. The exact contours of this world are not fully known, but institutions can begin reviewing and potentially revising standards and requirements (e.g., hardcopies, in-person requirements, etc.) that already could be replaced with processes that may be more student-centric and better utilize technologies. Institutions should also seek to create a coherent, transparent, and proactive approach to communications in order to drive engagement and trust.

Developing and executing a remote high-quality model of student support will require agility, creativity, responsiveness, and continuous assessment. Student support and communication professionals should challenge the status quo, while keeping students at the center of all decisions and processes.



# Issue Analysis: Enrollment and Revenue

Possible Impacts	Potential Solutions	Opportunities
<b>Model 1: Campus Closed</b>		
<ul style="list-style-type: none"> <li>• Exacerbated enrollment declines, particularly for international students</li> <li>• Forgone auxiliary revenue</li> <li>• Continued substantial support for remote instruction and work</li> </ul>	<ul style="list-style-type: none"> <li>• Discount tuition price for online</li> <li>• Offer deferrals/gap terms or years</li> <li>• Reconfigure fees as appropriate for remote learning</li> <li>• Target marketing to key student constituencies (e.g., at risk, non-traditional)</li> <li>• Reconsider transfer credit policy</li> <li>• Assess/suspend programs that rely heavily on international student enrollment</li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrate commitment to students through support services, flexibility, and pricing</li> <li>• Accelerate plans for adopting online technology for both pedagogical and financial benefits</li> <li>• Reaffirm/message value of residential programs</li> </ul>
<b>Model 2: Campus Open</b>		
<ul style="list-style-type: none"> <li>• COVID concerns keep some students from campus</li> <li>• Substantial campus safety measures and protocols required</li> <li>• Some students allowed to attend online, at additional cost to institution</li> <li>• A second wave or outbreak of COVID-19 causes repeat of the Spring 2020 experience</li> </ul>	<ul style="list-style-type: none"> <li>• Decide whether students have option to remain off-campus and study online, whether same tuition rate for online, and if faculty is ready to teach in two modalities</li> <li>• Partner with other institutions to support off-campus instruction (ideally with reciprocal arrangements)</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance pedagogy and revenue through online programming</li> <li>• Expand enrollment and increase course choices for students through partnerships with other institutions</li> <li>• Use software to enhance tuition planning accuracy now and in the future</li> </ul>

## Issue Analysis: Enrollment and Revenue *(continued)*

### Model One: Campus Closed

While the financial impact to most institutions in the spring and summer of 2020 will be significant, there is risk that the impact in the fall will be worse. If campuses do not reopen, institutions could face a full term with reduced tuition revenue as students defer, limit travel, and possibly pay lower online tuition rates. Institutions also will lose most auxiliary revenues. Additional expenses will be required to further develop online instruction and student support services.

Although campus closings in the fall will be substantially adverse financially, they should not occur again once a vaccine or effective treatment for COVID-19 becomes available. As you address serious liquidity issues in FY21, avoid “cutting into bone” and think actively about program plans for FY22 and beyond. Institutions would be wise to demonstrate their commitment to students through flexibility in fees, online pricing, transfer credits, and semester/year deferrals. Additionally, institutions should actively manage the value—and value proposition—of their face-to-face and residential programs, given the exposure so many students will have had to online instruction and pricing.

### Model Two: Campus Open

If campuses are open this fall, institutions will need to decide if online options are provided to students who may not be comfortable returning. Providing an online option will raise serious questions about pricing, expenses (and time) for course development, and teaching in two modalities, while not providing online options may result in a significant number of deferrals.

Partnerships with other organizations that could offer online programs or face-to-face instruction locally may address many enrollment challenges. For those

students who return, institutions will no doubt need to establish and pay for campus safety protocols and measures to manage the risk of COVID-19 until a vaccine is available. The risk of a second major outbreak will likely remain, which suggests institutions should have a remote-learning back-up plan ready even if the plan for Fall 2020 is for all enrolled students to attend on campus.

### Opportunities:

Investments in online programs may provide opportunities to expand enrollment to non-traditional or adult learners who are unable to commit to the institution's residential program. These investments could have significant pedagogical benefits for campus-based instruction as well. Similarly, carefully chosen partnerships with other organizations could mitigate tuition revenue losses through revenue-sharing agreements for students who would otherwise have deferred. Over the long term, these partnerships could also help to diversify revenues or serve as sources for transfer students.

Higher education leaders who wish to see the near- and long-term impact of fluctuating enrollment should consider investing in software designed to do so.

Syntellis' Axiom Tuition Planning helps institutions navigate the financial ramifications of fluctuating enrollment by:

- Aligning real-time tuition and enrollment data with financial data
- Accurately projecting tuition revenue by modeling multiple scenarios
- Developing long-range financial plans based on accurate, real-time tuition and enrollment data

# Issue Analysis: Operations

Possible Impacts	Potential Solutions	Opportunities
<b>Model 1: Campus Closed</b>		
<ul style="list-style-type: none"> <li>• Need to maintain base-level services for students, faculty, and administrators who remain on campus</li> <li>• Continued remote execution of administrative work</li> </ul>	<ul style="list-style-type: none"> <li>• Evaluate business processes, technologies, and administrative cycles; redesign or eliminate manual or non-mission-critical processes</li> </ul>	<ul style="list-style-type: none"> <li>• Evaluate service agreements; optimize cost and enhance services</li> <li>• Consider continued remote work for individuals or administrative units based on effectiveness in spring/summer terms</li> <li>• Evaluate related opportunities to optimize real estate based on scale of workforce reconfiguration</li> </ul>
<b>Model 2: Campus Open</b>		
<ul style="list-style-type: none"> <li>• Shifts in enrollment materially impact types and levels of services required</li> <li>• Enrollment declines reduce revenue, impacting institutions' financial health and ability to maintain pre-COVID-19 operational costs</li> </ul>	<ul style="list-style-type: none"> <li>• Implement cost containment measures, including continued wage and non-critical position hiring freezes, early retirement incentives, and discretionary spending reductions/elimination</li> </ul>	<ul style="list-style-type: none"> <li>• Evaluate opportunities to refine administrative structures to optimize processes and technologies, including integrating data across software systems and minimizing manual processes</li> <li>• Evaluate opportunities to rationalize FTEs or redeploy resources</li> </ul>

**Issue Analysis: Operations** *(continued)***Model One: Campus Closed**

Institutions should be critically evaluating services required to maintain base-level services for any constituencies that remain on campus. As a potentially major local employer, the institution should consider the health, safety, and needs of the community and the institution's commitment to the community it resides in, as well as the overall financial health of the institution, as part of its analysis.

In most cases, administrators joined the rest of the campus community in moving to remote work environments with the COVID-19 crisis. Functional leaders should develop a deep understanding of the strengths, weaknesses, and challenges of the current operating environment. These leaders should also drive robust and consistent performance management across the enterprise.

**Model Two: Campus Open**

Lower levels of enrollment across particular student cohorts may lead to lower utilization of particular support functions (e.g., international student service offices if international enrollment declines materially). Enrollment declines or shifts (e.g., growth in online versus traditional on-campus enrollment) may lead to lower numbers of students on campus, again affecting potential utilization of facilities and services.

**Opportunities:**

The COVID-19 pandemic has challenged higher education in numerous ways. As institutions continue to respond, there are many opportunities to reevaluate the recent past and develop a more strategic approach to operations on an enterprise level to maximize service effectiveness and efficiency and optimize expenditures.

For example, administrators have an opportunity to evaluate their service agreements and drive renegotiations or request for proposal (RFP) processes to attain more optimized spending and potentially higher levels of service.

Institutional leadership should also evaluate administrative process and service effectiveness in the remote work environment. As many institutions struggle to house their numerous administrative units, particular individuals or functions may be well positioned to maintain remote work in the longer term, leading to opportunities to right-size, rationalize, or repurpose pieces of the current real estate portfolio.

Regardless of the model chosen for Fall 2020, leadership should continuously evaluate operations to ensure the institution's overall financial health. A comprehensive understanding of the current state—for example, organizational structures, FTE counts, operating and service models and business processes, and enabling technologies—is critical to increasing effectiveness, maximizing the use of technologies, and ensuring resource deployment against the highest value strategic activities.

Integrated software systems can provide leaders with an understanding of how operational decisions across functions and departments impact financial health.

The Axiom Higher Education Suite helps institutions tie information from Ellucian Banner and Colleague Finance, Human Resources and Student to financial data, which eliminates data siloes. This level of financial transparency, combined with powerful automation solutions, enables more accurate budgeting and scenario modeling—which are critical to responding as the pandemic and needs of the campus evolve.

# Issue Analysis: External Partnerships

Possible Impacts	Potential Solutions	Opportunities
<b>Model 1: Campus Closed</b>		
<ul style="list-style-type: none"> <li>Trustees feel uninformed as traditional, in-person meetings remain suspended</li> <li>Corporate partnerships/program advisories are neglected due both parties' stress</li> <li>Alumni unable to engage in traditional athletic, cultural, and social events</li> </ul>	<ul style="list-style-type: none"> <li>Increase cadence of remote Board meetings and information sessions</li> <li>Record sessions to provide flexibility for trustees</li> <li>Communicate with advisories that usual activities will either pause or go virtual</li> <li>Create multi-channel communications for alumni</li> </ul>	<ul style="list-style-type: none"> <li>Boards become more involved in practical problem-solving where appropriate</li> <li>Board meetings become more interactive, regular, and virtual</li> <li>Expand role of corporate advisories in 2021, as appropriate</li> </ul>
<b>Model 2: Campus Open</b>		
<ul style="list-style-type: none"> <li>Continued or increased alumni concern over alma mater's financial position</li> <li>Continued or increased dependence on Board views for guidance during rapidly changing environment</li> </ul>	<ul style="list-style-type: none"> <li>Create multi-channel communications with alumni</li> <li>Increase frequency of communications</li> <li>Consult corporate advisories to help the institution prepare to meet back-to-work retraining needs</li> </ul>	<ul style="list-style-type: none"> <li>Identify new opportunities to seek help from alumni, especially for back-to-work training, guest speaking, recruiting videos, or teaching non-traditional courses</li> <li>Maintain frequent communication to engage and best utilize time with alumni, advisories, and boards of trustees</li> </ul>

**Issue Analysis: External Partnerships** *(continued)*

**Model One: Campus Closed**

From a leadership perspective, the most important partnership is with the Board of Trustees. If campus remains closed, trustees may feel uninformed or disengaged without the traditional, in-person meetings to which they are accustomed. At the same time, administrators may need the trustees' advice more than ever. To address these challenges, administration leaders should purposely increase the cadence of communications with trustees, and trustees should be strongly encouraged to attend virtual meetings. Both sides should increase their efforts to communicate, share advice, and accept changes in communication modality that work to the benefit of the institution in this very difficult time.

Alumni will be unable to engage in fall athletic, cultural, and social events, which will also have financial impacts. Targeted communications campaigns can help keep alumni engaged and encourage those who are able to support the institution financially.

**Model Two: Campus Open**

If campus reopens, trustees should still have the option to attend meetings virtually, even if they have the ability to meet in person, to ensure the greatest possible attendance at meetings and stay prepared for a possible future need to return to online meetings. Consider streamlining the number and size of board committees so fewer members at a time can meet together in safer, smaller groups and continue their charge to report up to the larger group.

External corporate advisories are more common in business and engineering schools. We recommend communicating consistently and appreciatively with them, but purposefully giving them space to concentrate on their own

businesses for the fall as their situation requires. As institutions normalize and campuses reopen, advisory members and alumni may have more time to address concerns over the institution's economic outlook. Invite them to reengage with and support the institution in deeper ways, such as guest speaking, teaching non-traditional courses, and recruiting.

**Opportunities:**

The opportunity for using recently adopted virtual communication among all these stakeholders will boost not only digital integration but will also increase convenience and decrease costs. Also, with the probable need for more back-to-work retraining in the near future, institutions will be wise to depend on the knowledge of their advisories, alumni, and boards as to what is needed by the workforce at any particular time.



# Conclusion: Higher Education's "Now," "Near," and "Far"

Higher education institutions are facing unprecedented challenges in managing their response to the COVID-19 crisis. In any scenario, institutions are facing the likelihood of reduced revenues and the probability of increased costs to ensure the safety and health of students and the quality of the institution's academic offerings.

It is important to also consider the longer-term opportunities that colleges and universities may have as they adapt to the changes the pandemic requires. In certain respects, the pandemic is exacerbating issues and accelerating decisions that institutions already faced, including the emergence of alternative online learning modalities and the prospect of declining enrollments of both international and domestic students. The pandemic has created a crisis, but also an opportunity to transform.

Colleges and universities should be thinking in terms of their "now," "near," and "far." "Now" has been a period of rapid transformation to adjust to a new reality of closed campuses and remote learning. The issues presented here are intended to help institutions prepare for the "near," a time of uncertainty that likely will extend across the coming academic year as institutions determine when and how they will bring students back onto campus, and how they will manage the financial impacts that will accompany their decisions.

Higher education's "far" is an even bigger question. It requires leadership to envision what they believe their institution must become to thrive in the future, and to define and pursue the capabilities they will need to realize this vision. Leadership's task today is to move their institution through the many risks it faces in the "now" and the "near," while positioning their institution to reach the "far."



## About Kaufman Hall

Kaufman Hall helps society's foundational institutions—healthcare and higher education—to achieve their full potential in service to others. For more than 30 years, Kaufman Hall has provided first-class management consulting in strategic financial planning; performance improvement; partnerships, mergers, and acquisitions; and treasury and capital markets. Kaufman Hall's consulting is supported by a deep foundation of benchmarking and software tools. For more information, please visit [www.kaufmanhall.com](http://www.kaufmanhall.com).

## About Ellucian

Ellucian is the market leader charting the digital future of higher education with a portfolio of cloud-ready technology solutions and services. From student recruitment to workforce analytics; from fundraising opportunities to alumni engagement; Ellucian's comprehensive suite of data-rich tools gives colleges and universities the information they need to lead with confidence.

Working with a community of more than 2,700 customers in over 50 countries, Ellucian keeps innovating as higher education keeps evolving. Drawing on its comprehensive higher education business acumen and suite of services, Ellucian guides its customers through manageable, sustainable digital transformation — so that every type of institution and student can thrive in today's fast-changing landscape. To find out what's next in higher education solutions and services, visit Ellucian at [www.ellucian.com](http://www.ellucian.com).

## About Syntellis Performance Solutions

Syntellis Performance Solutions, previously Kaufman Hall Software, provides innovative enterprise performance management software, data and analytics solutions for higher education institutions. Our powerful budgeting, financial planning, and analytics solutions help colleges and universities elevate financial performance and transform vision into reality. With leading institutions using our flexible, powerful, intuitive Axiom software to manage nearly \$60 billion in revenue and \$100 billion in endowments combined with top satisfaction rankings from BPM partners for the past 8 years, our proven industry expertise helps college and universities acquire insights, accelerate decisions and advance their business plans. For more information, please visit [www.syntellis.com](http://www.syntellis.com).



*KaufmanHall*

