**ERAC – October 8 Town Hall – Reopening and University Finances**

**Finances**

**FY 19-20**

* Negative impacts for COVID- 19 approximated $11.9M. These included:
	+ Housing Room refund
	+ Lost Conference revenues
	+ Dining Board and Dining Dollar refunds
	+ Athletics revenue (NCAA, events,…)
	+ Parking, Child Care, Mailing, Bookstore,…
	+ LTS costs for remote learning
	+ Health and Wellness Center supplies and renovations
	+ Study Abroad/International Affairs
* Most of these expenses were mitigated by the following cost reductions:
	+ Financial Aid related to Room and Board
	+ Reduced food costs to Sodexo
	+ Reduced travel, meal and consultant expense
	+ Housing system expense savings
	+ Reduced facilities costs
	+ Hiring Freeze
	+ Furloughs
	+ CARES Act Relief Allocation
* Task force created for Financial Planning

**FY 20-21**

* President Simon’s June 1 message to the campus community noted that we were preparing for a $40 million budget shortfall for FY 20-21.
* This was based on a number of factors including the size of the incoming class, size of the returning class, on-campus vs. remote teaching and the housing situation. Based on government guidelines
* Approximately 66% of the university revenue is derived from tuition, fees, room and board
* The impact on these revenue sources include the following:
	+ No undergraduate tuition increase from FY 19-20 for ~50% of the class being non-remote
	+ A 10% tuition discount from the FY 19-20 undergraduate tuition for those who chose the remote mode of learning (~50%)
	+ No student activity fee
	+ Housing density limited to ~1/3 of the usual bed spaces in the Housing system, each at a category I rate. Typically there are 4 category rates depending upon the building.
	+ Board (dining) plans down
	+ No catering and concessions in the dining program
	+ Gifts and investment earnings reduced
	+ No external events impacting conference services, athletics and others
* In addition to some of the impacts mentioned above the following will be incurred:
	+ COVID testing
	+ Infrastructure related costs (including plexiglass, renovations, signage, hand sanitizers,…)
	+ Lehigh in Residence (International programs)
* Additional actions implemented to offset revenue and expense impacts include:
	+ No merit increases
	+ Pension contributions suspended
	+ Reduction of senior leaders pay
	+ Campus departments identified cost reductions
* Ever evolving and changing. Many uncertainties as the pandemic continues.