**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.