

UTOLEDO COVID-19 RESPONSE AND BUDGET IMPLICATIONS

May 1, 2020



COVID-19 RESPONSE

- All academic courses for spring 2020 transferred to remote delivery
- Suspended all travel through June 30, 2020
- Canceled all on-campus events
- Facilitated move-out for all residential students
- Implemented mandatory 14-day self-isolation plans for those returning from travel
- All on-campus dining suspended; transitioned to carry-out only
- Remote work arrangements implemented for all employees
- Announced summer 2020 academic courses would be online only

FEDERAL CARES ACT

- UToledo is expected to receive **\$13.5 million** in funds from the federal Coronavirus Aid, Relief and Economic Security (CARES) Act to help mitigate financial impacts from the COVID-19 pandemic.
- This first **\$6.7 million installment is being used to immediately assist current students** experiencing financial hardships caused by the pandemic.
- The second installment of approximately **\$6.7 million**, when received, will be used to cover costs associated with the institution's response to the COVID-19 pandemic.

CURRENT COVID IMPACT ON UTOLEDO = **-\$20.93M**

- General Fund
 - State share of instruction – reduction of up to 20%
 - Misc. COVID expenses
- Auxiliaries
 - Room & board credits
 - Loss of revenue
- Summer
 - Summer enrollment
 - General fee
 - Lab & Tech fees
 - Facilities fees
 - Distance Learning fee

-\$20.93M
6.8M

-\$14.13M



COST SAVING ACTIONS ALREADY TAKEN

- Hiring Freeze per Governor DeWine on March 23
- Released most intermittent call-ins and student workers
- Cancellation of capital projects
- Monitoring all budget transfers
- Reduction in discretionary spending, research-related expenses and utility spend
- Senior Leaders and Deans took a voluntary 20% pay cut as of April 11

ADDITIONAL ACTIONS UNDER CONSIDERATION

- Focus on strategic/mission critical priorities
- Consolidation/reorganization
- Shared/centralized services
- Reduction in pay, salary freezes, furloughs, layoffs
- Retirement incentive
- Employee Benefits Assessment
- Reopening of negotiations with all bargaining units

FY21 BUDGET ASSUMPTIONS

- Declining Enrollment
- Tuition and Fees Revenue Decline
- Increases in Student Financial Aid Expenses
- 20% Decline in State Support (SSI)
- Compensation Obligations
- Reduced Auxiliary Contributions
- Continued Financial Challenges at UTMC

Preliminary calculations indicate that we are facing a **\$36M deficit** in FY21 that must be addressed.

FY21
-\$36.M

ADDRESSING CHALLENGES

- We'll be working to build our FY21 budget over the next few weeks.
- By state statute we are required to submit to the University's Board of Trustees a balanced budget in June.
- We've made difficult decisions and there are more on the horizon in the coming days and weeks.
- We will update the campus community as we work through this process to address these financial challenges.