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Higher Education's COVID-19 Crisis: Scenario Planning for the Fall 2020 Term

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Introduction

Colleges and universities face many uncertainties as they plan for the 2020-21 academic year. While we all hope for a quick end to the disruptions caused by the COVID-19 pandemic, we realize that we will need to deal with its impacts—including social distancing and its profound economic effects—until a vaccine or effective treatments are available.

SCENARIOS

While a return to normal operations in the fall would be ideal, colleges and universities likely are facing two primary scenarios:

- **Scenario One:** Campuses remain closed and coursework stays online.
- **Scenario Two:** Campuses reopen, but with certain social distancing measures still in place that will affect instruction, operations, and events and the looming possibility of return to full-scale remote learning if the pandemic intensifies again.

This guide outlines possible impacts, potential solutions, and opportunities presented by the two scenarios across five issues: academic product mix and modality, student support, enrollment and revenue, operations, and external partnerships. Outlines for the two scenarios are followed by analyses of each of the five issues.

GENERAL CONSIDERATIONS

Regardless of scenario, 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 the organization-wide level, 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.
- **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.

Two Scenarios for Fall 2020

— SCENARIO 1: CAMPUSES CLOSED TO IN-PERSON INSTRUCTION

ISSUE	POSSIBLE IMPACTS	POTENTIAL SOLUTIONS	OPPORTUNITIES
Academic Product Mix and Modality	<ul style="list-style-type: none"> Insufficient time to consistently increase quality of all remote learning before fall Need to adjust academic product mix while keeping graduation trajectories viable Student pushback against remote learning 	<ul style="list-style-type: none"> Align schools and departments by developing all-campus faculty training on purposeful online learning; publicize quality examples Invest strongly in instructional design now and into fall Delay some courses until spring, if possible Develop specific methodologies to create more personable online learning 	<ul style="list-style-type: none"> Create broad, innovative thinking on academic product mix overall by aligning schools and departments around this effort Create communication channels to support faculty creativity around online learning Develop very high-quality MOOC-type courses for fall; supplement with small student-support sections to personalize the experience
Student Support	<ul style="list-style-type: none"> Challenges in delivering consistent, high-quality student support services in a remote environment 	<ul style="list-style-type: none"> Deploy innovative, potentially non-traditional service models (e.g., text, chat, or videoconferencing functionality) 	<ul style="list-style-type: none"> Gather constituent feedback, evaluate and potentially redesign services, processes, and technologies in a holistic, student-centric way
Enrollment and Revenue	<ul style="list-style-type: none"> Exacerbated enrollment declines, particularly for international students Forgone auxiliary revenue Continued substantial support for remote instruction and work 	<ul style="list-style-type: none"> Discount tuition price for online Offer deferrals/gap terms or years Reconfigure fees as appropriate for remote learning Target marketing to key student constituencies (e.g., at risk, non-traditional, etc.) Reconsider transfer credit policy Assess/suspend programs that rely heavily on international student enrollment 	<ul style="list-style-type: none"> Demonstrate commitment to students through support services, flexibility, and pricing Accelerate plans for adopting online technology for both pedagogical and financial benefits Reaffirm/message value of residential programs
Operations	<ul style="list-style-type: none"> Need to maintain base-level services for students, faculty, and administrators who remain on campus Continued remote execution of administrative work 	<ul style="list-style-type: none"> Critically evaluate business processes, technologies, and administrative cycles; work to redesign or eliminate manual or non-mission-critical processes 	<ul style="list-style-type: none"> Evaluate service agreements in a holistic way; seek to optimize cost and enhance services Consider continued remote work for particular individuals or administrative units based on effectiveness in spring and summer terms Evaluate related opportunities to further optimize real estate, based on scale of workforce reconfiguration
External Partnerships	<ul style="list-style-type: none"> Trustees feel uninformed as traditional, in-person meetings are suspended Corporate partnerships/program advisories are neglected due to stress on both corporations and universities/colleges Alumni are unable to engage in traditional athletic, cultural, and social events 	<ul style="list-style-type: none"> Step up cadence of remote Board meetings and informational sessions Record sessions to provide flexibility for trustees Communicate with advisories that usual activities will either pause or move to a virtual platform Create multi-channel communications for alumni 	<ul style="list-style-type: none"> Boards become more involved in practical problem-solving where appropriate Board meetings become more interactive, regular, and virtual Expand role of corporate advisories in 2021, as appropriate

Two Scenarios for Fall 2020 *(continued)*

SCENARIO 2: CAMPUSES OPEN TO IN-PERSON INSTRUCTION

ISSUE	POSSIBLE IMPACTS	POTENTIAL SOLUTIONS	OPPORTUNITIES
Academic Product Mix and Modality	<ul style="list-style-type: none"> Students reluctant to return to campus ask for courses to be offered in a choice of two modalities (with associated extra expenses) Need to return to remote/online learning mid-term Need to adjust start date, term length, or term divisions 	<ul style="list-style-type: none"> Check Spring 2020 course evaluations to identify successful remote and online courses and cross-link proven, successful online courses from spring to those needed for fall term Consider using online courses more broadly ongoing Generally, evaluate Spring 2020 online courses as a unique model Delay start dates to allow for more flexibility if moving between scenarios 	<ul style="list-style-type: none"> Innovatively integrate/partner courses from different schools to decrease required resources to produce and teach them while increasing quality Compare outcomes from more purposefully developed online courses to those from similar, in-person courses to gather data for continual improvement Shorter term divisions may attract non-traditional students and still meet accreditation requirements
Student Support	<ul style="list-style-type: none"> Constituent groups demand proactive, transparent communications Students seek additional online/remote services Mental health and wellness services are in higher demand 	<ul style="list-style-type: none"> Revisit, refine, or redesign communication strategies Enable greater use of technologies and remote service offerings 	<ul style="list-style-type: none"> Engage constituent groups to provide feedback and support future state design for services and communication strategies Use constituent feedback to redesign services, processes, and technologies in a holistic, student-centric way
Enrollment and Revenue	<ul style="list-style-type: none"> COVID concerns keep some students from campus Substantial campus safety measures and protocols required Some students allowed to attend online, at additional cost to institution A second wave or outbreak of COVID-19 causes repeat of the Spring 2020 experience 	<ul style="list-style-type: none"> Decide whether students have option to remain off-campus and study online (and whether tuition rate will be the same for online and faculty will be ready to teach in two modalities) Partner with other institutions to support any off-campus instruction (ideally with reciprocal arrangements) 	<ul style="list-style-type: none"> Enhanced pedagogy and revenue through online programming Increased course choices for students through partner institutions (and retained student enrollment) Potential to expand enrollment through partnerships
Operations	<ul style="list-style-type: none"> Shifts in enrollment materially impact types and levels of services required Enrollment declines produce lower revenue, also impacting institutions' financial health and ability to maintain pre-COVID 19 operational cost levels 	<ul style="list-style-type: none"> Implement cost containment measures, including wage and non-critical position hiring freezes, early retirement incentives, and discretionary spending reductions/elimination 	<ul style="list-style-type: none"> Evaluate opportunities to refine and redesign administrative structures to drive optimal use of technologies, minimize manual processes, and optimize business processes Evaluate resulting opportunities to rationalize FTEs or redeploy resources across the institution
External Partnerships	<ul style="list-style-type: none"> Increased alumni concern over their alma mater's financial position Increased dependence on Board views for guidance during rapidly changing environment 	<ul style="list-style-type: none"> Create multi-channel communications with alumni Increase frequency of communications Consult corporate advisories to help the institution prepare to meet back-to-work retraining needs 	<ul style="list-style-type: none"> New opportunities to seek help from alumni, especially for back-to-work training, in areas such as guest speaking, recruiting videos, or teaching non-traditional courses More virtual communication ongoing in the mix enhances engagement and leverages time with alumni, advisories, and boards of trustees

Issue Analysis: Academic Product Mix and Modality

➔ SCENARIO ONE

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 must continue, 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.

➔ SCENARIO TWO

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 delay

their fall start dates or even put the fall semester on hold until spring. 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 done 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. If campuses remain 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

➖ SCENARIO ONE

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 and 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.

➡ SCENARIO TWO

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

⊖ SCENARIO ONE

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 cannot reopen, institutions could face a full term with reduced tuition revenue as students defer, limit travel, and possibly pay lower online tuition rates. They also would lose most auxiliary revenues. Additional expenses would be required to further develop online instruction and student support services.

Although campus closings in the fall would 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.

➡ SCENARIO TWO

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 would 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. And the risk of a second major outbreak likely will 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.

Issue Analysis: Operations

➔ SCENARIO ONE

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 be driving robust and consistent performance management across the enterprise.

➔ SCENARIO TWO

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 and transform, there are numerous opportunities to reevaluate the recent past and develop a more strategic approach to operations on an enterprise level in order to further 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 in order 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 potential opportunities to right-size, rationalize, or repurpose pieces of the current real estate portfolio.

Regardless of scenario, 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 identifying opportunities to increase effectiveness, maximize use of technologies, and ensure resource deployment against the highest value strategic activities.

Issue Analysis: External Partnerships

➔ SCENARIO ONE

From a leadership perspective, the most important partnership is with the Board of Trustees. If campus must remain closed, trustees may feel uninformed or disengaged without the traditional, in-person meetings to which they are accustomed. At the same time, administrators may be more in need of the trustees' advice than ever. To address these challenges, administration leaders should purposely increase the cadence of communications with trustees, and trustees should be strongly encouraged to adapt to and 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. A targeted communications campaign can help keep alumni engaged and encourage those who are able to support the institution financially.

➔ SCENARIO TWO

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 newly learned 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 almost 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, however, also to consider the longer-term opportunities that colleges and universities may have as they adapt to the changes the pandemic is requiring them to make. 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 scenarios 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."

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