



Navigating a Pandemic
Penn State’s Response Prepared by President Eric Barron

Thank you for your ongoing support of The Pennsylvania State University, especially as we have needed to shift nearly every aspect of our operations due to the COVID-19 pandemic. We greatly appreciate all the efforts by the Commonwealth to protect the health, safety, and economic interests of Pennsylvania communities. We continue to rely on the guidance of the Pennsylvania Department of Health and the Pennsylvania Department of Education in concert with Governor Wolf’s recommendations. These have been the backbone of our decisions throughout the spring as well as our planning for the next academic year.

In this summary report, I will provide a brief overview of our response to the pandemic as well as our plans for moving forward. This spring has seen unprecedented challenges globally. Although Penn State was able to adapt our operations to provide the high-quality teaching, research, and service that characterize a Penn State education, there have been and continue to be significant financial and operational challenges. As we prepare for the new academic year, we will adopt a phased approach that addresses students, faculty, staff, and community members—across all of Penn State’s 24 campuses. A key factor supporting Penn State’s robust planning process has been the legislature’s commitment to full-year funding, despite the impact of COVID-19 on the Commonwealth. The annual appropriation is essential for determining resident tuition, conducting critical agricultural research, continuing workforce training, and providing medical services to those who need them most. In this time of great uncertainty, we are extremely grateful for your support of our annual appropriation.

Spring 2020: Onset of COVID-19

Penn State began to closely monitor the new strain of coronavirus in January. At that time, we restricted University-affiliated student travel to China and recommended against any travel to China based on international travel guidance from the U.S. Department of State, Centers for Disease Control, World Health Organization, and the United Healthcare Global World Watch Intelligence database. On campus, University Health Services began screening and precautionary measures for those with respiratory symptoms and fever.

By February, it was clear that COVID-19 posed a significant threat to the global community. In response, Penn State began offering affected student communities on campus support and assistance. We launched a dedicated COVID-19 website to provide regular updates, and Penn State joined the global effort for open access to emerging coronavirus research. Penn State also tightened travel restrictions. By mid-March, we had canceled or suspended faculty-led programs and required students studying abroad to return home. In addition, we recommended a

14-day quarantine for travelers from China, Iran, Italy, and South Korea.

During the first week of March, we formed 12 task groups to help Penn State shape our response. The task forces focused on (1) communications; (2) campus health preparedness and response; (3) study abroad and support of international students; (4) general emergency preparedness and response; (5) community interaction and coordination; (6) semester/summer course delivery and enrollment management; (7) commencement; (8) summer and emergency accommodations; (9) general business continuity; (10) research support; (11) athletics, camps and other large events; and (12) academic issues.

By mid-March, we made the decision that there would be a significant health risk if our students, faculty, and staff returned to our campuses after spring break. All staff that were able to perform their work remotely began telecommuting, and we transitioned all courses to synchronous remote learning, with courses meeting on Zoom during their regular schedule. We determined that a synchronous learning environment would provide a familiar structure for students, allow for a continued sense of community, and offer faculty the ability to visually “check-in” on their students and identify any who were struggling. Fortunately, Penn State has a long and distinguished history of teaching and learning using an asynchronous online modality, especially through the World Campus, which consistently ranks among the top online undergraduate programs in the world. I’m very proud of how our faculty and staff worked together, so that on the first day of remote classes (March 16th), 63,000 students were online by 10AM. To enable faculty to provide highly interactive synchronous instruction, Penn State launched [RemoteTeaching.psu.edu](https://remote.teaching.psu.edu) with tips, training and FAQ. To ensure that students were able to adapt to the remote technology format, we asked the faculty to alert advisers about students who stopped attending classes, and we provided additional support through counseling services, career services, and the student engagement network. We also provided students with alternative grading options for spring semester.

Once our courses were underway, we needed to address the financial implications for our community members as well as the institution. We provided prorated on-campus housing and meal plan reimbursements, and focused attention on the student support emergency fund through a targeted fundraising effort (now \$589K thanks to 2,921 donors). We announced that the university would cover all worker salaries through April 30; from May 4-June 30 employees unable to do their jobs on campus have received 50 percent of their salary and retained healthcare insurance and other benefits. The Penn State workers most affected have been in the Office of Physical Plant, Housing and Food Services, Hospitality, Conferences and Institutes, and Auxiliary Services. With Pennsylvania’s shift to green status, by June 15th 82 percent of the Office of Physical Plant will have returned to full employment.

As one of the leading research universities in the world, Penn State joined the fight against COVID-19. Faculty across the university quickly pivoted to the study of coronavirus. Huck Institutes of the Life Sciences provided \$2.25 million to 47 teams of researchers from three

campuses, 10 colleges and more than 25 departments to conduct COVID-19 research. Penn State Extension stepped up to disseminate information and findings through coronavirus-related resources. Registrations for online courses and webinars topped 137,000, and there were overall 1.5 million users and 6.5 million pageviews.

Penn State is very grateful for the \$55 million stimulus allotment by the U.S. Department of Education as well as the flexibility for how universities use these funds. The funding was designated as follows:

- ***\$27.497M for students.*** For all intents and purposes, the university is basically a pass-through of federal funding for cash grants to students.
- ***\$27.497M directly from the federal government for institutional use;*** key to employee support and meeting federal guidelines for the funds.

Communication has been a crucial element of every part of the process. We held virtual town halls for students and families, faculty and staff that had more than 30,000 unique views. Emails, blog posts, and other direct communications have kept the community apprised of our decisions since COVID-19 was first identified as a threat.

Planning for Summer and Fall

Given the financial and social disruption caused by COVID-19, we have been watching the summer and fall admissions figures very closely. Summer melt remains a major concern as we look ahead to the fall.

On April 1, Penn State established a major task force to look at scenario planning. The result was three possible scenarios:

- **Best Case:** Largely back to operations with tuition revenue down about 5%.
- **More Likely Case:** Could be hybrid remote/residential instruction with tuition revenue down about 10%-12% (acknowledges financial impacts of the crisis on families and students).
- **Worst Case:** Fully remote instruction in the fall with tuition revenue down about 30%-35% (acknowledges likely postponement/deferrals of starting at PSU for first-year students, impacts on retention of current students).

We are moving forward based on the “most likely” budget scenario and have continued our collaborative, systematic approach to planning for summer and fall. We established three forward-looking task forces to address: 1) Scientific Underpinning and Health Considerations (led by experts at Penn State); 2) Return to Work (faculty/staff-focused); and 3) Return to Campuses and Communities (student-focused). We extended the remote delivery of courses into summer and reduced tuition for Summer session in recognition of the challenging economic circumstances of many families. We have implemented hiring restrictions and are planning for a zero General Salary Increase (GSI) for faculty and staff. We are requiring a three

percent cut in units' education and general fund budgets for fiscal year 2020-21. We are implementing capital cost saving measures that include several delayed or deferred capital projects. And most importantly, with the support of the Board, Penn State plans to freeze 2020-21 tuition to help ease COVID-19 hardships.

On June 15 Penn State will announce our decision about the status of the fall semester. We are closely following guidance from the Pennsylvania Department of Health and the Pennsylvania Department of Education in concert with Governor Wolf's recommendations. Kevin Black, interim dean of the College of Medicine, is overseeing the effort for testing and contact tracing. Vice President for Student Affairs Damon Sims is leading the effort for our students to return to our campuses. Vice President for Human Resources Lorraine Goffe is overseeing the return to the workplace. And Executive Vice President and Provost Nick Jones is overseeing all aspects of the delivery of our education, which will maintain the high-quality families expect from Penn State. The "most likely" scenario has us optimistic that we will open in the fall with a mix of in-residence, online, remote, and hybrid modalities for learning across all Penn State campuses. This could change if conditions or federal and state guidelines do not permit opening. In addition, our strong virtual learning capabilities can enable international students for example, to take courses remotely until travel restrictions are lifted, when they can return to campus. Our fundraising success will continue to play a vital role for the University as the economy recovers. And our research enterprise is continuing to show a solid trend in generating competitively awarded grants and contracts.

Clearly COVID-19 has and will have a significant impact on Penn State's financial picture. We have considerable uncertainty about the size and character of the new and returning student population. Our spring net losses topped \$77 million, not including Penn State Health and Penn College, and our projected education and general budget deficits for Summer and Fall range between \$30 million and \$400+ million. This deficit doesn't include the losses in our auxiliary operations, including the give-back of food and housing dollars to students. Penn State has implemented salary freezes, looked for new sources of savings, and implemented across-the-board cuts. While Penn State maintains strategic reserves, which can be used to help manage the deficits if revenue losses exceed our best estimates, we will likely have to borrow funds to fill the gap. We are looking ahead to the logistical challenges and financial impact of testing, contact tracing, and acquiring an adequate supply of personal protection equipment (PPE). We are also planning for the challenges of student compliance and community reaction to the reopening of our campuses, and we must anticipate liability exposure.

Thank you for the opportunity to share our efforts to address the impact of COVID-19 as we plan for a healthy future. Your partnership enables us to fulfill our land-grant mission and to serve the great Commonwealth of Pennsylvania.