



The University has not requested emergency supplemental funding from the state to cover our pandemic-related shortfalls. Instead, we have managed and will continue to manage those challenges internally.

A University priority was to protect students and families thrown into a potentially unstable financial situation due to the pandemic.

- We froze tuition and fees for nearly all student groups in the academic year 20-21; and
- We refunded relevant fees and housing/dining contracts for students last spring when all activities stopped or were adjusted for a period of months.

The University addressed the budget impact for the final months of FY 20 and is planning to address the impact for FY 21 through a series of budget adjustments and reductions.

FY 20 Budget Impact - approximately \$65 million through fiscal year's end

- Used \$22 million of a \$49 million total central reserve fund to address pandemic related shortfall. (An additional \$13 million was used for FY 21). This will leave the reserves balance at an estimated \$14 million, well below the Board of Regents policy guideline of roughly \$28 million. The reserve fund insulates the University from potential major financial risks;
- Implemented a hiring freeze in the final months of FY 20;
- Made internal budget cuts and reallocations;
- Spent down unit balances;
- Implemented a voluntary pay reduction for a significant group of employees ; and
- Utilized CARES Act funding.

FY 21 Budget Impact = approximately \$150m - \$175m for the full fiscal year

- Implemented a program of systemwide, temporary pay cuts and furloughs for all employees making over \$60,000;
- Senior leaders took 10% pay cuts;
- Continuation of the hiring freeze;
- Implemented freeze on merit salary increases;
- Implemented a retirement incentive option;
- Making further internal budget cuts and reallocations;
- Continuing to spend down unit balances and the remaining (board approved) \$13 million of central reserves; and
- Considering innovative financing plans to address the shortfalls in our “auxiliaries” (student housing & dining, parking, athletics) over a longer period of time.