

**Pennsylvania's State System of Higher Education
Office of the Chancellor**

**University Post-Pandemic Financial Strategy Planning
March 27, 2020**

Following the Governor's declaration of emergency on March 6, 2020, our universities have acted to transition quickly from largely face-to-face to wholly remote forms of instruction. I am grateful for the work you have done to maintain operations in a manner consistent with the Governor's orders while protecting and sustaining those students who must remain on your campuses.

While there is a great deal more to do to see our way through this crisis, it is time now to begin assessing the impact it has had on our operations and charting a path forward into the post-pandemic future for our universities and the System.

To that end, we must continue looking realistically at our operating models – at each of our universities and across the system. The financial impacts of the pandemic are substantial. We estimate that the cumulative impact of lost receipts and increased costs in this semester alone is \$70-100M. This figure will only grow as we continue remote instruction through all summer sessions and cancel or move to remote modalities all other face-to-face summertime programming. Nor does it take account of any reduced enrollments that result from severely impacted recruitment activities and student behaviors we simply cannot predict.

Losses of this magnitude will add to our financial challenges. We need to be mindful that those challenges were already severe – severe enough to require taking unprecedented measures in our sustainability planning process and as indicated in my [directive](#) to you dated February 13, 2020.

Navigating these challenges will require significant restructuring. I am directing you to engage with the leadership of your bargaining units, your non-represented staff, and other appropriate stakeholders in all aspects of the planning process – from assessing financial impacts on your universities and the system, to developing and implementing strategies for dealing with those impacts. It will be as critical to engage directly and openly with your Councils of Trustees on these matters to ensure they have the tools they need to exercise their responsibilities effectively and provide valuable input into the planning processes.

I will expect results of this planning work to be incorporated in the university budgets that you submit in September, in further drafts of sustainability plans scheduled for May and September (including the sustainability data provided at these times from the five universities that are not required to complete a sustainability plan). I look forward to working with you to determine the implications of this work for how we operate as a system.

These are extraordinary times requiring extraordinary measures and we will be well served by drawing on the wisdom and insights of our communities, by our deliberate attention to transparency, and by our working together as members of the system's leadership team.