Summary of IHE Spending of Federal Funding for COVID-19 and Ongoing Cost Containment

COLORADO
Department of Higher Education

To date, Colorado's institutions of higher education have received $941 million; $450 million through the Coronavirus Relief Funds (CRF) and $491 million through the Higher Education Emergency Relief Funds (HEERF) I, II, or III to mitigate the impacts of the COVID-19 pandemic. Institutions also acted as a passthrough to students for and additional $369 million of aid. The pandemic has presented many financial challenges to the institutions.

Revenue losses have included but are not limited to:

- 58% state funding cut in FY 2020-21 (restored in FY 2021-22);
- Tuition and fee revenue loss due to large enrollment declines;
- Loss of auxiliary revenue from things like housing, parking, dining, conferences/events, child care, ticket sales, bookstores, athletic camps, etc.

At the same time, the pandemic has necessitated additional expenditures, including but not limited to:

- Refunds to students for housing and dining in Spring 2020;
- COVID-19 testing and contract tracing;
- IT investments and training costs associated with moving to virtual instruction;
- HVAC upgrades;
- Health supplies such as PPE, hand sanitizing stations, etc.

The Coronavirus Relief Funds (CRF) were funded by the federal CARES Act and appropriated by the Governor. Institution of Higher Education were awarded $450 million. This money almost offset the state funding cut to higher education of 58%, but left a net 5% deficit. Per federal guidance, CRF funds could not be used as revenue replacement.

Institutions reported using CRF funds in the following ways:

- Salaries and benefits for faculty/staff supporting instruction, academic support and student services
- Salaries and benefits for essential workers such as police and custodial staff
- Remote learning supplies (laptops, projectors, hotspots, etc.)
- Health supplies (PPE, hand sanitizer stations, COVID-19 tests, etc.)
- Online mental health services
- HVAC upgrades

Higher Education Emergency Relief Funds (HEERF) I, II, and III were allocated directly to institutions by the federal government. Colorado institutions received $860 million, but only $491 million was available for their use, as the other $369 million was mandated to be directly passed on to students. The institutional portion could be used to backfill lost revenues or on pandemic related expenses.

Institutions reported using HEERF funds in the following way:

STUDENT PORTION

- Emergency grants
- Financial Aid
- Cash assistance
- Off-campus housing assistance
- Wrap-around support services

INSTITUTION PORTION

- Backfill lost revenue (tuition and fee, auxiliary, child care, etc.)
- Reimburse institution for lost room, board, and parking refunds issued when the switch to virtual occurred
- IT improvements
- Instructional costs
- Course redesign and instructor training on virtual delivery
- Temporary expansion of health personnel
- Hotel costs to reduce density of residence halls
- Health supplies (PPE, hand sanitizer stations, COVID tests, etc.)
- Administrative costs of managing pandemic–coordination of testing, vaccine requirements, etc.
- Incentives for student vaccines

The federal funding institutions have received has been immensely helpful. It has helped institutions continue to serve students through this difficult time, minimize or avoid tuition increases, and avoid making deeper cuts. However, due to the FY 2020-21 state funding cut, tuition and fee revenue decreases due to large enrollment declines, and the loss of auxiliary revenues, institutions have still had to make some difficult decisions.

Cost cuts reported by institutions include:

- Hiring freezes
- Compensation freezes/reductions
- Lay-offs/reductions in force
- Staff furloughs
- Defer maintenance
- Expend reserve funds
- Close buildings
- Cancel service contracts
- Reduce or delay purchase of equipment and supplies
- Reduce travel and professional development
- Eliminate/consolidate academic programs

Both prior to and throughout the pandemic, institutions have continuously made efforts to find efficiencies and save students money. Federal funds are one-time in nature, so the need to identify such measures is more important than ever as we enter the third year of this pandemic.

Cost containment strategies for students and the institutions reported by institutions include:

- In partnership with the state, most institutions were able to keep tuition flat during 2019, 2020 and the first half of 2021.
- Open educational resources eliminating textbook and course material costs in some courses.
- Loaning out electronic devices to students free of charge.
- Collaborative academic programs with other institutions.
- Shared services amongst campuses within systems and at the Auraria Higher Education Center.
- Mutually beneficial use of student employees.
- Energy efficiencies – energy performance contracts, solar energy, geothermal energy, LED lights, rebates.
- Optimizing space and taking advantage of “hoteling” rather than building new facilities.
- Switch from paper to electronic.
- Restructuring to find staff efficiencies and consolidating positions where possible.
- Strategic use of public-private partnerships.
- Contract restructuring.
- Debt refinancing and investment restructuring.
- Collaboration with other institutions–supply purchasing, IT improvement projects and contracts.

For More Information

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