



UNIVERSITY OF WISCONSIN SYSTEM

Update on the Estimated Financial Impact of COVID-19 for the UW System Institutions

Board of Regents of the University of Wisconsin System

Business and Finance Committee April 8, 2021

Sean P. Nelson, Vice President for Finance

Timeline – Key COVID-19 Decisions

Winter/Spring 2020

UW System Emergency Operations Center (**EOC Activated**) on 1/22/20

Transition to **Alternative Delivery** of Instruction and Remote Workforce

Systemwide Decision on **Pro-rated Refunds for Housing and Dining**

Federal CARES Act Funding signed on 3/27/20

State's requirement of an **FY20 budget lapse of \$40.8 million**

Summer/Fall 2020

Some UW institutions **pause instruction** for 2 weeks due to COVID

Testing funding received from State's CARES allocation

Robust fall semester testing implemented on all UW campuses

State's requirement of an **FY21 budget lapse of \$45.4 million**

Winter/Spring 2021

UW System partners with Feds for **community surge testing**

Federal CARES Supplemental Funding signed on 12/27/20

UW System **ramps-up spring semester testing program**

UW System partners with State for **vaccination roll-out**

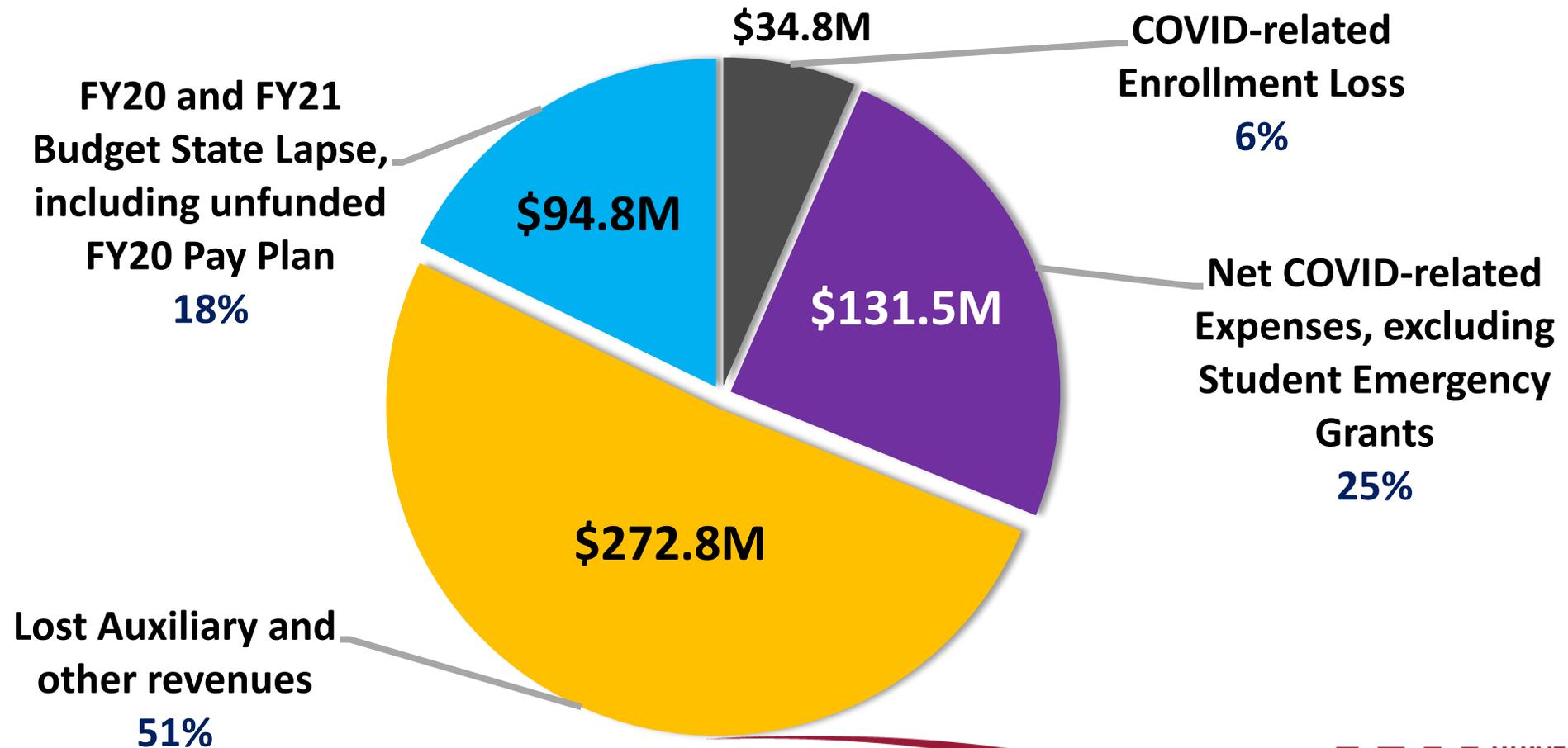
Federal America Rescue Plan Act signed on 3/10/21

Financial Impact of COVID-19 for the University of Wisconsin System

Total COVID-related Expenses and Lost Revenue

Excluding Student Emergency Grants

➤ *Estimated Expenses and Revenue Loss through May 2021 (estimated): \$534 million*



Cost Savings and Expense Reductions

March 2020 through May 2021 (estimated)

UW Institutions have **achieved cost savings and expense reductions** in several areas, including:

✓ Hiring Controls

- **Employee furloughs at all UW institutions will have generated an estimated \$65.3 million in savings through the end of May 2021**
- Attrition, layoffs, holding/eliminating vacant positions, and other salary savings

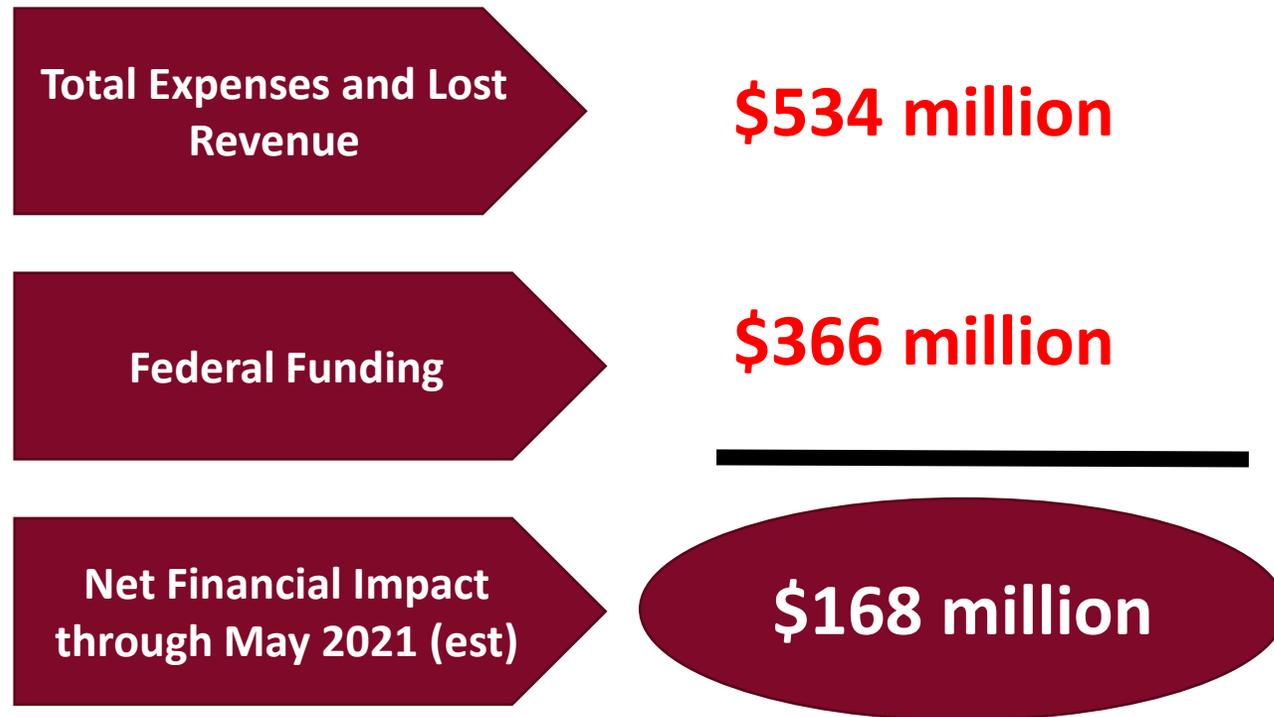
✓ Travel Restrictions

- UW institutions have drastically reduced or eliminated both in-state and out-of-state travel through to the end of the current fiscal year (June 30, 2021)
- **Reduced travel reimbursements will have generated an estimated \$34 million in savings through the end of May 2021**

✓ Utility savings, debt refinancing (through DOA), renegotiated contracts, implementation of spending controls for supplies/expenses

Net Financial Impact

*Excluding Student Emergency Grants**
March 2020 through May 2021 (estimated)



* \$232 million – or 45% of the total federal higher education funding -- will be allocated for direct aid to students

Looking Ahead

- Federal funding is **one-time funding to help mitigate losses from the pandemic** through the Fall semester of 2021
- In accordance with evolving guidance from the Feds, UW institutions continue to review and **refine loss estimates for the current Spring semester, through the summer, and into Fall semester of 2021**
- In addition to continuing with cost reductions, UWSA and Institutions are **being vigilant and proactive in monitoring cash flow and available reserves**
- Continued implementation of **robust testing** at all UW institutions for the duration of the spring semester. UW System is also partnering with State of Wisconsin to effectively **stand-up vaccination sites** at UW locations
- **FY22 Annual Budget** will be presented to the Board of Regents at the June 2021 meeting in Milwaukee