

Appendix 15 – Gonzaga and SBA Response to COVID-19

The onset of the global pandemic in the spring of 2020 brought significant disruption to higher education. While the immediate impacts on enrollment, classroom education, travel and professional development, and hiring and recruitment were felt at Gonzaga, it is fair to say that we were impact less as an institution than some of our peer and aspirant institutions.

Gonzaga made the decision to switch to a fully online instruction process in March of 2020 and every class at the institution finished the 2020 academic year in this format. When we returned to campus for a new academic year, the vast majority of courses pursued some type of modified instruction option, with the university requiring faculty to provide synchronous and fully online elements in every class, even if face-to-face instruction was chosen. Approximately two-thirds of courses taught during the 2020-21 academic year were delivered in a synchronous distanced format, while the balance pursued a hybrid/hi-flex format. As we prepare to return to campus for the 2021-22 academic year, the announced strategy for Gonzaga is to provide face-to-face on campus instruction for all courses where this would have been the preferred approach prior to the pandemic.

The pandemic required significant modifications to our campus community, to faculty professional development activities, and to other activities that are essential to our continued activity as a business school. Some examples included:

- **Professional development activities have been severely curtailed during the length of the pandemic.** All faculty travel and participation in face-to-face conference activity was suspended during the remainder of the 19-20 AY, and while a limited number of these activities resumed toward the end of the 20-21 AY, university funding for these activities was eliminated.
- **Activities that are important for career development of our students were significantly limited.** The vast majority of student-related experiences (e.g. clubs, career-related activities, field trips, internships, and professional development activities) either transitioned to a virtual format or, in many instances did not occur. In the most positive instances, this became a logistical challenge and a limitation on activities that required a physical presence (an example is our long-established VITA tax assistance program, which was unable to hold tax clinics during 2020 or 2021), but in some cases it rendered many of the student activities that are an important part of the Gonzaga experience dormant during the past fifteen months.
- **Faculty research activity was negatively impacted by the demands of the pandemic, both at work and at home.** Many faculty indicated that projects had been delayed or that the lack of collaboration opportunities, increased demands on their time, or the turnaround time at scholarly outlets slowed their planned progression.
- **Student career outcomes were delayed or became more difficult to obtain.** Many organizations modified their hiring processes to account for reduced income or shifting work patterns, and internships – a significant pathway to full-time jobs – were significantly reduced during the spring and summer of 2020. While hiring began to return to pre-pandemic patterns by the spring of 2021, the process has slowed at many of the organizations our students seek to join – delaying the successful hiring outcomes that we fully expect to later in the calendar year.
- **Revenue significantly declined as a result of reduced enrollment.** The timing of the initial wave of the pandemic significantly impacted enrollment for the coming year; the incoming freshman class university-wide was approximately 100 students smaller than forecasted (an 8% decrease in enrollment) and overall enrollment university-wide decreased by 248 (3.4% of the total student population). Despite some bright spots in graduate enrollment, the overall impact of enrollment on key revenue areas (tuition, housing, meals, etc.) created a substantial economic hole. In total, Gonzaga University lost approximately \$23.7 million in revenue to the pandemic between March of 2020 and May of 2021 (gross revenue declined by approximately \$18.5 million during that same time).

Gonzaga University and the SBA pursued a variety of temporary strategies to combat these issues. At the university level, the following budgetary steps were taken:

- Significant reductions across the board in discretionary expenses
- Travel all but eliminated
- Reduction in activities, banquets, and events largely due to health and safety restrictions
- Deferred some renewal and replacement expense on facilities and IT infrastructure
- Gonzaga's trustees authorized up to \$6 million from reserves (about 12% of institutional reserves).
- Hiring pauses applied to most vacant positions
- Salaries were frozen for all university employees during the 2021-20 and 2020-21 academic years⁴
- Invested \$6.2 million in COVID-19-related expenses, including PPE, off-campus quarantine space rental, technology investments, testing and contact tracing, cleaning supplies and signage.

Along with these budgetary challenges, some positive activities limited the financial impact of the pandemic at the institutional level:

- Gonzaga received approximately \$3.3 million in CAREs Act funding (half of the initial \$2.7mm awarded to Gonzaga was awarded directly in the form of grants to students, with the other half supporting operating expenses this year). Another \$591,000 was received from a CAREs Act distribution from Spokane County to cover PPE.
- The generosity of our donors led to a projected \$1 million in additional fundraising
- Despite the financial challenges, there were no layoffs or furloughs of faculty or staff and both groups retained compensation and benefits at current levels

Within the SBA, the primary focus was on managing the student experience to provide the most value during a challenging time. Individual instructors and the SBA as a whole engaged in a multitude of creative approaches to make up for gaps in face-to-face learning, the absence of traditional experiential opportunities, and the chaos the pandemic created in our students' hopeful career fields.

- A number of instructors leveraged our extensive use of online instruction to bring in new speakers and extend our reach. In some courses, virtual pre-recorded field trips replaced an important component of the learning experience – company visits.
- The SBA instituted the Mondays at Noon series – a weekly series that connected students and faculty as a community and invited guest speakers from within the school or without to share their thoughts on key topics of the day (e.g. diversity and inclusion, ethical principles, early career experiences) or focused on key employers, industries, or skills.
- The process of connecting students with career opportunities required improvisation and adaptation. We worked with employers to create virtual “office hours” to discuss their firms and opportunities, assisted students with the online hiring processes that many firms fell back to, and created a series of online workshop courses over the summer of 2020 to provide students whose internships were cancelled with free opportunities to gain important career development skills.

⁴ Faculty and staff salaries were frozen in March of 2020 and that freeze carried into the 2020-21 academic year. Toward the end of the 20-21 AY, the administration and the trustees approved the restoration of yearly salary adjustments for both the faculty and the staff; these adjustments will return faculty to expected rates for the 20-21 AY, and in some cases will surpass those estimates.