

Coronavirus-induced student housing levels could cost UC a billion dollars per year

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Body

Sep 18, 2020(CalMatters: <https://calmatters.org> Delivered by Newstex) In summary At the September UC Regents meeting, top UC officials said things likely won't return to normal until at least fall 2021, student housing revenue losses could be a billion dollars per year, but enrollment seems stable. The coronavirus hits keep on coming to the University of California. The global pandemic has gouged UC's finances, costing the system nearly \$2.2 billion[1] and counting in lost revenues and new expenses — an increase of almost \$400 million since July. The state's budget woes haven't helped, shorting the UC about \$300 million compared to what the governor and Legislature funded last year. A key lifeline, additional federal stimulus, is merely a glint in the eye of the system as lawmakers in Congress can't come to a deal for a new rescue package.

That's too bad, because the UC stands to gain nearly half a billion dollars from the state if Washington comes through by Oct. 15. In short, California's smoky, orange sky is falling, members of the UC Board of Regents learned this week during their bi-monthly meeting that lasted from Tuesday to Thursday. What no one really knows is how long the hurt will last. UC's top health expert Wednesday said that she expects the revenue-depleting effects of the coronavirus to linger well past next September[2]. Springing back into in-person learning next term now seems unlikely. Bye-bye, housing money That's an expensive revelation for the UC system. Student housing, a major source of UC revenue, is all over the map because of strict social distancing protocols. Dorm occupancy at UCLA is expected to be less than 10%, but could be as high as 50% at UC San Diego, said Nathan Brostrom, UC's chief financial officer. If the coronavirus lingers for another year or longer like many health experts predict, the housing revenue losses will continue. At current levels, the plunge in students living on campus would cost the university a billion dollars a year, Brostrom said. Layoffs a 'last resort' A kneecapped UC could mean job losses and work hours cut for the system's 235,000 employees. Students may see tuition hikes or fewer available classes, hampering their timely graduation plans while upping the odds they amass more loan debt. That's what happened during the previous financial calamity. Tuition and fees doubled between[3] 2008 and 2011. During that time, the equivalent of 4,200 UC employees lost jobs[4]. Nearly every staffer endured pay cuts ranging from 4% to 10%. 'That is something that we want to look at as a last resort,' Regent Vice Chair Cecilia Estolano said Thursday. 'We understand, as the third largest employer in the state of California, the role we play in economic recovery or in exacerbating the recession.' 'We have to have a much more progressive approach if we go down this path at all,' Regent Chair John A. Prez said. A salary reduction of 4% or 5% for workers earning \$60,000 or less 'is not real right now.' Keep tabs on the latest California policy and politics news 'We understand, as the third largest employer in the state of California, the role we play in economic recovery or in exacerbating the recession.' cecilia estolano, uc regent vice chair Already about 1,000 workers have been laid off systemwide, many temporarily, according to figures the UC shared with employee union AFSCME 3299, said union spokesperson Todd Stenhouse. The UC says there's less

work that needs to be done[5] because the pandemic pushed so many operations online. Workers disagree. 'These layoffs are not a necessity, they're a choice,' said Drew Scott, skilled trades director of Teamsters 210, during a public comment period Thursday. He alleged that campuses are outsourcing work laid off employees could do. The savings from all those dismissed workers add up[6] to the salaries of a few highly paid senior staffers, wrote Liz Perlman, executive director of AFSCME 3299 in a CalMatters column[7] this month. 'It's devastating to the lives of these workers,' she said at the Regents meeting on Thursday. There are some silver linings for the UC finances, including nearly \$600 million in previous federal stimulus for campuses and UC Health. The system also has \$10 billion in investments it could tap into. But with an annual budget of \$40 billion, UC finance officials say relying on those reserves is not a long-term solution. More out-of-state students? Meanwhile, at least one Regent wants the system to enroll more out-of-state students. This would be a radical departure from current UC policy and one that would earn the ire of the Legislature, which pressured the UC to cap its out-of-state enrollment in 2016[8] after the percentage of nonresidents enrolled tripled in just a few years after the great recession. Still, 'every non-resident will provide support for three in-state students,' said Hadi Makarechian, who voted against the enrollment cap in 2017[9]. Distance problems In other UC news, many students struggled to adjust to the shift to virtual learning in the spring term according to system survey data. Among undergraduates, 15% 'were very concerned' about having reliable internet, with higher numbers among some groups: 20% for Latino and low-income students, and 18% for Black students. More than a third of students 'were very concerned about having access to an appropriate study space,' UC survey data said. The figures were higher for low-income, Black and Latino students. These realities 'created greater anxiety when it came to assessment, particularly proctored exams,' a UC analysis indicated[10]. And about half of the students surveyed said they learned less in online courses than in-person. Among undergraduates, 15% 'were very concerned' about having reliable internet, with higher numbers among some groups: 20% for Latino and low-income students, and 18% for Black students. Affirmative action Regents also reaffirmed their support for Proposition 16[11], the ballot measure to lift the ban on affirmative action in California that voters passed in 1996. If passed, California public agencies, including the UC, will be able to once again take race, ethnicity, nationality and sex into account for hiring, admissions and contracting. The history of racism in the U.S. 'cannot be fixed with colorblind and race neutral policies,' said student Regent Jamaal Muwwakkil. For now, few Californians agree. A poll Wednesday showed just a third of voters[12] support Prop. 16. 'We have to be prepared to move forward to improve the diversity of the University of California regardless of what happens with any proposition,' Regent Eloy Ortiz Oakley said, who's also chancellor of California's community college system. The Regents voted to ban racial quotas and caps on Thursday[13]. Such policies have been struck down by federal courts, but the move signals that the UC plans to be judicious in running affirmative action policies if they ever become legal in California again. Stable enrollment Early signs suggest the UC won't be starved for tuition revenue. Since the pandemic began, a big fear for the University of California was whether students would want to return to school if most classes are online. So far, at two campuses, the answer is largely yes. For UC Berkeley and UC Merced, the two schools that started their terms already, there hasn't been a discernible impact from the pandemic on enrollment, said David Alcocer, associate vice president of budget analysis and planning at the UC Office of the President. A much clearer picture about enrollments, dorm residency and UC's overall fiscal health will emerge when the Regents meet again Nov. 17. By then, UC campuses on the quarter system will have been six weeks into their fall terms. The Oct. 15 deadline to receive additional state support should another federal stimulus package come through will have come and gone. Support in-depth reporting that matters As a nonprofit newsroom, we rely on the generosity of Californians like you to cover the issues that matter. If you value our reporting, support our journalism with a donation. [1]: <https://calmatters.org/wp-content/uploads/2020/09/UC-Summary-COVID19-August-Cost-Impact.pdf> [2]: <https://calmatters.org/education/2020/09/uc-coronavirus-precautions-2021/> [3]: <https://www.ppic.org/wp-content/uploads/californias-tuition-policy-for-higher-education-september-2018.pdf> [4]: <https://regents.universityofcalifornia.edu/regmeet/sept20/b4.pdf> [5]: https://ucnet.universityofcalifornia.edu/_files/pdf/facts-about-uc-furloughs-layoffs-and-financial-reserves.pdf [6]: <https://calmatters.org/commentary/my-turn/2020/09/instead-of-laying-off-employees-uc-should-use-assets-to-give-them-security/> [7]: <https://calmatters.org/commentary/my-turn/2020/09/instead-of-laying-off-employees-uc-should-use-assets-to-give-them-security/> [8]: <https://regents.universityofcalifornia.edu/regmeet/may17/b1.pdf> [9]: <https://edsources.org/2017/uc-adopts-limits-on-undergraduates-from-outside-state-but-allows-some-growth/582194> [10]: <https://regents.universityofcalifornia.edu/regmeet/sept20/a1.pdf> [11]: <https://calmatters.org/election-2020-guide/proposition-16-affirmative-action/> [12]: <https://calmatters.org/education/2020/09/affirmative-action-uc-admissions/> [13]: <https://regents.universityofcalifornia.edu/regmeet/sept20/b6.pdf>

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