

AUGUST 2020

## REGULATORY/ BUDGETARY/ INSTITUTIONAL IMPACTS

### How COVID-19 changes the college experience and business model

COVID-19 has changed lives around the world, from the way people work, learn, teach, and deliver or receive education. At HMC Architects, we are exploring the pandemic as an opportunity to learn, reinvent, and most importantly help our clients amid this crisis.

As part of this ongoing research effort, we are committed to sharing our findings with the industry on five main areas of Technology, Adaptability and Flexibility, Regulatory/ Budgetary/Institutional Impacts, Space Needs Restructuring, and Impact to Wellness/Mental Health. In this article, we cover our findings on the regulatory, budgetary, and institutional impacts this pandemic is having on the higher education sector.

#### METHOD

A group of representatives including higher education clients, students, contractors, and consultants were invited to participate in individual phone interviews to share their insight and understanding of the short-and long-term impacts of COVID-19 on facility design and operation for college campuses and universities. The interview discussions focused in part on distance learning and its relationship to regulatory, budgetary, and institutional impacts.

#### ENROLLMENT IMPACT FOR FALL 2020

Spikes and dips in college enrollment tend to inversely follow the economy, particularly at the community college and graduate levels. The shutdown due to the pandemic adds a large wrinkle to that adage and has created new dynamics for each tier. While most students decided to persevere through the ad hoc online model to complete the spring 2020 term, their expectations for the seamless delivery and collegiate experience are higher going forward. Some community colleges will actually benefit from increased enrollment due to lack of part time jobs, and broader access to the online learning model.

The California State University system—23 campuses strong—may yield a 20 to 40 percent drop in enrollment in the fall of 2020 and potentially beyond, depending on how soon we'll see a vaccine. The rise in student unemployment, a misalignment of the collegiate experience and online learning, and a drastically reduced student housing capacity is only exasperated by the country's highest cost of living.

The uncertainty for international graduate students and their housing situation will further erode an institution's balance sheet since these students typically pay full tuition and fees. However, this may also open "seats"



for local students to somewhat ease the negative financial impact.

The good news is that opportunity exists for nearly all institutions and programs to increase enrollment, and matriculate students quicker, using the distance learning capacity in concert with on-campus seats.

#### **RESPONSE TO FUTURE PANDEMICS**

Economic globalization increases the likelihood of another pandemic, or at least a continuation of our current situation. Institutions are beginning to understand the short-term versus long-term impact to their campuses and operations. We did not find an overreaction, such as building too much space to accommodate distancing. Instead, institutions are learning from this pandemic and are better prepared for next time. We can expect a faster pace of change due to improved technology services and infrastructure, adapting the campus facilities to maintain distancing, transforming under-utilized space into more study space, better access to technology for disadvantaged students, more distance education, and improved distance learning platforms.

#### **POLICY / OPERATIONS**

The largest policy and operations impact stems from the quick implementation of the online learning model, and the sudden emptying of campuses. More administrative flexibility was needed to respond effectively, including updated human resources policies, labor agreements, and extended class scheduling. Institutions' finances will

be negatively impacted by state funding decreases, dramatically less housing revenue, reduced income from various student fees, parking fees, food service programs, and even branded clothing, as well as dormant athletic programs with scholarship student athletes.

Operational shifts depend on whether students are returning to campus or not, and at what level. Where students will be returning to campus in the fall of 2020 even at reduced capacity, advanced cleaning protocols throughout campus will be an added burden to budgets, as will smaller class sizes, providing more comprehensive healthcare services, and even changes to food service methods. Residence halls will be utilized to about 20 percent capacity. Where campuses are closed, the aforementioned revenue streams are further eroded, but there may be some savings in maintenance, and institutions can take advantage of empty campuses by accelerating scheduled improvements and deferred maintenance projects.

#### **REGULATORY**

Despite a lack of coherence among government entities in crafting a clear and systematic approach to overcoming the challenges presented by the pandemic, the architecture, engineering and construction (AEC) industry has experienced little disruption so far from the authorities having jurisdiction. Most have been able to adjust to an online model, similar to private industry, to provide their best service possible with minimal disruptions. However, public budget cuts may impact staffing levels and therefore



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impact project support. Given the trajectory of online permitting reviews—and moving away from paper submittals—most public project reviews have proceeded nearly as scheduled. New, and now common, in-person site inspection protocols have been established for everyone’s safety in meeting and on construction sites.

#### PROGRAMMING / PLANNING

The pandemic has generated a forcing of functions and opportunities for the future campus and learning environments that could have a positive effect on the student experience. For example, how do we create more usable space in finite acreage to allow for social distancing? As many campuses are battling internally to remove central parking areas used mostly by faculty and staff, and the roads that lead to them, the need for more open space for distancing is even more critical going forward. We can hope for a quicker implementation of masterplans that reduce the impact of the car in the campus core, with the goal of giving that valuable land, aka open space, back to the students.

Inside the buildings, the online teaching model may flatten the need for more classroom space, particularly the fading value of the 100-plus seat tiered lecture halls. Classroom utilization will be re-examined, as perhaps less space will be needed due to distance learning, and larger classrooms can be subdivided.

#### WHAT WILL BE THE BIGGEST CHANGES GOING FORWARD?

Institutions moved quickly to adapt to mercurial conditions in 2020 by building bridges to the end of the spring academic term. They also began to understand that what works today won’t be ideal for the future. They learned that they can operate an institution remotely for a short time, but less effectively.

The distance learning model can work for most students in most programs for a short period of time but lacks the engagement and hands-on learning needed in the medical field, trades, and other curriculums, and defeats the purpose of being on a campus. The model exposed inequities in access to technology, but the gap is being filled. Student support infrastructure, whether social, academic, or mental, is rethinking its outreach strategies to increase access and effectiveness. Campuses will be quieter until a vaccine is in place, with no athletic events, recreation programs, single occupancy resident accommodations, smaller class sizes, and dispersed study areas.

The good news is that innovative institutions will persevere. Enrollment will return to today’s trajectory, and potentially even higher by leveraging the online learning model and the great outdoors. Athletics and other collegiate life culture will come back to enliven campuses. Student housing density will eventually return, although on-campus developer owned housing policies may no longer align with the institutional goals. Smaller classes, varied learning options, more open space, and less cars on campuses may not be all bad.

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