



**Request for CARES Act Funding for Private, Independent, Residential Higher Education
in Spokane County**

Joint Submission by Gonzaga University and Whitworth University

Aug. 7, 2020

Spokane County Board of Commissioners,

We begin by expressing gratitude for your willingness to accept a funding proposal to support the work of independent higher education in Spokane County, particularly in light of the vast array of funding needs you see in our community.

Our Response to COVID-19

Gonzaga University and Whitworth University jointly submit a request for funding to support the safe return of approximately 10,000 students this fall. While both institutions have created the opportunity for most students to pursue their studies via remote technology for the fall semester, we anticipate that the vast majority of our student populations will choose to begin, or continue, their education physically present in our community. Working closely with local and state public health agencies, and in alignment with *Proclamation by The Governor 20-12.2*, issued June 24, 2020, with the accompanying Campus Reopening Guide, both universities have developed plans (and continue to refine such plans) that allow for the safe resumption of classes and co-curricular activities within models of best practice regarding COVID-19. Further, both institutions have actively participated in regional and statewide working groups to develop consistent reopening guidelines with a focus on health and safety. These plans are designed to maximize in-person instruction, while also providing flexibility for distance instruction when needed or preferred. The governor's proclamation is a vote of confidence that higher education can, and should, reopen this fall and reinforces the fact that higher education is an important component of our economy and vital to the educational, social and economic needs of the state of Washington.

We firmly believe our students are best served by residential, in-person education when that model is safe to deliver. The current pandemic and the challenges of society to respond dramatically highlight the importance of higher education, particularly in certain high-need fields such as nursing, science/lab-based disciplines and education. It is precisely these fields of study that require hands-on learning and clinical experiences. Significant incremental costs will be required to meet the regional demand for higher education while ensuring the health and safety of our students, faculty, staff and surrounding communities.

Gonzaga and Whitworth play a critical role in our regional higher education ecosystem, cultivating talent, championing diversity, and making it possible for more students to find their best college fit here in Spokane. With a commitment to educating the whole person, we are delivering value for our students, our alumni and our community. Together we are serving Spokane County, and with continued

public and private support, we will have the capacity to help sustain and grow our regional economy by connecting students to local jobs and creating new jobs through innovation, entrepreneurship and a shared commitment to the common good.

We encourage you to visit the following websites that highlight each institution's planning efforts in the face of COVID-19.

"ZagOn 2020" <https://www.gonzaga.edu/zagon>

"WhitworthFLEX" <https://www.whitworth.edu/cms/whitworthflex/>

Grant Request

Together, we ask the Spokane County Board of Commissioners to consider a financial investment, sourced from the Spokane County CARES Act distribution, to each of our institutions. Such investments will directly support the hybrid delivery of in-person instruction and necessary expenditures in technology, personnel and other personal safety equipment to develop a safe learning environment. Further, such investment would enhance our ability to help sustain the Spokane County regional economy with an uninterrupted pipeline of graduates, many of whom will choose to live, work and play as productive citizens in Spokane County. Finally, this investment of CARES Act funding will provide the institutions with necessary infrastructure and personnel (e.g., contract tracers, compliance positions, PPE, isolation/quarantine facilities) to help meet our mandate to provide health and safety resources to our campus communities and therefore reduce our reliance on the Spokane Regional Health District and related Spokane County resources.

Gonzaga University: \$3,825,000

Whitworth University: \$2,215,000

Please refer to the attached exhibit for additional information about the figures included herein.

Economic Benefit to Spokane County

Higher education has long been identified as a key economic sector in Spokane County, and collectively Gonzaga and Whitworth employ over 2,000 community members and annually spend approximately \$175 million in payroll and benefits. In addition, the high-quality educational experience provided to our students promotes and sustains our county's continued economic growth through the addition of our graduates to the regional workforce.

As an example, Gonzaga University directly employs 1,440 faculty and staff. An internal economic impact analysis estimates that annual direct spending from Gonzaga, students and campus visitors contributes nearly \$350 million into the Spokane community. Accounting for a modest multiplier, the total effect of Gonzaga University in Spokane is approximately \$600 million in income that supports over 6,000 jobs. In 2018, total income in Spokane County was just under \$24 billion and employment totaled 230,000. Gonzaga's share of the Spokane economy is between 2.5 to 3 percent of the total income and jobs.

Whitworth University economic statistics follow a similar pattern on a somewhat smaller scale, increasing the metrics above by roughly 50 percent.

Gonzaga University and Whitworth University are longtime stable institutions in the Spokane community that have contributed to the community and economic vitality of the region for over 130 years.

Additional Financial Context

In full transparency, it is important to highlight that each university received an institutional allocation from the federal CARES Act of approximately \$2,800,000. Each institution utilized approximately half of their allocation to provide direct financial support to students in need of assistance stemming from COVID-19, with 923 Gonzaga students and 514 Whitworth students receiving direct grants. The remainder of the funds were utilized by each institution to partially offset housing and dining refunds provided to students in the prior academic year.

Closing

The histories of Spokane and Gonzaga University have been intertwined since 1887. Together, we have developed solutions to common concerns, and as partners, we've built a thriving community.

When Spokane needed lawyers, Gonzaga opened a law school. When the region needed teachers, we began our School of Education. When it needed engineers and business professionals, we added engineering and business schools. And when it desperately needed more health care professionals, we opened the School of Nursing and partnered with the University of Washington School of Medicine.

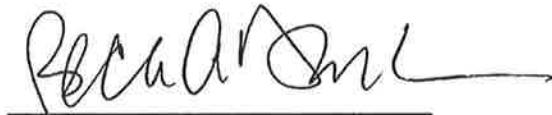
The unprecedented challenge we now face together presents significant obstacles. Gonzaga University asks Spokane County to be our partner once again to address the urgent financial needs of our institution and to work together to ensure the health and vitality of our collective future.

For more than 130 years, Whitworth University has provided an "education of mind and heart" to its students. With record enrollments and program growth, Whitworth is poised to grow and to continue to meet the economic and professional needs of Spokane County. But perhaps no other period of history has presented more difficult circumstances for the university's long-term viability. We are confident that good planning supplemented by financial support will give us the best opportunity to weather this storm. There is good reason to hope for better therapeutics and/or a vaccine by early 2021, so Whitworth's ability to serve its students and the Spokane community until smoother waters prevail is essential to its survival.

You should feel free to contact us if you have specific questions. We would be more than happy to meet with you or your designees to further discuss our plans and our grant request.



Thayne M. McCulloh, D.Phil.
President, Gonzaga University



Beck A. Taylor, Ph.D.
President, Whitworth University

If you have other administrative questions, you may also contact our colleagues identified below:

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Larry Probus, Vice President of Finance & Administration, Whitworth University

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(See exhibit on next page.)

Exhibit – Grant Request by Category and by University

Our plans estimate the following incremental costs that we believe are consistent with criteria identified by the CARES Act. Note in all instances amounts represent estimates that likely understate each institution's response to COVID-19 in the year ahead.

1) Testing of Students and Employees for One Year

Gonzaga	\$750,000
Whitworth	<u>\$550,000</u>
Total	\$1,300,000

Estimates associated with testing are highly dependent upon the level of infection, availability of tests and associated per-test costs (assuming \$100 per test), contact tracing efforts, and regularity of tests. We anticipate some individuals will require testing multiple times while others, particularly those who are asymptomatic and for whom contact has not occurred, will require fewer or no tests. Actual costs will absolutely vary from this estimate, and this amount likely underestimates the exposure. Testing allows our institutions to manage levels of infection and implement quarantines.

2) Incremental Technology Investments to Provide Online Instruction

Gonzaga	\$1,473,000
Whitworth	<u>\$500,000</u>
Total	\$1,973,000

Estimates associated with technology investments provide incremental device, internet broadband, and classroom technology to support hybrid instruction. Such investments allow delivery of instruction to students that may be in the classroom or virtually engaged, particularly if such students (or faculty) are managing quarantine or symptoms.

3) Incremental Academic Costs to Provide More Classes/Labs with Fewer Students

Gonzaga	\$127,000
Whitworth	<u>\$200,000</u>
Total	\$327,000

To manage social distancing and facility space planning, we anticipate adding additional sections of courses and labs.

4) Contact Tracing Services for One Year

Gonzaga	\$165,000
Whitworth	<u>\$150,000</u>
Total	\$315,000

Our plans reflect the need for dedicated contact tracing services for our campuses. These estimates are derived from each institution's return to campus plan and pay structures, with Gonzaga estimating three full-time positions and Whitworth five full-time positions.

5) COVID-19 Compliance Office and Compliance Coordinator

Gonzaga	\$160,000
Whitworth	<u>\$75,000</u>
Total	\$235,000

Gonzaga's institutional plan includes two positions that support a COVID-19 Action Response Team (CART), intended to help educate, monitor, and enforce behaviors and practices to prevent the spread of COVID-19. These estimates are derived from each institution's return to campus plan and pay structures.

6) Cost to Provide Isolation/Quarantine Facilities for Students

Gonzaga	\$870,000
Whitworth	<u>\$540,000</u>
Total	\$1,410,000

Each institutional plan incorporates the setting aside of dormitory space to reserve for isolation and quarantine of students. Gonzaga is also considering renting additional room space from a hotel adjacent to campus. Such space provides capacity to manage housing and meal support for students who may need to quarantine or isolate. Because such space is reserved, each institution anticipates lost revenue (a room not otherwise occupied) and additional costs to support such spaces.

7) PPE/Cleaning/Incremental Custodial Services

Gonzaga	\$280,000
Whitworth	<u>\$200,000</u>
Total	\$480,000

Each institution is providing personal protective equipment (PPE) to its campus community in the form of face coverings, gloves and physical barriers, along with expanded cleaning.

Total

Gonzaga	\$3,825,000
Whitworth	\$2,215,000