



August 5, 2020

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Room H-305, The Capitol
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Room H-204, The Capitol
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Room S-230, The Capitol
Washington, D.C. 20510

The Honorable Chuck Schumer
Minority Leader
United States Senate
Room S-221, The Capitol
Washington, D.C. 20510

Dear Speaker Pelosi, Minority Leader McCarthy, Majority Leader McConnell, and
Minority Leader Schumer,

As Congress prepares a supplemental spending bill to address the ongoing impact of the COVID-19 pandemic, I write on behalf of the undersigned higher education associations to express the views of our members on what student and institutional aid provisions should be included in a final bill.¹

The pandemic has created the biggest crisis to confront students and institutions in our lifetimes. College and university leaders are facing a massive health and safety challenge as they prepare for the start of the fall semester in a highly uncertain and widely varying environment. Compounding these challenges, millions of our students and their families are struggling financially, and every college and university is dealing with significant revenue losses and dramatically increased costs.

We are grateful that Congress has recognized the enormity of the problem facing American higher education and is considering numerous ways to support students, borrowers, and institutions. To this point, three major proposals have been introduced in the House and Senate. These bills—H.R. 6800, the Health and Economic Recovery Omnibus Emergency Solutions Act (HEROES); S. 4112, the Coronavirus Child Care and Education Relief Act (CCCERA); and the package of Senate bills collectively known as the Health, Economic Assistance, Liability Protection and Schools Act (HEALS)—are broadly

¹ While important to our community, this letter does not focus on the need for temporary and targeted liability protections related to the pandemic; the disruptions caused by the pandemic to federally supported research; changes to emergency loan programs to meet institutional needs; and revisions we believe are necessary to tax and employment provisions in the CARES Act and a future supplemental bill. The necessity of further action in these areas have previously been detailed in other letters.

similar, but contain key differences.

Each bill has included funding for students and institutions, but the levels of funding proposed differ greatly. The higher education community has estimated that institutions have a total of \$46.6 billion in increased student need and lost revenues, and will spend at least \$73.8 billion on new expenditures specific to the COVID-19 pandemic. While CCCERA provides a total of \$132 billion to meet these needs, the \$37 billion provided for higher education in HEROES and the \$29 billion provided in HEALS fall far short.

We encourage you to include the maximum funding levels possible in the next supplemental. Even if the final amount does not meet all students' needs or make colleges and universities whole for the substantial losses and additional unforeseen expenditures they have had to shoulder, it will provide a lifeline for students, families, and schools struggling to survive this crisis.

Beyond the issue of overall funding, there are a number of provisions important to ensuring that the money provided for students and institutions is put to the best possible use. In particular, legislative proposals covering student eligibility for receiving aid; flexibility and disbursement mechanisms; preservation of state support for higher education; an extension of student loan relief; and funding for minority serving institutions and other dedicated funding pools will have a meaningful impact on the overall effectiveness of the funding provided. Each of these provisions is addressed in detail below:

Student Eligibility—The Department of Education's (or Department) interpretation of CARES Act language contradicted congressional intent and left more than 8 million individuals, including at least 500,000 veterans, ineligible to receive assistance through CARES Act student emergency grants. Given the numerous problems that have arisen from the Department's implementation of CARES Act funding for students, the supplemental should include explicit statutory language clarifying that institutions, using enrollment as the only criteria, have broad authority to determine a student's eligibility for, and amounts of, emergency relief funds. While we do not believe that the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (or PRWORA) applies in the context of emergency aid to students, Congress should include statutory language to that effect to ensure this, as is done in the HEROES Act.

Flexibility—All three bills provide broad flexibility as to the allowable uses of institutional funds, while also identifying a range of possible uses. Doing so enables colleges and universities, which are close to their students and understand their individual situations, to direct funding where it will do the most good and is most needed. We strongly support language that is inclusive of the flexibility institutions need, and ask that it be made retroactive to enactment of the CARES Act, as in HEALS.

Disbursement Mechanism—We support the provision in the HEALS Act that provides for the distribution of each institution's calculated allocation through the existing Department of Education systems. This is the method used in the CARES Act, and it worked very smoothly, unlike the rules established by the Department of Education for awarding emergency aid grants to students. Doing so speeds the transfer of funds, ensures that institutions receive the allocations they are entitled to, and limits the ability of states or other actors to capture or redirect federal funding intended for campuses.

Conditions on Funding—Colleges and universities are working to reopen to the maximum extent that is safe for their campus communities. Institutions need continued flexibility to respond nimbly to the challenges posed by the virus until a safe and effective vaccine or new treatments are available. For that reason, we appreciate that none of the three bills condition federal aid to students or institutions on the basis of an institution's reopening status.

Limitations on Funding Based on Endowment—Restricting the aid available to institutions based on their endowments unduly penalizes students, faculty, and staff who are experiencing the same negative consequences of the pandemic as their colleagues at other institutions. Endowment size is not a proxy for an institution's financial ability to address the unprecedented circumstances of the pandemic. Any final bill should ensure that all institutions are treated equitably in the provision of federal resources.

Maintenance of Effort (MOE)—We support CCCERA's MOE language on education stabilization spending, with one modification. In light of the great economic uncertainty, we propose adding one instance in which the secretary of education may waive the MOE requirement upon application by a governor in fiscal years 2021, 2022, and 2023. The waiver would be granted if the state demonstrates its percentage spending on K-12 and higher education separately is at least equal to the greater of the corresponding percentages spent in fiscal years 2019 or 2020. For the purposes of this waiver, state health care expenditures should be excluded in all applicable years. The use of "proportionality" for granting the waiver (and only the waiver) is congruent with the basic concept of the HEALS Act's MOE.

Extension of Loan Relief Provisions—Given the extraordinary challenges facing borrowers at this time, the final supplemental legislation must include provisions addressing these immediate concerns. Both HEROES and CCCERA provide for an extension of the suspension of borrower payments and interest accrual on most federal student loans through September 2021. We support this extension and would ask that the supplemental also include an extension of the current grace period for new graduates, from the current six months out to one full year, to protect students who are entering one of the worst job markets in recent history.

Funding for Minority Serving Institutions—All three bills include a dedicated pool of funding for Historically Black Colleges and Universities, Hispanic-Serving Institutions, Tribal Colleges and Universities, and other minority serving institutions. These institutions enroll and serve over six million historically underrepresented students, are under-resourced compared to peer institutions, and have been especially hard hit by the pandemic. For these reasons, we support dedicated funding for these colleges and universities, as well as the further inclusion of authorizing language and additional provisions for minority serving institutions that were included in HEROES and the related provisions in CCCERA.

Other Types of Institutional Aid—All three bills include one or more pools of funding intended to provide additional relief to institutions. While we support providing further assistance to institutions that have been particularly impacted by the pandemic (as both HEROES and HEALS do), the Department’s implementation of similar funds under the CARES Act has drastically undercut the effectiveness of that funding to this point. If Congress decides to include a similar provision in the final supplemental, it is essential to include clear statutory direction to the Department on how to determine and award such funding.

We appreciate the attention Congress has given to the ongoing crisis facing students and institutions, and the proposals that have been offered to address it. We look forward to working with you and your members to ensure that any supplemental bill provides sufficient resources in the most effective manner, and we thank you for your attention to this letter.

Sincerely,



Ted Mitchell
President

On behalf of:

ACPA - College Student Educators International
American Association of Colleges of Nursing
American Association of Collegiate Registrars and Admissions Officers
American Association of Community Colleges
American Association of State Colleges and Universities
American College Health Association
American Council on Education
American Indian Higher Education Consortium
Associated Colleges of the Midwest

Association for Biblical Higher Education
Association of Advanced Rabbinical and Talmudic Schools
Association of American Colleges and Universities
Association of American Universities
Association of Catholic Colleges and Universities
Association of Community College Trustees
Association of Governing Boards of Universities and Colleges
Association of Independent California Colleges and Universities
Association of Independent Colleges and Universities in Massachusetts
Association of Independent Colleges and Universities in New Jersey
Association of Independent Colleges and Universities of Pennsylvania
Association of Independent Colleges and Universities of Rhode Island
Association of Independent Colleges of Art & Design
Association of Independent Kentucky Colleges and Universities
Association of Jesuit Colleges and Universities
Association of Presbyterian Colleges and Universities
Association of Public and Land-grant Universities
Association of Research Libraries
Coalition of Urban and Metropolitan Universities
College and University Professional Association for Human Resources
Conference for Mercy Higher Education
Connecticut Conference of Independent Colleges
Council for Advancement and Support of Education
Council for Christian Colleges & Universities
Council for Higher Education Accreditation
Council of Graduate Schools
Council of Independent Colleges
Council of Independent Colleges in Virginia
Council on Social Work Education
EDUCAUSE
Georgia Independent College Association
Great Lakes Colleges Association
Hispanic Association of Colleges and Universities
Iowa Association of Independent Colleges and Universities
Independent Colleges and Universities of Florida
Independent Colleges and Universities of Missouri
Independent Colleges and Universities of Texas
Independent Colleges of Indiana
Independent Colleges of Washington
Kansas Independent College Association
Maryland Independent College and University Association
Michigan Independent Colleges & Universities
Minnesota Private College Council
NAFSA: Association of International Educators
NASPA - Student Affairs Administrators in Higher Education
National Association for College Admission Counseling
National Association of College and University Business Officers

Higher Education Community Supplemental Letter
August 5, 2020

National Association of College Stores
National Association of Colleges and Employers
National Association of Independent Colleges and Universities
National Association of Student Financial Aid Administrators
National Collegiate Athletic Association
Network of Colleges and Universities, Evangelical Lutheran Church in America
North Carolina Independent Colleges and Universities
Oregon Alliance of Independent Colleges & Universities
Phi Beta Kappa Society
Physician Assistant Education Association
Tennessee Independent Colleges and Universities Assoc.
Transnational Association of Christian Colleges and Schools
UNCF (United Negro College Fund, Inc.)
Wisconsin Association of Independent Colleges and Universities
Work Colleges Consortium
Yes We Must Coalition