August 30, 2021

The Honorable Patty Murray
Chair
Committee on Health, Education, Labor, and Pensions
United States Senate
Washington, DC 20510

The Honorable Richard Burr
Ranking Member
Committee on Health, Education, Labor, and Pensions
United States Senate
Washington, DC 20510

The Honorable Bobby Scott
Chair
Committee on Education and Labor
U.S. House of Representatives
Washington, DC 20515

The Honorable Virginia Foxx
Ranking Member
Committee on Education and Labor
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Murray, Ranking Member Burr, Chairman Scott, and Ranking Member Foxx:

As Congress proceeds with next steps on the $3.5 trillion budget resolution this fall, the Association of Public and Land-grant Universities (APLU) writes in support of several key higher education priorities included in President Biden’s American Families and Jobs Plans, urge improvements to Maintenance of Effort provisions in a federal-state partnership relative to free community college, and support for critical education infrastructure at public colleges and universities. This sweeping legislation could do substantial good for public education in the United States, strengthen federal investment in students and families with financial need, and maximize evidence-based efforts furthering college completion.

The federal-state partnership proposal under consideration also has the potential to significantly change how federal and state governments fund higher education in ways of deep concern to APLU. While the program is not the model of a federal-state partnership supported by APLU, we write with specific targeted recommendations to improve the program and protect state investment in public four-year universities and the students they serve.

We look forward to separately engaging the committees relative to reconciliation instructions on research infrastructure and appreciate your willingness to work with APLU on this critical priority.

**Double Pell**

Pell Grants are the cornerstone of financial aid, targeting federal resources to those students most in need of support to access and afford a college education. For many students, Pell Grants make the difference between being able to afford college or not, but over the years the size of the grant has not kept pace with the costs of attending college. Doubling the maximum Federal Pell Grant to $13,000 has broad support across the entire higher education sector and students across the country have continued to share their stories about how additional Pell funds would support their pursuit of a college degree.
We have been encouraged by both the President’s commitment to double the Pell Grant, as well as the support voiced by the Senate HELP Committee and House Education & Labor Committee leadership through the recently reintroduced Pell Grant Preservation & Expansion Act of 2021. We write to request that committee leadership make a significant step toward this commitment through additional investments in the Pell Grant program, providing at least the $1,475 increase proposed by the Biden administration.

**Advance College Completion**

Echoing our recent letter with the American Association of Community Colleges and American Association of State Colleges and Universities, APLU again voices our support for a $62 billion College Completion Fund. Public universities have made tremendous strides to increase access to higher learning for historically underserved students, and our university leaders have spent years creating and testing solutions to help students succeed in college, complete their degrees, and be well-prepared for the workforce. The College Completion Fund could both expand the evidence base for student success and completion strategies and scale best practices across the higher education sector. We write to request that the committees enact this program and provide robust funding to ensure that it can support a wide range of evidence-based and promising practices for boosting student success and completion. We support a program that delivers funds to states to further completion efforts of institutions.

**Strengthen MOE Requirements to Protect Funding of Public Higher Education**

APLU has expressed our strong concerns with federal-state partnership proposals that are not inclusive of the entire public sector. Among other reasons, we remain alarmed as such proposals may prove to merely shift rather than grow state investment in public higher education. Additionally, such proposals fail to appropriately recognize that in many cases the optimal choice for students, particularly those that aspire to earn a baccalaureate degree, is to begin at a four-year institution. We strongly believe that Congress should seek to lift the entire public sector and those we serve in a federal-state partnership. While Congress may advance a proposal of strong concern to APLU, we appreciate consideration of ways to ameliorate possible detrimental impacts to public four-year universities. Strong maintenance of effort (MOE) provisions are essential to guard against displacement of funding of public four-year institutions as the federal government encourages states to invest more in two-year institutions. Nationally, funding of public higher education has yet to catch up from the cuts of the 2008 recession, demonstrating the funding challenges of the entire public sector. The America’s College Promise (ACP) Act includes MOE provisions, but they should be strengthened. APLU respectfully urges the following changes:

- Adjust MOE baseline annually for inflation so flat funding of public four-year institutions is not the outcome of incentives for states to invest more in community colleges

The MOE provisions in ACP require states to maintain funding of three categories of investments in higher education based on average levels of the three prior fiscal years. As the federal government would provide a generous 3:1 match of state investment to achieve free community college, it is reasonable to expect many states to adjust investment to take advantage of a match. The easiest way for states to take advantage of a match is to shift funds from areas of higher education that do not bring states matching dollars from the federal government. The MOE in ACP is intended to guard against this, however states could be in compliance with the requirements simply by not cutting public four-year
institutions. Under such a scenario, states would continue present levels of often inadequate funding, which for many states has still not recovered from historic cuts from the last recession. With inflation and mounting expenses of public universities to deliver on their critical mission, flat funding essentially works as a cut. The unintended consequences of the policy in just holding states accountable for flat funding could be very harmful. APLU urges Congress to enact an MOE that annually adjusts for inflation, so states are at a minimum held responsible for inflationary increases while the federal government is providing substantial new investment to states to support higher education.

- **Remove the MOE waiver provisions as it relates to state investment in public four-year institutions, or at a minimum make waivers appropriately less common**

ACP stipulates scenarios in which the U.S. Secretary of Education shall automatically provide states relief from the MOE requirements based on economic triggers (national and state unemployment rates). The same economic triggers may automatically increase the federal share of the federal-state partnership thus significantly reducing states’ funding obligations under the program. While there are tiered levels of relief, to receive the baseline relief, states must just establish that they were in an “elevated unemployment period at any point in the fiscal year” or such conditions exist nationally. “Elevated unemployment period” is defined as a consecutive three month period in which the unemployment rate is at least 0.5 percent above the lowest unemployment rate for the 12 months preceding the three month period.

APLU strongly does not believe it is appropriate to grant states waivers as to their obligations to fund public four-year higher education while the federal government is substantially increasing its funding to states. The federal government increasing its share of the federal-state partnership acts as a waiver in and of itself as it is waiving a funding burden on states. To also allow states to cut their investment in public four-year institutions while receiving increased federal dollars is unnecessary and harmful. We find it unusual based on how Congress has typically used MOE requirements. As the federal government increases funding to states it should expect more, not less. History has unfortunately demonstrated that with such latitude states will often make politically expedient decisions in targeting public higher education first for cuts as they can shift costs to students and families without addressing revenues or other budget obligations, including those that are protected through mandatory funding. We appreciate that as a condition for a waiver states may not disproportionately cut higher education relative to the state’s overall, average decrease in spending for the three consecutive preceding fiscal years.

In addition to concerns about the overall need for waivers, APLU is concerned by the definition of an “elevated unemployment period.” A 0.5 percent increase above the lowest unemployment rate for the prior 12 months preceding the three month period, is a very lenient automatic trigger for a waiver. Based on the years APLU was able to find relevant Bureau of Labor Statistics data (2013 through 2017), which were fairly economically stable years, we have been able to determine 17 states and Puerto Rico could meet the 0.5 percent threshold over this five year period with several others states coming fairly close. This means absent any major economic downturn, numerous states in a given year could have received a waiver and cut funding to four-year public universities. Increasing the threshold to one percent significantly reduces the number of states that would be eligible for a waiver from 17 to 5 during this period.
APLU urges the removal of such waiver provisions. If Congress is not willing to remove the waiver provisions, at a minimum the threshold should be increased to at least one percent.

**Invest in Public Higher Education Infrastructure**

APLU urges the inclusion of robust infrastructure funding for public four-year institutions of higher education to complement the proposed and needed funding for community college and K-12 infrastructure. We have partnered with the American Association of State Colleges and Universities and the State Higher Education Executive Officers Association on a proposal for such critical support. The lack of state funding for public college and university modernization has left a backlog of campus infrastructure needs, including building repairs, renovations, and replacement, as well as technology upgrades. A significant share of college and university facilities were built to accommodate baby boomer generations in the 1960s and 1970s—the average college building today is more than 50 years old—and many of these facilities need to be repaired, updated or replaced to best serve students, enhance energy efficiency, and reduce environmental impact.

According to APPA-Educational Facilities, the total infrastructure backlog needs of the public higher education sector is $76.1 billion, with $48.4 billion attributable to the needs at public four-year institutions of higher education and $27.7 billion attributable to needs at two-year institutions or community colleges.

Equity-focused facilities investments at public universities can expand institutional capacity, modernize existing facilities, create cost savings in the form of energy efficiency, and upgrade technology to ensure that all students attending public colleges and universities have access to 21st century technology and learning experiences. Conversely, failure to include such investments would leave a significant missed opportunity and glaring gap as we look to rebuild our nation’s public infrastructure.

Thank you for your consideration of APLU’s recommendations. Please know we are here to be a resource.

Sincerely,

Peter McPherson  
President  
APLU