



July 20, 2020

The Honorable Charles Grassley
Chairman
Committee on Finance
U.S. Senate
Washington, DC 20510

The Honorable Richard Neal
Chairman
Committee on Ways and Means
U.S House of Representatives
Washington, DC 20515

The Honorable Ron Wyden
Ranking Member
Committee on Finance
U.S. Senate
Washington, DC 20510

The Honorable Kevin Brady
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Grassley, Ranking Member Wyden, Chairman Neal, and Ranking Member Brady:

As presidents of associations representing our nation's public colleges and universities, we write to request urgent support for addressing the critical needs of public institutions of higher education in the forthcoming Phase 4 COVID-19 pandemic relief legislation. Specifically, we request your assistance to reverse the troubling trend that has emerged in previous relief packages excluding public colleges and universities from much-needed tax support. We ask that public institutions of higher education be made eligible for the paid leave tax credit, employee retention tax credit, and any additional critical support created in Phase IV in the same way private nonprofit and for-profit colleges and universities are eligible.

The pandemic has caused massive disruptions across campus communities. Institutions are working to respond to the public health impacts on students, staff, and faculty, while also responding to the resulting economic toll that has resulted from necessary campus closures, shifts to online instruction, and mounting expenses and revenue losses. And as the fall term rapidly approaches, all institutions are urgently working to safely resume operations in the face of constantly changing health conditions.

While all institutions of higher education are facing these extreme challenges, the previous relief packages passed by Congress have left out public colleges and universities while extending benefits to private non-profit and private for-profit institutions to help them respond to this crisis. As you know, the Families First Coronavirus Response Act (FFCRA) created two new forms of paid leave for workers impacted by the outbreak, with ten weeks of paid emergency Family and Medical Leave Act (FMLA) leave and two weeks of paid sick leave. Congress created a fully refundable payroll tax credit that covers the cost of this expense for private institutions affected private colleges and universities. However, public colleges and universities, are required to shoulder this new expense with no similar support.

Similarly, the Coronavirus Aid, Relief, and Economic Security (CARES) Act created the Employee Retention Tax Credit, a refundable payroll tax credit for private sector employers whose operations were fully or partially suspended due to government orders related to COVID-19. This tax credit covers

up to 50 percent of \$10,000 in the wages paid to each employee. As with the paid leave tax credit, public colleges and universities are similarly excluded.

Public colleges and universities directly employ 2.3 million faculty and staff and educate and prepare 19.4 million students for the future workforce. College campuses have enormous indirect impacts on local economies as well, supporting an array of employers that do a significant amount of work with their universities and providing steady demand for local restaurants, retailers, and other businesses. The contributions of public higher education to the overall economy are in jeopardy as colleges and universities confront the fallout from COVID-19.

While public colleges and universities receive additional financial support from states, they are unique from most state entities in how relatively little of their overall funding support comes from the state. Currently, public institutions receive just 16 percent of their total revenue from the state overall, with some states providing substantially less support than others. Further, in times of economic downturn public higher education funding is often disproportionately targeted in state budget cuts. In response to the COVID-19 crisis, states have already begun to implement massive cuts to higher education appropriations.

As Congress considers Phase IV emergency relief over the next weeks, we are concerned that public institutions of higher education may continue to receive different treatment. In addition to the disparities introduced by provisions in FFCRA and the CARES Act, some new tax bills that have been proposed to help Americans return safely to a healthy workplace continue to exclude public colleges and universities. Public colleges and universities are also actively preparing to safely reopen this fall, and [projected costs](#) for reopening total more than \$74 billion across higher education.

We urgently request that in addition to addressing the disparate treatment of public universities in the tax provisions with FFCRA and the CARES Act, that new benefits to support employers with safely reopening are equally available to public colleges and universities. All of higher education is confronting the fallout from COVID-19, and all sectors of higher education are deserving of federal support to help address these costs.

Thank you,



Peter McPherson
President
Association of Public and Land-
grant Universities



Walter G. Bumphus, Ph.D.
President and CEO
American Association of
Community Colleges



Mildred García, Ed.D.
President
American Association of State
Colleges and Universities

Cc:

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Minority Leader
United States Senate
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The Honorable Lamar Alexander
Chairman
Committee on Health, Education, Labor, and
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U.S. Senate
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The Honorable Patty Murray
Ranking Member
Committee on Health, Education, Labor, and
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The Honorable Kevin McCarthy
Minority Leader
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The Honorable Bobby Scott
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The Honorable Virginia Foxx
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