

October 19, 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,

We write to you today because American higher education faces an existential crisis. Since the start of the pandemic, colleges and universities have been overwhelmed by a combination of factors unique to the unprecedented challenges confronting students and institutions. The bottom line is clear: to stave off catastrophic consequences, our associations strongly believe that at least \$120 billion in new federal support is needed, and it is needed quickly.

Our organizations had previously estimated that institutions would face a negative impact from the pandemic equal to at least \$120 billion. We estimated expenses and losses in the spring of \$46.6 billion and later projected fall reopening costs of \$73.8 billion. These projections have proven to be low. In all categories of university operations, revenues are down and expenses are significantly increased. Enrollments are down, most significantly among low-income students, freshmen, and students of color, all of whom are among the most vulnerable student populations our campuses serve. Earlier estimates of the costs associated with reopening, whether in person, online or hybrid, have proven to be far below what is actually needed, with the costs of testing, protective equipment and instructional technology (and related staffing) all far higher than institutions had planned.

State support for higher education is being slashed as states deal with budget shortfalls which will reach approximately \$200 billion dollars according to some estimates. Higher education is always first among areas of state budgets to be cut, and state financial aid programs are often eliminated as states cut spending, which doubly harms low-income students. Already, we have seen cuts of \$200 million in Michigan and \$186.8 million in Maryland.

This has had consequences for students, families, and campuses. More than 25 million students are pursuing a postsecondary education, and the majority of them use some federal financial aid to finance their studies. Research by the National Bureau of Economic

Research shows that 40% of these students are likely to have lost a job as a result of the pandemic. Without additional support, college will simply be out of reach for them.

This hollowing out of institutional finances has broader economic implications, as well. Higher education as an industry employs nearly 3.8 million faculty and staff, more than the accommodation and airline industries combined. Like those industries, institutions are being forced to make reductions. The Bureau of Labor Statistics reports that between February and August of this year, nonprofit and public colleges and universities laid off 337,000 faculty and staff. Furloughs and additional layoffs are planned at numerous other institutions. Losses in employment hurt not only the institutions, but the communities in which they're located and in which they're often the largest employer.

If unaddressed, the ramifications will linger for years, well after our country has recovered from COVID-19. Many students who left will not return, programs that were eliminated will not be restored, and some institutions will be forced to close after drawing down what few resources they have left. The passage of the CARES Act in March temporarily staved off the worst consequences for students and schools, but significant new investments are required, and they are needed now. Both parties and both chambers of Congress have proposed support for higher education ranging from \$29 billion to \$132 billion. We ask that Congress understand the urgency of the situation facing students and institutions and provide a minimum of \$120 billion in federal assistance for higher education in the next supplemental spending bill.

Sincerely,



Ted Mitchell President

On behalf of:

American Association of Community Colleges
American Association of State Colleges and Universities
American Council on Education
Association of American Universities
Association of Catholic Colleges and Universities
Association of Jesuit Colleges and Universities
Association of Public and Land-grant Universities
Council for Christian Colleges & Universities
National Association of Independent Colleges and Universities
National Association of Student Financial Aid Administrators