



Kristen F. Soares, President

May 5, 2020

California Congressional Delegation

Subject: Support for Higher Education and Students in the New COVID-19 Relief Package

Dear Members of Congress:

First, on behalf of the Association of Independent California Colleges and Universities (AICCU), thank you for your support of higher education in the CARES Act. The Higher Education Emergency Relief Fund (HEERF) was desperately needed by students and institutions. However, higher education institutions—particularly tuition-dependent, nonprofit colleges and universities—still face a myriad of significant financial challenges as we look toward the new, very uncertain academic year.

AICCU is the organizational voice for 85 independent, nonprofit higher education institutions in California. Together, our colleges and universities serve over 180,000 graduate students and nearly 200,000 undergraduate students, including over 57,000 Pell Grant recipients. Our member institutions serve students in all regions of the state and are incredibly diverse, ensuring that students—no matter their background—can find the right institution that fits their academic and career interests.

Colleges and universities face many unknowns as the COVID-19 crisis and its impacts continue to be felt. We know the state of higher education is significantly altered as we enter the new academic year and that we can expect a number of students will not return to campus. Amidst this uncertainty, institutions continue to confront increasing costs and mounting revenue losses, putting the success and wellbeing of our students and the financial viability of campuses at risk.

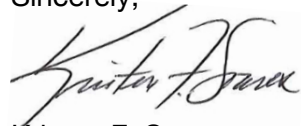
The federal government must work to provide additional assistance for students and their families to weather this storm, and also for institutions to remain viable as the economic engines of their local communities and regions. Statewide, independent colleges and universities employ over 81,000 Californians, second only to the University of California, and contribute billions of dollars in local spending and taxes, healthcare, and research. Supporting higher education institutions now will help sustain the local, state, and national economies as well as preserve employment for tens of thousands of people in both the short term and the future.

As Congressional debate begins on the next stimulus package, we ask for your support for the following assistance to higher education:

- **Expanding the financial support from the CARES Act.** Federal funds to support colleges and universities will help keep campuses operating, even as we attempt to plug massive holes in our budgets. While much appreciated, the amount for students and institutions contained in the CARES Act, approximately \$155.6 million for AICCU institutions, does not come close to filling the gap. Based on a survey of our member institutions, we estimate immediate financial losses to be at least \$150 million for approximately 25 of our institutions alone, and the losses to the full sector are likely several times that amount. We seek an additional \$46.6 billion, which would again be divided between aid for students and institutions. This amount represents a conservative estimate of urgent unmet needs calculated by the higher education associations.
- **Making student aid from CARES Act tax free.** Congress should make these funds, and any future funds, directed to students nontaxable. As currently interpreted, the CARES Act emergency grants to students appear to be taxable.
- **Offering zero-interest federal loans to institutions.** Continued, broad-based federal access to capital is needed to assist institutions with the recovery. If smaller classes enroll this fall, and students that do enroll have greater need, institutions will sustain continued operational losses from COVID-19 for the next four years. We urge you to create a higher education, zero-interest federal loan program to address our sector's particular needs.
- **Addressing much needed updates to current programs:** Any federal lending programs, such as the Payroll Protection Program or the Main Street Lending Program, that have a ceiling on employee numbers for eligibility should not include student workers in the employee count. Also, Congress or the U.S. Treasury Department should clarify that the Main Street Lending Program is available to colleges and universities.

These are unprecedented times for the country and for higher education. Throughout this California's independent colleges and universities remain committed to their vision and mission of educating students, our future workforce and leaders. As nonprofit entities, they stand ready to work in partnership with the state and federal government to serve the public good. Again, thank you for the support already provided in the CARES Act; much more critical funding is needed to address the needs of students and institutions during this time. I look forward to working with you on this and other important issues facing higher education.

Sincerely,



Kristen F. Soares
President