

COVID-19 Funding: Higher Education Talking Points

Adapted from talking points developed by the American Council on Education

Legislative Request:

The higher education community estimates that students and institutions will need at least \$120.4 billion to cover the costs of reopening, lost revenue, and emergency financial aid in the coming year. That amount will still not meet all students' needs or make colleges and universities whole for the substantial losses and additional unforeseen expenditures they have had to shoulder, but it will provide a lifeline for students, families, and institutions struggling to survive this crisis.

Summary Points:

- Some Senate negotiators have suggested \$20 billion to \$26 billion for higher education. While that is a good start, it's a fraction of the more than \$120 billion in needs that have been identified (\$46.6 billion in financial impact and \$73.8 billion in new reopening expenses).
- Students struggling in a challenging economy need support to start or continue their college educations.
- Colleges and universities are making every reasonable effort to ensure the health and safety of their students, staff, and visitors.
- Reopening has required massive new financial outlays, such as for the costs of testing and contact tracing.
- Given the sizable losses in institutional budgets, incorporating these costs on short notice will be difficult for all institutions—and impossible for some—without federal support.
- Without federal support, many institutions have made, and will continue to make, the type of financial cutbacks that would harm surrounding local and regional communities. A number may well be forced to shutter, crippling local economies just as we're hoping for a recovery.

Justification:

- Colleges and universities want to open as fully as possible, as quickly as possible, and as safely as possible.
- No campus looks like it did last year. Federal support will enable institutions to reopen in ways that will protect the health of their campus community. An analysis by the American Council on Education (ACE) in June found that institutions across the country would need a total of approximately \$73.8 billion dollars to safely reopen. This estimate

includes the costs of testing, contact tracing, expanded health services, deep cleaning of facilities, and related activities. Although it is too early to tally the losses and expenses of institutions so far, indicators point to a worse impact than expected.

- A conservative estimate by the American Council on Education in early April found that students will have \$12 billion in additional, unmet financial need while institutions lost roughly \$34.6 billion in the last academic year, with greater losses coming in the next academic year.
- Currently, more than 40 million Americans have become unemployed since the start of the national emergency. Students and their families need help investing in themselves by increasing student financial aid.
- Colleges and universities are not asking for the federal government to make us whole but need sufficient levels of support to have a realistic opportunity to return to some level of on-campus instruction.

Economic Importance of Higher Education

- Higher education is an enormous sector of the American economy. Colleges and universities employ nearly 4 million people nationally and contribute more than \$650 billion annually to the economy.
- Colleges and universities are located in every part of the country. On average there are 13 colleges and universities in each congressional district.
- Campuses are often the largest employers in their communities and entire regions, and serve as economic, cultural, civic, and athletic hubs. Student, staff, and institutional spending supports thousands of small, local businesses across the country.

Health Workers and Research

- American universities and their medical centers are on the front lines of helping people through this pandemic.
- Support for colleges and universities allows us to produce more urgently needed health care workers and support additional research toward treatment and vaccine development.