



# NEW ENGLAND BOARD OF HIGHER EDUCATION

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April 8, 2020

Members of the New England Congressional Delegation  
United States Capitol  
Washington, D.C. 20004

Dear Senators and Representatives:

Thank you for your leadership on behalf of New England's 260 public and independent postsecondary institutions through the CARES Act. The emergency funds for institutions and students, stabilization funds, Title IV flexibility and regulatory relief, and the expansion of student loan deferrals are of great value and critical importance. Again, we thank you for your notable leadership in enacting these provisions.

Our public and independent postsecondary institutions comprise one of New England's most precious resources and critical industries, the fourth largest in terms of overall economic impact. They are the core economic engines of cities and towns across the region, enrolling more than 1 million students, employing more than 256,000 faculty and staff and paying over \$12.8 billion a year in salaries—for an annual economic impact of nearly \$23 billion. Their graduates are the primary source of skilled talent consistently sought by employers in all industries. Their research and development are at the core of innovation and the region's current and future competitiveness.

As the Congress contemplates additional relief and stimulus legislation, we ask for your ongoing consideration of the dire circumstances facing the region's postsecondary institutions and students—all of whom remain at risk due to ongoing uncertainty and continued financial pressures. Additional funds are urgently needed to address these issues and to ensure the sustainability of the region's postsecondary education enterprise.

We strongly urge Congress to enact additional legislation and appropriations to provide:

- **Expanded Need-based Aid Funds for Students.** Job losses, illness and deep economic hardships have significantly reduced many families' ability to pay for their students' postsecondary education. As a result, we expect that notable numbers of individuals will choose not to return—or not to enroll as first-time students. Providing additional Pell Grant and other need-based aid funds to institutions is critical to compensate for reduced family contributions and to catalyze enrollment and persistence. Additionally, institutions need greater flexibility with FAFSA and other policies to adjust aid based on changing student and family circumstances.
- **Expanded Higher Education Emergency Relief Funds.** The \$6.2 billion provided directly to postsecondary institutions under CARES for COVID-related expenses is an important first step—but this represents only a small percentage of institutional costs. Consider that in New England, the average expected disbursement of emergency relief funds to directly support a 2-year public institution is \$1.2 million; to a 4-year public institution, \$2.3 million; and to an independent nonprofit institution, \$878,000. These amounts under CARES are simply not adequate to close financial gaps due to the costs of retaining faculty and staff, reduced revenues due to tuition and fee refunds, anticipated state appropriation cuts, reduced charitable contributions, investment losses and other factors. For institutions engaged in research, support is needed for unanticipated costs associated with reducing, suspending and restarting complex research activities.

Further, the large-scale disruptions to fall 2020 admissions processes—and the real prospect of institutions not being able to re-open for campus-based education—will reduce enrollments of both domestic and foreign students. Many institutions will simply not survive these multiple shocks without significant additional relief funds. We encourage continued use of the rapid disbursement process to get funds directly to postsecondary institutions, as provided in CARES.

- **Expanded Funds for Emergency Education Relief and Maintenance of Effort.** CARES provides Emergency Education Relief Grants to governors that may be used to support higher education and requires maintenance of effort (based on the average of three preceding years) in fiscal years 2020 and 2021. Given that state appropriations have not yet returned to levels preceding the 2008 recession and given the significant loss of state revenues from the steep and recent collapse of current economic activity, additional funds to states are needed—for the express purpose of maintaining appropriations to postsecondary institutions and aid programs.
- **Recovery of Costs Related to Families First Act.** We commend the provisions of the Families First Coronavirus Response Act (FFCRA) in providing expanded paid Family Medical Leave eligibility (via the Emergency Family Medical Leave Expansion Act) and expanded paid sick leave (via the Emergency Paid Sick Leave Act). As non-profit entities, our institutions large and small, public and independent, require reimbursements to cover these costs, just as for-profit businesses are reimbursed through direct tax credits.
- **Expanded Student Loan Deferrals.** We also commend provisions to defer student loan principal and interest payments and reduce loan interest rates to zero for six months. We urge Congress to expand this for an additional six months—and to apply the same provisions to all types of federal loans, including the Perkins and Federal Family Education Loan programs. Additionally, Congress should extend the deferment or grace period for students entering loan repayment in the coming months, as they will face significant barriers to gaining employment.
- **Zero-Interest, Forgivable Loans to Institutions.** Loans provided through CARES will continue to be important to postsecondary institutions and should be expanded. Expanding the Small Business Administration's Paycheck Protection Program is critical to reducing furloughs and layoffs of faculty and staff. Congress should also exclude student employees from the calculations used to establish eligibility, to increase the number of institutions that can benefit.

Thank you for your consideration. We stand ready to assist and provide any additional information that you require.

Respectfully,



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On behalf of:

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