The Need for Additional Federal Emergency Assistance for Students and Higher Education Institutions

Talking Points

Need:

Students, especially rural and/or low-income, need greater support than ever as the economic downturn has left millions more families struggling financially.

Looking toward the fall, colleges and universities are committed to reopening their physical campuses using a variety of models and following relevant public health guidance. Institutions still face large revenue losses and significant new expenses associated with moving instruction online, serving students remotely, and implementing new health protections and safety precautions. ACE and other associations previously submitted a request to Congress for $46.6 billion to help offset these financial challenges. Based on detailed financial information supplied by institutions, ACE estimates that fall reopening costs will reach, at a minimum, an additional $73.8 billion.

Legislative ask:

We are requesting that Congress approve at least $46.6 billion in support for students and institutions in the fifth COVID-19 spending bill, despite the fact that our costs will be significantly higher. That amount will still not meet all students’ needs or make colleges and universities whole, but it will provide a lifeline for students, families, and schools struggling to survive this crisis.

Justification:

- Reopening will look different on campuses across the country, but no campus will look like it did last fall. Federal support will allow institutions to physically reopen using methods that have as their top priority the health of students, staff, and the entire campus community. A new ACE analysis in June found that institutions will need approximately $73.8 billion dollars to safely reopen in the fall.
- A conservative estimate by ACE in early April found that students will have $12 billion in new, unmet financial need as a result of the pandemic. The same analysis found that institutions lost approximately $34.6 billion in the last academic year as a result of the pandemic, and will have greater losses 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 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 four million people nationally, and contribute more than $650 billion annually to the economy.

- Colleges and universities are located in every part of the country. There is at least one two-year or four-year college (including universities) in every congressional district and on average there are 13 campuses in each 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.

Global Competitiveness

America leads the world in scientific research, developing the technologies that drive our economy and keep us ahead of our global competitors. American institutions of higher education are the envy of the rest of the world and, in normal years, draw millions of the world’s most talented students, researchers, and educators, who in turn contribute billions of dollars to the nation’s economy. Support for colleges and universities helps us maintain this competitive advantage.

Health Workers and Research

Any efforts to return our nation to normalcy and a robust economic state will require the contributions of American higher education. The heroic doctors, nurses, and other health care professionals we depend on to fight the pandemic were educated and trained on our campuses. The medical advances needed to overcome the novel coronavirus are being developed in university research labs, and across college and university research networks. Support for colleges and universities allows us to produce more healthcare workers and support additional research toward treatments and a vaccine.

Summary Points:

As the cultural and economic hearts of our communities, physically reopening campuses is an essential step in returning our country to normal life. Students struggling in a challenging economy need support to start or continue their college educations. Colleges and universities can’t reopen until they can make every reasonable effort to ensure the health and safety of their students, staff, and visitors. Doing so will require massive new financial outlays colleges and universities have not budgeted for, such as testing; contact tracing; expanded health services; and deep cleaning of facilities, among others. 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 adequate federal support, many institutions will be forced to make the type of financial cutbacks that would harm surrounding local and regional communities. A number may well be forced to shutter completely, crippling local economies just as we’re hoping for a recovery.