The Need for Additional Funding for Higher Education in the Next COVID-19 Supplemental Bill

Talking Points

Request:

ACE 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 schools struggling to survive this crisis.

The Senate bill introduced July 27 provides about $29 billion for higher education, and the House bill approved in May just $37 billion. Both of these amounts fall far short of what is needed by colleges and universities.

Justification:

• Colleges and universities want to open as fully as possible, as quickly as possible, and as safely as possible.
• No campus will look like it did last fall. Federal support will allow institutions to reopen in ways that will protect the health of their campus community. An ACE analysis in June found that institutions across the country will need a total of approximately $73.8 billion dollars to safely reopen in the fall. This estimate includes the costs of testing; contact tracing; expanded health services; deep cleaning of facilities; and related activities.
• A conservative estimate by ACE 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**

• Any efforts to return our nation to normalcy and a robust economic state will require the contributions of American higher education.
• American universities and their medical centers are on the front lines of helping people through this pandemic.
• 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 urgently needed healthcare workers and support additional research toward treatments and a vaccine.

**Summary Points:**

• The $29 billion proposed in the Senate bill is a good start, but it’s a fraction of the over $120 billion in needs we have identified ($46.6 billion in financial impact and $73.8 billion in new reopening expenses).
• As the cultural and economic hearts of our communities, 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.
• Reopening will require massive new financial outlays, such as 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 will 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.