



April 8, 2020

Dear Colorado Congressional Delegation,

Thank you for your support for Colorado’s institutions of higher education as we respond to the unprecedented challenges caused by the coronavirus pandemic. The safety and well-being of our students, faculty, staff, and local communities are our top priorities. We are grateful to Congress – and our Colorado Members in particular – for the swift action to provide much-needed support for essential health care services; economic relief to states, students and institutions of higher education; and regulatory flexibility for students and borrowers. The *Coronavirus Aid, Relief, and Economic Security (CARES) Act* is an essential first-step to addressing the critical needs on our campuses and in our communities.

We are mindful that if the light of higher education grows too dim or is allowed to go out, a generation’s hope for a better life for their family is placed at risk - along with America’s economic competitiveness and innovation. We are committed to doing all within our power to continue to deliver on our mission to teach, discover and serve in the most effective and efficient manner possible during these challenging times. Because the magnitude of the negative impact of COVID-19 on our institutions is so severe, your continued support will be essential to preserving the vitality of higher education through this crisis.

Release CARES Funds to Students and Institutions Now

We appreciate the creation of an Education Stabilization Fund to provide nearly \$14 billion for colleges and universities nationwide to be split equally between students and institutions, and bring higher education some much-needed relief. **We urge you to encourage Secretary DeVos and the U.S. Department of Education to release these funds as soon as possible and provide flexibility to use them to best meet student and campus needs.** It is critical students receive support for basic needs including food, housing, travel, and technology assistance for remote learning as soon as possible. It is also critical for institutions so we can continue to provide uninterrupted support for our students through high quality services and programs.

Emergency Aid for Students and Institutions

We echo the American Council on Education in stressing the overall assistance provided for students and institutions in the *CARES Act* is far below what is required to respond to this crisis. We project room and board refunds could reach \$100 million in Colorado and \$8 billion nationwide. Our institutions are incurring substantial costs from moving to remote teaching and learning, loss of auxiliary revenues, and more. The Association of American Universities estimates auxiliary revenues at colleges and universities will decline by at least 25 percent or \$11.6 billion nationwide. We estimate this figure could soar above 75 percent in Colorado if students are unable to return to campuses this fall.

Our institutions contribute approximately \$20 billion in annual economic impact to Colorado and are the largest employer in some parts of our state, which means the financial crisis we are facing will reverberate beyond our campuses and into the rural and urban communities we serve. **As Congress drafts the next relief package, we urge you to provide an additional \$47 billion in emergency funding to be split between students and campuses, higher education centers and institutions of higher education. We urge lawmakers to direct student relief funds in the form of need-based financial aid with flexibility for campuses and institutions**

**to address sudden changes in students' circumstances as a result of the pandemic. Finally, we urge Congress to consider direct assistance to institutions serving rural communities most impacted by the pandemic given their critical and unique role in the state's local and regional economies.** These funds will not only help shore up our institutions but also support Colorado's economy and support Colorado jobs across our diverse communities.

#### Supplemental Research Funding

**Our institutions request at least \$13 billion in supplemental funding to federal research agencies to support emergency paid leave for grant personnel and the costs of winding down – and eventually ramping up – research operations on campuses.** We all affirm the importance of America's research enterprise to our collective security, health, and economic well-being. This is particularly salient now as Colorado's higher education campuses are serving on the front lines of this pandemic – leading the urgent search for therapies and a vaccine for coronavirus and using technologies such as 3D printers to create facial masks and shields for healthcare workers to fill the gap in the personal protective equipment (PPE) supply chain. We are grateful federal agencies have provided some additional flexibility to continue to pay the salaries of grant-funded personnel but we require supplemental support to ensure funding does not run out in the next two-months or as long research operations are restricted/suspended.

#### Coronavirus Relief Fund for States

We are likewise grateful the *CARES Act* creates a \$150 million Coronavirus Relief Fund to support states, territories and local governments. The National Conference of State Legislatures estimates Colorado's share at around \$2.2 billion. We support federal efforts to shore up and provide essential relief to state budgets, however we're deeply concerned the legislation only permits relief funds to be spent on new expenditures related to coronavirus and not to offset inevitable state budget cuts. Colorado's institutions, campuses and centers of higher education are particularly vulnerable in this fiscal environment because funding for higher education is the largest flexible portion of the state budget. Historically, Colorado has been forced to disproportionately cut higher education to balance the state budget. During the Great Recession, federal relief provided critical support, without which some of our institutions may have faced bankruptcy or closure. We would like to thank Senators Bennet and Gardner for writing a letter of clarification to Secretary Mnuchin to provide rules with more flexibility on how these funds can be utilized. As the federal government continues to discuss ongoing financial relief to states, **we hope Congress can provide as much relief as possible, as quickly as possible, with as much flexibility as possible to meet the growing list of financial pressures on state budgets.**

#### Pandemic Response Bonds

We echo our previous request for Congress to provide institutions of higher education with access to low-cost capital. Access to affordable capital is a lifeline to our institutions until this crisis recedes and normal campus operations resume. **Specifically, we urge the federal government to provide colleges and universities with temporary access to Pandemic Response Bonds, which would allow institutions, campuses and centers to issue bond debt for coronavirus costs and capital projects.** Access to debt bond financing to partially recover mounting coronavirus related campus costs would help colleges and universities supplement lost revenue, absorb sizeable new expenses, and amortize costs over the long-term – freeing up substantial funds to support our students. While we all hope we do not need to turn to this option, it could be a critical backstop to ensure continuity of operations. While we will all make tough choices and will cut spending to balance our budgets, we also do not want to cut so deeply that we are unprepared to ramp back up to meet student needs after the pandemic subsides. And of course, debt bond financing instruments for capital infrastructure projects would also help our campuses create construction jobs and stimulate Colorado's economy. **We urge lawmakers to ensure Pandemic Response Bonds are not subject to future reductions, including sequestration, over the length of the bond.**

**We also request that Congress temporarily reinstitute Advance Refunding Bonds.** Temporary access to these bonds would allow our institutions, campuses and centers to take advantage of lower interest rates and reduce our debt service costs.

### Tax Relief for Students

**We also urge Congress to temporarily suspend the taxability of scholarship and grant aid for low- and middle-income students.** Colorado institutions have prioritized growing support services and aid for our students during this crisis. Ensuring grant aid provided to students through the *CARES Act*, as well as other federal and institutional aid is not taxable will allow our most vulnerable students to keep more of that aid for basic needs like food and housing.

### Suspending New Regulatory Proposals

We appreciate the statutory and regulatory flexibility extended to students and institutions in the *CARES Act*. The measure allows colleges and universities to repurpose Supplemental Educational Opportunity Grant funds for emergency grant aid, disburse Federal Work Study dollars to students who are unable to work, and ensures Pell Grant recipients do not have to repay the federal government for leaving school due to the pandemic. These flexibilities for programs administered by the U.S. Department of Education are necessary and critical to our students' current well-being and future academic success.

**We also request Congress ensure federal agencies temporarily suspend issuing new regulatory requirements for colleges and universities.** Our institutional resources are stretched thin as we respond to the immediate needs of this crisis. Now is not the time to impose new compliance burdens on colleges and universities. We are particularly concerned the U.S. Department of Education will release new rules on Section 117 foreign gift reporting and Title IX, in the middle of this crisis. Releasing these rules at a time when institutions are focusing our limited resources on our immediate needs due to the pandemic would not best serve our community.

We want to reiterate our appreciation to Congress and the Colorado congressional delegation for passing the *CARES Act*, which includes essential support for Colorado's colleges, universities, and higher education centers. We likewise urge you to significantly increase aid for higher education in the next coronavirus aid package. Please know that for our part we will continue to do our best to combat this pandemic and to deliver quality and affordable education, discovery and service for our students, communities and states. Thank you for your continued support for our students, institutions and campus communities during this unprecedented public health crisis. Please do not hesitate to reach out to any of us, anytime.

Sincerely,

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