



Update on Pending COVID-19 Relief Legislation

Speakers

- Barbara K Mistick, D.M., President
- Sarah Flanagan, Vice President for Government Relations & Policy Development
- **Stephanie Giesecke**, Director of Budget & Appropriations
- Jody Feder, Director of Accountability & Regulatory Affairs

August 3, 2020

Today's Agenda

- Status and Timing of Legislation
- Discussion of Key Issues
- Questions and Discussion

Congress is Acting Now on Final COVID Relief Bill

Barbara
Mistick,
President

- Hoping to be done by August 7
- Each Party Has Outlined their Priorities
 - House passed HEROES Bill on **May 15**
 - Senate Dems introduced CCCERA on **June 30**
 - Senate GOP Introduced Companion Bills **July 28**
- This is when your “Congressional Donors” will be deciding what to do with their money



Congress is Acting Now on Final COVID Relief Bill

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Dear Colleague:

We are at an urgent inflection point in Washington as Congress begins to negotiate House and Senate and Democratic and Republican proposals to provide federal relief as a result of the COVID-19 pandemic.

Negotiators are aiming to pass a final bill in the next ten days. I am writing to ask you to call your Representative and Senators again in support of our collective priorities for private, nonprofit higher education in the next federal relief bill.

With Senate Republicans unveiling their [coronavirus relief proposals](#) last night, final negotiations between both chambers and both parties in Washington are getting underway with heightened intensity.

We have asked for \$46.6 billion in federal funding for higher education. This does not cover the full need for higher education. In fact, starting earlier in the summer, we recognized that reopening was going to take significant effort. Using figures provided by NAICU members and in consultation with our peer higher education associations, we estimated the cost of safely reopening across higher education at \$73.8 billion.

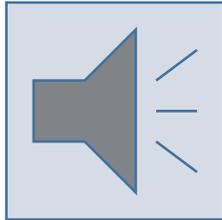
While progress has been made on the funding levels and liability protections we are seeking, neither the Senate Republican proposal released last night nor the Democratic House bill passed in May provide enough support for colleges and universities and their students.

Legislation	Higher Education Funding Level	Liability Protection
Senate Republicans	\$29 Billion	Included
House Democrats	\$37 Billion	Not Included
Senate Democrats	\$132 Billion *	Not Included

* Reflects total estimates related to reopening costs and lost revenue due to the pandemic.

As you contact your elected officials, here are several key talking points that NAICU has developed for you to use in those conversations.

Higher Education Funding

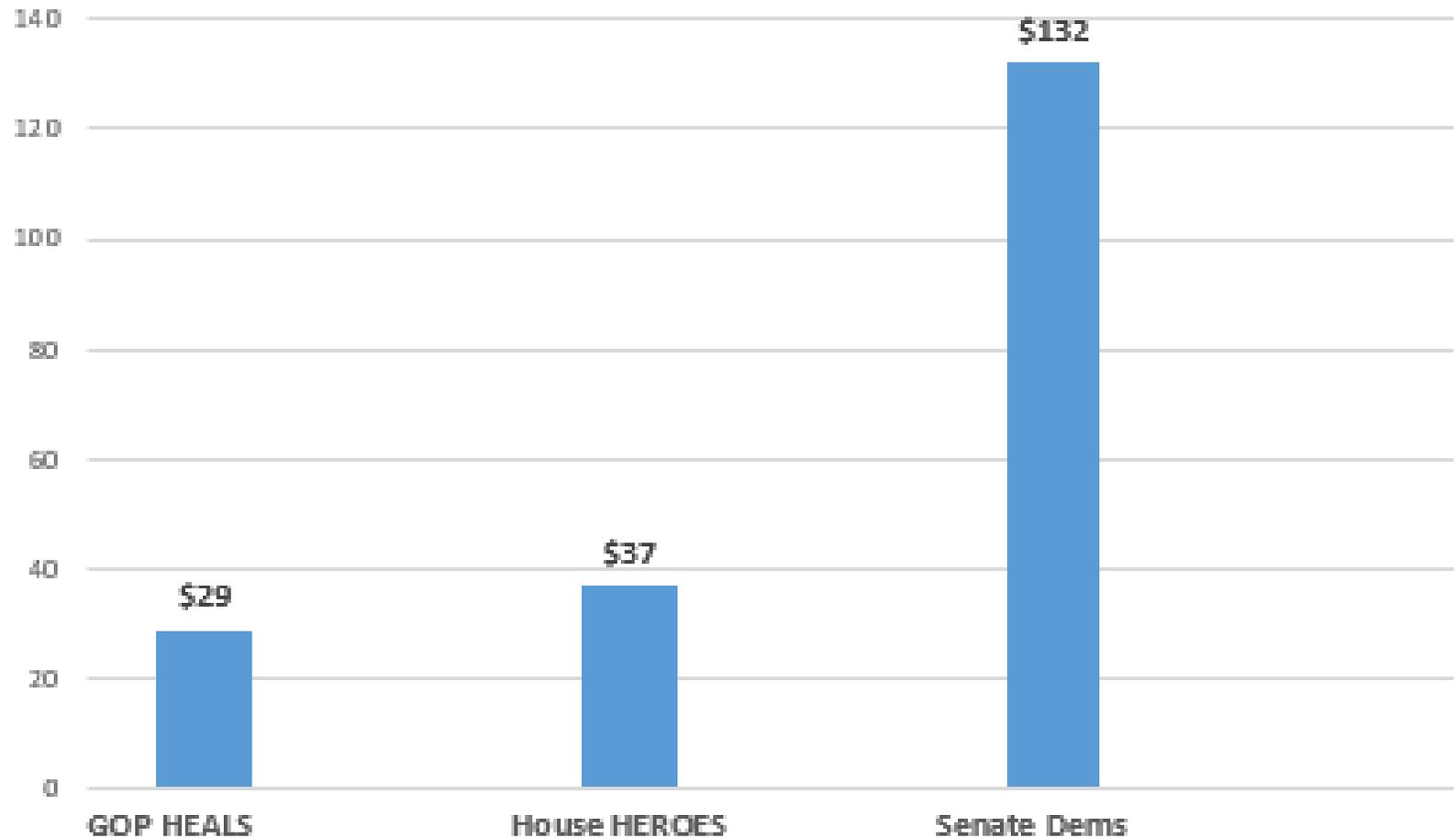


We recommend a funding level of *at least* \$46.6 billion for institutions and students to address increased student financial need and increased institutional costs and revenue losses.

Stephanie
Giesecke,
*Director of
Budget &
Approps.*

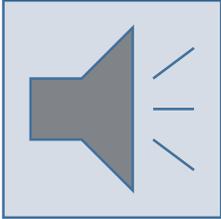
Three Key Proposals in Negotiations

Higher Education Funding Levels in Emergency Bills (in billions)



**Stephanie
Giesecke,**
*Director of
Budget &
Approps.*

Why FTE Matters



Funding should be distributed to institutions based on their total number of FTE students, not headcount.

**Sarah
Flanagan,**
*VP of
Government
Relations &
Policy
Development*

Why FTE Matters

Full-time equivalency greatly benefits private, nonprofit colleges and universities in the distribution formula.

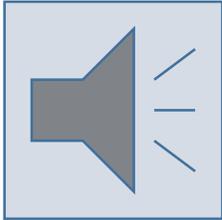
Sector	CARES (FTE)	House and Senate Dems (Headcount)	Senate GOP (FTE)
All Public	71.4%	76.9%	71.4%
4-Year	49.5%	43.3%	49.3%
2-Year	21.6%	33.2%	21.8%
Private, Nonprofit	19.7%	14.9%	18.6%
For Profit	8.9%	8.2%	10.0%

Why FTE Matters

Full-time equivalency greatly benefits private, nonprofit colleges and universities in the distribution formula.

Issue	House Democrats (Headcount)	Senate Democrats (Headcount)	Senate GOP (FTE)
Funding based on FTE	X	X	✓

Endowments



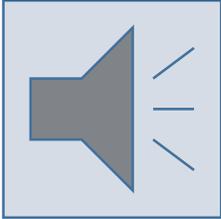
Funds should not be tied to an institution's endowment. Endowments are not a proxy for an institution's financial situation. The endowment formula specifically discriminates against private colleges and institutions that are smaller in size, while targeting many institutions on the forefront of our nation's response to the current pandemic.

Do Not Penalize Institutions Based on Endowments

Senate GOP bill contains a provision that limits allocations to 50% for IHE's that are subject to the endowment tax and allows them to only use their funds for student grants.

Issue	House Democrats	Senate Democrats	Senate GOP
Don't tie funding to endowments	✓	✓	✗

Use of Funds



Use of funds should be flexible and broadened to cover:

- Tuition and all other elements of cost of attendance for a student
- Institutional losses and costs related to the pandemic

**Stephanie
Giesecke,**
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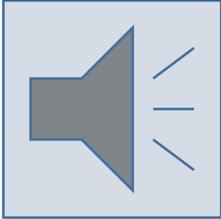
Use of Funds

Use of funds should be flexible and cover tuition and all other elements of cost of attendance for a student and Institutional losses and costs related to the pandemic.

Issue	House Democrats	Senate Democrats	Senate GOP
Use of funds	✓	✓	✓

Stephanie Giesecke,
Director of Budget & Approps.

Student Eligibility



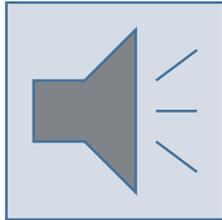
Student eligibility should remain at the discretion of the institution, not just Title IV-eligible students

Student Eligibility

Institutional discretion on student eligibility.

Issue	House Democrats	Senate Democrats	Senate GOP
Institutional discretion on student eligibility	✓	✓	✗

Liability Protection



Institutions need temporary, limited liability protection related to the pandemic if we are going to be able to reopen in a responsible manner that best serves our student's educational and health needs.

Jody Feder,
*Director of
Accountability
& Regulatory
Affairs*

Liability Protection

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*Director of
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& Regulatory
Affairs*

Temporary, limited liability protection

Issue	House Democrats	Senate Democrats	Senate GOP
Temporary, limited liability protection	X	X	✓

Senate GOP Liability Proposal

Jody Feder,
*Director of
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- Institutions shielded from liability unless plaintiff proves by clear and convincing evidence that the institution:
 - Was not making reasonable efforts to comply with applicable government standards; and
 - Engaged in gross negligence or willful misconduct.
- State laws would be preempted, unless they impose stricter liability limits.

Other Issues of Interest

- Lending, Including the Paycheck Protection Program
 - House extends to all non-profits
 - Senate GOP bill provides limited reboot, but only for entities with severe revenue drop
- Employer tax credits for protective expenses to help protect workers
- Increased unemployment relief for employers who self-insure

**Sarah
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Summary of Provisions

Barbara
Mistick,
President

Issue	House Democrats	Senate Democrats	Senate GOP
Funding based on FTE	X	X	✓
Don't tie funding to endowments	✓	✓	X
Use of funds	✓	✓	✓
Institutional discretion on student eligibility	✓	✓	X
Temporary, limited liability protection	X	X	✓

Advocacy and Timing

- Negotiations are underway now.
- Presidents should call Representatives and Senators again
- August 7 target date

- Resources:
 - 7-30-20 [Action Alert](#)
 - NAICU dedicated [coronavirus webpage](#)

Discussion Questions

- What questions do you have for us?
- What feedback do you have from your previous conversations?
- Do you have advice for us as we continue our work?
- The bills have many other issues important to our colleges that we are also working on. Are there other provisions you want to bring to our attention?