



National Association of
Independent Colleges and
Universities

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November 18, 2021

The Honorable Bobby Scott
Chairman
Committee on Education and Labor
U.S. House of Representatives
2176 Rayburn House Office Building
Washington, DC 20515

The Honorable Virginia Foxx
Ranking Member
Committee on Education and Labor
U.S. House of Representatives
2176 Rayburn House Office Building
Washington, DC 20515

The Honorable Frederica S. Wilson
Chairwoman
Subcommittee on Higher Education and
Workforce Investment
U.S. House of Representatives
2251 Rayburn House Office Building
Washington, DC 20515

The Honorable Gregory F. Murphy
Ranking Member
Subcommittee on Higher Education and
Workforce Investment
U.S. House of Representatives
2251 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Scott, Ranking Member Foxx, Chairwoman Wilson, and Ranking Member Murphy:

On behalf of the nation's private, nonprofit colleges and universities, I write to have comments included in the record for the House Committee on Education and Labor, Joint Subcommittee Hearing on Examining the Implementation of COVID-19 Education Funds, held on November 17, 2021.

The National Association of Independent Colleges and Universities (NAICU) serves as the unified voice of private, nonprofit higher education. NAICU's membership reflects the diversity of private, nonprofit higher education in the U.S. Our member institutions include major research universities, faith-based colleges, Historically Black Colleges and Universities, Minority-Serving Institutions and Tribal Colleges, art and design colleges, traditional liberal arts and science institutions, women's colleges, work colleges, two-year colleges, and schools of law, medicine, engineering, business, and other professions. With more than 5 million students attending 1,700 independent colleges and universities in all 50 states, and more than 1 million employees, the private sector of American higher education has a dramatic impact on our nation's larger public interests.

NAICU greatly appreciates that Congress immediately recognized the needs of students and institutions when the coronavirus emerged, and provided nearly \$77 billion in Higher Education Emergency Relief Funding (HEERF) to help weather the unprecedented pandemic. We applaud the Department of Education for its ability to distribute student funds quickly, and provide flexibility for institutions to meet campus needs. This flexibility has allowed students to continue their education and institutions to function safely throughout the pandemic.

We are now in the third academic year of the pandemic, and expect the ripple effects of the virus to extend into a fourth at least. Most institutions of higher education have fiscal years that run from July 1-June 30, meaning COVID has had an impact on three fiscal years as well. We are deeply grateful that, collectively, the three legislative efforts for COVID relief have allowed institutions to properly plan for using these funds, and to draw them down throughout this period.

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Feedback from NAICU members reflects the sense that recovery will not be immediate, despite the influx of federal funds. Institutions are still concerned about fiscal sustainability, projected enrollment declines, the learning gap from the disruption to instruction at the high school level and the disruption of a year of online college instruction, and the continued need for increased student aid because of pandemic economic changes. In particular, private, nonprofit colleges and universities have had to worry that some of the financial steps taken to protect students and ensure institutional stability will actually count against them when their federal financial responsibility scores are released.

There is no question that college students and the institutions they attend have been helped by the federal COVID relief. NAICU members participated in a recent survey that our colleagues at the American Council on Education conducted, which shows the following for all of higher education:

- 80% of institutions agreed that HEERF funds allowed them to keep students enrolled by providing them with electronic devices and internet access.
- 88% of institutions agreed that HEERF funds enabled their institutions to purchase COVID-19 tests, health screenings, and the health care needed to help students and faculty.
- 70% of institutions agreed that HEERF funds enabled their institutions to keep faculty, staff, employees, and contractors at full salary levels who were at risk of unemployment due to pandemic-related factors.
- 18% of institutions agreed their institutions were at risk of closing due to pandemic-related factors and HEERF funds enabled their institutions to continue operating.
- 46% of institutions agreed that HEERF funds enabled their institutions to continue offering planned programs (i.e., programs of study) that were at risk of discontinuation due to pandemic-related factors.

As you know, virtually all of the CARES Act funds and most of the CRRSAA funds have been spent. Data is not available in “real time” as colleges report on a quarterly basis, thus the federal database information lags. The availability of American Rescue Plan (ARP) funds this summer has made it possible for institutions to develop specific plans for drawdowns throughout this academic year, until the conclusion of the spring semester. Institutions are grateful for this flexibility as it is still unknown how the pandemic will play out and what future student emergency needs will be between now and May 2022, the traditional close of the spring semester.

Throughout the past 18 months, student funds have been distributed quickly, as the need has been great. These funds have made it possible to ensure students have a safe environment to continue their studies, access to the technology needed for online instruction and learning, and the resources to cover basic needs to survive an unprecedented national health crisis. In particular, our members indicate that Pell Grant recipients have needed emergency funds to support their most basic needs.

The initial institutional funds in the CARES Act assisted in the immediate and pressing need to transition to online instruction and to implement safety measures. I think we should take great pride as a nation in how quickly colleges and their faculty moved in the spring of 2020 to keep the semester going at the outset of the pandemic.



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Since the fall of 2020, the institutional funds have been used more systematically to plan for the continuing costs throughout the 2020-21 and current academic years, including reserving some of these funds for future student emergencies (since institutional funds can be used for student purposes as well). Nationwide, college instruction and college life has resumed mostly in-person, which means colleges continue to have costs associated with purchasing personal protective equipment, continuous facility cleaning, and providing additional space to ensure social distancing or quarantining. Colleges are now making plans to protect against a possible “winter-wave” of COVID cases, and anticipating the costs that would accompany this unfortunate event, should it occur.

With the ARP funds being made available at the beginning of the 2021-22 academic year, the latest reports only reflect use of funds through August 31, 2021. As of that date, across all sectors of higher education, about 45% of the ARP funds had been spent. Comparatively, private, nonprofit colleges and universities had spent about 55% of their ARP funds. This is a remarkable draw down rate since we were only 1-2 weeks into this academic year when that report was submitted. We are confident that the next report will show an increased draw down percentage that will continue throughout the 2021-22 academic year.

We are a nation of college towns. It is indisputable that America is better off because of the economic opportunity and societal impacts of our colleges and universities. These impacts ripple through to nearly every sector of the cities and communities private, nonprofit colleges call home. The influence of a college or university goes far beyond the campus. The critically important relief our colleges and their students have received has also helped sustain the communities we serve. We are both proud and fortunate to be playing a role in America’s economic recovery from the pandemic.

Before closing, I would like to thank the members of the House Committee on Education and Labor in both parties who worked tirelessly throughout the COVID relief legislative process to ensure that the acute needs of college students were addressed, and that institutions could provide the support students have needed to get through the pandemic.

Thank you for the opportunity to provide the private, nonprofit sector perspective on behalf of the NAICU membership.

Sincerely,

A handwritten signature in cursive script that reads "Barbara K. Fisher".

President