



April 7, 2020

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
H-232 The Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
H-204 The Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
United States Senate
322 Hart Senate Office Building
Washington, DC 20510

Dear Speaker Pelosi, Majority Leader McConnell, and Minority Leaders McCarthy and Schumer,

On behalf of state higher education leaders throughout the country, I am writing to Congress to urge immediate action to stabilize state investments in public higher education stemming from the economic fallout of COVID-19. As governors direct their residents to stay home to stop the spread of the disease, there has been a sharp downturn in economic activity and corresponding declines in state revenues. The large and growing state budget gaps left by the COVID-19 crisis are seriously jeopardizing state lawmakers' ability to fund public higher education adequately and, in turn, will significantly impede efforts to provide student access to high-quality, affordable college opportunities.

While the CARES Act provided welcome relief to states and institutions of higher education, state budget cuts and COVID-19 related costs to institutions are projected to far exceed funding levels in that package. Considering the abruptness and depth of the economic challenges confronting states, the CARES provision requiring states to maintain their K-12 and higher education funding levels may well be waived or ignored by states seeking to address deep budget deficits.

Recent national reports and state news stories have clearly demonstrated alarming signals for the national economy and state budgets. According to a report released yesterday by the Congressional Budget Office (CBO), Gross Domestic Product (GDP) is expected to decline by more than 7 percent during the second quarter of 2020, with unemployment expected to surpass 10 percent. Early projections indicate formidable state budget deficits, including New York's projected deficits falling between \$9 billion and \$15 billion in 2021. Missouri, meanwhile, announced this week a \$180 million budget cut, with public higher education taking on nearly half of the cuts.

Similar to past economic downturns, public higher education will be a prime target for state budget cuts stemming from the COVID-19 crisis. States must balance their budgets, and public higher education has consistently served as the "balancing wheel" of state budgets due to its discretionary status in the budget development process, as well as available alternative revenue streams in the form of student tuition and fees. Years of state budget cuts during lean economic times have not only contributed to increased tuition and heavier student debt burdens, but have also led to larger class sizes, fewer academic programs, and diminished institutional resources to help students succeed in college. Financial resource challenges are particularly acute for community colleges and open-access public universities, educating large shares of low-income and first-generation students and students of color.

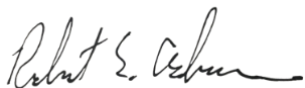
Chair of the Executive Committee:	Carlos E. Santiago, Commissioner, Massachusetts Department of Higher Education
Chair Elect:	Kim Hunter Reed, Commissioner, Louisiana Board of Regents
Treasurer:	Blake Flanders, President & CEO, Kansas Board of Regents
Past Chair:	Glen D. Johnson, Chancellor, Oklahoma State System of Higher Education
President:	Robert E. Anderson

Postsecondary education will play a central role in the national economic recovery, as more jobs require education and training beyond high school. According to a 2016 report from the Georgetown Center on Education and the Workforce, 99% of the jobs created after the recession went to workers with at least some college education. We expect more individuals will seek out college opportunities in response to the uncertain economic conditions and welcome the opportunity to empower them with the education and skills necessary to participate in the labor force fully.

To achieve this, we ask for direct grants to governors with funds specifically earmarked for public higher education in the next stimulus bill. The amount of this grant must far exceed levels in the Governors' Emergency Education Relief Fund in the CARES Act to match projected state budget cuts. Directing funds to governors will provide them with the opportunity to distribute funds in accordance with state needs and goals, ensure a coordinated and strategic response across public institutions in the state, and create an important layer of accountability regarding how the funds are ultimately used. Governors have and continue to work in cooperation with state higher education leaders to highlight state educational and workforce needs and establish educational attainment goals aligned to those needs. Progress has been made on those goals. If states cut higher education funding to fill budget gaps left by the COVID-19 emergency, progress on state goals could come to a halt—or even reverse—at a time when more Americans need education and training beyond high school. With nearly three in four students attending public colleges and universities, deep budget cuts stemming from the COVID-19 emergency will leave a lasting mark on the American economy and take the deepest toll on our most vulnerable student populations.

Thank you for your consideration of this request, and we appreciate the support for higher education in the CARES Act. Public higher education leaders remain committed to marshaling their resources and working around the clock in coordination with officials in local, state, and federal governments to fight this pandemic and provide assistance to those in need. We look forward to working with you to ensure public colleges and universities have the resources necessary to help students succeed and support the national recovery.

Sincerely,



Robert E. Anderson, Ph.D.

President

State Higher Education Executive Officers Association (SHEEO)

cc: Chairman Bobby Scott, Ranking Member Virginia Foxx, Chairman Lamar Alexander, Ranking Member Patty Murray, Chairwoman Rosa DeLauro, Ranking Member Tom Cole, Chairman Roy Blunt, Members of the House Education & Labor Committee, Members of the Senate Health, Education, Labor, and Pensions (HELP) Committee