



THE UNIVERSITY OF CALIFORNIA



THE CALIFORNIA STATE UNIVERSITY



CALIFORNIA COMMUNITY COLLEGES

March 23, 2020

CALIFORNIA CONGRESSIONAL DELEGATION:

Dear Members of Congress:

On behalf of the University of California (UC), the California State University (CSU) and the California Community Colleges (CCC), as well as the nearly 2.9 million students our institutions serve, we contact you today with requests that are vital to the continued wellbeing of our students and the continued operation of our institutions through and beyond the COVID-19 pandemic.

First and foremost, thank you for the swift action taken on the immediate priorities addressed in the supplemental appropriations package recently signed into law. Our institutions appreciate the investments made to help stabilize the economy and address the immediate health needs of our communities.

While the total cost of the COVID-19 pandemic to our institutions will remain unknowable in the short-term, we are confident that the overall impact of the outbreak will be extraordinary. As public institutions, we serve many vulnerable student populations, including students who are low-income, homeless and formerly foster youth, for whom the loss of on-campus housing and services will signify the loss of an important social safety net. Further, our education and research enterprise relies on long-term, continuous staffing and federal financial support, which has become prohibitively difficult to maintain with campus closures expected to persist for several months.

In order to support the continued operations of our public colleges and universities, both for the good of our students and for California, we request your assistance in providing emergency aid for students and institutions, access to low-cost capital, grant assistance in the transition to remote instruction and temporary statutory and regulatory flexibility.

Immediate Emergency Aid to Students and Institutions: To address our students' and institutions' immediate need for financial aid—resulting from the

cancellation of in-person instruction, changes to housing contracts, emergency travel to or from campus, reduced current and future enrollment of international and out-of-state students and a myriad of yet-to-be-determined expenses and shortfalls—we ask you to invest broadly in students and our public institutions through the Pell Grant disbursement system. We recommend a per-student allocation, with 25 percent of aid sent directly to students (up to \$1,500 per student), and that the remainder be used by institutions to offset losses or for additional expenses incurred due to COVID-19.

Access to Low-Cost Capital: Once the COVID-19 pandemic ends, colleges and universities will face significant infrastructural challenges in returning to normal operations, and access to low-cost capital will be an essential complement to other federal aid sources used for these purposes. Furthermore, providing access to zero-interest loans during the pandemic with the opportunity to refinance existing debt would allow institutions to free up resources for outbreak response purposes.

Provide Tax Relief to Institutions of Public Higher Education: As stated above, the ability to refinance debt would allow our institutions, especially those with teaching hospitals, to save money during this crisis. To this end, Congress could temporarily reinstitute Advance Refunding Bonds. To help students in the short term, temporarily suspending the taxability of scholarships and/or grant aid would permit low- and middle-income students to retain more of the aid they rely on to pay for their college education.

Grant Assistance in Transition to Remote Instruction: While unprecedented, many higher education institutions have taken the critical step of transitioning student instruction and coursework to remote modalities—at this moment, it is the safest way to continue instruction. While remote instruction was already occurring to some degree at our institutions, the rapid migration to online platforms for nearly all of our students is both a significant expense and a dramatic adjustment for many instructors, programs of study and students. Considering the number of low-income, first generation and underrepresented students that our institutions serve, we expect that many students will require additional technological resources and tools to complete their education, often at significant personal expense. We request Congress' assistance in establishing a Technology Implementation Fund that provides grants to institutions to ensure that the resources required for success in remote modalities are equitably apportioned to our students.

State Higher Education Fiscal Stabilization Fund: We call on Congress to establish a State Higher Education Fiscal Stabilization Fund to help colleges and universities manage this extreme financial stress. A similar fund was created in 2009 and it provided a lifeline for colleges and universities at a time when they

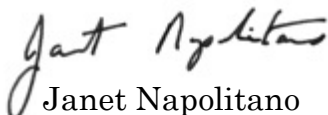
were hemorrhaging revenues and forced to lay off hundreds of faculty. State budgets will likely absorb an even greater shock in the coming weeks and months, and colleges and universities need to be enabled to continue vital operations.

Statutory and Regulatory Flexibility: We recognize the value and critical importance of strong statutory and regulatory oversight in the administration of federal funds to colleges and universities, especially while campuses operate in a routine manner. In the current environment, however, we seek statutory and regulatory flexibility to allow our institutions to continue serving our students and campus communities as comprehensively as possible. For example, regulations governing the disbursement of federal aid is subject to Return to Title IV provisions—provisions which may adversely impact both students and institutions in the short-term, and have critical impact on the university’s continuing disbursement of federal aid in the long-run. Further, Pell eligibility should not be reduced for students participating in programs of study that were abruptly terminated or modified due to COVID-19. Campuses should also not be prevented from transferring funds from one campus-based aid program to another, and we ask that the limits and allowable uses for grant aid be lifted and increased to allow for the best use of those funds, as established by financial aid officers at each campus.

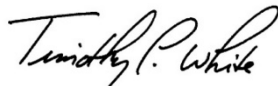
As you continue the vitally important task of addressing the COVID-19 pandemic and mitigating the impact of a financial crisis on our economy, we cannot stress enough the urgency of these requests. We ask you to provide our institutions—as well as the students we are educating, the patients we are treating, the physicians, nurses and other health professionals we are training and the research we are conducting—with the federal support necessary to preserve our operations at this critical time. Our mission as public colleges and universities remains resolute, even in this moment of unprecedented crisis.

If you have any questions about this letter or these requests, please contact our federal governmental relations staff. At UC, contact Chris Harrington (Chris.Harrington@ucdc.edu, 202-974-6314); at CSU, contact Jim Gelb (JGelb@calstate.edu, 202-434-8060); and at CCC, contact Lizette Navarette (LNavarette@ccco.edu, 916-324-9508).

Yours very truly,



Janet Napolitano
President
University of California



Timothy P. White
Chancellor
California State University



Eloy Ortiz Oakley
Chancellor
California Community Colleges