

Congress of the United States
Washington, DC 20515

April 23, 2020

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representative
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Charles E. Schumer
Minority Leader
U.S. Senate
Washington, DC 20510

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

H.R 748, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, illustrated what can be achieved when we all come together to put Americans struggling under the weight of an unprecedented health emergency first. As we continue to assess the impact of COVID-19 on our constituents, we write to ask that the needs of our nation's low-income and minority communities are considered in any future relief package. Specifically, we request that you prioritize programs that keep the dream of a higher education alive for underrepresented communities, as this will lend to a quicker economic and public health recovery.

Institutions of higher education (IHEs) are associated with broad benefits for their local economies, while a postsecondary degree is associated with higher future earnings and greater worker productivity for individuals.¹ Additionally, postsecondary degrees act as a cushion against unemployment during economic downturns for example, during the Great Recession, those with postsecondary degrees saw more steady employment.² These principles are widely accepted and are largely the rationale behind Congress' continued prioritization of increasing access to higher education for underrepresented populations that rank low on most socioeconomic indicators. IHEs also perform around half of all U.S. research—more than \$68

¹Valero, Anna, & Van Reenen, John. (2019). The economic impact of universities: Evidence from across the globe. *Economics of Education Review*, 68(Feb. 2019), 53-67. Retrieved from <https://www.sciencedirect.com/science/article/pii/S0272775718300414>; Hill, Kent, & Hoffman, Dennis. (2005). *The Value of Higher Education: Individual and Societal Benefits* (Oct. 2005). Retrieved from Arizona State University, Productivity and Prosperity Project: <https://www.asu.edu/president/p3/Reports/EdValue.pdf>.

² Autor, David H. (2014). Skills, education, and the rise of earnings inequality among the "other 99 percent". *Science*, 344(6186), 843-851. Retrieved from <https://science.sciencemag.org/content/344/6186/843.full>.

billion worth in total.³ IHEs have taken the lead in facilitating groundbreaking research into antiviral treatments for COVID-19, including the discovery of a vaccine.

Historically Black Colleges and Universities (HBCUs), Tribal Colleges and Universities (TCUs), and Minority-Serving Institutions (MSIs) educate upwards of six million students and produce about 28 percent of all postsecondary degree holders. For example, Hispanic-Serving Institutions (HSIs) enroll over two of every three of the 3.8 million Hispanic students in college today. The economic impact of these schools is massive. HBCUs have a short-term economic impact of \$14.8 billion and, for the class of 2014, \$130 billion in career earnings of which 36 percent can be attributed to their degrees.⁴ Due to their concentration in predominately minority neighborhoods, they directly confer many of their benefits on these communities first. HBCUs, TCUs and MSIs have been at the forefront of addressing race disparities in COVID-related deaths; for example, Howard University's hospital in Washington, D.C. has been designated as one of the city's key COVID-19 treatment facilities and has taken the lead in examining health disparities among African-American COVID-19 patients in Washington.

Despite the importance of these institutions as a matter of COVID-19 economic and health response, HBCUs, TCUs, and MSIs are still under-resourced, leaving them unable to do the work required to spur a full recovery. With this being the case, we ask that you consider the following policies for these institutions that will promote economic prosperity and positive health outcomes in low-income and minority communities:

- 1. Include a waiver of the allowable uses in the Minority Science Engineering and Improvement Program (MSEIP).**

While the CARES Act allows the Secretary of Education to waive allowable uses for grants awarded under Part A or B of Title III, Chapter I or II of Subpart 2 of Part A of Title IV, Title V, or Subpart 4 of Part A of Title VII of the HEA, the MSEIP is crucial in allowing MSIs to increase the participation of underrepresented students in fields that will drive economic mobility and crucial progress and health research. In order to grant maximum flexibility to respond to the ever-changing circumstances of this pandemic, a waiver in the MSEIP is essential.

- 2. Include a technology fund to allow students to access broadband.**

In the CARES Act, HBCUs, TCUs, and MSIs were given the ability to utilize resources to purchase technological equipment for our students to help them complete their assignments online; participate in virtual counseling; receive mentoring and tutoring

³ Comen, E. (2017). 10 Universities Spending Billions on R&D. Retrieved from the website 24/7 Wall Street: <https://247wallst.com/special-report/2017/04/04/universities-investing-the-most-in-research-and-development/>.

⁴ United Negro College Fund. (2017). *HBCUs Make America Strong: The Positive Economic Impact of Historically Black Colleges and Universities*. Retrieved from https://cdn.uncf.org/wp-content/uploads/HBCU_Consumer_Brochure_FINAL_APPROVED.pdf.

services online; and complete other required tasks in relation to their academic program through distance education. While access to equipment is important, so is access to broadband. According to an article released by the Pew Research Center, “roughly three-in-ten adults with household incomes below \$30,000 a year (29%) don’t own a smartphone... and [m]ore than four-in-ten [adults] don’t have home broadband services (44%) or a traditional computer (46%).”⁵ It is imperative that students attending HBCUs, TCUs, and MSIs have the ability to access broadband to allow them to continue their academic program and complete their education.

3. Provide a set-aside of at least \$6.5 billion in research and development funding for HBCUs, TCUs, and MSIs.

According to the most recent data, all IHEs received a funding total of \$79.436 billion dollars of research and development (R&D) funding in 2018 with \$42.018 billion coming from the federal government.⁶ Of these institutions, HBCUs, TCUs, and MSIs received significantly less funding. For instance, HBCUs received a total of \$534.045 million dollars in overall R&D funding with \$400.349 million coming from the federal government, equating to only 0.67 percent of total funding.⁷ TCUs received \$13.8 million of overall funding from the National Science Foundation (NSF), or less than one-fourth of one percent, compared to \$5.558 billion awarded by NSF in research and education funding to the nation’s higher education institutions.⁸ We ask for a specific set-aside of \$6.5 billion total for these institutions in federal agencies and institutes, such as NSF and the National Institute of Minority Health Disparities, to support groundbreaking research into COVID-related health disparities for minority communities and the HHS Title VII health professions training programs to help produce diverse health professionals.

4. Allow IHEs to exempt Federal Work Study students from the employee count for the purposes of accessing loans in the CARES Act.

The CARES Act allows for IHEs with no more than 500 employees to apply for a loan in the Paycheck Protection Program and apply for an Economic Injury Disaster Loan (EIDL). One of the primary benefits to smaller IHEs is that they will be able to receive additional assistance if needed and even have the opportunity to receive an advance of up

⁵Anderson, M., & Kumar, M. (2019, May 7). *Digital divide persists even as lower-income Americans make gains in tech adoption*. Pew Research Center. Retrieved from <https://www.pewresearch.org/fact-tank/2019/05/07/digital-divide-persists-even-as-lower-income-americans-make-gains-in-tech-adoption/>

⁶ National Science Foundation. (2019). *Higher education R&D expenditures, by source of funds, R&D field, and survey population: FY 2018*. Retrieved from <https://ncesdata.nsf.gov/herd/2018/html/herd18-dt-tab001.html>.

⁷ National Science Foundation. (2020). *Higher education R&D expenditures at historically black colleges and universities, ranked by all R&D expenditures, by source of funds: FY 2018*. Retrieved from <https://ncesdata.nsf.gov/herd/2018/html/herd18-dt-tab031.html>.

⁸ National Science Foundation. (2020). *Survey of Federal Science and Engineering Support to Universities, Colleges, and Nonprofit Institutions Fiscal Year 2017*. Retrieved from <https://ncesdata.nsf.gov/fedsupport/2017/>.

to \$10,000 in the EIDL program that they would then be able to utilize as a grant. These additional opportunities are great options for our smaller institutions but counting Federal Work Study recipients as employees will limit eligibility for these programs. As such, we ask that only for the purposes of accessing the Paycheck Protection Program and EIDL, students are not counted as employees as this would prevent a number of HBCUs, TCUs, and MSIs from benefiting from these additional funding streams.

5. Invest \$10 billion in infrastructure funding for HBCUs, TCUs, and MSIs

HBCUs, TCUs, and MSIs have dire infrastructure needs that often go unmet due to limited resources and the prioritization. In some cases, students that attend these institutions are unable to benefit from the latest technology, lab equipment, upscale classrooms, libraries, and academic facilities simply due to funding. Additionally, as our nation's hospitals are stretched to capacity, some IHE's have entered into partnerships with health providers to use their facilities as field hospitals to treat COVID-19 patients.⁹ These needs are especially acute in rural communities where a number of these institutions are located.

6. Invest an additional \$1 billion in emergency funding for HBCUs, TCUs, HSIs, AANAPISIs, PBIs and other Minority-Serving Institutions.

We remain grateful that over \$1 billion was invested in HBCUs, TCUs, and MSIs in the CARES Act. However, given the ongoing uncertainty around the duration of the COVID-19 health emergency and the true impacts this situation will have on IHEs and their students, we are asking that you invest an additional \$1 billion in these institutions. These additional funds will allow them to access the resources necessary to continue to provide quality academic instruction and learning experiences to their students during this national emergency.

7. Double the Maximum Pell Grant Award

The Federal Pell Grant program is the primary form of financial assistance for low- and moderate-income families. However today, the Pell Grant covers only around 30 percent of the average costs of tuition, fees, room and board at public four-year colleges, which is far below the 79 percent it covered over 40 years ago.¹⁰ Doubling the maximum Pell Grant award would boost college enrollment, reduce drop-out rates, and improve student outcomes for students who rely on the program to receive a postsecondary degree.

⁹ Smoot, Hannah & Gordon, Michael. (2020, April 2). Atrium, Novant ask Mecklenburg to set up COVID-19 field hospital at UNC Charlotte. *Charlotte Observer*. Retrieved from <https://www.charlotteobserver.com/news/coronavirus/article241709631.html>.

¹⁰ Protosaltis, Spiros & Parrott, Sharon. (2017). *Pell Grants — a Key Tool for Expanding College Access and Economic Opportunity — Need Strengthening, Not Cuts*. Retrieved from the Center on Budget and Policy Priorities website: <https://www.cbpp.org/research/federal-budget/pell-grants-a-key-tool-for-expanding-college-access-and-economic-opportunity>

8. Cancel all student loan debt up to at least \$20,000.

African-American students default on their student loans at a rate of 17.7 percent, while Latino Americans default at about 13 percent, both higher than the nine percent default rate for whites.¹¹ While postponing all payments on student loan principal and interest was helpful, more is needed in order for these communities to support their local economies. Forgiving up to at least \$20,000 of student debt would free debt obligations for more than half of all borrowers, boosting real Gross Domestic Product by tens of billions of dollars.¹² We also ask that ALL federal loans, such as commercially-held Federal Family Education Loans and Perkins Loans, and private loans, be eligible for debt cancellation under this provision.

We thank you for your consideration of these important requests to make our nation's recovery equitable for all.

Sincerely,

/s/ Alma S. Adams, Ph.D.
ALMA S. ADAMS, PH.D
Member of Congress

/s/ Karen Bass
KAREN BASS
Member of Congress

/s/ Judy Chu
JUDY CHU
Member of Congress

/s/ Bobby L. Rush
BOBBY L. RUSH
Member of Congress

/s/ Steve Cohen
STEVE COHEN
Member of Congress

/s/ Frederica S. Wilson
FREDERICA S. WILSON
Member of Congress

/s/ Joaquin Castro
JOAQUIN CASTRO
Member of Congress

/s/ Sheila Jackson Lee
SHEILA JACKSON LEE
Member of Congress

¹¹ Cox, J. (2019). Surging college loan debt is having an especially big impact on African Americans. Retrieved from the CNBC website: <https://www.cnbc.com/2019/11/19/surging-college-loan-debt-having-disproportionate-impact-on-blacks.html>.

¹² Fullwiler, Scott & Kelton, Stephanie. (2018). *The Macroeconomic Effects of Student Debt Cancellation*. Retrieved from the Levy Institute website: http://www.levyinstitute.org/pubs/rpr_2_6.pdf.

/s/ André Carson
ANDRÉ CARSON
Member of Congress

/s/ Joyce Beatty
JOYCE BEATTY
Member of Congress

/s/ Jahana Hayes
JAHANA HAYES
Member of Congress

/s/ Pramila Jayapal
PRAMILA JAYAPAL
Member of Congress

/s/ James P. McGovern
JAMES P. MCGOVERN
Member of Congress

/s/ Alcee L. Hastings
ALCEE L. HASTINGS
Member of Congress

/s/ Gregorio Kilili Camacho Sablan
GREGORIO KILILI CAMACHO SABLAN
Member of Congress

/s/ Eddie Bernice Johnson
EDDIE BERNICE JOHNSON
Member of Congress

/s/ Bill Foster
BILL FOSTER
Member of Congress

/s/ Donald M. Payne, Jr.
DONALD M. PAYNE, JR.
Member of Congress

/s/ Rashida Tlaib
RASHIDA TLAIB
Member of Congress

/s/ Deb Haaland
DEB HAALAND
Member of Congress

/s/ Eleanor Holmes Norton
ELEANOR HOLMES NORTON
Member of Congress

/s/ Cedric L. Richmond
CEDRIC L. RICHMOND
Member of Congress

/s/ Al Green
AL GREEN
Member of Congress

/s/ Joseph P. Kennedy, III
JOSEPH P. KENNEDY, III
Member of Congress

/s/ Barbara Lee
BARBARA LEE
Member of Congress

/s/ Juan Vargas
JUAN VARGAS
Member of Congress

/s/ Raúl Grijalva
RAÚL GRIJALVA
Member of Congress

/s/ Sanford D. Bishop
SANFORD D. BISHOP
Member of Congress

/s/ Darren Soto
DARREN SOTO
Member of Congress

/s/ David Scott
DAVID SCOTT
Member of Congress

/s/ Diana DeGette
DIANA DEGETTE
Member of Congress


/s/ Ro Khanna
RO KHANNA
Member of Congress

/s/ Gregory W. Meeks
GREGORY W. MEEKS
Member of Congress

/s/ Nydia M. Velázquez
NYDIA M. VELÁZQUEZ
Member of Congress

/s/ Adriano Espaillat
ADRIANO ESPAILLAT
Member of Congress

/s/ Anthony G. Brown
ANTHONY G. BROWN
Member of Congress


AL LAWSON
Member of Congress

/s/ G. K. Butterfield
G. K. BUTTERFIELD
Member of Congress

/s/ Jesús G. "Chuy" Garcia
JESÚS G. "CHUY" GARCIA
Member of Congress

/s/ Veronica Escobar
VERONICA ESCOBAR
Member of Congress

/s/ Grace F. Napolitano
GRACE F. NAPOLITANO
Member of Congress