

July 22, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, D.C. 20515

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
Washington, D.C. 20515

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

As 43 organizations representing and advocating for students, families, taxpayers, veterans and service members, faculty and staff, civil rights and consumers, we write to thank you for your continuing commitment to provide additional emergency funding for higher education. While the bipartisan work of Congress in response to the COVID-19 pandemic in the CARES Act has already helped millions of students and colleges withstand the crisis, the unprecedented scale and scope of the emergency demonstrates that major additional investments in states and in higher education will be necessary.

The House passed Health and Economic Recovery Omnibus Emergency Solutions Act (HR 6800) and the recently introduced Coronavirus Child Care and Education Relief Act (S. 4112) demonstrate approaches to providing additional higher education funding that are better targeted to public colleges, rather than supporting the operations of for-profit colleges. Many for-profit colleges have demonstrated records of high costs, poor outcomes and, too frequently, have been the subject of state and federal investigations that have revealed the use of deceptive and misleading recruiting tactics. We strongly support providing new higher education funding to the states.

As the Senate works to address the need for additional supports for states and institutions of higher education, we urge you to also ensure that there is adequate information about the transition to online programs, and build on the oversight included in the CARES Act.

In order to properly safeguard students and the taxpayer dollars being provided to institutions, we ask that the following policy protections be included in any additional funding package:

- **Ensure that institutions are required to return misused funds:** In instances where institutions misuse emergency funds for stock buybacks, marketing, and other purposes that are prohibited by statute, institutions are clearly required to repay funds.
- **Protect the CARES investment:** Build on the existing CARES guidance from the Department of Education by requiring that no institution taking CARES or other emergency funding can divert money from the institution for a specified period to benefit insiders and investors (through increased executive compensation, dividends, buybacks or other removal of equity by owners).

- **Prevent abusive recruiting:** Maintain the existing requirement in the CARES Act prohibiting the use of emergency funds for third party recruiting and expand the requirement to cover all pre-enrollment recruiting.
- **Close the 90/10 loophole:** Address the targeting of veterans by requiring that all emergency funds and all federal funds are counted toward the “90” side of the equation for the duration of the emergency, consistent with the Carper-Lankford bipartisan Protect Vets Act (S.2857).
- **Protect students at closing schools:** For student attending non-profit institutions that close during the crisis require that teach outs be conducted by institutions with like accreditation, articulation agreements be in place with local public colleges, and schools conducting teach outs have a clean "bill of health" with respect to financial stability and consumer protection.
- **Make whole defrauded borrowers:** Provide full relief for all claims by students who attended ITT and Corinthian Colleges, which have been shown to have engaged in widespread illegal activity, as well as students included in group discharge petitions filed by state Attorneys General pursuant to the Coronavirus Emergency Borrower Defense (E-BD) Act (S. 3745).

We sincerely appreciate the bipartisan commitment to ensuring that our higher education system and all of our students weather this public health and economic crisis, and we look forward to working together to ensure that reasonable policy provisions that help to meet these shared goals are included as Congress works towards a new round of emergency relief.

Sincerely,

Allied Progress
 American Association of University Women (AAUW)
 American Federation of Teachers
 Association of Young Americans (AYA)
 Center for American Progress
 Center for Law and Social Policy
 Center for Responsible Lending
 Children's Advocacy Institute
 Consumer Action
 Consumer Federation of California
 Consumer Reports
 East Bay Community Law Center
 Economic Mobility Pathways (EMPath)
 Education Reform Now
 The Education Trust
 Generation Progress
 Government Accountability Project
 Hildreth Institute
 Housing and Economic Rights Advocates
 The Institute for College Access & Success
 Maine Center for Economic Policy
 Maryland Consumer Rights Coalition (MCRC)
 National Association for College Admission Counseling
 National Association of Consumer Advocates
 National Center for Law and Economic Justice

National Consumer Law Center (on behalf of its low-income clients)
National Consumer League
National Education Association
New America Higher Education Program
Partnership for College Completion
Public Citizen
Public Good Law Center
Public Law Center
Southeast Asia Resource Action Center (SEARAC)
Student Debt Crisis
The Campaign for College Opportunity
The Western New York Law Center
U.S. Public Interest Research Group (PIRG)
Veterans Education Success
Veterans for Common Sense
Woodstock Institute
Yan Cao, Fellow, The Century Foundation
Young Invincibles

CC: The Honorable Richard Shelby
The Honorable Patrick Leahy
The Honorable Roy Blunt
The Honorable Lamar Alexander
The Honorable Patty Murray
The Honorable Nita Lowey
The Honorable Kay Granger
The Honorable Rosa DeLauro
The Honorable Tom Cole
The Honorable Bobby Scott
The Honorable Virginia Foxx