

AMERICAN COUNCIL ON EDUCATION



OFFICE OF THE PRESIDENT

October 30, 2007

Committee on Education and Labor  
United States House of Representatives  
2181 Rayburn House Office Building  
Washington, DC 20515

Dear Representative:

On behalf of the American Council on Education and the other higher education associations listed below, I write in support of the establishment of an Education Disaster and Emergency Relief Loan program and urge the House of Representatives to include legislation authorizing such a program in its version of the Higher Education Act (HEA) reauthorization bill.

Under such a program, permanent guaranteed disaster loans would be distributed by the U.S. Department of Education to higher education institutions suffering losses incurred as a result of a major natural or man-made disaster. Loan funding would originate from the federal treasury, and only those institutions located in a federally declared disaster area (as defined under the Robert T. Stafford Act) would be eligible to receive an education disaster loan.

Institutions eligible for the program would receive a low-interest loan, with repayment spread out over 30 years. The funds would be flexible, tailored to the needs of individual institutions and regions and could be used to support reimbursement for lost tuition and other revenues; faculty salaries and incentives for retaining faculty; and construction costs for replacement or renovation associated with the disaster. The purpose of the loan program would be to provide supplemental assistance to institutions. It would not replace Federal Emergency Management Agency (FEMA) assistance or insurance reimbursements.

Following Hurricane Katrina in 2005, the biggest challenge that faced higher education institutions in the region was the need for immediate cash flow. Institutions that were shut down for an extended period of time—many for one full academic semester—were hit particularly hard. It was more than a year before universities in the region received funding from FEMA and insurance carriers—some institutions are still in litigation to receive insurance reimbursements. For those institutions that have been able to recoup some of their losses, the amount received fails to meet their needs. The Education Disaster and Emergency Relief Loan program would address these needs at a time when funds are an immediate necessity.

Higher education institutions are accustomed to dealing with disasters, but Hurricanes Katrina and Rita wreaked unprecedented destruction. No one could have imagined the lengths to which the Gulf Coast colleges and universities would have to go to recover, both physically and

financially. The extraordinary difficulties these institutions have faced in accessing federal support for their recovery efforts should not become the norm for handling future disasters. What is needed is a rapid government response to get people and key sectors through the immediate crisis. We believe that legislation creating this type of loan authority would provide additional recovery resources in a fiscally responsible way.

We urge you to support enactment of an Education Disaster and Emergency Relief Loan program in the Higher Education Act. With such a program in place, institutions across the country will know that if a major disaster affects their campus a federal loan will be available to assist them in becoming fully operational again as they simultaneously apply for FEMA assistance.

Colleges and universities are often key economic engines in their communities, and their recovery is an important priority for recovery. Last week's wildfires in California, which resulted in massive evacuations and closings, only serve to underscore the need to ensure that our educational institutions receive necessary and timely federal assistance. We believe the lessons from Katrina can be an opportunity for Congress to make future disaster recovery efforts more efficient, and we urge your support of this important legislation.

Sincerely,



David Ward  
President

DW/bj

On behalf of:

American Association of Community Colleges  
American Association of Universities  
American Council on Education  
Association of Community College Trustees  
Association of Jesuit Colleges and Universities  
Coalition of Higher Education Assistance Organizations  
Council for Opportunity in Education  
Hispanic Association of Colleges and Universities  
National Association for College Admission Counseling  
National Association for Equal Opportunity in Higher Education  
National Association of College and University Business Officers  
National Association of State Colleges and Universities  
National Association of State Universities and Land-Grant Colleges  
National Association of Student Financial Aid Administrators