

March 20, 2020

Senator Mitch McConnell
Majority Leader
Washington, D.C. 20510

Senator Lamar Alexander
Chairman
Health, Education, Labor, and Pensions Committee
Washington, D.C. 20510

Senator Chuck Schumer
Democratic Leader
Washington, D.C. 20510

Senator Patty Murray
Ranking Member
Health, Education, Labor, and Pensions Committee
Washington, D.C. 20510

Dear Senators,

As the U.S. education system comes to a halt, mitigating the impact on student health, wellbeing, and learning outcomes should be a top priority. We commend Congress' substantial efforts to alleviate the impact of COVID-19, including by ensuring students have access to meals and nutrition benefits, and that public school teachers have access to benefits should they or a family member be quarantined. Likewise, we appreciate the tireless efforts of educators, including federal, state, and local education leaders and institutions of higher education, in this regard and are pleased to contribute to the cause. That is why entities throughout the education sector are working to mitigate the impacts on learning.

The significant disruptions to our economy and education system cannot be ignored given the likelihood that they will diminish the ability of state and local leaders, as well as college and universities, to quickly resume operations in the future. As we all work to respond to this crisis, education service and assessment providers are in a position to work closely with state leaders to ensure that they have the ability to resume their large-scale programs over the coming months. We are committed to also working with school leaders on recovery plans so together we can implement these efficiently and effectively once we are able to return to normalcy.

Preliminary projections suggest that providers of education support services could face significant financial risks and potential job losses in 2020 without intervention. Areas of support likely to be affected include:

K-12 Assessment and Testing: In light of extensive school closures potentially through the end of the year and President Trump's announcement today that the Administration will waive federal testing requirements for K-12 schools this school year, the thousands of private sector employees who help states with development, production, administration and scoring of their large-scale K-12 academic assessment programs will see workforce disruptions. Locations with large-scale printing, operations, and scoring facilities will be particularly hard hit with job losses. The efforts of state and local education agencies to efficiently return to normal operations will be severely undermined unless this loss of expertise and support capacity is mitigated. It will be particularly important that states continue to receive the financial and technical assistance support they need to continue to focus on efficiently resuming these programs after this year.

K-12 Curriculum and Educational Solutions: Extended school closures will also impact curriculum and educational solution providers who provide high-quality textbook and digital learning solutions that are critical to increasing student achievement and academic outcomes. With the operations of school districts being severely disrupted by the COVID-19 pandemic, the purchasing of educational solutions for students are being postponed or cancelled, causing a direct financial hardship on curriculum providers. In turn, this will result in significant job losses and will have a detrimental impact on the expertise and capabilities needed to support school districts as soon as this upcoming

back-to-school season. Furthermore, the financial risk to educational solution providers will have a negative consequence on the ability for them to develop curriculum and deliver digital education solutions to state education departments and local school districts going forward, directly affecting our nation's K-12 learners.

College Entrance Exams and Professional Certifications: Secure testing plays a significant role in ensuring that individuals have the opportunity to obtain the credentials they need to advance academically and professionally amid workforce disruptions caused by COVID-19. As individuals seek out opportunities to obtain the credentials they need to work in health care, technology, education, and other in-demand fields, they need safe access to secure testing facilities. These centers are now under pressure – forced to reduce capacity or close temporarily in response to guidance from the Centers for Disease Control (CDC). This capacity needs to be maintained to ensure prospective and current professionals in these key fields are able to quickly enter the workforce during these tough economic times and help contribute to the recovery. Similar issues arise as college entrance exams like the SAT and ACT are being cancelled or postponed.

High School Equivalency Exams: Access to a high school equivalency exam and the ability to earn this credential is one of the most important milestones that can help a person advance in their careers. As testing ramps down in response to CDC guidance, employees involved in administering and scoring exams will be impacted by revenue losses that lead to job cuts. Permanent loss of these employees from the education sector would slow our ability to continue to provide access for populations likely to be most impacted by the economic disruption of COVID-19.

To ensure that we maintain our ability to support education leaders in delivering high-quality learning to students throughout the U.S., to avoid erosion of the human capital and infrastructure needed to help bring our education system back on line, and to limit economic harm to the talented individuals that perform this support work, we recommend that Congress take the following actions:

- Increase direct education aid to K-12 schools, states, and institutions of higher education.
- Provide relief for student loans.
- Invest in increased access to high-quality broadband.
- Enact Pell grant reforms.
- Offer secured lending or loan guarantees to sectors of the U.S. economy experiencing financial stress due to the COVID-19 pandemic and ensure that education sector providers are eligible for these programs.
- Clarify that the requirement of annual testing in ESSA is being waived by the U.S. Department of Education for only one year and that the expectation is that states will resume their compliance with the law as soon as schools start back up on a regular schedule.
- Expand the employee retention tax credit to include employers that are experiencing financial impairment because of the COVID-19 pandemic.
- Cancel the payment of all payroll taxes typically paid by employers for the months of March, April, and May 2020.
- Suspend or increase the limitation for tax items such as interest deductions and net operating losses and relaxing the application of the GILTI and BEAT provisions.
- Where applicable, consider allowing for temporary carryback and carryforward of certain tax items.
- Ensure any additional employment-focused relief or stimulus legislation expressly apply to employment at tax-exempt organizations by making tax credits and deductions applicable not just to income taxes, but to the taxes non-profits pay, such as payroll taxes. Further, Congress should also ensure that relief and stimulus legislation designed to assist for-profit businesses in the areas of unemployment insurance, employee retention, and risk insurance also address the unique challenges and realities that nonprofits face. Similarly, we suggest that both public and private colleges and universities be eligible for relief.

Thank you for your consideration.

