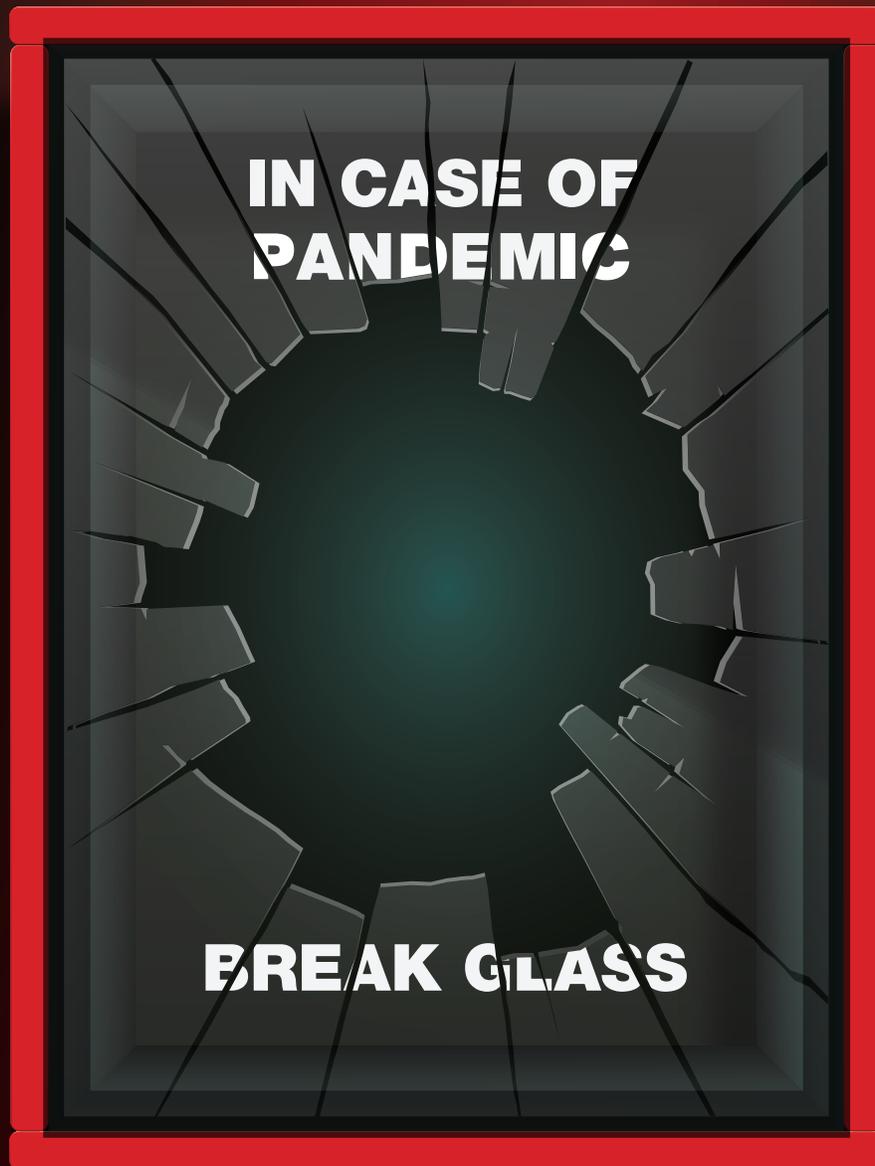


CRITICAL CARE

POLICY RECOMMENDATIONS TO RESTORE AMERICAN HIGHER EDUCATION
AFTER THE 2020 CORONAVIRUS SHUTDOWN



Critical

Policy Recommendations for American Higher Education in the Aftermath of the 2020 Corona

A policy proposal by the

NATIONAL
ASSOCIATION
of SCHOLARS

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New York, NY 10017

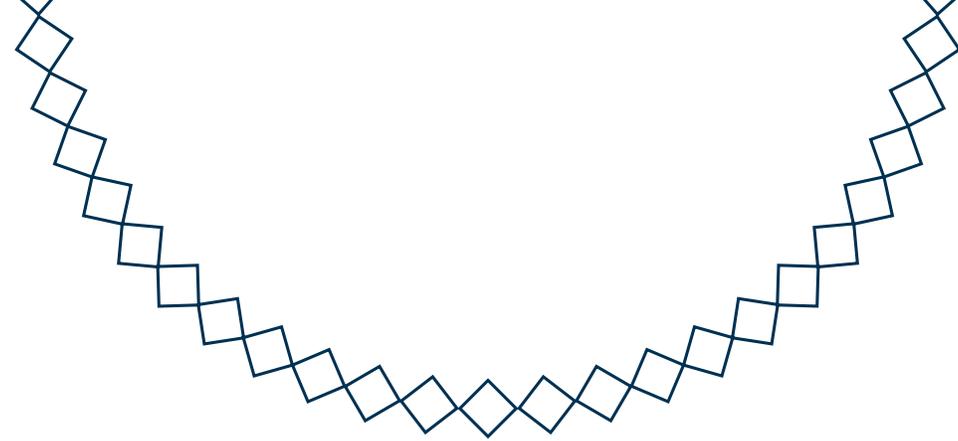
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Measurements to Restore
Education after
virus Shutdown

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About the National Association of Scholars

Mission

The National Association of Scholars is an independent membership association of academics and others working to sustain the tradition of reasoned scholarship and civil debate in America's colleges and universities. We uphold the standards of a liberal arts education that fosters intellectual freedom, searches for the truth, and promotes virtuous citizenship.

What We Do

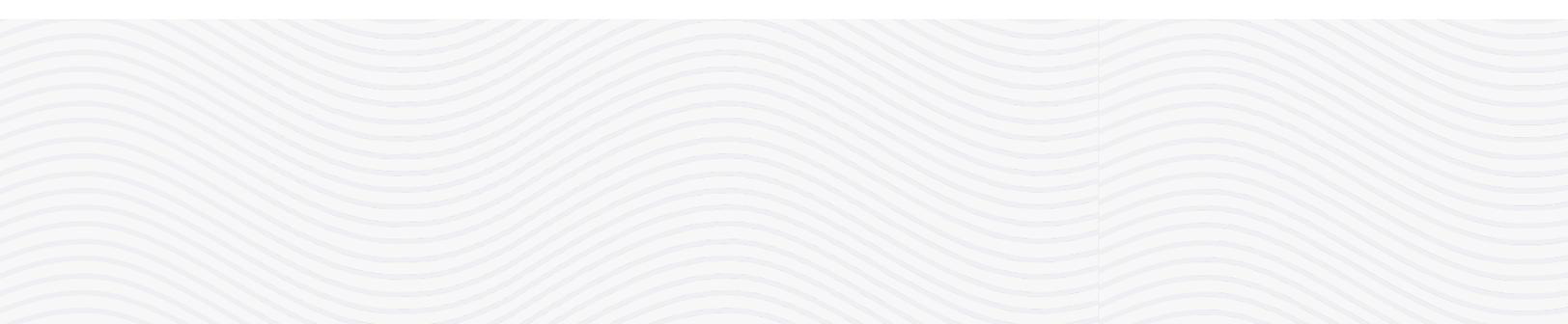
We publish a quarterly journal, *Academic Questions*, which examines the intellectual controversies and the institutional challenges of contemporary higher education.

We publish studies of current higher education policy and practice with the aim of drawing attention to weaknesses and stimulating improvements.

Our website presents educated opinion and commentary on higher education, and archives our research reports for public access.

NAS engages in public advocacy to pass legislation to advance the cause of higher education reform. We file friend-of-the-court briefs in legal cases defending freedom of speech and conscience and the civil rights of educators and students. We give testimony before congressional and legislative committees and engage public support for worthy reforms.

NAS holds national and regional meetings that focus on important issues and public policy debates in higher education today.



Membership

NAS membership is open to all who share a commitment to its core principles of fostering intellectual freedom and academic excellence in American higher education. A large majority of our members are current and former faculty members. We also welcome graduate and undergraduate students, teachers, college administrators, and independent scholars, as well as non-academic citizens who care about the future of higher education.

NAS members receive a subscription to our journal *Academic Questions* and access to a network of people who share a commitment to academic freedom and excellence. We offer opportunities to influence key aspects of contemporary higher education.

Visit our website, www.nas.org, to learn more about NAS and to become a member.

Our Publications

The Lost History of Western Civilization. 2020.

Social Justice Education in America. 2019.

Separate but Equal, Again: Neo-Segregation in American Higher Education. 2019.

Beach Books 2010-2019. [NAS's annual study of college common reading programs.]

The Irreproducibility Crisis of Modern Science. 2018.

Outsourced to China. 2017.

Making Citizens. 2017.

The Disappearing Continent. 2016.

The Architecture of Intellectual Freedom. 2016.

Inside Divestment. 2015.

Sustainability. 2015.

What Does Bowdoin Teach? 2013.

Recasting History. 2013.

The Vanishing West. 2011.

The Dissolution of General Education. 1996.

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Critical Care Policy Checklist

Critical Care Checklist

1. Basic Economic Priorities

1.1 No Bailout for Wealthy Colleges

The 100 private colleges and universities with the largest endowments cannot receive emergency higher education bailout funds.

1.2 No Bailout for Administrators

Colleges and universities should cut their administrative overhead by 50 percent as a condition of receiving bailout funds.

1.3 Require Academic Rigor

No college that awards credit for remedial courses should be eligible for bailout funds.

1.4 Community-Service Work Study Reform

Eliminate this set-aside or limit it to forms of community service that will directly help America endure and recover from the coronavirus epidemic.

1.5 Distance Learning

Coronavirus bailout funds should be allocated by a formula that gives equal weight to students who study exclusively online.

1.6 Community Colleges

Coronavirus bailout funds should provide dedicated payroll support for faculty in community colleges.

1.7 Vocational Education

Congress should provide targeted assistance for apprenticeships and for payroll support for vocational education faculty.

1.8 Encourage Low Tuition

Congress should offer additional bonus relief funds to institutions that have held down tuition better than their peers.

2. Put Students First

2.1 Delayed Student-Loan Repayments

Immediately freeze student loan repayments, including interest accrual, until January 1, 2021.

2.2 Student Loan Buyback Program

Colleges and universities that accept bailout funds must establish a student loan buyback program.

2.3 College Aid to Student Loan Defaulters

Colleges and universities that accept bailout funds must accept responsibility for 30% of defaulted student loans.

2.4 Focus Student Aid on Genuine Need

Students should only receive additional taxpayer funding if they have family incomes below 150% of the poverty level and maintain a 2.5 grade point average.

3. Supporting American Principles

3.1 Intellectual Freedom Charter

Colleges and universities that accept bailout funds must incorporate an Intellectual Freedom Charter into their bylaws.

3.2 Due Process

Colleges and universities that accept bailout funds must incorporate stringent due process protections into all campus adjudication procedures.

3.3 First Amendment Charter for Public Universities

Public colleges and universities that accept bailout funds must incorporate extensive First Amendment protections into their bylaws.

3.4 Intellectual Diversity at Public Universities

Public colleges and universities that accept bailout funds must incorporate extensive intellectual diversity protections into their bylaws.

4. American National Interest

4.1 *Salary Support for National Security Disciplines*

Bailout money should focus on providing payroll support for faculty and graduate students in practical disciplines critical to national security.

4.2 *Limit Foreign Dependence*

Colleges and universities that accept bailout funds must limit both the number of international students they admit and the proportion of tuition revenue they receive from these students.

4.3 *End International Branch Campuses*

Any bailout recipient that possesses an international branch campus must sever all institutional and financial ties with the branch campus by December 31, 2021.

4.4 *Limit Chinese Government Influence*

Colleges and universities that accept bailout funds may not host a Confucius Institute or employ a professor who has received money from a Chinese influence and espionage organization such as the Thousand Talents Program.

4.5 *Prohibit Illegal Aliens*

Colleges and universities that accept bailout funds must prohibit “sanctuary campus” policies, cooperate with immigration laws and enforcement, and bar hiring or admitting illegal aliens.

5. Compliance

5.1 *Public Documentation and Guarantee*

Colleges and universities must post online documentation that demonstrates their compliance with all criteria for receiving bailout funds.

5.2 *Audits*

Colleges and universities must allow the Department of Education to conduct regular, unannounced audits to verify their compliance.

5.3 Private Legal Recourse

Any American citizen with a demonstrable connection to a college or university receiving bailout funds will have legal standing to sue that college or university for noncompliance.

5.4 Penalties for Noncompliance

Noncompliant colleges and universities will repay all bailout funds and lose eligibility to receive any federal funds until they remove from their employ every person involved in noncompliance.

6. State Higher Education Policy

6.1 Oversight

State governments should oversee public university systems to ensure they reduce the number of administrators and preserve the number of teaching faculty.

6.2 Tax Relief

State governments should provide substantial tax relief to all professors employed in teaching in the classroom, including adjunct instructors, but not to any higher education administrators.

Introduction

Introduction

The 2020 coronavirus pandemic has already transformed higher education. Classrooms, laboratories, faculty offices, libraries, stadiums, and dormitories stand empty. In their place, colleges and universities have implemented online distance learning.

We hope that truly valuable parts of higher education, such as the shared pursuit of liberal learning in an actual classroom, will be restored. But the path to that restoration will be difficult. The cost of the shutdown to colleges and universities is enormous and still growing. An unprecedented financial crisis for American higher education lies ahead.

In response to that crisis, colleges and universities have announced a variety of cost-cutting measures. Generally, these include salary freezes, hiring freezes, limits on purchases, furloughs of many employees, and lay-offs of untenured faculty members. In a few cases, college presidents and other executives have taken salary cuts. The higher education establishment doesn't expect these measures will be enough. They're counting on additional federal and state bailouts to stay afloat.

The National Association of Scholars (NAS) believes that some such bailout will be necessary. However, NAS also believes that legislators and regulators should tie bailout funds to reforms that address long-standing problems in American higher education. Colleges and universities can do better than just return to the status quo ante.

For far too long, American higher education has exploited the hopes of students and their families, as well as the good will of legislators and the American public. Millions of Americans have been plunged deeply into insupportable debt in order to fund huge increases in college administrative costs over the last 30 years.¹ Administrative positions, including non-instructional staff, now consume more than 50% of higher education payroll costs.² At the same time, colleges and universities offer a trivialized curriculum marked by animosity to America. Our country deserves much better—and we can get it.

NAS recommends that legislators require colleges and universities that want emergency federal and state financial support to adhere to two principles:

1. They must significantly reform their unsustainable finances, above all by immediately reducing administrative overhead by 50% or more.
2. They must adhere to American principles of freedom and avoid activities that threaten the American national interest.

¹ Caroline Simon, "Bureaucrats And Buildings: The Case For Why College Is So Expensive," *Forbes*, September 5, 2017, <https://www.forbes.com/sites/carolinesimon/2017/09/05/bureaucrats-and-buildings-the-case-for-why-college-is-so-expensive/#5ffd42e6456a>

² Benjamin Ginsberg, *The Fall of the Faculty: The Rise of the All-Administrative University and Why it Matters* (Oxford: Oxford University Press, 2011), pp. 24-25, https://www.google.com/books/edition/The_Fall_of_the_Faculty/cVP43ezC--QC?hl=en&gbpv=1&dq=%22Forty+years+ago,+America%27s+colleges+actually+employed+more+professors+than+administrators.%22&pg=PP20&printsec=frontcover. Between 1975 and 2005, the number of administrators increased by 85% and the number of other professionals rose by 240%, increases that far outpaced the growth of teaching faculty. This disproportionate growth has continued since 2005. Higher education's ratio of administrators to students increases every year; so too does the proportion of university budgets devoted to administrative payroll. Administrative costs vary among types of institutions, and experts debate which salaries should be counted as administrative. We use the term to include those who work in "executive, administrative and managerial" and "other professionals" categories. "Other professionals" are staff members who work in positions such as human resource staffers, accountants, and counselors. These staff members work on behalf of administrators. See also Benjamin Ginsberg, "Administrators Ate My Tuition," *Washington Monthly*, September/October 2011, <https://washingtonmonthly.com/magazine/septoct-2011/administrators-ate-my-tuition/>; Robert Kelchen, "Is Administrative Bloat Really a Big Problem?" *Robert Kelchen*, May 10, 2018, <https://robertkelchen.com/2018/05/10/is-administrative-bloat-a-problem/>; Preston Cooper, "How Andrew Yang Would Tackle The Cost Of College," *Forbes*, September 30, 2019, <https://www.forbes.com/sites/prestoncooper2/2019/09/30/how-andrew-yang-would-tackle-the-cost-of-college/#1ac58c301ec8>.

The Shutdown

Inaction is not an option. We must act quickly.

The shutdown has cost colleges and universities billions of dollars and will cost a great deal more. Amherst College estimated on April 4 that the shutdown would cost it \$10 million.³ Pennsylvania's 14 public universities together face \$70 million to \$100 million in losses for the spring closure.⁴ Oregon's public universities project they will suffer at least a \$100 million "loss in revenue in the current quarter due to campus closures and cancellation of college events including sporting competitions."⁵ In Wisconsin, university system "officials conservatively estimate the revenue losses and additional costs related to the pandemic will tally roughly \$170 million for the spring semester alone."⁶ According to the *Chronicle of Higher Education*, "The University of California absorbed \$558 million in unanticipated costs in March alone due to the coronavirus."

In March, Moody's Investors Service downgraded "the credit outlook for the higher education sector to negative."⁷

Higher education possesses several sources of revenue. The largest is generally tuition, room, and board. Other sources include research grants, donations, and, in some cases, endowments. State universities derive support from legislative appropriations. Colleges and universities also generally secure favorable terms for bonds and other forms of borrowing.

The coronavirus pandemic, the shutdown, and the decline in the stock market have imperiled every one of these revenue streams. If nothing else changes, American higher education is hurtling toward a cliff.

Pre-Existing Conditions

Higher education's financial crisis will get worse even if the shutdown ends soon. Colleges and universities already faced a demographic slump *before* the crisis. Many colleges reported that they failed to meet their fall 2019 enrollment targets. Enrollments peaked in 2011 at over 20 million, and fell to 18 million by fall 2019, when 231,000 fewer students than the year before showed up.⁸

Post-crisis, even fewer students will enroll. The American Council on Education (ACE) sent a letter to the US Congress on April 9 that projected a decline of "15% for fall 2020—including a 25% decline in international student numbers—and an expected revenue loss for institutions of US \$23 billion."⁹

3 Scott Merzbach, "Amherst College says shutdown will cost it \$10M," *Daily Hampshire Gazette*, April 4, 2020, [https://www.gazettenet.com/Amherst-College-estimates-financial-impact-of-remote-learning-at-possibly-more-than-\\$10-million-33701972](https://www.gazettenet.com/Amherst-College-estimates-financial-impact-of-remote-learning-at-possibly-more-than-$10-million-33701972).

4 Gillian McGoldrick, "Pa.'s state universities facing immediate hit of up to \$100 million as lawmaker floats closures as worst-case scenario," *The Philadelphia Inquirer*, April 15, 2020, <https://www.inquirer.com/education/spl/pennsylvania-coronavirus-state-system-financial-hit-100-million-20200415.html>.

5 "U of Oregon to Lay Off at Least 282 Employees Due to Coronavirus Losses," *Diverse*, April 14, 2020, <https://diverseeducation.com/article/173400/>.

6 Kelly Meyerhofer, "UW Board of Regents to take up furlough policies as COVID-19 costs grow," *Wisconsin State Journal*, April 16, 2020, https://madison.com/wsj/news/local/education/university/uw-board-of-regents-to-take-up-furlough-policies-as-covid-19-costs-grow/article_19efc9ae-11b3-5d02-b09c-9887fac2a695.html.

7 Janet Lorin, "Colleges With Empty Campuses Face an Uncertain Financial Future," *Bloomberg Businessweek*, April 8, 2020, <https://www.bloomberg.com/news/articles/2020-04-08/colleges-with-empty-campuses-face-an-uncertain-financial-future>.

8 Michael T. Nietzel, "College Enrollment Declines Again. It's Down More Than Two Million Students In This Decade," *Forbes*, December 16, 2019, <https://www.forbes.com/sites/michaelt Nietzel/2019/12/16/college-enrollment-declines-again-its-down-more-than-two-million-students-in-this-decade/#8cd345c3d959>.

9 "Measuring COVID-19's impact on higher education," *ICEF Monitor*, April 15, 2020, <https://monitor.icef.com/2020/04/measuring-covid-19s-impact-on-higher-education/>.

No university's contingency plan covers losses of this magnitude. The higher education establishment expects that the federal government will step in with a massive bailout, far beyond the \$14 billion it received in March 2020 in the CARES Act's initial stimulus package.

Co-Morbidity

Unfortunately, colleges and universities have given legislators and the American public many reasons to doubt that such funds would be well-spent:

- Although administrative costs absorb more than 50 percent of higher education payroll costs, colleges and universities have *absolutely refused* to touch the vast apparatus of “services” that have sent costs skyrocketing in the last twenty years. With few exceptions, our colleges and universities steadfastly preserve the jobs of every diversity dean, resentment studies professor, microaggression counselor, and “social justice” bureaucrat.
- Meanwhile, every objective test reveals that college admissions standards have collapsed and the quality of college education has plummeted. The Organization for Economic Cooperation and Development rates the United States among the lower half of developed countries on its tests in math, reading, and science.¹⁰ One widely cited study, employing the Collegiate Learning Assessment, showed that 45 percent of tested students showed no significant gains in critical thinking, complex reasoning, or writing over the course of four years of collegiate study.¹¹ Every assessment documents that courses have gotten easier. College students spend half the number of hours studying that students did a generation ago, while grade inflation has sent student grade point averages so high as to make the scale meaningless. Discouraged academics have written a small library of in-depth examinations of this educational decline—including, most recently, the acute analysis that NAS scholar John M. Ellis provides in *The Breakdown of Higher Education* (2020).
- Students are mired in debt for college loans they cannot repay. Colleges and universities reap the benefits of those funds and bear none of the costs.
- Colleges and universities routinely violate students' and faculty members' intellectual freedom, trample on their due process rights, and promote programs that advance anti-American ideology and political activism.
- Finally, many colleges and universities give pride of place in admission to foreign students, who pay full tuition. More than a third of these students come from the People's Republic of China, many of them with Communist Party family connections. In addition, many colleges and universities, despite their huge taxpayer subsidies, subvert American immigration law to admit, employ, and give “sanctuary” to illegal aliens.

Economist and NAS board member Richard Vedder aptly summarizes the state of affairs in higher education: “In past crises institutions of higher education could count on tremendous support from the

10 Bill Barshay, “Top US students fare poorly in international PISA test scores, Shanghai tops the world, Finland slips,” *Education by the Numbers*, December 3, 2013, http://educationbythenumbers.org/content/top-us-students-fare-poorly-international-pisa-test-scores-shanghai-tops-world-finland-slips_693/.

11 Ricard Arum and Josipa Roksa, *Academically Adrift: Limited Learning on College Campuses* (Chicago, Univ. of Chicago Press Books, 2010).

general public: people paying taxes which subsidize universities, making private donations, and paying tuition charges. Colleges are going to pay a heavy price for the contempt they have shown in recent years towards American values—the First Amendment, a strict adherence to the rule of law, etc.”¹²

Revival

On April 15, President Trump announced the “Great American Economic Revival Industry Groups.” These include many sectors of the American economy, such as agriculture, banking, construction, defense, energy, financial services, food & beverage, healthcare, hospitality, manufacturing, real estate, retail, tech, telecommunications, transportation, and sports. Higher education was conspicuous by its absence.

Its exclusion from the list makes good sense. The higher education sector has shown little willingness to put its house in order, despite substantial prodding from the Trump Administration.¹³ No amount of money can revive our colleges and universities until it does.

NAS believes that higher education can do far better. Therefore, we offer the following proposals.

NAS Proposes

The President and Congress should demand that higher education cut administrative overhead by 50 percent as a minimum condition for any further bailout funds.

Colleges and universities that ask for financial assistance must commit themselves to ending run-away costs and diversions from serious academic purpose. Nothing is more wasteful and extravagant than the growth in administration.

The rest of this document outlines NAS’s framework for allocating bailout funds among colleges and universities that have made these cuts. Our framework draws in part from our larger education agenda, the Freedom to Learn Amendments.

The first half of our framework reflects **basic economic priorities**:

- No bailout funds should go to the **wealthiest colleges** that have endowments sufficient to ride out this storm.
- No bailout funds should support the salaries or benefits of **administrators** or non-academic support staff, whose numbers have proliferated at the expense of faculty and whose “co-curriculum” seeks to replace teaching with indoctrination.

¹² Richard Vedder, “A New Great Depression for Higher Education?” *Forbes*, March 24, 2020, <https://www.forbes.com/sites/richardvedder/2020/03/24/a-new-great-depression-for-higher-education/#3b67b745b442>.

¹³ E.g., Exec. Order No. 13864, “Improving Free Inquiry, Transparency, and Accountability at Colleges and Universities,” 4 (2019), <https://www.govinfo.gov/app/details/DCPD-201900165>; Department of Education proposed rules to protect First Amendment rights and due process on campus. Eligibility of Faith-Based Entities, Regulations.gov, <https://beta.regulations.gov/docket/ED-2019-OPE-0080/unified-agenda>; Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance, Federal Register, <https://www.federalregister.gov/documents/2019/02/14/2019-02566/nondiscrimination-on-the-basis-of-sex-in-education-programs-or-activities-receiving-federal>.

- Any bailout should reward institutions that uphold **academic rigor**, reform abuses of “**community-service**” work-study, encourage productive experimentation with **distance learning**, deliver liberal arts instruction to **community college** students, provide valuable **vocational education**, and excel in offering low tuition.
- Congress should **put students first** by reforming student debt lending practices and by ensuring that colleges and universities share the burden of students’ financial choices.

The second half of our framework reflects **America’s foundational principles**. America’s colleges and universities should:

- Sign an **intellectual freedom charter**.
- Respect **due process** in all investigatory and disciplinary proceedings—especially those involving grave charges, such as accusations of sexual misconduct.
- Commit themselves to promoting **First Amendment** rights and **intellectual diversity**.
- Prioritize practical disciplines critical to American **national security**.
- **Limit foreign dependence**, particularly on countries such as China that have demonstrated hostility to American interests.
- Support American immigration laws by **prohibiting illegal aliens**.

Colleges and universities only deserve taxpayer support if they control their runaway spending and support American principles.

A Beginning

Attaching conditions to a bailout fund is only a partial solution. Colleges and universities depend far more on Title IV student loans and grants, as well as on research grants from a wide variety of federal agencies. The wealthiest universities, such as Harvard with its \$40+ billion endowment, scarcely need to worry about bailout money—although some have already received it. Harvard itself actually received \$8,655,748 in the initial CARES bailout. Harvard ultimately returned that sum to the federal government, but only under extreme political pressure. Congress can only restore higher education to good health by reforming the Higher Education Act as a whole, as well as the rules governing colleges’ eligibility to receive federal research grants.

Reform on that scale will take years. Establishing conditions on bailout funds can be completed quickly. These will provide a model for more far-reaching legislation—as well as demonstrate that such reform can be put into practice. Enacting reform tied to coronavirus relief is the most practical way toward achieving the ultimate goal of structural reform of higher education.

Basic Economic Principles

1. Basic Economic Priorities

1.1 *No Bailout for Wealthy Colleges*

Just as Congress means-tested the emergency funds for individual Americans, to make sure money reaches people in true financial need, no emergency higher education bailout funds should go to the 100 private colleges and universities with the largest endowments, each of which has an endowment of more than \$600 million. Federal support for student education should be channeled to colleges that lack the resources of our wealthiest colleges.

1.2 *No Bailout for Administrators*

Large colleges and universities, with student bodies of more than one thousand, should cut their administrative overhead by 50 percent as a condition of receiving bailout funds. Small colleges, with student bodies of one thousand or less, should cut their administrative overhead by 10 percent. Additionally, Congress should forbid the use of any emergency relief money to pay for the salaries and benefits of college administrators and support staff, including those with in-class teaching responsibilities occupying one-third or less of their time. Congress should provide incentives, in the form of bonus relief funds, to institutions that submit budget plans to reduce their administrative expenses by 70% or more, with the largest bonuses going to institutions proposing the deepest administrative cuts. Any university that fails to execute these cost reductions will be required to repay the bonus. The Department of Education should formulate a rigorous definition of “administrative expenses,” to ensure that colleges and universities comply with Congressional intent.

1.3 *Require Academic Rigor*

Remedial courses—that is, pre-college-level courses offered by a college or university—should not count toward an academic degree or for college credit. No college that awards credit for remedial courses should be eligible for bailout funds.

1.4 *Community-Service Work Study Reform*

Currently, colleges and universities are required to reserve 7% of their federal work-study funds for “community service”—which, all too often, means forwarding “social justice,” i.e., progressive political activism. The Department of Education and Congress should either eliminate this set-aside or limit it to forms of community service that will directly help America endure and recover from the coronavirus epidemic.¹⁴

1.5 *Distance Learning*

Congress’ March 2020 bailout allocated its funds only by counting students who didn’t study exclusively online. The higher education establishment inserted this requirement to harm for-profit colleges, but it has also damaged nonprofit colleges that have innovated by providing exclusively online education.

¹⁴ Colleges and universities have subordinated “community service” and “civic engagement” to “social justice”; Federal work-study funds dedicated to “community service” now regularly supports progressive activism. See NAS’s reports *Making Citizens: How American Universities Teach Civics* (2017) and *Social Justice Education in America* (2019).

Distance education isn't a panacea for higher education. It may always work better for some disciplines than for others. Done badly, it makes it too easy for students to slack and to cheat. Done properly, with rigorous final examinations that confirm students have acquired substantial amounts of knowledge, it holds great promise. With proper legislative support, distance education may grow to become a large and valuable component of American higher education.

Congress should support good-faith experimentation by higher education institutions to deliver thorough, cost-effective instruction over the Internet. It should work to lower the institutional barriers that prevent such good-faith experiments from thriving. Indeed, given that the government favors "social distancing," distance education may be a uniquely useful form of higher education for the duration of the pandemic.

Coronavirus bailout funds should be allocated to for-profit and nonprofit institutions by a formula that gives equal weight to students who study exclusively online.

1.6 Community Colleges

Congress should direct substantial amounts of relief funds to community colleges, which provide the backbone for the democratic promise of American higher education. These relief funds should include support for liberal arts instruction, which was never meant to be reserved for a wealthy elite. Coronavirus bailout funds should provide payroll support dedicated to faculty in community colleges.

1.7 Vocational Education

Congress should provide targeted assistance for vocational education by offering payroll support for faculty. This payroll support should give priority to faculty who teach courses leading to degrees for vital careers such as medical assistant, dental assistant, pharmacist, cybersecurity technician, laboratory technician, fireman, and police officer. Congress should also provide targeted assistance for apprenticeships in these vital careers.

1.8 Encourage Low Tuition

Congress should offer additional bonus relief funds to institutions that have total student charges, including tuition and all fees, in the bottom ten percent of their institutional category. ("categories of institutions" as defined in 20 U.S.C. §1161m.) Colleges and universities that have held tuition increases to less than 1 percent per year for five years previous, or which sign a federally drafted pledge not to increase tuition for the next five years, should also be eligible for funds.

Put Students First

2. Put Students First

Congress should provide generous direct support for American students, and not just indirect support to colleges and universities. In the current system, students bear the risk of borrowing money against their future earnings to pursue degrees that often prove to have little value. The colleges and universities that offer these low-value degrees accept the borrowed money but none of the risk. This is wrong. America's colleges and universities, which until now have benefited from federal higher education support without sharing any of the risks or costs, should also help students both by helping them pay off their college loans and by assuming partial responsibility for student loan defaults.

This support should be crafted to ensure that it benefits students who combine the greatest need and the greatest ability to succeed. Taxpayer support should also focus on helping students whose future careers will provide the greatest contribution to America's national interest.

2.1 Delayed Student-Loan Repayments

The Education Department has already provided short-term relief for student loan repayments. It should provide longer-term relief at once, rather than simply extending relief a month or two at a time. The Education Department should immediately freeze student loan repayments, including interest accrual, until January 1, 2021.

2.2 Student Loan Buyback Program

Congress should mandate that colleges and universities that accept bailout funds establish a student loan buyback program to purchase Stafford Loans from lenders and replace them with new loans at a capped interest rate of no more than 1% a year. Colleges and universities must finance this program at a level equal to at least 10% of the coronavirus bailout funds that they receive. Student eligibility for the buyback program will be limited to borrowers who have successfully completed a financial literacy program and who have graduated from college with a GPA of 3.0 or higher. Colleges and universities should prioritize student loan buyback for faculty, professionals, and students in areas critical to national security, such as the biomedical sciences, medical schools, military science, nursing, and engineering.

2.3 College Aid to Student Loan Defaulters

Congress should mandate that students at colleges and universities that accept bailout funds will be allowed to discharge their debts into bankruptcy, if the student graduated at least seven years previously and currently is a member of a family/household in poverty, as defined by the Health and Human Services poverty guidelines.¹⁵ These colleges and universities will be required to accept responsibility for 30% of loans (including accruing interest) defaulted on by students at their institution, to be repaid to lending institutions over a 20-year period.

2.4 Focus Student Aid on Genuine Need

Congress should direct any further bailout funds given directly to students to those who have demonstrated basic preparedness for college-level work and who have genuine need. Students should only be eligible to receive additional taxpayer funding if they have family incomes below 150% of the poverty level; maintain a 2.5 grade point average; and have received federal loans and/or grants for no more than four previous years.

¹⁵ 92.29% of student loan debt is Federal, not private. The other 7.71% of student loans are held by private institutions; The Facts About Sallie Mae, *Sallie Mae*, <https://www.salliemae.com/news/facts/>.

Supporting American Principles

3. Supporting American Principles

Americans expect that colleges and universities should promote intellectual freedom. No taxpayer support should go to colleges and universities that have not recommitted themselves to rigorous support of every aspect of that freedom. Bailout funds should only go to colleges and universities that have incorporated strong new protections for intellectual freedom, due process rights, and intellectual diversity. Moreover, public colleges and universities should provide additional First Amendment protections for their faculty and students.

3.1 *Intellectual Freedom Charter*

Colleges and universities' persistent abrogation of their faculty and students' intellectual freedom has been a growing scandal for a decade and more. No public college or university that restricts intellectual freedom deserves taxpayer money—and if this is true in normal times, it is doubly true of money given in an extraordinary bailout. The Department of Education should develop a charter of the principles of intellectual freedom, which all colleges and universities must incorporate into their bylaws before they can receive emergency relief funds. The charter should secure, at a minimum:

- a. the right of invited speakers to speak and to be heard;
- b. rigorous and effective defense of free speech against intimidation, threats of violence, actual violence, and reprisals;
- c. the priority of intellectual freedom above concepts such as “removing bias,” “preferred pronouns,” “safety,” “health,” “safe spaces”;
- d. the definition of “safety” and “health” exclusively in physical terms, not as emotional or mental ones; and
- e. the requirement that the board of trustees certify annually either 1) that the college or university has respected intellectual freedom; or 2) that the college or university has violated intellectual freedom, and that it has begun work to provide restitution for that violation, and ensure that no such violation recurs.

Colleges and universities will determine the appropriate investigatory procedures and penalties to deal with infractions of intellectual freedom.

This charter will not infringe on the right of private secular and religious colleges and universities to enforce speech and association policies that uphold their mission statements, institutional religious affiliations, and statements of faith. Private colleges will be required to submit to the Department of Education, and make publicly accessible, a catalogue of their mission statements, institutional religious affiliations, and statements of faith that take priority over their commitments to intellectual freedom.

3.2 *Due Process*

Institutions should adhere scrupulously to basic principles of due process in all campus proceedings, especially those involving accusations of sexual misconduct. As a requirement for receiving bailout funds—and on penalty of repaying those funds—colleges should adopt these tenets of due process:

- a. establish adjudication procedures for students and faculty with strict adherence to due process protections, including the presumption of innocence, the clear and convincing evidence standard, the right to counsel, the right to know what one is charged with, the right to know of all existing allegations, clearly and precisely worded definitions of misconduct that follow those used in our judicial system, clearly defined statutes of limitations, the right to face one's accuser, and the right to speak publicly about any case;
- b. refer all reported felonies immediately to the local police;
- c. establish “double jeopardy” protections in adjudication procedures;
- d. draft and circulate a written charter of enumerated due process rights guaranteed by the college or university to all students and faculty;
- e. inform all students and employees of their due process rights; and
- f. require the board of trustees to certify annually either 1) that the college or university has respected all faculty and student due process rights; or 2) that the college or university has violated faculty and/or student due process rights, and that it has begun work to provide restitution for that violation, and to ensure that no such violation recurs.

3.3 *First Amendment Charter for Public Universities*

American citizens possess broad First Amendment rights in public colleges and universities. Moreover, the coronavirus has temporarily transformed all higher education into distance education, unconfined to any physical location: the First Amendment surely has greater weight when digital classrooms, spread throughout the country, replace traditional ones. The federal government should require that any public college or university that wishes to receive special higher education relief incorporate into their bylaws First Amendment protections that include:

- a. the guarantee that First Amendment rights cannot be limited, infringed, or abrogated in any way by university policies to promote concepts or institutions such as “removing bias,” “preferred pronouns,” “safety,” “health,” and “safe spaces”;
- b. student and faculty freedom to discuss any problem that presents itself, as the First Amendment permits and within the limits of narrowly tailored viewpoint- and content-neutral restrictions on time, place, and manner of expression that are necessary to achieve a significant institutional interest, provided that these restrictions are clear, in writing, and provide ample alternative means of expression;

- c. student and faculty freedom to assemble and engage in spontaneous expressive activity as long as such activity is lawful and does not materially and substantially disrupt the functioning of the institution;
- d. access to campus for purposes of free speech and expression that shall be consistent with First Amendment jurisprudence regarding traditional public forums, designated public forums, and nonpublic forums, subject to reasonable time, place, and manner restrictions;
- e. the right of student associations (especially religious ones) to determine eligibility for membership and qualifications for positions of leadership, free from interference by institutional mandates for diversity, inclusion, or equity concerning race, religion, class, sex, gender, gender preference, or gender identity;
- f. student organizations' immunity from security fees on the basis of the content of speech, including for events the content of which the university deems "controversial" or otherwise requiring extra security;
- g. the right of free exercise of religion; and
- h. the requirement that the board of trustees certify annually either 1) that the university has respected First Amendment rights; or 2) that the college or university has violated First Amendment rights, and that it has begun work to provide restitution for that violation, and ensure that no such violation recurs.

3.4 Intellectual Diversity at Public Universities

Public universities, which educate the children of an intellectually diverse people, also possess an especial duty to provide intellectual diversity for their students. As a condition of additional funding, any public college or university that wishes to receive special higher education relief must:

- a. establish procedures and institutions to encourage intellectual diversity, within and without the classroom, in hiring procedures, course requirements, administrative procedures, extra-curricular events, debates, and lectures;
- b. define "intellectual diversity" as "multiple, divergent, and opposing perspectives on an extensive range of public policy issues widely-discussed and debated in society at large, with particular attention to ensuring that institutions provide students and faculty the opportunity to hear perspectives on widely debated public policy issues that reflect the range of American opinion, but which are otherwise poorly represented or unheard on campus";
- c. not redefine concepts such as "diversity," "equity," and "inclusion" as "intellectual diversity," or engage in any action which presumes that "diverse" membership in different identity or ethnic groups in any way satisfies the requirements for "intellectual diversity";
- d. not restrict intellectual diversity in hiring or admissions, by:

- i. using job advertisements, promotion policies, or tenure policies that require, give priority to, or condition eligibility on belief in, advocacy of, consent to, or experience in “social justice,” “diversity,” or any other such concept, which may tend to restrict the intellectual diversity of the applicant pool;
 - ii. using or asking for “diversity statements,” or any similar material, in the documents required for, requested, suggested, or considered to judge a job application, promotion, or tenure.
- e. not charge student organizations security fees on the basis of the content of speech, including for events the content of which the university deems “controversial” or otherwise might require extra security;
- f. not endorse, oppose, or comment on policy positions concerning issues such as climate change, electoral politics, foreign policy, federal or state diversity programs, immigration policy, or marriage policy, although it may endorse Congress’ actions when it declares war or establishes another state of armed hostility against a foreign power;
- g. neither institutionally engage in or abet activities such as boycotts, divestments, or sanctions, nor deter, inhibit, or prevent members of the institution from engaging in such activities as individuals;
- h. not engage in, abet, or fail to report to local law enforcement calls for violence against any person or persons;
- i. not define “bias” to include any expressed judgment on any policy position, or any expressed judgment on the characteristics of any individual or community based upon actual or perceived background or identity including: age, color, disability, gender identity or expression, marital status, national origin, race, religion, sex, sexual orientation, or veteran status;
- j. not record, sanction, provide care, educate, mediate, conduct proactive outreach, assess, plan, provide “accountability,” or take any other action to respond to any expression or incident of “bias,” which consists of any expressed judgment on any policy position, or any expressed judgment on the characteristics of any individual or community based upon actual or perceived background or identity including: age, color, disability, gender identity or expression, marital status, national origin, race, religion, sex, sexual orientation, or veteran status;
- k. inform all students and employees of the institution’s mandate to provide intellectual diversity; and
- l. require the board of trustees to certify annually either 1) that the university has respected all faculty and student intellectual diversity rights; or 2) that the university has violated faculty and/or student intellectual diversity rights, and that it has begun work to provide restitution for that violation, and ensure that no such violation recurs.

American National Interest

4. American National Interest

American higher education increasingly serves foreign interests rather than the interests of American citizens. Colleges and universities depend on tuition money from foreign students, and foreigners make up ever-larger proportions of American graduate students and professors. Foreign governments exert soft power on American universities via direct funding, and by allowing colleges to extend profitable branch campuses within their borders. China is an especially egregious offender, which uses its Confucius Institutes, Thousand Talents Program, and other programs to spread Chinese Communist Party propaganda, monitor Chinese nationals in the United States, steal American intellectual property, and create dependency on financial support from and the favor of the Chinese Communist Party.

Furthermore, most colleges and universities have embraced the ideology that insists that they employ, admit, and conceal illegal aliens. Government policy should ensure that any bailout money will redound to the benefit of American citizens.

4.1 Salary Support for National Security Disciplines

Congress should prioritize bailout money to provide payroll support for faculty and graduate students in practical disciplines critical to national security within the biomedical sciences, medical schools, nursing, military science, and engineering. Crucial areas include cell biology, emergency medicine, internal medicine, medical engineering, microbiology, pathology, pulmonary disease, and virology.

4.2 Limit Foreign Dependence

American higher education should focus on providing educational opportunities to American citizens. When too large a proportion of the student body consists of foreigners, departments and colleges cater to foreign interests rather than serve American ones. Colleges and universities may only receive bailout funds if they receive no more than 20% of their tuition revenues from international students; if they receive no more than 5% of their tuition revenues from students from any one foreign country; if no more than 5% of their undergraduate students are foreigners; and if 35% of graduate students in each department are American citizens.

4.3 End International Branch Campuses

American colleges and universities operate 84 international branch campuses. These include 15 in China and Hong Kong, 7 in Qatar, and 6 in the United Arab Emirates. Such programs have historically functioned as sources of net income to universities. Universities' desire to preserve this profit source consequently gives foreign governments a means to exert influence on them. American universities also must compromise their championship of American liberties when they allow themselves to operate on the soil of foreign tyrannies. Any bailout recipient that possesses an international branch campus must sever all institutional and financial ties with the branch campus by December 31, 2021.

4.4 Limit Chinese Government Influence

No bailout recipient may host a Confucius Institute; employ a professor who has received money from the Thousand Talents Program or similar Chinese influence and espionage organizations; possess a branch campus in China; or receive any undisclosed funds from the Chinese government or Chinese citizens.

4.5 Prohibit Illegal Aliens

Colleges and universities may only be eligible to receive coronavirus-related bailout funds if they prohibit “sanctuary campus” policies and cooperate with federal immigration laws and enforcement agencies. Recipients of such funds are also prohibited from hiring or admitting illegal aliens, including beneficiaries of Deferred Action for Childhood Arrivals (DACA).

Compliance

5. Compliance

5.1 Public Documentation and Guarantee

Colleges and universities that wish to be eligible to receive relief funds must post online, in a timely manner and easily accessible by the public, documentation that demonstrates their compliance with these conditions. The president and the board of trustees must provide a written guarantee for the truth of this public documentation.

5.2 Audits

Colleges and universities that wish to be eligible to receive relief funds must allow the Department of Education to conduct regular, unannounced audits to verify their compliance with these conditions. Congress may also depute this auditing power to the Department of Justice, or to a new organization directly responsible to Congress.

5.3 Private Legal Recourse

Any American citizen with a demonstrable connection to a college or university receiving bailout funds will have legal standing to sue that college or university for noncompliance.

5.4 Penalties for Noncompliance

If the Department of Education or a court determines that a college or university has made a materially false statement in its public documentation to demonstrate compliance, the penalty shall be not only repayment of all bailout funds it has received but also ineligibility to receive any further federal funds until it has removed from its employ every person involved in authorizing the materially false statement.

State Higher Education Policy

6. State Higher Education Policy

The states collectively finance an enormous proportion of American higher education, and they possess correspondingly enormous power. The states therefore should also work to ensure that higher education relief is well-directed. Each state will face different circumstances, so we will not provide detailed recommendations. These general principles, however, should be useful to every state government.

6.1 Oversight

State governments should engage in immediate oversight to make sure that the public university systems target all necessary spending cuts in order to reduce the number of higher education administrators and preserve the number of teaching faculty. In recent years, states such as Alaska and Wyoming have responded to drastic economic downturns by imposing strict budget cuts on their higher education systems. State legislators and governors around the country should seek advice from their peers in such states about how to legislate such budget cuts. Boards of Regents, chancellors, university presidents, and deans in the public university systems should likewise seek advice from their peers in such states about how to implement substantial cuts in state spending.

6.2 Tax Relief

State governments should provide substantial tax relief to all professors employed in teaching in the classroom, including adjunct instructors—but not to any higher education administrators—if their pay has been reduced or their position furloughed. This targeted tax relief should make professors relatively cheaper to hire than administrators, and thus encourage colleges and universities to shed administrative jobs rather than professorial ones.

Conclusion

Conclusion

Colleges and universities that object to these conditions will, of course, be free to go their own way. They will be free to employ superfluous administrators and free to enforce political conformity in the place of real education. They will remain free to suppress intellectual freedom by way of “diversity statements,” and to pose ideological litmus tests for faculty appointments. They will be free to tolerate, as they do now, student mobs that threaten or commit violence to prevent the expression on campus of views they dislike. They will be free to teach students to hate America and free to admit and provide financial aid to illegal aliens. They will be free to call for “sustainability,” by which they mean the government takeover of the American economy in the name of the environment. They will be free to pretend that courses in remedial composition and algebra deserve college credit. They will be free to mold students into social justice activists instead of educating them to become self-reliant, well-educated contributors to a free society. They will be free to facilitate the extension of Chinese influence throughout America. In short, colleges and universities will be free to abuse the freedoms that a free society provides.

But the American taxpayer is also free to say, *“Not on my dime.”*

And our elected leaders are free to say that it is time for our colleges and universities to get serious about higher education. Colleges and universities still possess the talented faculty, the know-how, and the students to achieve splendid results, but those results are the exception, not the rule. Vast amounts of money, energy, and attention have been diverted into a campaign to transform students into political activists and America-disdaining “world citizens.” Worse yet, universities exploit many students by encouraging them to borrow funds imprudently to pursue academic programs ill-suited to their abilities.

Higher education’s defects had already exasperated the public, even before the pandemic exposed our colleges and universities’ dysfunctions. Americans now see just how wasteful and exploitative much of higher education has become, and just how badly it undermines America’s national interests.

Our colleges and universities cannot be fixed by one simple reform. But we can begin to restore them, and we should begin now. NAS wants American higher education to survive, but not just to survive. We want it to flourish and to excel. Our recommendations sketch the necessary first steps.

America’s leaders have the chance to make our colleges and universities truly great—the pride of America. We urge them to seize that opportunity.

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