

Statement by Dr. Guillermo Linares
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The Impact of COVID-19 on Higher Education

To the
NYS Senate Committee on Higher Education
and
NYS Assembly Committee on Higher Education

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Senator Stavisky, Assembly member Glick, and all my former colleagues in the Senate and Assembly, thank you for the opportunity to speak with you today about the impact of COVID-19 on higher education. I am Dr. Guillermo Linares, President of HESC and I am joined today by my Executive Vice President, Elsa Magee.

Let me begin by wishing you and your families good health during these uncertain times.

New York State has more than 300 degree granting institutions – second in number only to California, that educate more than 1.2 million full-time and part-time college going students.

HESC is responsible for administering more than two dozen New York State student financial aid and college access programs that help to ease costs for students (and their families) attending these colleges, including the Tuition Assistance Program, the Excelsior Scholarship and STEM Incentive Scholarship.

HESC receives more than a half million applications for grants, scholarships and loan forgiveness programs each year; and annually awards nearly \$1 billion in financial aid to more than 330,000 college-going students and college graduates.

Under the leadership of Governor Andrew M. Cuomo, New York State has made tremendous progress in controlling the COVID-19 spread despite being initially hit harder than any other state in the nation. Under the Governor's direction, HESC took substantial measures to support students and borrowers, while at the same time offering our assistance with New York State COVID-19 response, including the repurposing of HESC's call center to serve as a COVID-19 hotline for New Yorkers and the provisioning of one-third of our staff to support the critical work of both the New York State departments of Health and Labor.

While rebalancing our work in response to the health, safety and fiscal impacts of the pandemic has challenged us all, HESC met these challenges head on by identifying new and creative ways of reaching our clients and reimagining the way we work.

For Our Students

HESC has been, and continues to, work in partnership with the Governor's Office and our New York State colleges to ensure that students who have been impacted by the coronavirus pandemic can maintain their financial aid eligibility.

Students, parents, and borrowers were able to get answers to frequently asked questions regarding the coronavirus' impact on their current and future aid on HESC's public website, and a new webform provided students, parents and borrowers with a

platform to ask and receive answers to their specific questions. To date, more than 9,000 inquiries have been responded to.

HESC also used this opportunity to begin communicating with students and parents through the launch of a monthly financial aid newsletter, and we are partnering with the New York State Education Department and BOCES to disseminate financial aid information to high school students and their parents through School Student and Parent Portals. This new delivery method will get important financial aid information directly into the hands of high school students and their parents. Once launched, students and parents will be notified and reminded when State grant and scholarship applications open, close or undergo program changes.

In early August, we will be launching the HESC call center, with a new web-based calendaring application that allows students, parents and borrowers to schedule an appointment with a HESC representative to obtain information regarding their awards, ask questions or discuss issues. This approach ensures that students' issues can be fully addressed during the call, minimizing the need to call back.

Additionally, beginning this fall, HESC will be using virtual forums to engage high school students and their families and begin to build a video library. These virtual forums will be the primary method by which we provide information on NYS financial aid programs and assist with the completion of financial aid applications. Virtual platforms will enable students and their parents to attend events from the comfort of their homes or from anywhere that an Internet connection is available, or to view previously recorded forums at a time of their choosing. Recording in multiple languages will make HESC services available to many more New Yorkers including those who would otherwise not be served due to transportation, childcare, linguistic, safety or other concerns.

For Our Borrowers

New York State has also taken steps to protect those with student loan debt. While the CARES Act granted student loan debt relief to Federal Direct Loan borrowers, New York State took charge to offer tens of thousands of HESC-guaranteed Federal Family Education Loan (FFEL) borrowers the same relief. While the NYS Department of Financial Services worked with lenders to encourage relief for borrowers not in default, HESC suspended all collections activities for defaulted borrowers, set their interest rates to 0%, suspended payments and applied all voluntary payments to defaulted borrowers' principal balances.

We are all keenly aware that while we have taken great steps to address the needs of students and borrowers over the past four months, the pandemic has dramatically impacted our State revenues – to the point where we are contending with a devastating revenue loss amounting to \$61 billion over four years. These fiscal realities require that we “pause” until federal assistance, which has been delayed since April, is determined. In the absence of multi-year federal funding, New York State financial aid awards,

including Excelsior Scholarship awards, which opened for applicants to apply on Friday, July 24, may have to be reduced and/or prioritized for current recipients.

Governor Cuomo has called upon the federal government to step up and offset New York's revenue losses so that we can continue to provide the opportunity for students to pursue their educational goals. I applaud the Governor in his call to the federal government for action. Given the economic impact felt across our state, and nation, with many families struggling with job loss or changes in their financial situation, it is more important than ever that students have the access to financial support that enables them to realize their dream of pursuing their postsecondary education.

As the events in the coming days and weeks evolve, we will continue to best meet the needs of our students and ensure that they do not lose out on their ability to obtain a college degree.

Again, thank you for allowing me to share the efforts of my agency. I will be happy to answer any questions you may have.

