



# American Rescue Plan Act HEERF III Funds

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# Agenda

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- Introductions
- HEERF III
- Highlights, New Policies, and Clarifications
- HEERF Reporting
- Q&A

# HEERF Overview

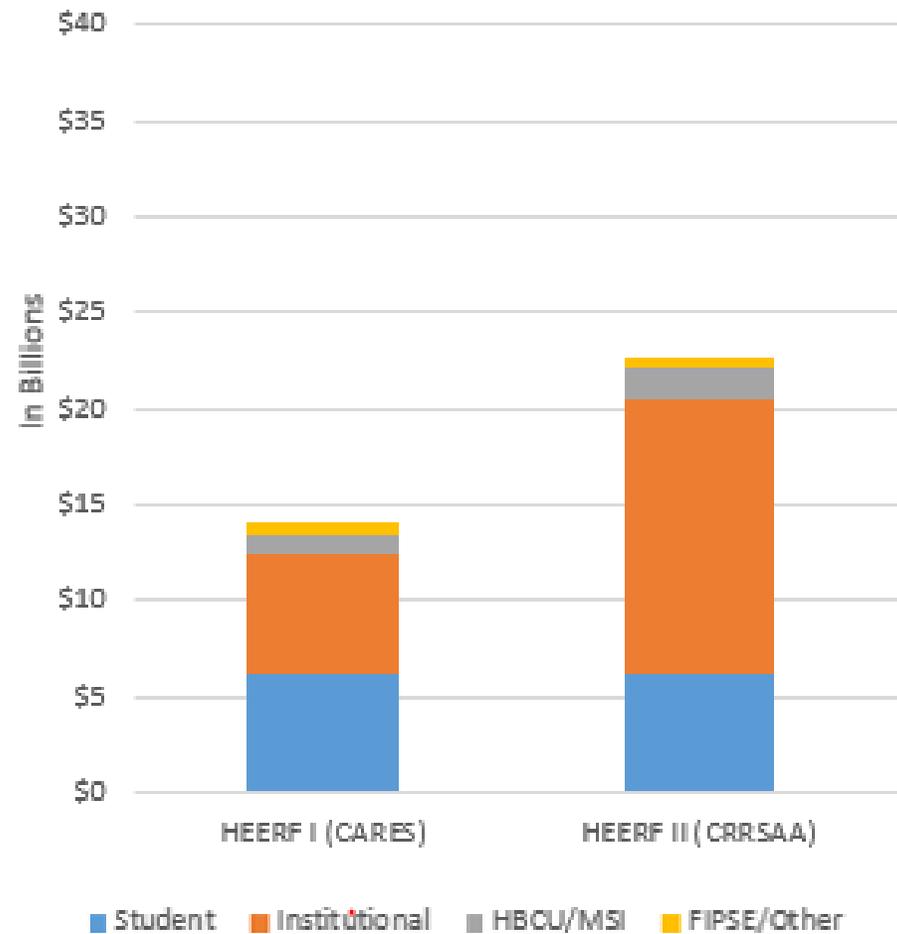
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**\$76.55 billion in COVID relief**



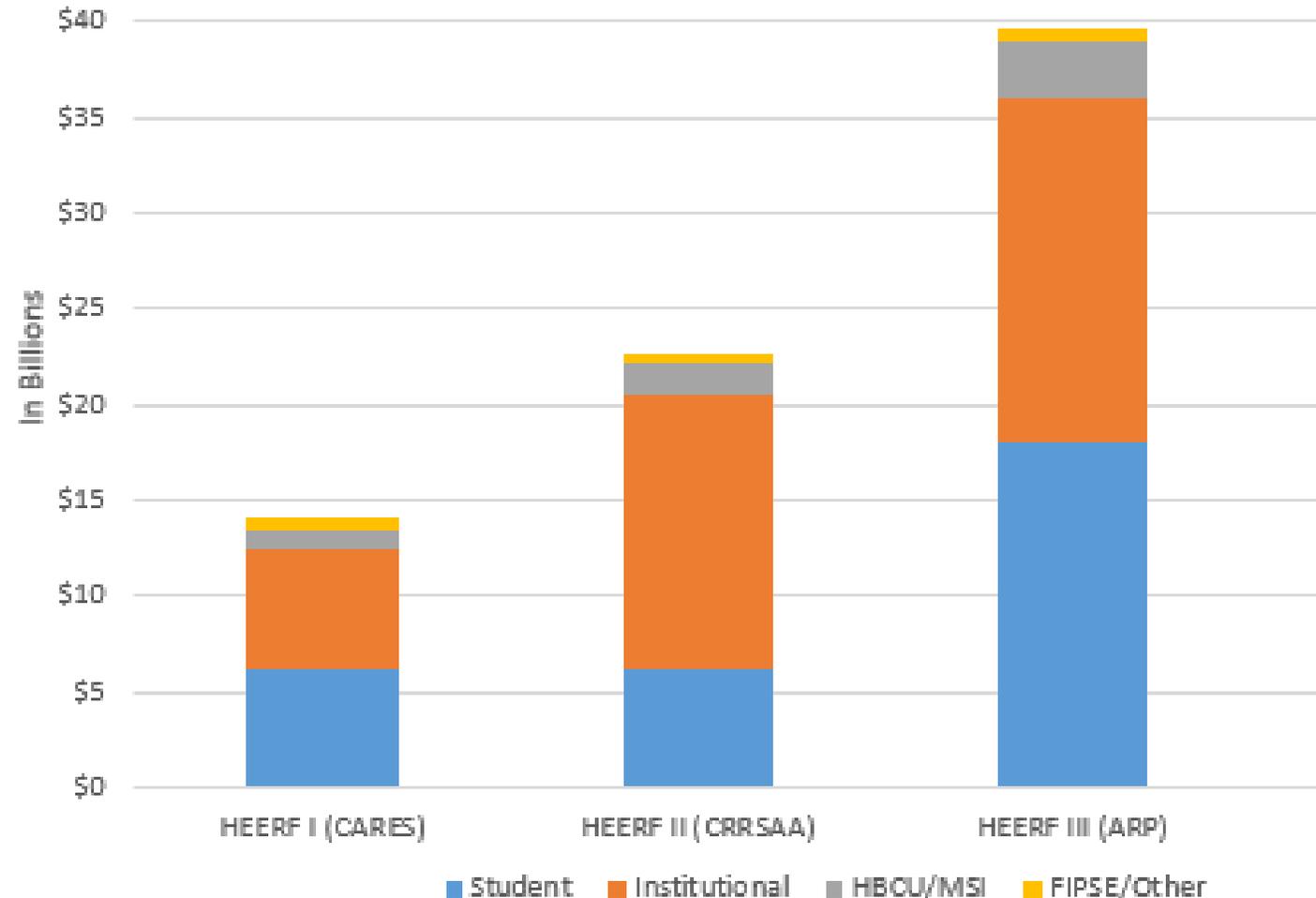
# HEERF Overview

## \$76.55 billion in COVID relief



# HEERF Overview

**\$76.55 billion in COVID relief**



# HEERF III Student and Institutional Funds

Total HEERF III allocation is \$39.6 billion

- \$36 billion for students and institutions – (a) (1)
- Supplemental allocation disbursed, like HEERF II, through G5

# **Other HEERF III Funds Coming Soon**

## **Other HEERF III Funds Coming Soon**

- \$3 billion (a) (2) HBCU, MSI, SIP not released yet
- \$198 million (a) (3) “FIPSE” notice of comment on how best to allocate to institutions

## HEERF III Student and Institutional Funds - Highlights

- At least 50% for student emergency grants
- All students are now eligible for emergency grants, including:
  - Citizens
  - Permanent Residents
  - Refugees
  - Asylum seekers
  - DACA
  - DREAMers
  - International

## HEERF III Student and Institutional Funds - Highlights

- Generally same rules on institutional uses of funds as HEERF II but requires some funds be used for:
  - Virus mitigation
  - Outreach to financial aid recipients
- Removes endowment tax limitation on institutions

# HEERF III New Guidance

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## Emergency Student Grants

- 50% allocation to student emergency grants (additional amount for distance education students)
- Any student since March 13, 2020 is eligible
- Institutions should prioritize domestic and undergraduate students
- Students must have “exceptional need,” such as Pell eligibility or other extraordinary financial circumstances, including food or housing insecurity

# HEERF III New Guidance

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## Clarifications on Student Control of Grants

Institutions may not:

1. Condition the receipt of emergency financial aid grants to students on continued or future enrollment in the institution;
2. Use the emergency financial aid grants to satisfy a student's outstanding account balance, unless it has obtained the student's written (or electronic), affirmative consent; or
3. Require such consent as a condition of receipt of or eligibility for the emergency financial aid grant.

# HEERF III New Guidance

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## New Policies

- If all institutional funds are NOT used for additional student emergency grants, then institutions must use a portion of funds to:
  - Monitor and suppress COVID-19 according to public health guidelines, and
  - Conduct direct outreach to financial aid recipients about the opportunity for adjusted financial aid.

(“Portion” not defined but linked to existing federal guidance on Cost Principles requiring a “reasonable and necessary” amount)

# HEERF III New Guidance

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## New Policies

- “Monitor and suppress” COVID illustrative examples include:
  - **Testing:** purchase, make available, hire personnel to administer, contact tracing
  - **Prevention:** make vaccine available, provide PPE, cover cleaning, sanitizing and disinfection on campus, enhance ventilation
  - **Reduce barriers to vaccinations:** pay for employee time off or provide sick leave, provide vaccine clinics or other access to vaccinations
  - **Student support:** provide space for student isolation or quarantine, along with academic and mental health services
- Public health guidelines means CDC, state, & local guidance

# HEERF III New Guidance

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## New Policies

- “Conduct direct outreach to financial aid recipients” means:
  - Institutions should actively engage financial aid recipients about the opportunity to adjust federal financial aid if families have experienced recent unemployment or other extraordinary financial circumstances
  - FAAs can use Professional Judgement to adjust EFC
  - Direct outreach to financial aid recipients includes:
    - Email
    - Mail
    - Phone or voice communications
    - Webinar invitations
    - In-person interviews or meetings

# HEERF III Guidance

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## Expenses and Lost Revenue – Same as HEERF II

### Academic Sources

- Tuition, fees and institutional charges
- Room and board
- Enrollment declines
- Supported research
- Summer terms and camps

*These lists are non-exhaustive examples of covered expenses and lost revenue*

### Auxiliary Services Sources

- Cancelled ancillary events
- Disruption of food service
- Dormitory services
- Childcare services
- Use of facilities or venues
- Bookstore revenue
- Parking revenue
- Lease revenue
- Royalties
- Other operating revenue

# Clarifications of Previous Guidance - Payroll

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**General Rule:** HEERF funds can be used for payroll and employee benefits newly associated with COVID since March 13, 2020

**Clarifications:** Includes ...

- New hire or repurposed staff responsibilities
- Staff unable to work due to pandemic closure (bookstore, cafeteria, etc.)
- Additional and overtime work

# Clarifications of Previous Guidance - Construction

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**General Rule:** HEERF funds cannot be used for construction or the purchase of property

**Clarifications:** HEERF funds may be used for “minor remodeling” or minor alterations in a completed building associated with COVID mitigation

- HVAC installation
- Room dividers
- Purchase of trailers as classrooms

## Clarifications of Previous Guidance – Discharge of Student Balance

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Institutions are *encouraged* to discharge student balances by:

- Discharging the complete balance of the debt as lost revenue and reimbursing the institution through its HEERF institutional grants (*preferred approach*); or
- Providing additional emergency financial grants to students (with their permission).

# Clarifications of Previous Guidance - Recruitment

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**General Rule:** Use of HEERF funds for marketing and recruitment are prohibited

**Clarification:** Efforts to engage or reengage students who are at risk of not returning or not completing their degree is permissible

# HEERF Reporting

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- Quarterly and annual reporting continues
- Exploring additional reporting requirements on student grants
  - Will look at how institutions determine exceptional need, including if preconditions **that are not allowed** are placed on grants, such as minimum GPA, academic or athletic performance requirements, continued enrollment, payment of outstanding balances*
- Exploring additional reporting on the implementation of new requirements for monitoring and suppressing COVID and outreach to financial aid recipients

# Upcoming NACU Webinar with Dept. of Education

**Thursday, May 20, 1:30-2:30 p.m. EDT.**

Michelle Asha Cooper

Deputy Assistant Secretary for Higher Education Programs

Department of Education



# Q&A

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