American Rescue Plan Act
HEERF III Funds

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Agenda

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

$76.55 billion in COVID relief
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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

- $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

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
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

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

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

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

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

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

These lists are non-exhaustive examples of covered expenses and lost revenue
Clarifications of Previous Guidance - Payroll

**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

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
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

**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

- 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.
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