



# CARES Act

Coronavirus Aid, Relief, and Economic Security Act

## An Evaluation of Coronavirus Aid, Relief, and Economic Security Act Funding for Postsecondary Institutions

# Table of Contents

---

Acknowledgements ..... 3

Executive Summary and Introduction ..... 4

Background ..... 5

Methodology ..... 6

Findings From the Online Practitioner Survey ..... 8

Findings From Practitioner Forums ..... 11

Findings From Student Focus Groups ..... 13

Overall Findings ..... 15

Emergency Aid Program Recommendations ..... 17

Financial Aid Policy Considerations ..... 18

Conclusion ..... 19

# Acknowledgements

We would like to thank the Bill & Melinda Gates Foundation for their generous support for this important research. We would also like to thank the members of the National Association of Student Financial Aid Administrators (NASFAA) and NASPA—Student Affairs Administrators in Higher Education who completed the online survey and participated in our focus groups. In addition, we are grateful to the team at MDRC, NASPA, and Linda Conard for their work on this project.

The research is the result of a partnership between NASFAA, NASPA, and MDRC. The findings and conclusions contained within are those of NASFAA, NASPA, and MDRC and do not necessarily reflect positions or policies of the Bill & Melinda Gates Foundation.

The financial aid policy considerations contained within are those of NASFAA and do not necessarily reflect positions or policies of the Bill & Melinda Gates Foundation, NASPA, or MDRC.

The emergency aid policy/program recommendations contained within are those of NASPA and do not necessarily reflect positions or policies of the Bill & Melinda Gates Foundation, NASFAA, or MDRC.



## About NASFAA

NASFAA is a nonprofit membership organization representing more than 20,000 financial aid professionals at nearly 3,000 colleges, universities, and career schools across the country. NASFAA member institutions serve nine out of every 10 undergraduates in the United States. Based in Washington, D.C., NASFAA is the only national association with a primary focus on student aid legislation, regulatory analysis, and training for financial aid administrators. For more information, visit <https://www.nasfaa.org>.



## About NASPA

NASPA is the professional home for the field of student affairs. Together, we are dedicated to fulfilling the promise of higher education through our guiding principles of Integrity, Innovation, Inclusion, and Inquiry. We place students at the center of our work, serving the field through exceptional professional development, research to take on our biggest challenges, advocacy for inclusive and equitable practices and communities, and nurturing networks and pipelines to mentor, rejuvenate, and support.



## About MDRC

MDRC is committed to finding solutions to some of the most difficult problems facing the nation — from reducing poverty and bolstering economic self-sufficiency to improving public education and college graduation rates. We design promising new interventions, evaluate existing programs using the highest research standards, and provide technical assistance to build better programs and deliver effective interventions at scale. We work as an intermediary, bringing together public and private funders to test new policy-relevant ideas, and communicate what we learn to policymakers and practitioners — all with the goal of improving the lives of low-income individuals, families, and children.

# Executive Summary and Introduction

Even relatively small financial emergencies can interrupt or even permanently end a student's postsecondary career.<sup>1</sup> The federal student aid programs are vital to helping students afford a postsecondary education, but they were not designed with the flexibility to accommodate immediate, short-term financial needs. Over the years, many colleges and universities have responded by creating emergency aid programs intended to provide small amounts of aid to students quickly to ensure unexpected expenses do not derail their educational goals.

In March 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, an economic stimulus package designed to address the nationwide economic crisis created by the global COVID-19 pandemic. In addition to providing payments to individuals, business loans, and support to state and local governments, the CARES Act introduced the Higher Education Emergency Relief Fund (HEERF) which provided grants to institutions, 50% of which was required to be spent on direct grants to students (student share) for their expenses related to the disruption of campus operations due to COVID-19. It also amended the Federal Supplemental Educational Opportunity Grant (FSEOG) program to provide federal funds for emergency financial aid grants for student expenses that arose as a result of the pandemic.

This federal emergency aid program provided millions of postsecondary students with financial assistance during a time of worldwide crisis. In addition, it created an opportunity to analyze and apply the lessons learned from the CARES Act emergency aid program to inform administration of future rounds of pandemic relief or even create a more permanent federal emergency aid program for postsecondary education.

In this project, we surveyed college and university administrators and conducted administrator and student focus groups to answer the following research questions:

- What were the successes and challenges related to the allocation, application, and distribution of CARES Act funds to institutions, including timing, communication, and processes?
- Which essential roles and functions are needed to award and disburse the emergency aid at the institutional level, and what patterns emerged in the strategies institutions used to distribute their CARES Act and subsequent emergency aid funds?
- What measures did colleges take to ensure they allocated money and resources quickly and equitably, and which strategies were deemed most effective in ensuring students who most needed the funds received them?
- How did institutions commonly allocate CARES Act emergency grants to meet their institutional needs and support their institutional goals?
- How did students use the funds they received? Did students report feeling these funds helped them continue their education, and/or did they identify additional needs?

**Emergency Aid Program Recommendations:** We based the following recommendations on results from data collected via a survey with higher education administrators and focus groups with institutional leaders, practitioners, and students. As highlighted throughout the report, respondents presented helpful and insightful perspectives on the strengths and weaknesses of the CARES Act emergency financial aid programs. After critically examining the various findings, NASPA identified five priority recommendations for institutions to consider. Implementation of these recommendations has the potential to help institutions further build and strengthen their emergency aid programs, which could ultimately result in increasing efficiency, improving the student experience, and fostering a culture evolution to meet the changing needs of students.

Recommendation 1: Improve communication and clarity for students.

Recommendation 2: Assess institutional efforts and continue refining the process.

Recommendation 3: Ensure equity is a guiding principle.

Recommendation 4: Deliver timely responses and payments to students.

Recommendation 5: Broaden eligible emergency aid expenses.

<sup>1</sup> <https://www.trelliscompany.org/wp-content/uploads/2020/07/Fall-2019-SFWS-Report.pdf>

**Financial Aid Policy Considerations:** We based the considerations put forth in this report on what we learned from survey and focus group respondents about the strengths and weaknesses of the CARES Act emergency financial aid programs. Factoring these considerations into future federal emergency aid efforts may allow them to operate more smoothly and efficiently and ensure institutions face the minimum burden possible. This will increase the odds that students will have access to funds before their financial emergency disrupts their progress toward their postsecondary educational goals. Based on the findings of this research, NASFAA offers the following considerations:

Consideration 1: Base the allocation formula on student headcount enrollment that includes distance education students.

Consideration 2: Use the grants.gov website for requesting funds and the G5 system for disbursing emergency grant funds to institutions, and ensure funds are distributed to institutions promptly.

Consideration 3: Make congressional intent clear while keeping allowable uses of funds broad.

Consideration 4: Improve ED guidance and training, and deliver both promptly.

Consideration 5: Make reporting requirements clear.

Consideration 6: Exempt emergency aid from estimated financial aid (EFA).

Consideration 7: Continue to develop emergency aid programs outside the confines of HEA Title IV programs.

## Background

Federal regulations require institutions participating in the federal student aid programs to provide enrolled and prospective students with the information needed to understand the cost of college, including typical expenses such as tuition and fees, books and supplies, room and board when applicable, and transportation. While students can plan for many of these items, such planning may not fully account for all their expenses while enrolled at an institution. Many college students experience a financial hardship or emergency at some point during their college career.

The issue of unexpected financial hardship is not exclusive to college students. According to the Federal Reserve Board's Report on the Economic Well-Being of U.S. Households, 37% of adults are not able to cover an unexpected expense of \$400 with "cash or its equivalent."<sup>2</sup> This may force individuals to charge the expense on a credit card, borrow money, sell some belongings, or forgo paying the expense at all. Just as a financial emergency can alter the plans for a household, an unexpected financial hardship can lead a student to pause their program of study or not finish their academic program.

Institutions have found various ways to assist students in times of financial difficulty for many years.<sup>3</sup> As presented in this study, the majority of survey respondents (60%) indicated their institution offered emergency aid to students prior to the availability of CARES Act funding. While at some institutions these efforts may not have been widely known, coordinated across the institution, or scaled to serve a large number of students, institutions have offered a variety of options over the years. These emergency aid options include restricted or unrestricted grants, loans, completion scholarships or gap grants, and vouchers. Institutions have also provided basic needs support for their students through the creation of on-campus resources for food and clothing as well as housing assistance programs.

Over the last few years, institutions have increased their focus on their emergency aid efforts.<sup>4</sup> Additionally, new research has emerged to highlight the myriad ways institutions support students experiencing unexpected financial crises.<sup>5</sup> For example, institutions have prioritized emergency aid funding in their operational budgets; leveraged technology to make the application and distribution process more efficient for students; increased the use of data to track emergency aid usage; and in many cases, established strategic partnerships with governments, foundations, and other organizations to secure additional resources to support efforts. While institutions have been working to strengthen and scale their emergency offerings, COVID-19 presented several new challenges for institutions and their students, especially students who experienced or were at risk of basic needs insecurity.<sup>6</sup> As a result, institutions needed to quickly reexamine their emergency aid offerings, policies, and practices.

<sup>2</sup> Federal Reserve Board Report on the Economic Well-Being of US Households <https://www.federalreserve.gov/publications/2020-economic-well-being-of-us-households-in-2019-dealing-with-unexpected-expenses.htm>

<sup>3</sup> NASPA Landscape Analysis of Emergency Aid Programs <https://studentarc.org/tools-and-resources/report/landscape-analysis-of-emergency-aid-programs>

<sup>4</sup> Ascendium. A Broader View of Emergency Aid: Toward a More Holistic Approach to Helping Students Weather a Financial Crisis. Ascendium, Mar. 2020, [https://www.ascendiumphilanthropy.org/assets/Uploads/Resource-Page-Content/Ascendium-Pubs/EG\\_Dash\\_Closing\\_Report\\_FINAL.pdf](https://www.ascendiumphilanthropy.org/assets/Uploads/Resource-Page-Content/Ascendium-Pubs/EG_Dash_Closing_Report_FINAL.pdf).

<sup>5</sup> Sara, Goldrick-Rab. Beyond the Food Pantry: Guide to Emergency Grant Aid Distribution. The Hope Center for College, Community, and Justice, Apr. 2020, [https://hope4college.com/wp-content/uploads/2020/04/BTFP\\_COVID19\\_EmergencyAid.pdf](https://hope4college.com/wp-content/uploads/2020/04/BTFP_COVID19_EmergencyAid.pdf).

<sup>6</sup> <https://hope4college.com/rc2021-bni-during-the-ongoing-pandemic/>

Many institutions refined their existing programs to be more responsive to students' needs or found ways to deliver the aid to students in a timelier manner. Institutions increased the use of technology to ensure more students had access to the needed resources and materials to apply and receive assistance. This was particularly important given that most students did not have the option to physically go to the campus and receive the support they needed. Additionally, some students lacked an adequate home internet connection as well as other equipment required for the shift to virtual learning. In some instances, it was difficult for institutions to identify and reach students who would benefit most from assistance, which created a challenge for students to receive aid quickly. Through it all, navigating the use of CARES Act funding and institutional resources required coordination among institutional departments.

Institutions with emergency aid programs already know students experiencing emergencies that jeopardize their continued enrollment in college often can't wait weeks or even a few days for help. To be effective, emergency aid programs must be agile enough to respond to the immediacy of each student's needs.

The federal student aid programs are often not flexible enough to accommodate the needs of postsecondary students for emergency expenses. The Title IV student aid programs require students to complete a lengthy application and — for about 18% of applicants<sup>7</sup> — subsequently verify the information they provided on that application. Institutions must then determine the student's eligibility, ensure the student has completed certain documents, like loan entrance counseling and promissory notes, and then report origination and disbursement records to the U.S. Department of Education (ED) before releasing funds to the student. None of this is simple or quick.

Postsecondary institutions developed emergency aid programs to help students cover emergency needs in a more efficient manner than allowed for by the federal student aid programs. Financial aid administrators have a significant amount of flexibility to address changes in an applicant's financial circumstances through the professional judgment (PJ) authority granted in the Higher Education Act of 1965, as amended (HEA). However, documentation requirements often slow down the process. In addition, PJ lends itself well to circumstances affecting a student's long-term ability to afford college, such as a prolonged period of unemployment, but not as well to one-time events requiring a quick fix.

Institutional emergency aid efforts are still frequently stymied by the federal student aid rules, which apply to federal aid recipients regardless of the source of the emergency assistance. For instance, with limited exceptions, federal student aid recipients cannot receive funding in excess of their financial need. Financial need is defined as the cost of attendance minus both the expected family contribution and estimated financial assistance (EFA), which is the total amount of federal and non-federal financial assistance the student will receive for the period. When a student receives emergency funds, the institution must include those funds in the student's EFA, causing a reduction in their need and aid eligibility. This leaves no way for an institution to help students with emergency needs, even if it can afford to do so.

Those leading future federal emergency aid efforts can learn from existing institutional emergency aid programs and the HEERF emergency grant program how to provide students with quick and easy access to funding. This will help ensure students aren't derailed by unexpected events that relatively small amounts of funding could address.

## Methodology

### Online Practitioner Survey

In January and February 2021, NASFAA collaborated with NASPA and MDRC to develop an online survey for NASFAA and NASPA members. The survey focused on college administrators' experiences applying for and receiving HEERF funds and their experiences communicating about and distributing that aid to students.

NASFAA and NASPA distributed the survey to their members in February 2021 and invited 2,621 and 1,036 of their members to participate, respectively. Of these, 454 NASFAA members and 10 NASPA members responded to at least one survey question (464 respondents in total).

A total of 440 respondents completed the entire survey. To reduce burden on respondents, we broke the survey into modules and randomly assigned many of the modules to just a subset of respondents. Within some modules, some questions also included skip patterns such that not all participants completing the module responded to all questions in the module. Together, these factors led to most questions having a sample size lower than the full sample. Full results and sample sizes for each survey question are available as a separate appendix at [nasfaa.org/cares\\_evaluation\\_report](https://nasfaa.org/cares_evaluation_report).

<sup>7</sup> <https://fsaconferences.ed.gov/conferences/library/2020/2020FSAConfSessionBO19.pdf>

## Practitioner Forums

In February 2021, MDRC collaborated with NASFAA and NASPA on the development of protocols to collect information from college administrators about their experiences applying for and receiving HEERF funds, and their experiences communicating about and distributing that aid to students. NASFAA distributed an invitation to the practitioner forums to 2,621 administrators from their membership, and NASPA provided MDRC with a list of 1,047 administrators from their membership to do the same. Invitees were informed that to be eligible for participation, they must have had a significant role in the administration of HEERF emergency aid funds in 2020 at their current institution. In addition, the invitation explained that participants would be randomly selected if demand exceeded available slots and asked them to express interest by filling out an online form in which they self-identified as representing either (a) a technical college, community college, or broad-access undergraduate institution, or (b) a selective institution or graduate/professional program.

A total of 159 invitees expressed availability and interest in participating. MDRC stratified the respondents based on self-identified institution type, institutional control (i.e., public, private for-profit, or private not-for-profit), and membership in NASFAA and/or NASPA, and then randomly selected and invited 15 participants to each of two forums.

In March 2021, MDRC conducted the two virtual forums as focus groups with practitioners responsible for the administration of HEERF emergency aid at their institutions. Six participants joined the first forum, representing technical colleges, community colleges and broad-access undergraduate institutions; 13 joined the second, representing selective institutions or graduate/professional programs. Both forums included representatives of public and private institutions of various sizes. Conducted using Zoom video conferencing, each forum ran approximately 90 minutes. Following the forums, MDRC analyzed the recordings and notes for this paper.

## Student Focus Groups

In March 2021, MDRC collaborated with NASFAA and NASPA on the development of protocols to collect information from college students on their experiences applying for and receiving HEERF funds and other institutional resources since spring 2020, as well as on their experiences more broadly in response to the impacts of COVID-19 on their academic and personal lives. NASPA sent out a request to 11 of their member institutions to invite students to participate in the focus groups. The contacts at these institutions, who represent student affairs, enrollment management, and academic success centers, have been deeply committed to developing and furthering emergency aid efforts at both the institutional level and the national level through their involvement in continuing conversations. Students were invited to fill out an online interest form with contact information and were asked whether they had received emergency aid, had not received emergency aid, or were unsure. Twenty-four students from five institutions expressed interest, and MDRC invited all 24 to participate.

In April 2021, MDRC held four focus groups. Two of the focus groups consisted of students who indicated they had received emergency aid, and two focus groups consisted of students who indicated either they had not received emergency aid or they were unsure. During the focus groups, however, all but three students reported they had, in fact, received at least some sort of CARES or other emergency aid, even though some had indicated initially they had not. A total of 15 students attended across the four sessions, and the size of each focus group ranged from three to five students. All the students attended four-year private not-for-profit or public institutions, and all undergraduate class years were represented. All participants were female and were predominantly women of color. Nine of the students attended the same college and the remaining six represented four other institutions. Thirteen of the students attended a Historically Black College or University. Each focus group lasted approximately 90 minutes and was conducted using Zoom. Following the focus groups, MDRC analyzed the recordings and notes for this paper.

It is important to note that the sample for these student focus groups is not representative of all students or colleges. However, the students in these focus groups provided rich and revealing descriptions of their experiences over the past year. These descriptions may provide insight into the experiences of many other students across the nation, particularly for undergraduates at four-year institutions and for those with circumstances similar to these 15 students. Specifically, these students described experiencing generally moderate or serious — but not severe — financial challenges and expressed significant confusion about the emergency aid offered at their colleges.

# Findings From the Online Practitioner Survey

As mentioned in the Methodology section, 464 respondents answered at least one question on the web-based survey (and 440 completed the survey), and the vast majority were NASFAA members. To reduce burden on respondents, we broke the survey into modules that we randomly assigned to just a subset of respondents, and some questions also included skip patterns. Together, these factors led to most questions having a sample size lower than the full sample. In addition, all survey questions had an answer choice of “decline to answer or I don’t know.” As a result, response options do not always add up to 100%.

Through this survey, we examined each of the sections listed below to gain a better understanding of CARES Act emergency aid funds and to identify overarching federal- and institutional-level policy implications. We present key findings below categorized by the research question they most closely match. Full results for each survey question appear as a separate appendix at [nasfaa.org/cares\\_evaluation\\_report](https://nasfaa.org/cares_evaluation_report).

## Research question: What were the successes and challenges related to the allocation, application, and distribution of CARES Act funds to institutions, including timing, communications, and processes?

### Allocation

The congressional formula for allocating CARES Act Section 18004(a)(1) HEERF dollars called for the funds to be apportioned as follows:

- 75% according to the relative share of full-time equivalent (FTE) enrollment of Federal Pell Grant recipients who are not exclusively enrolled in distance education courses prior to the coronavirus emergency; and
- 25% according to the relative share of FTE enrollment of students who were not Pell Grant recipients who are not exclusively enrolled in distance education courses prior to the coronavirus emergency.

When asked if this formula should be changed in future stimulus packages, approximately two-thirds of respondents stated they believe the formula should be changed. Of those, respondents most commonly selected weighting the formula more heavily and/or only on student headcount instead of FTE (49%). Just over 21% suggested including students who were exclusively enrolled in distance education courses prior to COVID-19 in the formula; a similar portion suggested weighting the formula less heavily on Pell Grant recipients. This was more than double the 10% who suggested Congress weight the formula more heavily on Pell Grant recipients.

When asked how well ED’s methodology reflected congressional intent, 56% reported thinking ED’s methodology closely or somewhat reflected congressional intent, and 13% reported thinking it did not.

### Application and drawdown

When asked about their experience with the process of drawing down HEERF emergency grants in the Department of Education’s G5 Grants Management system, more than three-quarters of respondents found using the G5 system a neutral or easy process (79%), and just over two-thirds indicated they would not recommend a different process for distributing funds (69%). Respondents were also asked approximately how long it took from the date they submitted their HEERF institutional share Recipient’s Funding Certification and Agreement to the date they received the Grant Award Notification that their HEERF institutional share dollars were available to draw down. Responses varied greatly, and more than half of respondents indicated they declined to answer or were unsure (53%), as shown in the chart below:

### Time from the date the institution received its Certification and Agreement to the date it received its Grant Award Notification

Percentage of respondents	Business days
6%	1-3
8%	4-6
11%	7-10
6%	11-14
10%	15-21
6%	22+
53%	Declined to answer/unsure



## Communications and guidance

Overall, respondents found the quality of ED's communications informing their institution of its HEERF allocations very good to excellent (63%). However, 47% of respondents found the quality of ED's communications related to the CARES Act reporting requirements to be poor to very poor. Respondents also found guidance released from ED to be difficult to understand (59%) and "not at all organized" (51%). When asked if their institution made any changes to its HEERF emergency grant communication, application, awarding, or disbursement process as a result of ED's changes to HEERF guidance over the spring and summer of 2020, just under half (46%) of respondents reported their institution made such changes while an equal portion (46%) reported they did not.

## HEERF training

The survey asked respondents about the timeliness of HEERF training held by ED, including the first webinar on June 23, 2020, and the second on October 14, 2020. Most respondents (72%) indicated ED's webinar on June 23 came too late and 90% of respondents indicated their institutions relied on NASFAA for HEERF training.<sup>8</sup> About half relied on state or regional aid associations for training.

## Reporting requirements

ED announced HEERF student share reporting requirements on May 6, 2020, with the first report due 30 days from the date the institution signed the Certification and Agreement form. The survey asked respondents about their ability to meet this deadline. Most respondents indicated it was neutral to very easy to meet the first reporting deadline (73%). However, when asked later in the survey what they felt Congress should change if student emergency grants were offered again in a future stimulus package or other legislation, 66% recommended less onerous reporting requirements.

Respondents reported facing challenges in reporting driven more by lack of clarity than by difficulty gathering data. For example, 62% cited unclear reporting instructions and/or difficulty keeping track of multiple reporting instruments and deadlines as challenges, and 39% cited unavailability of data and/or system and IT limitations as challenges.

Ahead of completing the HEERF Quarterly Budget and Expenditures Reporting form and HEERF annual report, institutions received an estimate from ED of two hours and six hours, respectively, for completion. When asked approximately how long it took to complete each report, just under half (44%) of survey respondents reported more than two hours for the quarterly report and more than half (58%) reported more than six hours for the annual report.

## Other

When asked what they think Congress should change if emergency grants were offered again through legislation, about two-thirds of respondents indicated the following: clearer legislative language on intent for student eligibility criteria (69%), less onerous reporting requirements (66%), more flexibility for institutions in selecting recipients (63%), and/or that they would want emergency aid to be exempt from EFA (60%). Half indicated emergency grants should be a non-Title IV aid program (48%).

About three-quarters of respondents indicated that the allowable uses of HEERF-student share emergency grants were broad enough to accommodate their students' needs most or all of the time; however, one-quarter responded that their office encountered some or many instances where students needed emergency funds but the institution could not award HEERF emergency grants.

**Research question: Which essential roles and functions are needed to award and disburse the emergency aid at the institutional level, and what patterns emerged in the strategies institutions used to distribute their CARES Act and subsequent emergency aid funds?**

## Communications

When asked what offices communicated availability of HEERF emergency grants to students, nearly 90% of respondents indicated the financial aid office was involved in communicating to students, with one-quarter having only the financial aid office communicating availability (25%) and the remainder reporting communication from the financial aid office along with other offices on campus (63%). For communicating the availability of FSEOG funds, half reported the financial aid office handled it alone. The survey also asked respondents about their targeted communications on the availability of HEERF emergency grants to specific student populations. Sixty-one percent indicated all students received the same communications about HEERF funds, 28% indicated they targeted communications to specific students, and 9% indicated they communicated with all students but different students received different messaging.

<sup>8</sup> At least 96% of respondents are NASFAA members.

## Awarding process

Respondents awarded \$1,006 in HEERF student grants on average. For awarding, institutions could require students to request HEERF student emergency grants and/or use information the institution already possessed to determine which students would receive awards. For our sample:

- 44% of respondents reported their institutions required students to request HEERF emergency grant funds and/or self-certify their eligibility
- 30% of respondents reported they selected HEERF recipients solely on information the institution already possessed
- 26% reported using a combination: They selected students but also permitted students to request HEERF emergency grants

The survey asked a series of questions on the turnaround time at the respondent's institution from receipt of a student's request for a HEERF student emergency grant to notification of approval/denial to the student. The most common turnaround time indicated from receipt of request for HEERF to notification of approval or denial was within three to seven days (38%), and the next most common was more than seven days (24%). The most common turnaround time indicated from notification of approval to disbursement was within three to seven days (48%). The next most common was more than seven days (23%). Just over half of respondents indicated their total turnaround time from receipt of request to disbursement was within five to 10 days.

**Research question: What measures did colleges take to ensure they allocated money and resources quickly and equitably, and which strategies were deemed most effective in ensuring students who most needed the funds received them?**

### Eligibility criteria

The survey asked respondents what criteria they used to award HEERF student emergency grants, regardless of whether their institution awarded the grants based on information the institution already possessed or if they required students to request the grants (or some combination of the two). Based on the options given:

- 64% considered students' basic needs (including food, housing, health care, childcare, and/or transportation)
- 66% considered students' school needs (including course materials and technology)
- 51% considered estimated family contribution
- 46% considered Pell Grant recipient status

### Equity

The survey asked what steps respondent's institutions were taking to ensure equitable and unbiased decisions in awarding HEERF student emergency grants and/or emergency FSEOG funds. Approximately one-third indicated their institution made decisions by committee (35%) and/or "my institution took other steps" (36%), and just under one-quarter indicated they masked student identifiers. Respondents were also asked if their institution completed any type of evaluation of their awarding and disbursement; only 15% indicated they did.

**Research question: How did institutions commonly allocate CARES Act emergency grant funds to meet institutional needs and support institutional goals?**

The survey asked respondents about the usage of their institutional share of HEERF dollars to make additional student emergency grants as of the time they were completing the survey. Just under half reported their institution had not and did not plan to use any of their institutional share for student emergency grants (49%), and slightly fewer (42%) had used or planned to use a portion of their institutional share for that purpose. The majority of the latter indicated using less than 25% of their institutional share for student emergency grants as of the time they completed the survey.

### Additional survey analyses and findings

Analyses of responses from private 4-year, public 4-year, and public 2-year institutions did not reveal any meaningful patterns of differences in responses based on institution type (beyond differences that may have occurred by chance). Sample sizes for other institution types are too small for comparison.

We also analyzed survey results by institution size using categories of small, medium, and large as indicated in the Integrated Postsecondary Education Data System (IPEDS) database. One notable finding is that a majority of respondents from medium- and large-size institutions reported their institution had some type of emergency aid program in place prior to the availability of the CARES Act emergency grants, whereas less than half of respondents from small institutions said the same (the difference was statistically significant). This did not, however, appear to correlate with respondents' assessments of their difficulty or ease in drawing down, distributing, or reporting on CARES funds. In other words, survey respondents reported the difficulty or ease of administering CARES funds similarly across institutions of various sizes.

Responses indicating that a committee made their institution's awarding decisions appear to be correlated with an increase of a few days in turnaround time between receipt of students' aid request and notification of approval or denial.

## Findings From Practitioner Forums

As mentioned in the Methodology section, the practitioner forums were two focus groups conducted by MDRC in March 2021, via Zoom. More than 150 practitioners responsible for the administration of HEERF emergency aid at their institution expressed interest in joining the forums. MDRC randomly selected and invited 30 of these practitioners to share information about their experiences applying for and receiving HEERF funds, and their experiences communicating about and distributing that aid to students. Six participants joined the first forum, representing technical colleges, community colleges and broad-access undergraduate institutions; 13 joined the second, representing selective institutions or graduate/professional programs. Both forums included representatives of public and private institutions of various sizes. We present key findings below, categorized by the research question they most closely match.

### Research question: What were the successes and challenges related to the allocation, application, and distribution of CARES Act funds to institutions, including timing, communication, and processes?

#### Allocation

When asked about the formula for allocating federal CARES Act funds to colleges and universities, several administrators participating in the forums stated they found the CARES Act funding formula inequitable in that it caused institutions to have very different amounts of emergency aid available to students who may be in similar circumstances. One participant gave the example of an irate parent who called to say she had two children in college in the same state: One child received \$3,600 and the other received only \$750, presumably because the latter college had more students in need to divide the aid amongst.

#### Drawdown and Distribution Logistics

Participants explained that they generally experienced relatively few major barriers to drawing down and dispersing HEERF funds. However, they often found the process very confusing, time consuming, and stressful, particularly amidst the uncertainty and concern surrounding the early stages of the CARES Act and the pandemic. Participants noted that under-resourced and small institutions might be the most challenged by the initial implementation tasks and may lack available staff or strong support from information technology (IT) or other departments that the participants described as being particularly valuable for solving logistical challenges early on. For example, participants pointed to valuable help they received from others on campus to draw down funds from ED through the G5 system and to ensure student funds went directly to students rather than being automatically applied toward outstanding balances.

#### Legislation and Guidance

Participants discussed that they desire and appreciate flexibility in the process of administering and distributing HEERF funds to students; however, they also desire more clarity in the legislation and guidance. Several felt the ideal situation would include flexibility with clear guidance on which aspects of the process are flexible. As one administrator noted, "we appreciate that there wasn't a ton of rules . . . we were grateful that we have flexibility. [But] as a financial aid professional, that really puts our head in a spin. . . Giving us a lot of money and just saying 'you guys handle it' was kind of scary!"

When asked where they went for help in understanding the legislation and guidance, participants noted they read ED guidelines but typically went to their peers or NASFAA with questions, not to ED. Several participants also mentioned using their internal legal teams as an important resource.

When asked whether the allowed uses of funds were sufficient, several administrators from open- and broad-access institutions expressed a strong desire to also be allowed to provide federal emergency aid funds to incoming, newly enrolled students. They felt this would enable them to combat the declining (and inequitable declines in) new enrollments caused by COVID-19. They reasoned that potential students may be unable to enroll due to financial difficulties caused by the pandemic, and thus future HEERF or similar funding streams should allow this use.

**Research question: Which essential roles and functions are needed to award and disburse the emergency aid at the institutional level, and what patterns emerged in the strategies institutions used to distribute their CARES Act and subsequent emergency aid funds?**

Most participants stated that, early in the process, their colleges decided to use two separate methods for determining aid eligibility and award amounts: using existing school records (“block grants”) and allowing students to complete a school-developed application for additional aid. Over time, the institutions generally migrated toward block grants (either exclusively or with more funds awarded through block grants than through applications). These administrators reported they leaned toward block grants for two reasons: simplicity and perceived fairness. Many participants noted their concern that applications may lead to inequitable distribution, with savvy students requesting more funds. For example, one college found low-income students tended to request less money than their peers. On the other hand, many also noted concern that giving up applications entirely may not be desirable because applications give students an opportunity to express their needs and indicate changed circumstances. This allows colleges to understand each student’s needs and to better comprehend student needs in general.

**Research question: What measures did colleges take to ensure they allocated money and resources quickly and equitably, and which strategies were deemed most effective in ensuring students who most needed the funds received them?**

Across both forums, the overwhelming majority of participating administrators expressed a desire to ensure emergency aid funds reach the students who most need them. However, participants generally said they did not have the time, resources, or ability to conduct in-depth, individualized assessments of each potentially eligible student’s circumstances. As noted above, generalized rules and processes, such as block grants based on existing school records, therefore often felt more equitable to these administrators than attempts at understanding each student’s individual needs. Participants’ equity concerns thus translated into practices such as providing a certain amount of aid automatically to all students who, for example, had a zero EFC or who received a Pell Grant.

Many of these administrators also expressed concerns for students who were ineligible for HEERF aid, including undocumented, international, and non-credit students. In some cases, their colleges provided emergency aid to these students with other funding sources, although it was noted that only well-resourced institutions may have this option.

Although the participants in these focus groups indicated near universal concern and attention to equity, when asked if they had conducted assessments or analyses of their HEERF spending or student outcomes to determine whether their college’s equity goals had been met, none indicated they had, often pointing to limited time and resources as prohibiting factors.

**Research question: How did institutions commonly allocate CARES Act emergency grant funds to meet institutional needs and support institutional goals?**

Although the practitioner forums were primarily focused on the student share of CARES Act funds, participants noted that together with the institutional share, they believed that the funds have been very helpful for navigating the COVID-19 crisis. One administrator paraphrased her college’s president, stating, “these funds were critical to the health of our community and for the well-being . . . and financial stability of our institution,” with broad acknowledgements of agreement from the other administrators in the forum.

**Research question: How did students use the funds they received? Did students report feeling that these funds helped them continue their education, and/or did they identify additional needs?**

To the extent that administrators were aware of the specific needs of students at their institution, they reported technology needs — particularly laptops and internet access — were some of the most frequent and immediate concerns for many students as they transitioned to remote learning.

Administrators participating in these forums expressed few or no concerns that students may be abusing the system or receiving funds they did not need. On the contrary, some participants said they were more likely to encounter students who declined the offered aid because they felt other students needed it more. Relatedly, a few administrators noted that in March 2021, when the government distributed stimulus checks and increased unemployment insurance benefits, some students believed they would not need the newly available HEERF funds, causing the administrators to worry that students may have more needs than they recognized.

# Findings From Student Focus Groups

MDRC held four focus groups with college students to discuss their experiences applying for and receiving HEERF funds and other institutional resources since spring 2020, as well as their experiences more broadly in response to the impacts of COVID-19 on their academic and personal lives.

A total of 15 students attended across the four sessions, and the size of each focus group ranged from three to five students. All the students attended four-year institutions that were either private not-for-profit or public, and all undergraduate class years were represented. All participants were female and were predominantly women of color. Nine of the students attended the same college and the remaining six represented four other institutions. Thirteen of the students attended a Historically Black College or University.

It is important to note that the sample for these student focus groups is not representative of all students or colleges. However, the students in these focus groups provided rich and revealing descriptions of their experiences over the past year. These descriptions may provide insight into the experiences of many other students across the nation, particularly undergraduates at four-year institutions and those with circumstances similar to these 15 students, who generally described moderate or serious — but not severe — financial challenges and expressed significant confusion about the emergency aid offered at their colleges. We present key findings below, categorized by the research question they match most closely.

**Research question: Which essential roles and functions are needed to award and disburse the emergency aid at the institutional level, and what patterns emerged in the strategies institutions used to distribute their CARES Act and subsequent emergency aid funds?**

## Eligibility and receipt of emergency aid

Overall, most students who participated in the focus groups reported substantial lack of clarity over who was eligible for emergency aid grants, how award amounts were calculated, and/or where the grants came from. None of the participants knew how their institution calculated emergency aid amounts. A few participants felt they understood the criteria their college used to determine eligibility for emergency aid; for example, they stated their school used Pell Grant eligibility to determine emergency aid eligibility.

Of the 15 focus group participants, six had indicated when signing up for the session that they had received emergency aid and then confirmed receipt in the focus group; two others indicated they had not received emergency aid and confirmed that fact in the focus group. The other seven participants, however, appeared initially unclear on whether they had received emergency aid. These seven students either initially stated they did not know whether they received emergency aid, or they initially answered yes or no and then described the opposite occurrence in the focus group.

Of the 12 students who reported in the focus group that they received emergency aid, the majority reported they received the aid automatically without needing to apply, though many said they also knew of opportunities to request additional funding. Even within the same institution, different students had differing knowledge of aid availability.

**Applying for aid:** Most participants said they knew of additional aid that might be available by application, but only one or two participants reported they had applied. Participants described two general reasons they felt discouraged from applying, even if they had a need. First, students described the applications as requiring proof of need, and they felt the level of effort required was too high given their limited bandwidth during the COVID-19 crisis. One student indicated she did not apply for additional funds because the proof required in the application felt “performative,” and another noted some people may be uncomfortable sharing about the hardships they faced.

Second, students described uncertainty about the eligibility requirements for emergency aid or believed the requirements were too narrow. Because they assumed they would not be eligible, these students simply did not apply. For example, one participant said she needed extra funding to help with her rent when she needed to move because of COVID-19; however, the college’s emergency housing stipend included requirements for start or end dates of the lease, which did not fit her situation. On the other hand, one student said her college simply encouraged all students to apply without telling them who was eligible or what the requirements were — so she applied and received aid. Another student at that same college said she did not know emergency aid was available at their college.

One student’s comment clearly summed up the uncertainty and difficulty many students perceived in the emergency aid application process: “I didn’t even apply because I just assumed that I probably wouldn’t get it, so I didn’t want to waste my time applying for it . . . I think maybe [if] they had been more clear with saying what qualifies you for it, then I could have applied and maybe gotten some money.”

**Asking for aid:** Several participants noted that directly asking for aid from the financial aid office might be the best way to receive additional emergency aid at their college, and two students described how they received aid in this way. Several students noted that this may present a potential for inequity; if students need to reach out to get support, not all students will know about the option, and students with limited time and resources may be less likely to ask for or receive help. For example, one participant who received aid after directly reaching out to the financial aid office said she had only moderate financial need; another student from her school in the same focus group said she had high need but did not know she could have reached out for more funds. As one student said, “it ends up being kind of like you need to know the right people to get funding.”

Another said, “a lot of people don’t know to ask the financial aid office for help, and it’s kind of a hit or miss kind of thing.” She said, “it’s kind of a playing game, like if you ask [at] the right time, I’ve heard some people getting full rides just from asking their financial aid officer for funds. And then you have people like me who asked, and then three months later got a little something. And then you have people who’ve been bombarding the officers and nothing ever came from it. So, it really just depends. There were probably applications, but they might not have correlated in the way that we thought they would. I don’t know.”

When these students received emergency aid automatically or by request, they were often unsure of the process or reasons. Several students reported having received CARES aid even though they thought they were ineligible despite having significant needs. A few of these students said they did not ask the financial aid office why they had received the aid because they were afraid it might have been a mistake. As another example of the confusion, two students from the same university reported receiving the same emergency grant, but each thought it was for a different reason. One thought it was for all freshmen (but the second was not a freshman), and the other thought it was for all students (but the other two students from her school on the call said they did not receive it). As another example, one student reported she has a twin at her same college who received a higher amount of emergency aid; she said they had no idea why that was the case.

#### **Communications: How students learned about CARES Act emergency aid and other support**

As described above, the students participating in the focus groups expressed significant confusion about the emergency aid their colleges offered, and they mostly described their colleges’ communications as inconsistent, unclear, and insufficient. The ways students reported hearing about emergency aid varied, but email and word of mouth were the most common. In addition, one student heard about it through TikTok, and another student saw a flier on campus.

Several participants said they do not think email is a good way to communicate aid information because many students do not pay attention to emails. In fact, two participants said they or their friends simply stopped checking their college emails for a while early in the COVID-19 crisis. Another participant read an email that included eligibility requirements for emergency aid that she did not meet, so she ignored any additional emails about emergency aid. Participants reported they relied heavily on word of mouth to learn about emergency aid, often through group chats (digital group messaging) with classmates, friends at their college, or friends at other colleges.

#### **Research discussion question: How did students use the funds they received? Did students report feeling that these funds helped them continue their education, and/or did they identify additional needs?**

##### **Student challenges and needs**

The participants in these focus groups — all undergraduates at four-year institutions — described a range of challenges they faced due to COVID-19.

**Leaving campus:** Many of these students had lived on campus and were required to move off; some moved back home, whereas others sought housing on their own. Some of the students who lived off campus in spring 2020 moved home when COVID-19 caused their learning to go online. These situations each had differing — and often challenging — economic impacts, including costs relating to finding a new apartment, travel, or continuing to pay rent for an apartment the student left behind. Participants also described the stress and fear they faced due to travel during the start of the pandemic and the challenges of moving back home where space was often limited.

**Reduced income:** Several participants noted that they lost their jobs or had their hours reduced due to the impact of COVID-19 on their workplace. For those who continued to work, several described how their jobs became more difficult. For example, a few participants who were work-study tutors experienced a higher demand for their tutoring service as students struggled with remote instruction. A few students also explained that their parents lost their jobs or had their hours reduced, and in some cases the students were providing financial support to their parents or other family members as a result.

**Adjusting to remote education:** Many students in the focus groups felt the quality of their education was not as good in the remote environment as in-person. They also felt their professors were not well equipped to teach online or use technological tools. Several students suggested tuition or fees should have been reduced to match the lower-quality education and services they received. On the other hand, some students reported receiving valuable assistance from individual professors and advisors, such as help finding a job, assistance with transitioning into college during COVID-19, and sharing recommendations of scholarships or other aid for which students could apply.

**Isolation and loss of community:** Students lamented missing their friends and missing out on campus rituals, and one freshman reported feeling she was not getting fully integrated into the community. Several students mentioned they experienced increased mental health issues, although none of them reported using mental health resources on campus. As one student described the challenge, “[our college previously] not only offered us academics, but it’s essentially [a] safe haven for students . . . The space that [the college] created for us . . . was taken away.”

Many of the students in these focus groups did not feel supported by their college overall during the COVID-19 crisis, and several from the same college expressed that they felt their college did not really care about them. Unsurprisingly, overall students reported feeling “drained.” One student said, “I’d never felt like this at the end of one semester. It’s so overwhelming.”

### **Students’ use of emergency aid**

Students in the focus groups primarily reported that the emergency aid they received was helpful but did not make a large or substantial difference for them. They generally described emergency aid as contributing toward, but not fully covering, their needs. They expressed gratitude that they received what they did, while wishing they had received more.

Participants reported using the aid they received toward a range of needs: tuition and fees, books and supplies (including laptops), housing, and food. Some also reported that the extra funds gave them “peace of mind” in knowing they had a little wiggle room. One student reported she used the funds for non-basic needs, such as self-care in a time of stress. When we asked students who had received aid if it helped them stay in college, the majority said it did not contribute to their overall ability to stay enrolled; however, one student described using the aid for summer tuition and noted it kept her enrolled.

Overall, the students in these focus groups described piecing together money from a variety of sources, including HEERF aid, other emergency aid, Pell Grants, loans, scholarships, family resources, and work. Many students also described doing this prior to COVID-19, and in many ways this past year was a continuation of their financial challenges and ongoing responses, although with additional new and greater challenges.

## Overall Findings

### **What were the successes and challenges related to the allocation, application, and distribution of CARES Act funds to institutions, including timing, communication, and processes?**

When asked to examine what worked and what did not related to allocation, application, and distribution, survey respondents and administrators in our focus groups expressed agreement on the following:

**What worked:** Survey respondents and focus group participants were able to draw down and distribute HEERF funds with relatively few major barriers thanks to the fact that most respondents already had a grants.gov account for requesting their HEERF dollars, and all Title IV participating institutions were already using the G5 system to draw down their Title IV funds. Most survey respondents did not experience problems meeting their first reporting deadline. Overall our survey respondents found ED’s communications surrounding HEERF allocations to be neutral to excellent.

**What did not work:** Many felt the HEERF funding formula was inequitable in that it caused institutions to have very different amounts of emergency aid available to students who may be in similar circumstances. Examples included students from the same family attending different institutions in the same state receiving significantly different emergency grant amounts. In our survey in particular, only 16% of respondents recommended that Congress keep the formula the same in future rounds of funding.

Most survey respondents felt ED’s webinars came too late and reported their institutions relied on NASFAA and state or regional associations for HEERF training. ED published estimated reporting completion times, but around half of survey respondents found both the annual and quarterly reporting requirements took longer than the estimates. Despite being able to meet the reporting deadlines, survey respondents overwhelmingly indicated future stimulus packages should include less onerous reporting requirements and indicated the reporting challenges they faced were driven by lack of clarity from ED rather than by difficulty gathering data.

Communications about reporting requirements were rated poor to very poor by most survey respondents; over half also found ED’s HEERF guidance difficult to understand and “not at all organized,” and almost half had to change their process as a result of ED’s evolving HEERF guidance over the spring and summer of 2020. Most survey respondents indicated that if emergency grants were offered again through legislation, Congress should include clearer legislative language on intent for student eligibility criteria, provide more flexibility for institutions in selecting recipients, make emergency aid exempt from EFA, and keep emergency grants a non-Title IV aid program.

## What essential roles and functions are needed to award and disburse the emergency aid at the institutional level, and what patterns emerged in the strategies institutions used to distribute their CARES Act funds?

Based on the findings from the practitioner focus group and survey, the experiences across colleges may point to the benefits of institutions having a combined approach for awarding emergency aid. While almost half of survey respondents reported their institutions required students to request HEERF emergency grant and/or self-certify their eligibility, the rest selected HEERF recipients using solely information the institution already possessed or a combination of self-certification and institutional selection. However, our focus group participants examined the process more in-depth. Most focus group administrators indicated they started awarding using both methods, but then they generally migrated back to block grants based on information the institution already possessed, for both simplicity and perceived fairness. Focus group participants expressed concerns that using applications may lead to inequitable distribution, but many also noted concern that giving up applications entirely may not be desirable because applications give students an opportunity to express their needs, indicate changed circumstances, etc., allowing colleges to understand each student's needs and to get a sense of students' needs in general.

A large majority of survey respondents indicated the financial aid office and at least one other office on campus were responsible for communicating HEERF emergency grant availability. Additionally, for institutions communicating about only emergency FSEOG funds, at least half reported communication came from the financial aid office and at least one other office. Our work does not examine any outcomes of institutions using only the financial aid office versus those who used that office and at least one additional office. As outlined above in the section on the student focus groups, students expressed significant confusion about the emergency aid offered through their college and communications were perceived as inconsistent, unclear, and insufficient. If these small focus groups are indicative of larger trends, it appears many students may not be understanding or accessing the aid that may be available to them.

## What measures did colleges take to ensure they allocated money and resources quickly and equitably, and which strategies employed by institutions were most effective in ensuring students who most needed the funds received them?

Administrators in the practitioner focus groups expressed concerns about equity, but they noted none of their institutions conducted assessments or analysis of their HEERF spending or student outcomes to determine if the college's goals were met. The survey findings support this, with near universal attention to equity and only a small percentage of institutions indicating they did not take any deliberate steps to ensure equitable and unbiased decisions. However only a small percentage of survey respondents evaluated their efforts. This may suggest a benefit from requiring institutions to report on some key student and aid recipient demographics and trying to ensure each institution tracks pre-identified student characteristics and outcomes so institutions can set their own goals and evaluate them.

## How did students use the funds they received, and did students report feeling these funds helped them continue their education or did they identify additional needs?

Administrators in the practitioner focus groups indicated, to the extent they were aware, that technology was a frequent need for students during the transition from in-person to remote learning. They also felt no concerns about students abusing the system, and a few said students were declining aid so it could be directed toward others who they felt needed it more. Some focus group administrators felt students may have been more in need than they realized at the time, and a further examination of this could be done in future evaluation of emergency funds released after CARES.

Students themselves felt their costs should have been reduced to match the perceived lower-quality education and services received once they switched to online learning. Students were mixed on their perceptions toward their classes and individual professors' ability to manage a remote class appropriately, but many acknowledged the competing obligations and "Zoom fatigue" that took place as the pandemic continued. When asked what their own needs were, students in our focus groups expressed covering costs to travel home after being forced to move off campus, the loss of jobs or reduced hours, difficulty adjusting to jobs that became remote, and needing to provide financial support for their family. Many students missed the "community" of in-person learning and being on campus, and several cited mental health needs that they were unsure how to meet.

When asked to talk about how the CARES emergency grant funds met their financial needs during the COVID-19 crisis, focus group participants felt the funds were helpful, but did not make a substantial difference. Many students felt they needed additional funds to cover items such as books, online course materials, and resources for living arrangements — all as a result of moving to online education and a change in living arrangements when campuses closed. Many of the students in our focus groups indicated they covered these costs by piecing together a variety of sources — something they also indicated doing before the COVID-19 crisis, so in many ways this year was a continuation of their financial challenges and responses, although with additional new challenges.



# Emergency Aid Program Recommendations

## Recommendation 1: Improve communication and clarity for students.

Students should be able to easily understand the availability of, process to apply for, and means to receive emergency aid at their institution. Findings from student focus groups highlighted a number of inconsistencies in the application process, eligibility requirements, and students' awareness about how to access emergency aid. To best address this need, institutions should develop a communications plan and prioritize consistent messaging about emergency aid for students. As part of the communications plan, institutions should broadly and frequently advertise the resources available through a variety of mediums, such as social media, the learning management system (i.e. Blackboard), and text messaging. It is critical to succinctly outline and consistently adhere to the application process and eligibility requirements. This will alleviate any confusion or perceived unfairness of the emergency aid program.

## Recommendation 2: Assess institutional efforts and continue refining the process.

Institutions that intend to continue providing emergency aid to students should engage in ongoing assessment of the efficacy of their efforts. Regularly examining all aspects of the process, especially from the student perspective and experience, opens opportunities for improvement and adjustment. Along with examining the process, institutions should leverage data to identify opportunities for efficiency and impactful delivery. For example, using data to proactively identify students who need aid leads to an opportunity to provide information to those students. Data can also be leveraged to increase fundraising efforts with alumni donors and others who are interested in providing sustainable funding for the program. Regardless of the focus of the data efforts, institutions will need to promote collaboration and open sharing of information among various campus partners to ensure a goal of continuous improvement and delivery of the highest-quality resources possible.

## Recommendation 3: Ensure equity is a guiding principle.

Emergency aid funds are limited at most institutions, and in some instances this reality requires institutions to make some difficult decisions regarding which students will receive assistance. Therefore, it is essential for institutions to place equity at the center of their emergency aid efforts — designing and adhering to a process that will provide the aid to the students with the greatest need. This requires institutions to (a) understand the true needs of their students, (b) develop policies and practices that prioritize students with the most need, and (c) routinely assess the program to ensure it is working as designed. Some additional tactics to consider are having all applications reviewed by a committee, providing training to staff on how to best manage emergency aid conversations with students (e.g., unconscious bias training, having difficult conversations), and doing some direct outreach to some students about emergency aid offerings.

## Recommendation 4: Deliver timely responses and payments to students.

Students experiencing a financial crisis, whether related to the COVID-19 pandemic or a different situation, need and deserve a timely response to their request. Survey results suggested that using a committee to review applications increased the turnaround time between students' request for aid and notification of approval by a few days. Ensuring equity should not come at the expense of efficiency in the process. If necessary, institutions should revise their process to shorten the timeline, ensure committee review and decision within a few days of receipt of an application, or set a minimum number of committee responses for a final decision when the full committee is not available.

## Recommendation 5: Broaden eligible emergency aid expenses.

The institution may have already established expenses that qualify for emergency aid consideration, such as emergency medical or dental bills; transportation costs or repairs; childcare expenses; or grocery costs. However, the COVID-19 pandemic has brought to light other student needs that may not have been previously considered for emergency aid. For example, items not previously included in eligible expenses may include support for mental health resources and expenses; technology expenses (e.g., equipment, internet service); or fees associated with changing a residence, covering rent, or other housing-related emergency expenses. In some instances, professionals may need to consult institution, state, or federal policies to determine how aid should be used to cover personal expenses. Institutions can address any policy concerns by continuing to partner and consult with individuals who are knowledgeable of existing requirements, such as financial aid administrators and other institutional leaders who are adept at managing compliance.

# Financial Aid Policy Considerations

## Consideration 1: Base the allocation formula on student headcount enrollment that includes distance education students.

Student and institutional needs are not proportional to the student's enrollment intensity. A part-time student's housing costs are the same as a full-time student's costs, and part-time students are entitled to the same student support services an institution provides to full-time students at the same cost to the institution. Basing the formula on FTE enrollment puts institutions that enroll higher proportions of part-time students at a disadvantage. Congress acknowledged this in later HEERF allocation rounds (HEERF II and HEERF III), adjusting the formula such that the allocations for Pell Grant recipients and for non-Pell Grant recipients were based 50% on FTE enrollment and 50% on headcount enrollment.

The CARES Act limited allowable uses of funds to institutional costs associated with significant changes to the delivery of instruction due to the pandemic and to student expenses related to the disruption of campus operations due to the pandemic. In that context, leaving distance education students out of the formula was appropriate because they would not have qualified for HEERF grants.

As the COVID-19 pandemic dragged on, however, it became apparent that institutional and student needs extended beyond those associated solely with closing dormitories and transitioning to remote learning. Congress made changes to later funding rounds, expanding allowable uses of funds by removing the link between eligible expenses and the disruption of on-campus activities and correspondingly adding distance education students to the formula, although still weighting the formula heavily toward in-person student enrollments. Getting the formula right is critical to ensuring students' well-being and success.

## Consideration 2: Use the grants.gov website for requesting funds and the G5 system for disbursing emergency grant funds to institutions, and ensure funds are distributed to institutions promptly.

Just under two-thirds of survey respondents indicated their institution already had a grants.gov account prior to applying for their HEERF grants, making that system a logical choice for the HEERF grant request process. Now that those institutions without grants.gov accounts have since had to create them to receive their first round of HEERF grants, continued use of this system in the future will be easier for all institutions.

The time it took from the institution's submission of their HEERF grant application to notification that funds were available to draw down varied greatly, which suggests that ED could make improvements to its process of approving requests to ensure emergency funds are in institutions' and, consequently, students' hands as quickly as possible.

## Consideration 3: Make congressional intent clear while keeping allowable uses of funds broad.

Two-thirds of survey respondents indicated a desire for greater flexibility in selecting student grant recipients. Congress established the HEERF student grants outside of Title IV of the HEA and did not specify any conditions for student eligibility. The Department of Education under the Trump administration interpreted the CARES Act as having the same student eligibility requirements as Title IV aid, such as being a U.S. citizen or eligible noncitizen, being registered with the Selective Service System, and having no prior defaults on federal student loans.

While the Biden administration took a more lenient view on student eligibility and removed the tie between student HEERF grant eligibility and the Title IV eligibility requirements, ED officials still initially believed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, which limits federal benefits for non-qualified aliens, also constrained ED from allowing noncitizens to receive HEERF grants. ED finally resolved this issue in a Final Rule issued on May 14, 2021, by stating "any individual who is or was enrolled at an eligible institution on or after the date the national emergency was declared for COVID-19 may qualify for assistance under the HEERF programs."<sup>10</sup>

While noncitizen students welcomed this news, it came nearly 14 months after Congress had passed the CARES Act. If Congress intended for all students, regardless of citizenship status, to qualify for HEERF emergency grants, the legislation should have included more specific language to that effect.

Congress used more specific legislative language in limiting the allowable use of HEERF funds to only those expenses that arose as a result of the disruption to campus operations due to COVID-19. However, that language made it difficult to award grants to some students who experienced financial needs and expenses related to COVID-19 but not necessarily due to campus disruptions (e.g., job loss). Congress' expanded allowable use of funds permitted in the HEERF II and III funding rounds provided greater flexibility, and similar flexibility should be permitted in future rounds of emergency aid funding.

<sup>10</sup> <https://www.federalregister.gov/documents/2021/05/14/2021-10190/eligibility-to-receive-emergency-financial-aid-grants-to-students-under-the-higher-education>

#### Consideration 4: Improve ED guidance and training, and deliver both promptly.

ED should have led the charge in providing both guidance and training to institutions and, given the emergency nature of this funding, should have provided guidance and training both promptly and clearly. The fact that almost all survey respondents relied on NASFAA and state associations for training demonstrates that institutions needed more than ED offered. ED issued guidance in a piecemeal fashion over the course of the spring and summer of 2020, leaving critical questions—including which students were eligible to receive HEERF grants—unanswered. Almost half of institutions had to adjust their HEERF policies upon receiving subsequent guidance from ED, showing the critical need for prompt ED guidance.

#### Consideration 5: Make reporting requirements clear.

While survey respondents indicated they generally met reporting requirements by the deadlines, they still faced challenges. Interestingly, those challenges were less related to gathering data and more due to lack of clarity in the reporting instructions from ED. ED should make reporting requirements clear from the outset so institutions can properly track their spending. ED should also use clear language in all reporting communications so institutions provide the correct information. It should be noted that in its May 10, 2021, HEERF III guidance,<sup>11</sup> ED provided advance notice of two annual reporting requirements it anticipated adding to the next annual report due in January 2022. This advance notice should prove helpful to institutions as they award their HEERF III funds.

#### Consideration 6: Exempt emergency aid from estimated financial aid (EFA).

Exempting emergency aid from EFA acknowledges that even a student whose full need is met per the federal need analysis formula may have emergency expenses that are not or cannot be covered by federal student aid. Emergency aid is distinct from the federal student aid programs in its purpose and should not be a factor in determining a student's eligibility for the Title IV student aid programs, nor should receipt of Title IV student aid preclude a student from receiving an emergency grant.

#### Consideration 7: Continue to develop emergency aid programs outside the confines of HEA Title IV programs.

Title IV student aid is awarded in advance of enrollment for a set period, generally an academic year. It is awarded based on a lengthy application that provides a snapshot of a family's income and assets at a set point in time. While Title IV aid can be adjusted using professional judgment, the process requires documentation and is often complicated and time consuming. None of this lends itself well to emergencies. Congress intentionally created the HEERF grant program to exist outside of the Title IV student aid programs. This allowed institutions to recognize student needs outside of the strict definition of need for Title IV purposes, including for expenses that are not permitted in the cost of attendance and consequently are not eligible for Title IV student aid. It also permitted institutions to award these emergency funds without an application, greatly reducing the burden on institutions and students, and ensuring that emergency grants could reach students as quickly as possible. While only about half of survey respondents felt that emergency grants should remain a non-Title IV aid program, more than half wanted more flexibility for institutions in selecting recipients and/or wanted emergency aid to be exempt from EFA, all of which could be achieved by keeping emergency aid programs separate from the Title IV programs.

## Conclusion

The findings reflected in this report shed light on what worked and what did not work with the HEERF emergency grant programs. Congress, ED, and institutions took on a massive task in creating and implementing the HEERF emergency grant programs and should be commended for those efforts to help struggling college students overcome financial barriers to their continued enrollment. However, developing and implementing any initiative always involves some missteps, especially in the midst of a crisis.

The need for emergency aid programs for college students became especially apparent during the COVID-19 national emergency, but it has been understood by institutions of higher education for a number of years prior to the pandemic. COVID-19 presented a unique opportunity to develop a first-ever federal emergency aid program for higher education. While directed at a specific crisis, lessons learned from the creation and implementation of the HEERF emergency grants can be used by institutions to develop or improve their own emergency aid programs and by lawmakers to develop a more permanent federal emergency aid program.

<sup>11</sup> [https://www2.ed.gov/about/offices/list/ope/arpfaq.pdf?utm\\_content=&utm\\_medium=email&utm\\_name=&utm\\_source=govdelivery&utm\\_term=](https://www2.ed.gov/about/offices/list/ope/arpfaq.pdf?utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=)

