



November 15, 2021

The Honorable Bobby Scott
Chairman
Committee on Education and Labor
U.S. House of Representatives
2176 Rayburn House Office Building
Washington, DC 20515

The Honorable Virginia Foxx
Ranking Member
Committee on Education and Labor
U.S. House of Representatives
2101 Rayburn House Office Building
Washington, DC 20515

The Honorable Frederica S. Wilson
Chairwoman
Subcommittee on Higher Education and
Workforce Investment
U.S. House of Representatives
2176 Rayburn House Office Building
Washington, DC 20515

The Honorable Gregory F. Murphy
Ranking Member
Subcommittee on Higher Education and
Workforce Investment
U.S. House of Representatives
2101 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Scott, Ranking Member Foxx, Chairwoman Wilson, and Ranking Member Murphy:

In light of today's House Education and Labor Joint Subcommittee Hearing, **Examining the Implementation of COVID-19 Education Funds**, I write on behalf of the Association of Public and Land-grant Universities (APLU) to offer perspective on the U.S. Department of Education's implementation of Higher Education Emergency Relief Fund (HEERF) grants and the work of public research universities to responsibly and effectively steward these funds to navigate the continued effects of the pandemic.

As you know, APLU is a research, policy, and advocacy organization dedicated to strengthening and advancing the work of public universities. Annually, APLU's 201 U.S. member campuses enroll 4.2 million undergraduates and 1.2 million graduate students, award 1.2 million degrees, employ 1.1 million faculty and staff, and conduct \$46.8 billion in university-based research.

As the nation continues to recover from the dual public health and economic crises precipitated by the pandemic, the COVID-19 education funds provided by Congress are a critical lifeline for public universities and their students. We are deeply grateful for the nearly \$77 billion in support Congress has provided to institutions of higher education and students, and to the Department for disbursing these emergency funds as quickly as possible. These funds helped financially stabilize public universities facing an unprecedented crisis, supported institutions in prioritizing the health and safety of campus communities, and extended emergency resources to struggling students.

Background on HEERF Implementation

Over a year and a half ago when the COVID-19 pandemic reached America’s shores, our nation’s public colleges and universities took immediate action to protect the health of students, faculty, staff, and surrounding communities. While closing campuses and moving to remote instruction was necessary to slow the spread of the virus, those shifts caused massive disruption to students, campus operations, and institutional finances. The personal toll for many students was immense both financially and emotionally, exacerbating existing challenges faced by campuses to support student basic needs and mental health. Institutions also faced massive lost revenues and expenses.

The 116th Congress worked quickly to pass the CARES Act in March 2020, which provided \$14 billion in support for colleges and universities through HEERF grants. The Department distributed these funds throughout spring and summer 2020, but it took time for the aid to reach campuses. At the time, the higher education community expressed the critical need for “as much flexibility as possible for distributing these funds on campus, both for emergency grants to students and to help cover institutional refunds, expenses, and other lost revenues.”¹ Unfortunately, guidance to campuses—in particular, the limitation of funds to only Title IV-eligible students—created implementation challenges that delayed the distribution of these critical funds.

In fall 2020, as many campuses prepared for the new academic year, APLU wrote with the higher education community to the Senate Committee on Health, Education, Labor, and Pensions that “colleges and universities face a complicated, constantly-shifting environment as they plan for the fall semester.”² While every institution faced a different set of circumstances and had different timelines for campus reopening, all had to put in place plans regarding logistics surrounding COVID-19 testing, implementing contact tracing, procurement of personal protective equipment and cleaning supplies, and putting into place social distancing plans. At the same time, institutions were grappling with how to help students returning to campus who were experiencing unprecedented levels of financial need.³

In December 2020, nine months after the start of the pandemic and the passage of the CARES Act, Congress passed the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) and provided an additional \$23 billion in higher education relief funding. Initially, guidance from the Department limited the use of these funds to expenses incurred after the passage of CRRSAA, preventing APLU member institutions from using funds to cover expenses incurred throughout fall 2020 while campuses reopened. Further, questions still had not been resolved regarding the use of HEERF emergency financial aid dollars to support different

¹ Higher Education Stakeholders Urge Secretary DeVos for Quick Release of HEERF Grants, American Council on Education, April 2, 2020, <https://www.aplu.org/members/councils/governmental-affairs/CGA-library/stakeholders-urge-secretary-devos-for-quick-release-of-the-higher-education-emergency-relief-fund/file>.

² Higher Education Letter to Senate HELP Committee on Campus Reopening Costs, American Council on Education, July 2, 2020, <https://www.aplu.org/members/councils/governmental-affairs/CGA-library/letter-to-senate-help-on-campus-reopening-costs/file>

³ Higher Education Stakeholders Call for \$120 Billion in Additional COVID-19 Education Funds, American Council on Education, December 2, 2020, <https://www.aplu.org/members/councils/governmental-affairs/CGA-library/associations-support-letter-for-covid-19-120b-request/file>

student populations on campus, particularly international and undocumented students. Adding to the challenge, the change in administrations meant further delays in clarifying guidance to institutions.

After passage of CRRSAA, APLU worked to survey our members to provide an estimate of the financial toll of the pandemic on campuses and guide further conversations about COVID-19 education funds in Congress. Based on survey data, APLU estimated that our member institutions alone faced a \$20.8 billion financial hit due to the pandemic, not considering potential state budget cuts. Considering funds received from the CARES Act and CRRSAA, APLU members still faced unmet need in the ballpark of \$15.1 billion.⁴

In March 2021, the 117th Congress provided \$40 billion in additional HEERF grant aid through the American Rescue Plan (ARP) Act with a substantial portion of funds directed to students. As the Department worked to award this third round of emergency relief, Department officials also worked to clarify guidance and ensure institutions had the information necessary to move forward with planning for and spending down these supplemental emergency funds. In particular, the Department helpfully clarified that all HEERF grant aid could be used for expenses incurred since the beginning of the pandemic and specified that all students were eligible for HEERF emergency aid.

As of late summer 2021, the Department had allocated the vast majority of all HEERF grant aid to institutions of higher education. With the widespread availability of vaccines, the 2021-22 academic year has been a tremendous step forward for the health and safety of students and campuses. Moving into this fall and winter, however, as the Delta variant has continued to spread in different regions of the country and we move toward distribution of COVID-19 booster shots, campuses continue to navigate challenging public health planning and logistics. Further, the economic impacts of the pandemic, including pressures on state budgets and rising inflation continue to provide financial challenges to public universities.

As of fall 2021, most colleges and universities have spent down the first and second rounds of HEERF grants and are strategically planning for the use of the third round of funds provided through ARP. As we continue down the road to recovery into 2022, HEERF grants for student emergency aid, institutional support, and additional aid to Historically Black Colleges and Universities and other Minority-Serving Institutions continue to be a critical resource for public universities and those we serve.

Status of HEERF Grant Expenditures

Throughout the pandemic, APLU members worked quickly to implement HEERF grants on campus, developing methodologies for distributing billions in emergency financial aid to students and making use of institutional aid to help offset their immense financial losses. Though the pandemic began in March 2020, it is important to keep in mind that \$63 billion of the \$77 billion in HEERF grant aid provided by Congress, well over two-thirds of funds, did not reach

⁴ “Public Universities Request Additional Pandemic Relief Funding,” Association of Public and Land-grant Universities, January 2021, <https://www.aplu.org/members/councils/governmental-affairs/CGA-library/aplu-97b-heerf-request-and-justification/file>.

campuses until calendar year 2021, more than half within the last six months. This is particularly true of additional HEERF grants awarded to HBCUs and MSIs, which were consistently amongst the last funds to be awarded—more than half of all additional HEERF grants specifically awarded to HBCUs and MSIs were not available until July 2021. Further, publicly available data on HEERF spending is only available at this point through August 31, 2021, before the current academic year began, leaving us with only a partial picture of how funds have been spent down so far this year.⁵

That said, institutions of higher education have worked quickly to distribute emergency aid to college students as each round of HEERF grants have been made available. At the beginning of the pandemic, campuses did not have systems or methodologies in place to collectively award billions of dollars in emergency grant aid to students. APLU members worked rapidly to develop these systems and processes, even amidst the changing guidance from the Department on student eligibility. In fall 2020, APLU published a brief that looked at the distribution of CARES Act emergency aid to students, highlighting the variety of methodologies used and some of the distinct implementation challenges.⁶ Many of the lessons learned and recommendations made in that brief have been addressed by the Department, significantly improving distribution of the second and third rounds of HEERF student emergency aid.

While campus spend-down rates for emergency student aid vary, at this point most APLU institutions have spent between two-thirds and three-quarters of student emergency aid provided through HEERF I, II, and III.⁷ The increased stressors of the pandemic have impacted not only students, but their families and support systems. Feedback from students offers insight into how beneficial these resources have been. One APLU-member student shared their story, saying that “Due to coronavirus, my father has experienced reduced hours at work, as well as my mother being furloughed, leading to financial hardships with covering my expenses such as rent, food and textbooks for my courses. I have picked up more hours at my job to remedy this situation, but that is making it extremely difficult to focus on my coursework.” Emergency grants have helped students afford these kinds of basic needs such as rent and food, as well as course materials, transportation costs, and medical expenses.

Looking at the use of institutional aid, at this point most APLU institutions have spent all HEERF I and II grant dollars and are in the process of spending down HEERF III grants.⁸ Early in the pandemic, we understand that much of the institutional funds were used by APLU member institutions to offset lost revenues, including reimbursements for room and board. In a survey of APLU members, institutions reported a significant range of additional sources of lost revenue including cancellation of events; closure of on-campus parking, dining, and other auxiliary services; cancellation of external professional development workshops and other programming; and more.

⁵ Education Stabilization Fund database, U.S. Department of Education, <https://covid-relief-data.ed.gov/>.

⁶ “CARES Act—Lessons Learned: Affordability Fellows’ Insights on Emergency Funding, Student Need, and the Impact of the CARES Act,” Association of Public and Land-grant Universities and TIAA Institute, March 2021, <https://www.aplu.org/library/financial-aid-innovations-for-college-affordability-and-mitigating-student-debt/file>.

⁷ APLU analysis based on Education Stabilization Fund database, U.S. Department of Education, <https://covid-relief-data.ed.gov/>.

⁸ Ibid.

Public universities also collectively spent billions of dollars in public health and safety measures. One APLU member campus shared the range of expenditures campuses have been making, from additional custodial services to clean classrooms and residence halls to the procurement of air filters and purifiers, disinfectants, outdoor furniture to move courses outside and support social distancing, additional signage to share public health information, and other public health measures. Projected costs for campuses climbed as high as \$6 million for some of the largest public university campuses, and many of these costs have been recurring as the pandemic continues.

Moving into 2021, APLU members have also made use of institutional aid to support students in a variety of ways, providing additional student emergency aid, awarding housing and dining scholarships to low-income students, investing in student completion efforts, and clearing institutional debts owed by students. One APLU member institution reported using the third round of HEERF institutional grant aid to discharge over \$2 million in student debts prior to the beginning of academic year 2021-22, communicating to students that their institutional account balances had been paid and offering them support to stay on track toward their degree. Campuses have also looked to other comprehensive supports for students, including investments to support the mental health and wellbeing of their students and communities.⁹

Additional information will be available as institutions complete their second annual reporting in early 2022. In the meantime, APLU will continue working with our members and the higher education community to understand the different ways campuses have leveraged these funds and highlight the benefits of this support to the higher education community.

As APLU member campuses plan for the rest of this academic year and the transition to the next, a great deal of uncertainty remains. While conditions have improved, the public health costs and considerations raised by the pandemic have not fully receded. Troubling economic effects of the pandemic continue to impact students and campus communities. APLU institutions are committed to managing HEERF grant dollars responsibly and are also committed to ensuring that students and institutions do not face an aid cliff as the recovery continues. Responsibly reserving some funds consistent with the statute and Department guidance is critical, particularly since additional emergency education funding is not planned.

I want to conclude by thanking you again for your support in providing education funding to help our nation's public universities and those we serve during this unprecedented crisis. As Congress continues exercising necessary oversight on the implementation of COVID-19 education funds, and the Department moves forward with collecting and analyzing its second annual report on HEERF grants, APLU is eager to be a partner in this work.

Sincerely,



⁹ Examples submitted by APLU member institutions.



Peter McPherson

Cc: Members of the House Subcommittees on Early Childhood, Elementary, and Secondary Education and Higher Education and Workforce Investment