

GENERAL SESSION #5:

FEDERAL UPDATE: COVID-19 HIGHER EDUCATION POLICY

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2020 FSA Training Conference for Financial Aid Professionals

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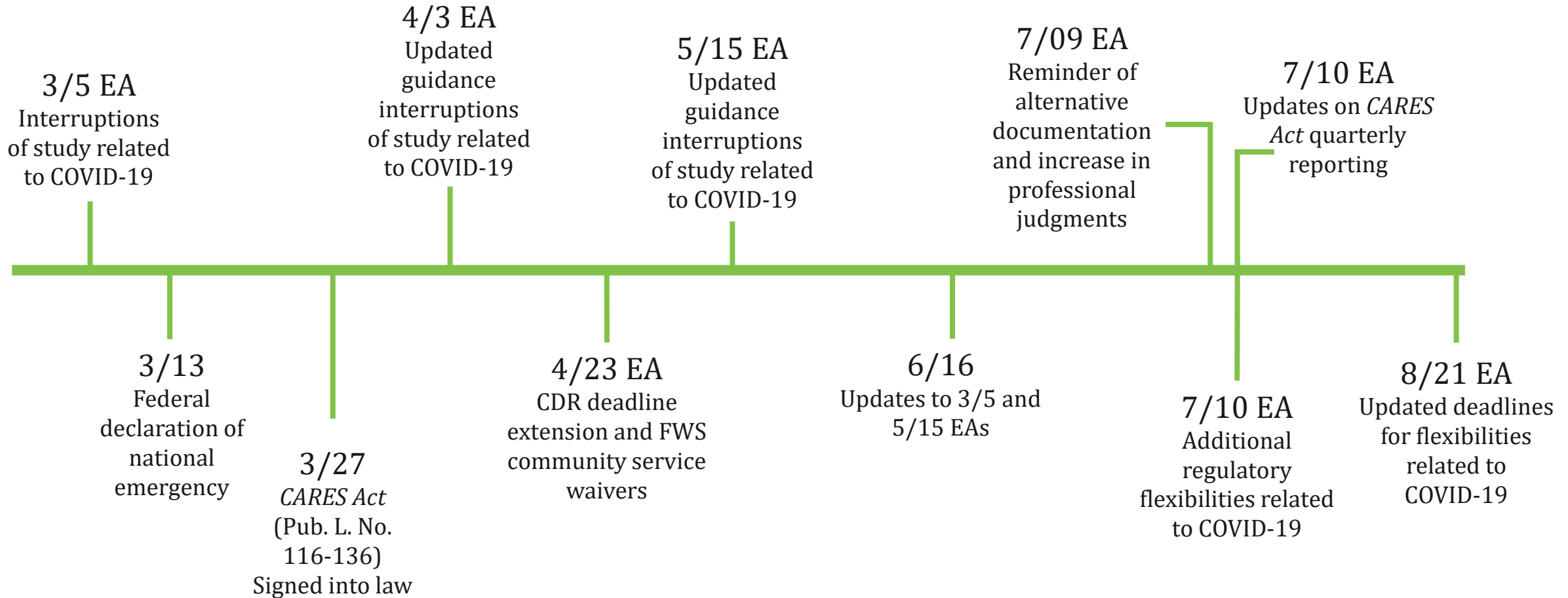
COVID-19 AND HIGHER EDUCATION

- The COVID-19 pandemic has created challenges and disruptions for states, institutions, educators, and students, among many others
- The Department's goal is to ensure that all these groups are equipped with resources and flexibilities that empower students to continue pursuing their education goals
- We encourage institutions to make use of the available flexibilities to offer relief to students and limit administrative burden

AGENDA

- 01 Overview of COVID-19 Policy Guidance
- 02 Higher Education Emergency Relief Fund (HEERF)
- 03 Flexibility and Relief for the *Title IV* Programs

OVERVIEW OF COVID-19 POLICY GUIDANCE



HIGHER EDUCATION EMERGENCY RELIEF FUND

HIGHER EDUCATION EMERGENCY RELIEF FUND

IN GENERAL

CARES Act (Pub. L. 116-136), passed March 27, 2020

- The *CARES Act* provided \$14 billion was given to the Office of Postsecondary Education as the Higher Education Emergency Relief Fund, or HEERF
- Funds for student portion and institutional portion are allocated under a formula provided in the *CARES Act*; more information can be found at: <https://www2.ed.gov/about/offices/list/ope/heerf90percentformulaallocationexplanation.pdf>

HIGHER EDUCATION EMERGENCY RELIEF FUND

TYPES OF AID

- Student Portion (Emergency Financial Grants to Students), *Sec. 18004(a)(1)*
- Institutional Portion, *Sec. 18004(a)(1)*
- Historically Black Colleges and Universities (HBCUs), *Sec. 18004(a)(2)*
- Tribally Controlled Colleges and Universities (TCCUs), *Sec. 18004(a)(2)*
- Minority Serving Institutions (MSIs), *Sec. 18004(a)(2)*
- Strengthening Institutions Program (SIP), *Sec. 18004(a)(2)*
- Fund for the Improvement of Postsecondary Education (FIPSE), *Sec. 18004(a)(3)*

HIGHER EDUCATION EMERGENCY RELIEF FUND

CERTIFICATION AGREEMENTS

- To receive funds under HEERF, each institution must sign a *CARES Act* Certification and Agreement
- There are separate Certification and Agreements for each type of funds under HEERF, including institutional and student portions
- Student Portion Certification and Agreement form can be found at:
<https://www2.ed.gov/about/offices/list/ope/heerfstudent.html>
- Institutional Portion Certification and Agreement form can be found at:
<https://www2.ed.gov/about/offices/list/ope/heerfinstitutional.html>

HIGHER EDUCATION EMERGENCY RELIEF FUND

ADMINISTRATIVE PROVISIONS

- Institutions are expected to spend HEERF funds within one calendar year (365 days) from the date of award in their HEERF Grant Award Notification (GAN). No-cost extensions (NCEs) of up to 12 months are available as provided for in [2 CFR §200.308\(d\)\(2\)](#)
- Funds paid directly to institutions by the Department through the HEERF will not be included as revenue for 90/10 purposes

HIGHER EDUCATION EMERGENCY RELIEF FUND

EMERGENCY FINANCIAL AID TO STUDENTS – ELIGIBILITY

- Only students who are or could be eligible to participate in programs under Section 484 in *Title IV* of the Higher Education Act of 1965, as amended (HEA), may receive emergency financial aid grants
 - Students who have met their *Title IV* aid limits (e.g., annual loan limits or Pell limits) are still considered eligible for an emergency financial aid grant because they can demonstrate their initial eligibility for *Title IV*
- At institutions that provide both online and ground-based education, those students who were enrolled exclusively in online programs on March 13, 2020 are not eligible for emergency financial aid grants

HIGHER EDUCATION EMERGENCY RELIEF FUND

EMERGENCY FINANCIAL AID TO STUDENTS – USES OF FUNDS

- Can be used for expenses related to the disruption of campus operations due to coronavirus (including eligible expenses under a student's cost of attendance, such as food, housing, course materials, technology, health care, and child care)
- Can be used for expenses incurred by students after the semester or quarter in which the national emergency was declared
- Grants are not included in students' adjustable gross income and are not considered estimated financial assistance for purposes of calculating awards under the *Title IV*, HEA programs

HIGHER EDUCATION EMERGENCY RELIEF FUND

EMERGENCY FINANCIAL AID TO STUDENTS – USES OF FUNDS

- Payments can be made using checks, electronic transfer payments, debit cards, and payment apps that adhere to the Department's requirements for paying credit balances to students (see 34 CFR Part 668, Subpart K)
- Debts, charges, fees, or other amounts owed to the institution may not be deducted from the emergency financial aid grant
- The emergency financial aid grant may not be made to students through the use of a credit card that can be used only on campus or in a retail outlet affiliated with the institution

HIGHER EDUCATION EMERGENCY RELIEF FUND

EMERGENCY FINANCIAL AID TO STUDENTS – USES OF FUNDS

- Institutions may not reimburse themselves with emergency financial aid grants for costs or expenses, including but not limited to any costs associated with significant changes to the delivery of instruction due to the coronavirus and/or any refunds or other benefits that recipient previously issued to students
- An institution also cannot reimburse itself with emergency financial aid grants for payments made from institutional funds to student employees working in campus jobs

HIGHER EDUCATION EMERGENCY RELIEF FUND

INSTITUTIONAL PORTION

- Intended to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus
- Institutions may use the Institutional Portion of HEERF to provide refunds to students for room and board, tuition, and other fees as a result of significant changes to the delivery of instruction, including interruptions in instruction, due to the coronavirus
 - Institutions also may reimburse themselves for refunds previously made to students on or after March 13, 2020

HIGHER EDUCATION EMERGENCY RELIEF FUND

INSTITUTIONAL PORTION

- Institutions may also use the Institutional Portion of HEERF to make additional emergency financial aid grants to students for expenses related to the disruption of campus operations due to coronavirus
- Institutions may not use the Institutional Portion for payment to contractors for the provision of pre-enrollment recruitment activities, which include:
 - marketing and advertising;
 - endowments; or
 - capital outlays associated with facilities related to athletics, sectarian instruction, or religious worship.

HIGHER EDUCATION EMERGENCY RELIEF FUND

HEERF REPORTING

May 06, 2020 and July 10, 2020 Electronic Announcements

- Institutions must report required on use of HEERF funds, including the following elements:
 - Total amount of emergency grants distributed to students;
 - Estimated total number of students at the institution eligible to participate; thus eligible to receive emergency grant;
 - Total number of students who have received an emergency grant;
 - Methodology used to determine which students receive emergency grants and the amount of funds provided;
 - Consumer information provided to students concerning grants.

HIGHER EDUCATION EMERGENCY RELIEF FUND

RESOURCES

- Guidance available at: <https://www2.ed.gov/about/offices/list/ope/caresact.html>
- HEERF FAQs: <https://www2.ed.gov/about/offices/list/ope/heerffaqsoc2020rollup.pdf>
- Questions related to HEERF should be sent to: HEERF@ed.gov

FLEXIBILITY AND RELIEF FOR THE *TITLE IV* PROGRAMS

INSTITUTIONAL ELIGIBILITY

April 3, 2020 Electronic Announcement

- The temporary cessation of educational instruction due to the urgent circumstances created by the COVID-19 pandemic will not result in a loss of institutional eligibility or participation
- Institutions that cease instruction due to the pandemic should work closely with their School Participation Divisions regarding plans for reopening

CLERY ACT REQUIREMENTS

April 3, 2020 Electronic Announcement

- The Clery Act requires institutions to notify the campus community upon the confirmation of a significant emergency or dangerous situation involving an immediate threat to the health or safety of students or staff occurring on campus
- The Department does not interpret the statutory language to apply to positive COVID-19 cases among individuals who are not attending classes, working, or residing on campus
- The Clery Act does not require institutions to give regular, ongoing updates on COVID-19 or to proactively identify COVID-19 cases

CLERY ACT REQUIREMENTS

April 3, 2020 Electronic Announcement

An institution may satisfy the emergency notification requirements of the Clery Act by:

- Providing students and employees a single notification through the regular means of communicating emergency notifications informing them about COVID-19 and necessary health and safety precautions, as well as encouraging them to obtain information from health care providers, state health authorities, and the CDC's COVID-19 website; or
- Creating a banner at the top of the institution's homepage containing that same information, including a statement about the global pandemic and a link to the CDC's website.

TIMEFRAME FOR APPLICABILITY

August 21, 2020 Electronic Announcement

Unless otherwise stated, the Department has extended the deadline for all flexibilities related to the COVID-19 emergency through the end of the payment period that includes December 31, 2020 or the end of the payment period that includes the end date for the Federally-declared emergency related to COVID-19, whichever occurs later

NEED ANALYSIS

April 3, 2020 Electronic Announcement

- Any aid (in the form of grants or low-interest loans) received by victims of an emergency from a federal or state entity for the purpose of providing financial relief is not counted as income for calculating a family's Expected Family Contribution (EFC) under the Federal Methodology or as estimated financial assistance for packaging purposes
 - Includes funds received by students under the Higher Education Emergency Relief Fund (HEERF) program

QUESTION AND ANSWER – COA CHANGES

Question: If an institution provides a refund for a portion of the costs for a student's room and board as a result of the outbreak, does the institution need to adjust student budgets? Do we also need to consider the difference in costs for students who must relocate to off-campus housing? What if we provide a partial refund of tuition and fees?

Answer: If, as a result of a COVID-19 disruption, you provide a refund or waiver of expenses for all or part of a student's tuition, fees, room and board charges, or other institutional charges, or if the institution becomes aware that a student has moved off campus for the remainder of the term, you do not need to re-evaluate of the student's cost of attendance

NOTE: This flexibility applies to COA changes for an academic year only if a disruption occurs during that academic year

NEED ANALYSIS

March 5, 2020 Electronic Announcement

- If, as a result of a COVID-19 disruption, an institution provides a refund or waiver of expenses for all or part of a student's tuition, fees, room and board charges, or other institutional charges, or if the institution becomes aware that a student has moved off campus for the remainder of the term, the Department will not require a re-evaluation of the student's cost of attendance
- NOTE: This flexibility applies to changes in a student's COA for an academic year only if a disruption occurs *during that academic year*

VERIFICATION

April 3, 2020, May 15, 2020, and July 9, 2020 Electronic Announcements

- Waives signature requirements where no responsible parent can be found
- Flexibilities in verification of non-filing and obtaining duplicate W-2 forms from IRS
- Institution may use documentation of HS completion it has already obtained for V4 and V5, and may accept a signed, dated statement from the applicant attesting to completion of high school

PROFESSIONAL JUDGMENT

July 9, 2020 Electronic Announcement

- The Department encourages institutions to use professional judgment to reflect more accurately the financial need of students and families affected by the COVID-19 pandemic
- For the 2019-20 and 2020-21 award years, the Department will make appropriate adjustments to its risk-based model and will not negatively view increased use of professional judgment or use it as a selection criterion for a program compliance review

ACADEMIC CALENDAR FLEXIBILITY

March 5, 2020 and April 3, 2020 Electronic Announcements

- All standard terms permitted to overlap adjacent terms without program being treated as non-term
- Standard semester or trimester may consist of as few as 13 weeks
- Reduction of defined academic year to < 30 weeks requires approval; contact School Participation Division (SPD) via email: CaseTeams@ed.gov
- Applicable through the end of the academic year that includes the last date that the national emergency is in effect

DISTANCE EDUCATION FLEXIBILITY

March 5, 2020 Electronic Announcement

- Broad approval for institutions to use distance education
- Waives regular Department approval process
- Permits accreditors to waive their distance education review requirements

CAMPUS-BASED FLEXIBILITIES

CARES Act (Pub. L. 116-136)

- Non-federal match waived for Federal Supplemental Educational Opportunity Grant (FSEOG) and Federal Work-Study (FWS) programs
 - **Applies to the 2019-20 and 2020-21 award years**
 - Exception: FWS wages at for-profit employers
 - Institutions may reimburse themselves from the FWS allocation for the nonfederal portion of wages paid to students on or after March 13, 2020
- Unexpended FWS allocation 100% transferable to FSEOG

CAMPUS-BASED FLEXIBILITIES

CARES Act (Pub. L. 116-136)

- FSEOG can be used as “emergency grants”
- FSEOG emergency grants can be no larger than maximum Federal Pell Grant for the applicable award year
- FSEOG awarding rules waived
- Emergency grants are not considered EFA

CAMPUS-BASED FLEXIBILITIES

CARES Act (Pub. L. 116-136)

Federal Work Study payments may be made to “affected work-study students” unable to work due to COVID-19. To qualify, students must have:

- Received a FWS award for the award year when the COVID-19 disruption occurred;
- Earned FWS wages for that award year; and
- Been prevented from completing FWS scheduled hours due to COVID-19.

QUESTION AND ANSWER – FWS RELIEF

Question: How do we determine the amount of FWS funds to provide to a student when the student qualifies for payments because the student did not work hours that he or she was scheduled to work as a result of COVID-19?

Answer: If an FWS student is unable to work his/her scheduled hours because of COVID-19 disruptions (school closures, employer closures, student quarantined, etc.), the school may pay the student for any scheduled hours or allow the student to work by another means (on-line, remote, telecommute, etc.). Students should be paid the wage rate that they would have been paid if they were able to work the scheduled hours

CAMPUS-BASED FLEXIBILITIES

April 23, 2020 Electronic Announcement

- FWS community service requirements are waived for all FWS-participating schools of the 2019-20 and 2020-21 award year
 - No action needs to be initiated by school
 - Waivers automatic for both award years

August 3, 2020 Electronic Announcement

- Underuse penalties will not be applied on any 2021-22 FWS or FSEOG awards due to COVID-19
 - Schools that return more than 10% of their 2019-20 allocations do not need to request underuse waivers

COHORT DEFAULT RATE APPEALS

April 23, 2020 Electronic Announcement

- The timeline for appealing draft FY 2017 cohort default rates (CDRs) was extended to June 30, 2020
- The FY 2017 official CDRs were delivered to both domestic and foreign schools on September 28, 2020. The deadline for appealing the FY 2017 Official CDRs has not been extended due to COVID-19

FAILING TO BEGIN ATTENDANCE

March 5, 2020 Electronic Announcement

- When students receive *Title IV* aid, but an institution cannot document their attendance, institutions normally must notify the Direct Loan servicer where Direct Loan funds for living expenses are paid directly to a student who does not begin attendance
- For students who fail to begin attendance due to COVID-19, this requirement is waived; students will be permitted to repay any Direct Loan funds received under the terms of the promissory note

WITHDRAWAL DUE TO COVID-19

CARES Act (Pub. L. 116-136)

For students who begin attendance during a qualifying payment period or period of enrollment and subsequently withdraw due to COVID-19, the *CARES Act*:

- Waives requirements to return *Title IV* funds through Return of *Title IV* funds (R2T4) requirements;
- Excludes that period from the student's Subsidized Loan usage;
- Excludes Pell Grant funds received from lifetime eligibility; and
- Cancels Direct Loan funds received for the period.

WITHDRAWAL DUE TO COVID-19

CARES Act (Pub. L. 116-136); August 21, 2020 Electronic Announcement

- Applicable for any student who begins attendance in a payment period *or period of enrollment* that includes March 13, 2020, or begins between March 13 and the later of December 31 or the last date that the national emergency is in effect, and subsequently withdraws from the period as a result of COVID-19-related circumstances

WITHDRAWAL DUE TO COVID-19

CARES Act (Pub. L. 116-136); May 15, 2020 Electronic Announcement

- If a COVID-19 disruption occurred during a payment period or period of enrollment, including moving classes online or closing campus facilities, an institution may consider all students who withdraw during that period to be withdrawn due to COVID-19
- If a disruption did not occur during the payment period, the institution must accept a written attestation explaining why the student's withdrawal was due to COVID-19. Acceptable circumstances include:
 - Illness of the student or a family member;
 - Need to become a caregiver or first responder;
 - Loss of childcare;
 - Economic Hardship;
 - Inability to access wi-fi; or
 - An increase in work hours

WITHDRAWAL DUE TO COVID-19

CARES Act (Pub. L. 116-136); May 15, 2020 Electronic Announcement

- Withdrawn students qualify for all *Title IV* aid that they could have received at the time of the withdrawal, including amounts that would normally have been post-withdrawal disbursements
- If an institution previously returned funds under R2T4 to a student who qualifies for *CARES Act* relief, it should re-disburse those funds to the student's account. Doing so may require application for extended processing in the Common Origination and Disbursement (COD) system

QUESTION AND ANSWER – R2T4 RELIEF

Question: Is the R2T4 waiver under the *CARES Act* mandatory, or may an institution opt to continue returning funds to the *Title IV* programs even for those students whose withdrawals are the result of circumstances related to the COVID-19 emergency?

Answer: If an institution determines that a student has withdrawn as a result of COVID-19 and meets all conditions for *CARES Act* relief, it **must not** make returns under the R2T4 process

If an institution has cause to doubt that a student's written attestation that his or her withdrawal is COVID-19 related, it may request any additional documentation reasonably necessary to determine the accuracy of the attestation

WITHDRAWAL DUE TO COVID-19

CARES Act (Pub. L. 116-136); May 15, 2020 Electronic Announcement

Institutions must report two types of information to the Department:

- Disbursements that qualify for *CARES Act* relief
 - Use the “Coronavirus Indicator” in COD
- Amounts that were not returned through R2T4 as a result of *CARES Act* relief
 - Use the COD R2T4 Tool; or
 - Institution-level reporting method (to be released in early 2021)

WITHDRAWAL DUE TO COVID-19

CARES Act (Pub. L. 116-136); May 15, 2020 Electronic Announcement

Satisfactory academic progress (SAP) provisions:

- Institutions may exclude credits attempted, but not completed as a result of COVID-19 from the quantitative component of satisfactory academic progress calculations
- If an institution temporarily ceases operations during a period of enrollment, attempted credits for ALL affected students (specific to that enrollment period) may be excluded

QUESTION AND ANSWER – SAP RELIEF

Question: How do courses graded as "Pass/Fail" affect Satisfactory Academic Progress (SAP)?

Answer: Students may be permitted to take some or all classes on a Pass/Fail basis due to COVID-19. Where an institution has no existing policy allowing Pass/Fail grades, it may adopt one, even if only temporarily. Courses taken on a Pass/Fail basis count as attempts for SAP purposes. Generally, Pass/Fail grades are not factored into a student's GPA. However, an institution may follow its own policy with respect to the effect of Pass/Fail grades on GPA

APPROVED LEAVES OF ABSENCE

CARES Act (Pub. L. 116-136)

- Institutions may place a student on a leave of absence in a term-based program even if the student will not return to the same coursework being taken at the time of the leave

April 3, 2020 and August 21, 2020 Electronic Announcements

- Institutions that closed due to COVID-19 may place students who were enrolled at the time of the closure on an approved leave of absence until the institution can resume coursework
- Leaves of absence begun on or after March 5, 2020, may extend beyond 180 days through December 31, 2020

FOREIGN INSTITUTIONS

CARES Act (Pub. L. 116-136)

- Ability to offer distance education as a result of an “emergency” declared by foreign authority
- Permission to enter written arrangements with public or nonprofit institution in U.S.
- In effect from March 1, 2020 through payment period following cessation of emergency in the foreign country

May 15, 2020 Electronic Announcement

- MCAT exam waiver for foreign graduate medical school admissions

TEACHER SERVICE OBLIGATIONS

CARES Act (Pub. L. 116-136); May 15, 2020 Electronic Announcement

- For Teacher Education Assistance for College and Higher Education (TEACH) Grant Program purposes, if previously qualifying teaching service becomes part-time or is temporarily interrupted as a result of a qualifying emergency, that teaching service is considered full-time and fulfills the service obligation requirement
- For purposes of teacher loan forgiveness, waives requirement that years of teaching service be “consecutive” due to interruption related to the COVID-19 emergency

ENROLLMENT REPORTING

April 3, 2020 Electronic Announcement

- If a student's attendance at an institution is interrupted due to the COVID-19 national emergency, the institution should continue to report the student's enrollment status to the National Student Loan Data System (NSLDS®) as "in-school." The institution should continue the borrower in the same loan status until the next enrollment period unless the student withdraws

CASH MANAGEMENT

April 3, 2020 Electronic Announcement

- Early and late disbursement requirements and disbursement reporting timeframes remain in effect. Contact your School Participation Division if your institution will be unable to comply with normal requirements
- Final reporting deadlines remain in effect. If you need to submit a disbursement late, make a request via the Common Origination and Disbursement (COD) website or contact the COD School Relations Center at 1-800-474-7268.

DISCLOSURE AND REPORTING DEADLINES

July 10, 2020 Electronic Announcement

- Campus and Fire Safety
 - Disclosure required no later than December 31, 2020
 - Annual survey open from November 18, 2020 thru January 14, 2021
- Equity in Athletics Disclosures
 - Disclosure required no later than December 31, 2020
 - Annual survey open from December 2, 2020 thru January 28, 2021
- Fiscal Operations Report and Application to Participate (FISAP)
 - Deadline extended until November 2, 2020 for 2020-21 FISAP
 - **Edit corrections deadline** remains unchanged – December 15, 2020

RELIEF FOR LOAN BORROWERS

CARES Act (Pub. L. 116-136); August 8, 2020 Executive Memorandum

- Through December 31, 2020, the following are suspended on Department-held loans:
 - Loan payments
 - Interest accrual
 - Involuntary collection, including wage garnishment and treasury offset
- Payments that would have occurred during suspension will count toward loan forgiveness and loan rehabilitation
- Borrowers are not required to recertify income for income-driven repayment purposes until December 31, 2020

FINANCIAL STATEMENTS AND AUDITS

March 11, 2020 Electronic Announcement

- Provides limited exemption for non-federal auditors to use alternatives to site visits

May 15, 2020 Electronic Announcement

- Extends deadlines on compliance audits by six months

PAYCHECK PROTECTION PROGRAM (PPP)

CARES Act (Pub. L. 116-136); May 15, 2020 Electronic Announcement

- Loan principal forgiven under PPP (Sec. 1102 of the *CARES Act*) will be excluded from total liabilities in the composite score, increasing the institution's equity or net assets
- FWS recipients are excluded from the total number of an institution's employees when determining PPP loan eligibility

COVID-19 *TITLE IV* RESOURCES

RESOURCES

Guidance and FAQs for *Title IV* Programs

- <https://www.ed.gov/coronavirus/program-information#highered>
- <https://www2.ed.gov/about/offices/list/ope/covid19faq.html>
- For questions, contact COVID-19@ed.gov

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