

Drawing Insights from the Higher Education Emergency Relief Fund (HEERF) Reporting for 2020

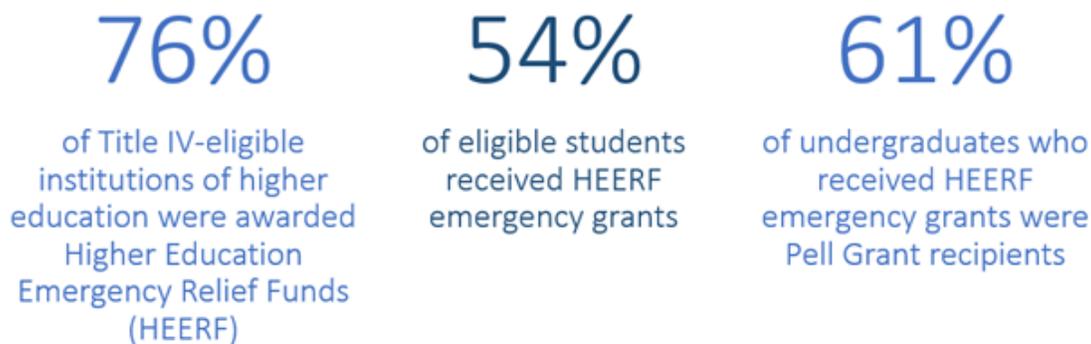
September 13, 2021

Origins of the Higher Education Emergency Relief Fund

The COVID-19 pandemic has highlighted and exacerbated disparities across the nation, including those in the higher education sector. During this unprecedented time, students who were enrolled in colleges, universities, and trade schools across the country faced adversity in a variety of ways. For instance, according to a recent National Center for Education Statistics (NCES) [report](#), 88% of postsecondary students reported experiencing a disruption or change in their enrollment due to the pandemic, and 40% of undergraduates experienced a financial disruption or change due to the pandemic, such as losing a job or lost income due to reduced work hours. Further, at the onset of the pandemic, many students lacked reliable access to basic internet services, technological devices, and other supports that are key components to a successful remote learning experience.

In response to the pandemic and its impact on higher education, Congress created the Higher Education Emergency Relief Fund (HEERF) program, part of the Education Stabilization Fund (ESF) that the U.S. Department of Education (Department) administers. HEERF includes both a student portion and an institutional portion of funds. The student portion of HEERF provides funds to institutions of higher education to disburse emergency financial aid grants directly to students with immediate needs arising from the disruption of education due to the COVID-19 crisis. In 2020, the institutional portion could be used by institutions to cover costs associated with significant changes to the delivery of instruction due to COVID-19, or to provide additional financial aid grants directly to students.

The Coronavirus Aid, Relief, and Economic Security Act (CARES) Act established the first round of HEERF funding by providing approximately \$14 billion to an emergency relief fund for higher education in March 2020. More than three-quarters (76%) of Title IV-eligible institutions of higher education applied for and received CARES Act awards through HEERF in 2020.¹ Subsequently, institutions were required to submit annual performance reports to the Department detailing the use of funds for both student grants and institutional expenditures. Below, we highlight some key insights from the first annual report for HEERF, which covers CARES Act spending from the period between March 13, 2020, and December 31, 2020.



This image depicts the following three statistics related to the 2020 annual performance reports for the Education Stabilization Fund. First, 76% of Title IV-eligible institutions of higher education were awarded Higher Education Emergency Relief Funds (HEERF). Second, 54% of eligible students received HEERF emergency grants. Third, 61% of undergraduates who received HEERF emergency grants were Pell Grant recipients.

How HEERF Has Supported Students Directly

Overall, institutions reported that 8.1 million students—amounting to 54% of all eligible students at the institutions that received HEERF grants—received emergency financial aid grant support in 2020 through HEERF. (Under an interim final rule published in June 2020, students were expected to meet Title IV eligibility requirements to receive HEERF emergency grants. This rule was subsequently rescinded in a final rule in May 2021.) From the student portion of HEERF in 2020,

institutions awarded \$6.1 billion in emergency financial aid grants, or more than \$750 per student recipient. About two-thirds (65%) of HEERF emergency financial aid grant student recipients attended public institutions. Overall, of the emergency grant recipients awarded via HEERF's student portion, 94% were undergraduates and 6% were graduate students. Among those undergraduates who received HEERF aid, more than 4.5 million (61%) were Pell Grant recipients. Because the Pell Grant program primarily serves undergraduates with exceptional financial need, these data indicate that most of the HEERF emergency financial aid grants were awarded to students who were financially vulnerable even prior to the pandemic. However, this may undercount the extent to which these HEERF emergency financial aid grants supported low-income students, as some students who would otherwise be financially eligible may not receive Pell Grants for various reasons.

How HEERF Has Supported Institutions

The institutional portion of HEERF supported a variety of needs in 2020. The greatest portion of institutional funds (at least \$1.7 billion) was used to cover reimbursements of tuition, housing, room and board, and other fee refunds. From the institutional portion, colleges and universities also awarded at least \$287 million in additional emergency financial aid grants directly to students.² Beyond these two broad uses of funds, other uses of the institutional portion included:

- \$802 million for online technology and training, including software and training for distance learning and laptops and tablets for students;
- \$573 million for campus safety and operations, including expenses for cleaning activities and additional class sections to allow for social distancing;
- \$245 million to replace lost revenue due to reduced enrollment and other sources of revenue;
- \$85 million in additional student supports, such as subsidizing food service and off-campus housing;
- \$30 million in tuition discounts; and
- \$397 million for other purposes.

Focusing on the broad uses of funds other than reimbursements and additional emergency financial aid grants, the figure below indicates that relative spending in each category varied somewhat by institutional control. For public institutions, the three categories receiving the largest share of their funds included online technology and training (38.4%), campus safety and operations (26.3%), and other purposes (20.8%). Private not-for-profit institutions, meanwhile, primarily used their

institutional portion funds for online technology and training (30.5%), campus safety and operations (23.7%), and replacing lost revenue (23.2%). Finally, at private for-profit institutions, the greatest share of institutional portion funds went to online technology and training (45.0%), campus safety and operations (36.1%), and other purposes (16.3%).

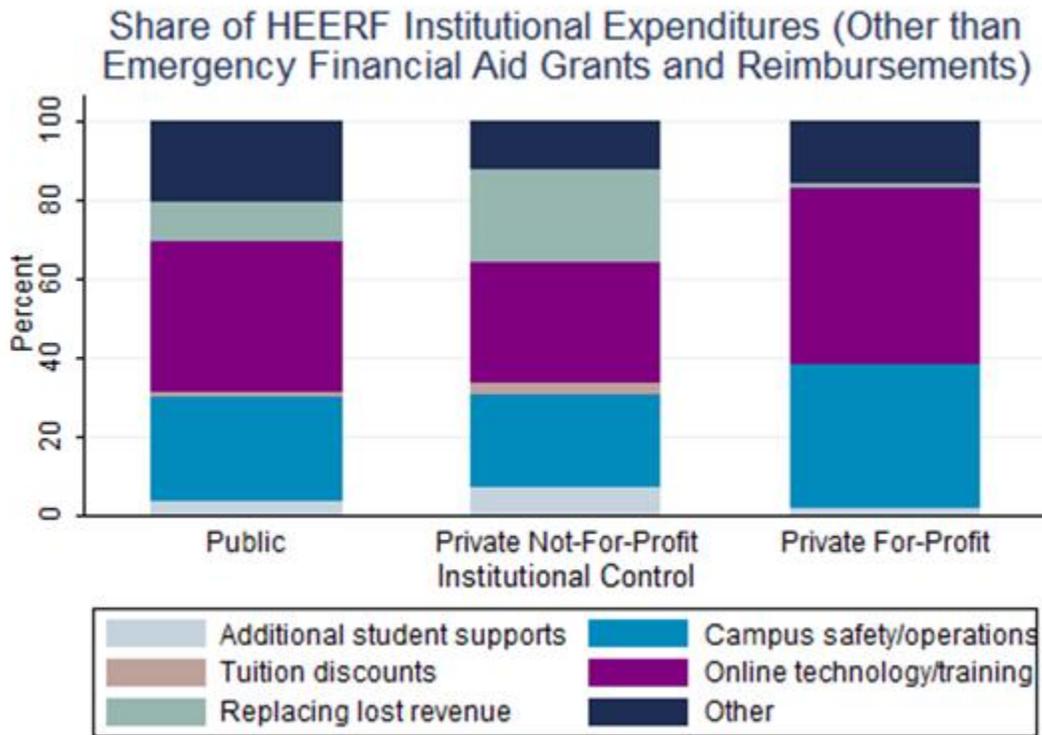


Figure 2: This image depicts the share of HEERF institutional expenditures (other than emergency financial aid grants and reimbursements) used for various purposes in 2020, broken out by institutional control. At public institutions, 3.5% of funds went towards additional student supports, 26.3% went towards campus safety and operations, 1.2% went towards tuition discounts, 38.4% of went towards online technology and training, 9.8% went towards replacing lost revenue, and 20.8% went towards other purposes. At private not-for-profit institutions, 7.0% of funds went towards additional student supports, 23.7% went towards campus safety and operations, 2.9% went towards tuition discounts, 30.5% went towards online technology and training, 23.2% went towards replacing lost revenue, and 12.7% went towards other purposes. Finally, at private for-profit institutions, 1.8% of funds went towards additional student supports, 36.1% went towards campus safety and operations, 0.1% went towards tuition discounts, 45.0% went towards online technology and training, 0.7% went towards replacing lost revenue, and 16.3% went towards other purposes.

Ongoing HEERF Support

Challenges related to COVID-19 remain, and HEERF continues to support postsecondary students and their institutions. Additional funding was provided to postsecondary institutions in late 2020 and March 2021, respectively, through the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, and the American Rescue Plan (ARP) Act. Collectively, the CARES Act, CRRSA Act, and ARP Act funding for higher education (also known as HEERF I, II, and III) total

approximately \$76 billion, of which \$30 billion is required to be disbursed directly to students in the form of emergency financial aid grants.

To best serve students during this challenging time, the Department encourages institutions to continue to focus on addressing the financial needs of their students, including by prioritizing students with exceptional need when providing emergency grants. The Department will continue to collect data and monitor how institutions choose to distribute emergency financial aid grants to students and allocate institutional funds to key recovery activities through future annual reporting cycles. To view or download more detailed data from the 2020 CARES Act annual performance reports, visit the ESF Public Transparency Portal at <https://covid-relief-data.ed.gov/>.

Brent Madoo and Chris Bennett

Office of the Chief Data Officer

¹ CARES Act HEERF grants were awarded to institutions based on a [formula](#) established in Section 18004(a)(1) of the CARES Act. The remaining 24% of Title IV-eligible higher education institutions either did not apply for a HEERF grant prior to the September 30, 2020, application deadline for HEERF awards, were not eligible for funding based on the formula set in the statute, or voluntarily returned awards to the Department.

² On Question 8 of the [data collection instrument](#), institutions reported using the institutional portion of 18004(a)(1) to provide \$287 million in additional emergency financial aid grants directly to students and to cover \$1.7 billion in reimbursements for tuition, housing, room and board, and other fees. On Question 9, they reported higher amounts for both categories. As a result, we note that those two uses of funds included at least the amount reported on Question 8.