



March 8, 2021

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400 Maryland Avenue SW
Room 250-64
Washington, DC 20202
(Submitted via email to HEERF@ed.gov)

To whom it may concern:

On behalf of the National Association of Student Financial Aid Administrators (NASFAA) and our 3,000 member institutions, we thank the U.S. Department of Education (ED) for the opportunity to provide feedback, and respectfully submit our comments on the Proposed Institutional Eligibility Criteria for Higher Education Emergency Relief Fund (HEERF) Supplemental Aid to Institutions of Higher Education (SAIHE) Program.

NASFAA represents nearly 20,000 financial aid professionals who serve 16 million students each year at colleges and universities in all sectors throughout the country. NASFAA member institutions serve nine out of every ten undergraduates in the U.S.

On the proposed eligibility criteria, we have the following questions and comments:

2. Institution did not receive a grant award under CRRSAA HEERF II section 314(a)(1) student aid portion or section 314(a)(1) institutional portion programs (assistance listings 84.425E and 84.425F), but the institution is otherwise eligible. Institutions funded under this category would be required to expend their SAIHE funds in the same manner as required under the CRRSAA HEERF II (a)(1) programs.

Questions:

- By “...did not receive a grant award...” does ED mean those institutions who received an allocation based on the eligibility formula, but did not apply?
 - How will ED treat institutions that intentionally declined HEERF II funds? These institutions are unlikely to have the greatest needs related to coronavirus.
 - Does ED have a way of identifying schools that declined HEERF II funds?

- By “...did not receive a grant award...” does ED mean those institutions who applied but whose applications were denied (e.g. for errors, incompleteness or lateness?)

3. Institution did not receive funding under one or both of the CARES Act HEERF section 314(a)(1) student aid portion or section 314(a)(1) institutional portion programs (assistance listings 84.425E and 84.425F) due to missing the application deadline or other application issues. Institutions funded under this category would be required to expend their SAIHE funds in the same manner as required under CARES Act HEERF (a)(1) programs.

Questions:

- By “...did not receive funding...” does ED mean those institutions who received an allocation based on the eligibility formula, but did not apply?
 - How will ED treat institutions that intentionally declined CARES Act HEERF funds? These institutions are unlikely to have the greatest needs related to coronavirus.
 - Does ED have a way of identifying schools that declined CARES Act HEERF funds?

Comments:

- We wish to point out that this criterion should refer to CARES Act HEERF section 18004(a)(1) and not section 314.
- It is unclear from the language that institutions “...would be required to expend their SAIHE funds in the same manner as required under CARES Act HEERF (a)(1) programs.” whether this refers to the requirement that at least 50% of funds be spent on student grants, or if it refers to the allowable uses of funds in the CARES Act.
 - If the latter, we recommend permitting SAIHE funds awarded to institutions under this criterion to be permitted to be spent under HEERF II use of funds rules instead of limiting them to the CARES HEERF I uses of funds. Most of the CARES HEERF I funds will be spent by the time SAIHE funds are made available. Additionally, unspent CARES HEERF I funds are permitted to be spent under HEERF II spending rules. Both of these facts make it likely that institutions will have abandoned the CARES HEERF I spending rules months before SAIHE funds were available. Forcing institutions to go back to an older set of rules would prove burdensome and unnecessarily complex.
 - This solution would also address issues arising from the awarding of SAIHE funds to institutions who received neither

CARES HEERF I or CRRSAA HEERF II, and which set of spending rules they should follow.

6. Institutions serving a high population of students with financial and other needs that have been exacerbated due to the coronavirus. The Department invites comment on this proposed category, including on specific ways to target funds to institutions with the highest-need students.

Comments:

- There are always trade-offs between precision and complexity. Institutions that have significant amounts of needy students often face resource shortages themselves. That is why we tend to err on the side of not requiring institutions to provide burdensome data to prove “need,” and, instead, to have the Department rely on existing datasets as a proxy. Other than considering the institution’s proportion of Pell grant recipients, which is already factored into the Section 314 (a)(1) funding, another way ED could target SAIHE funds to institutions with the highest need students is to look at IPEDS data that reports the number of students at each institution in each of several income ranges. By setting an income threshold, and then measuring each institution's proportion of students whose incomes fall below that threshold, ED could identify institutions that enroll students from lower income ranges who might fall outside of Pell grant eligibility but who still demonstrate high need.

7. Institutions with a large graduate student population. The Department invites comments on appropriate criteria to use to define a large graduate student population for the purposes of eligibility for the SAIHE program.

Comments:

- Understanding that the additional weight assigned to Pell grant eligible students in the allocation formula disadvantaged institutions with large graduate populations, and that the law specifically includes this group in the section that authorizes this funding, having a large graduate student population alone does not necessarily correlate to the greatest institutional need or the neediest students.
 - At minimum, ED should look at the proportion of an institution’s graduate students relative to undergraduates, since this would more accurately demonstrate the impact of the reliance on Pell eligibility in the allocation formula.
 - Preferably, ED would use National Student Loan Data System (NSLDS) student aid history to determine which graduate students enrolled at each institution received Pell grants as undergraduates, and use that

information to allocate SAIHE funds for graduate institutions using a formula similar to the formula used for CARES Section 18004 and CCRSAA Section 314 (a)(1) funds, with past Pell recipient status substituted for current Pell recipient status.

We appreciate the opportunity to comment on this proposed data collection. If you have any questions regarding these comments, please contact me or NASFAA Policy Analyst Jill Desjean at desjeanj@nasfaa.org.

Regards,

A handwritten signature in black ink, appearing to read "J. Draeger", with a long horizontal flourish extending to the right.

Justin Draeger, President & CEO