

## COVID-19 and Federal Student Aid: A Recap of the Latest

Webinar Transcript - Recorded February 5, 2021

Margot O'Meara:

Good afternoon, everyone. Thank you so much for joining us. My name is Margot O'Meara, and I'm the webinar producer here at NASFAA. And I would like to welcome you to this COVID-19 and Federal Student Aid: A Recap of the Latest webinar. I will be kicking this off with just a few housekeeping notes. If you lose audio or it appears your slides aren't advancing, just refresh your browser, that should normally solve any issues you encounter. If it doesn't, feel free to reach out to me in the Q&A box, I'll be happy to walk you through some troubleshooting. That is also where you will submit your questions for the presentation, which we'll address at the end of the presentation.

Margot O'Meara:

There are captions that are live captions for the presentation. You can minimize that if you don't want to see them, all of the widgets on the console are customizable, so you can rearrange them to fit whatever your needs are. There's also a certificate of attendance that will be available 60 minutes into the presentation. And we'll remind you before we wrap up to download that as well. And finally, there is a survey and we do very much value your feedback. So if you could provide that, we would appreciate it. The survey launches automatically at the end, or you can click on the widget across the bottom of your screen if you'd like to provide it prior to the end. All right, with that, I will turn things over to Justin. Justin, take it away.

Justin Draeger:

Thanks Margot. Welcome everybody. We're glad to have you back for our webinar today. First I want to give a big thank you to all the NASFAA members. It's your membership dues that are making webinars like this possible. So thank you very much. If you are not a NASFAA member we're doing these webinars on COVID relief for the public good. So if you're not a NASFAA member, we encourage you to look into membership and we would welcome you to join. You can learn more at [nasfaa.org/join\\_NASFAA](https://nasfaa.org/join_NASFAA). As for our panelists today, my name is Justin Draeger. I'll be moderating. I'm president of NASFAA. Joining me are Karen McCarthy, director of policy analysis at NASFAA. David Futrell, Knowledgebase and AskRegs manager and Megan Walter, a policy analyst here at NASFAA. Thanks for joining me gang.

Justin Draeger:

As Margot said, we are planning on tackling topics that we've tackled in the past, but we're going to try to answer some of the most frequently asked questions. And then other questions that we just think are causing some confusion. We certainly have information in here that is new since the last time we did a webinar, some of this though have already been published in various places on the NASFAA website. So we'll try to keep you updated on all of that. I did also want to point out the Q&A is open now, so you can submit questions. One question I already saw is will there be a transcript of this webinar available? The answer to that is yes, it will be published probably by early next week.

Justin Draeger:

With that, let's start with a couple of polls just to see where everybody is at. The first poll we want to ask and just sort of a non-scientific benchmark of where everyone is at in this webinar is have you

received your HEERF II allotment yet? So the available answers here are yes, no, I don't know, not eligible. So I'll give everybody just a second to fill that out.

Margot O'Meara:

You can go ahead whenever you're ready.

Justin Draeger:

Okay. And it looks like in terms of people who are here almost 60% already received their allocation and allotment, just under 30% have not yet received it. 15% don't know. Let's go to our second question. Will you award your HEERF II emergency grants to institutionally identified students? In other words, block grants to students you've already identified, or will you be looking at an application or will you be doing both? And so you can answer your block grants application, both you don't know yet or you're undecided or you don't know. So we'll give everybody just a second to answer that question.

Margot O'Meara:

You can go ahead.

Justin Draeger:

Thanks, Margot. So we have a pretty good evenly split answer here. So it looks like 20% are doing block grants, just under 20% are doing an application. And then our largest percentage, just over a third 36% are doing both. And it looks like around 20% of you either don't know, or are undecided. Hopefully this helps just in terms of taking the temperature of where other schools are at across the country in terms of how they're going to be distributing their funds to students. Let's get into COVID relief. I want to talk about what's happening between the White House and Capitol Hill right now, because some of this may impact how quickly you decide to spend your, if you have any remaining funds from CARES, and then these HEERF II funds knowing what might be on the horizon. President Biden has recently proposed a \$1.9 trillion stimulus package.

Justin Draeger:

He's calling it the American Rescue Plan. It would include things like stimulus checks to targeted groups of folks, a boost to unemployment aid, an eviction moratorium, or extending an eviction moratorium, and then more funding for testing and vaccine distribution. Pertinent to us, his proposal includes \$170 billion to K-12 schools, colleges, and universities. And the way that breaks down is the bulk of it would go to K-12 to help them reopen and reopen safely. But \$35 billion would go to higher education, then an additional five billion is sort of a supplemental discretionary fund for governors. Now this is important because this is the president's plan and spending is under the purview constitutionally of Congress. After the president released his plan, Senate Republicans, a group of 10 which is the exact number, which that would be needed to pass something with a filibuster proof majority in the Senate. 10 senators met with President Biden and produced their own stimulus plan.

Justin Draeger:

I'm going to take you right to the bottom of this column here, where it says \$618 billion. So you can see right now the difference between 1.9 trillion and 618 billion is pretty significant. So we're talking about the Senate Republicans offering up a plan that is roughly a third of the size that the president would like to get to. And if you go through the rows and the individual spending rows that the Republicans have proposed, you'll notice that they do offer \$20 billion for K-12, that's significantly smaller than the 130

billion proposed by president Biden. And you'll see that higher education is not in this list at all. And so that's sort of where the goalposts are. President Biden has proposed one thing, Republicans have proposed another, and we'll end up somewhere in between there. If I go back to what President Biden proposed the difference this year, which happens occasionally is that Democrats control the White House, the Senate and the House.

Justin Draeger:

And so, there is a mechanism for the Congress to move independently of any Republicans and that's through budget reconciliation. To that end, I think it's worth noting that just today Jared Bernstein, who's a member of the president's council of economic advisors. He laid out at a White House briefing today that inequality remains at the center of the economic crisis and what they're trying to achieve. Later, President Biden himself was asked about whether he would move with Democrats without any Republicans on this \$1.9 trillion stimulus, or whether he would work with Congress. And he said his preference was to work with Congress, but he said, "But if I have to choose between getting help right now to Americans who are hurting so badly and getting bogged down in a lengthy negotiation or compromising on a bill that's up to the crisis. That's an easy choice."

Justin Draeger:

In other words, he's willing to move with Democrats. And to that end, the House is wrapping up today a budget resolution that's already been considered by the Senate, that would move towards budget reconciliation only requires a simple majority. And could result by the time you move all the way through the process, additional funds being made available as early as potentially mid to late March. Mid to late March is sort of the target because that's when supplemental unemployment benefits start to run out. And so to the extent that higher ED funding would be wrapped up with this larger stimulus bill, and you're looking at the funds that you have today. I would be thinking about the potential that you might have additional funds coming to you and your students by mid to late spring.

Justin Draeger:

I can't say that you'll get it for sure, because in DC, nothing is sure until bills are signed into law. But it does look like the president and Democrats are moving ahead with a plan that would include additional funds for colleges and students. That's where things stand today here in DC. With that, I think I'm going to turn it over to you, David, to talk about some updates on additional COVID flexibilities.

David Futrell:

That is correct. Thank you. So, I'm going to talk briefly about some changes that appeared in the January 2nd, 2021 COD System Operational update. That's in an Electronic Announcement on IFAP. A couple of these things you've already heard, but I just want to remind you that ED did extend the deadline for schools to add the coronavirus indicator for 20-21 award year disbursements. And that deadline is now September 30th, 2021. ED did not change the deadline for the 2019-20 award year disbursements. And that was still December 31st of 2020. What I want to talk about briefly and to remind you that schools are still permitted to set the coronavirus indicator for the 2019-20 award year, even after December 31st deadline. In fact, you're required to do so if it's late and you missed the R2T4 waiver last year, for some reason.

David Futrell:

You just discovered a bunch of students who were COVID related withdrawals. And now you're applying the waiver. You need to go back and do that and set the coronavirus indicator. Now, along those lines, we have a scenario that we didn't discuss last time. In this scenario, the student withdrew and had an R2T4 calculation completed last summer, summer 2020. She was notified of the amount of Title IV funds that she had to return as a result of that R2T4 calculation in September. Well, she dilly dallied and in January 2021, she responded to the school and provided documentation indicating that she withdrew back last summer and that she withdrew due to COVID-19. According to guidance we've received from the Department, there is no deadline for processing such requests, even if they're late. So after December 31st, if the student provides adequate documentation to the school explaining and confirming that her 2019-20 award year withdrawal was due to COVID, then the school will still apply the R2T4 waiver and set the coronavirus indicator on eligible would disbursements in COD.

David Futrell:

And you have to do this because under the CARES Act, the student still qualifies for the withdrawal benefits that are associated with not returning their Title IV funds from the R2T4 calculation and having their loan disbursements canceled and their Pell lifetime eligibility use restored. So students still qualify for those benefits, even if they notify you now that they withdrew last year. In other words, the school can still reinstate aid from a previously completed R2T4 calculation, and then set the coronavirus indicator. Likewise, if the school receives late documentation confirming the withdrawal was due to COVID-19. It can still process the R2T4 for the first time, for last year, in order to apply the waiver and set the coronavirus indicator. You just need to do all of this as soon as possible after learning the withdrawal was due to COVID-19.

David Futrell:

According to the Department, ED's reviewers will look at documentation indicating the coronavirus indicator was set in a timely manner based on what the school received to justify the withdrawal action that was taken for the student. So just do those as soon as possible when you learn about the student having withdrawn last year. Of course, adequate documentation is up to the school. You get to decide whether the documentation is convincing to you that their withdrawal truly was due to COVID-19. That's why you have some discretion here, but if it's acceptable documentation to the school, then it is a withdrawal that you still have to process. There's another example when a late assignment might be necessary and that's legitimate, and that's when the school still has an open payment period that crosses over December 31st. Such as some clock hour programs where the student has into their payment period is bumped further down the road and has crossed over from 2020 to 2021.

David Futrell:

Speaking of open award years, just a little tidbit from that operational update of the Department has now expanded the period for which they'll accept the coronavirus indicator. And that is for a payment period start date that is inclusive of, or between January 1st, 2018 through June 30th, 2021. I assume that if the qualifying emergency continues, they will bump that end date further on down the road. So I wouldn't be too concerned about that at this point.

David Futrell:

Let's talk a little bit about unclaimed funds. There are situations we've seen quite a few pretty big Title IV credit balances this year because of the R2T4 waiver and not having to return Title IV aid when the

student withdraws due to COVID-19. Hopefully you know by now that when a student fails to cash a check or the electronic funds transfer is unsuccessful, the school must have a process that ensures the unclaimed funds get returned to the Department of ED. And that they never get turned over to the state or revert to the school or any other third party. The funds always have to go back to the Department. Now there's some very specific deadlines for doing that. If the EFT is rejected or the check is returned to the school, you can choose, this is not a requirement.

David Futrell:

You can choose to make additional attempts to disburse those funds to the student, or deliver those funds to the student, rather, but only as long as the first attempt is made within 45 days after the EFT was rejected, or the check was returned to the school. Now you can keep trying to deliver those funds within an additional 45 day period and another 45 day period. But if you cease your attempts to disburse the funds, you have to ensure that those funds are returned to ED no later than 240 days after the date the school issued the first check or EFT. So, you can keep trying up to 240 days, and then you have to stop trying and send the money back to the Department. Now, if you're unable to deliver those funds to the student by the deadlines, you would normally go into COD and just reduce those disbursements, so that would pass through to G5.

David Futrell:

But that's not true anymore for students that have a coronavirus indicator, because once the coronavirus indicator is set on a disbursement, you are prohibited from changing that or disbursement or reducing that disbursement in COD. So now there's a new now there's a different process you have to follow for returning these funds to the Department of ED. And it circumvents COD. You use the G5 miscellaneous refund process. Now there are very specific steps to follow here. So you will want to go and look at that January 22nd Operational Update. It outlines the exact steps you must take to do this, and you'll probably need to be talking to your bursars or your business office to make sure that the person in the business office or bursar's office is aware of those steps and that this is the correct process. And that financial aid office can't be reducing the disbursements in COD in order to return those funds. So new process, make sure you look at that Operational Update.

David Futrell:

Now just want to remind really quickly. There are two coronavirus indicators. The first one is assigned on Title IV disbursements that we talked about earlier. And the other one is the coronavirus indicator that is assigned to the R2T4 calculator tool and COD. The R2T4 calculator tool is just one of those options for you to use when you're reporting the total lump sum amount of Title IV funds that were not returned to ED under the R2T4 waiver. This is a separate reporting requirement under CARES.

David Futrell:

So, for schools that choose to use the R2T4 calculator to meet this reporting requirement, your deadline is September 30th, 2021. However, there's another option here. Your alternative to the R2T4 calculator tool, the Department is still working on this, developing this method, and they provided an update in that COD announcement I just mentioned. It will allow for the lump sum amounts of Title IV aid to be reported via the COD website. And you should expect to see that coming around late April. Of course, we'll announce this in *Today's News* as soon as that happens. So just stay tuned for that. So with those updates, I'll turn it over to Karen to talk about HEERF monies.

Karen McCarthy:

Great. Thank you, David. Yes, we have lots of questions in the queue already about HEERF and all of the outstanding questions going on. Very quickly, HEERF annual reporting deadline. So this is with regards to your first batch of funding through the CARES Act, the annual deadline that covers all of your expenditures for 2020 was originally due on February 1st. There were quite a few institutions that were having mostly technical issues with getting their logins and being able to access the system. So the Department of education extended that deadline to February 8th. So that is just a one week extension of the deadline, I should say. In the notification about the extension, the email did say that if an institution is having technical issues or expects that it will not be able to comply with the February 8th deadline, it should reach out to the help desk via email or phone number.

Karen McCarthy:

And we really encourage you to do that. Our understanding from our conversations with the Department of ED is that once we get past that new deadline of February 8th, they will be focusing any enforcement efforts that they might decide to take up on institutions that they have not heard from in any way. So we really want to encourage you to make a reasonable effort to comply by February 8th, if you are having challenges or technical issues, please reach out to the help desk. And ED will be taking a look at the tickets that they have in place to make sure that institutions are making a reasonable effort to comply with that deadline.

Karen McCarthy:

Related to the Grant Award Notification dates. We were alerted pretty early on that from some institutions that when you receive your new GAN, your Grant Award Notification for the HEERF II funds, that it still had your old CARES related spend by dates on there. So for most institutions, it indicated, the GAN indicated that you needed to spend all of your HEERF II funds by April, someday in April of 2021. And that is not correct. You had one year to spend your CARES HEERF funds, and you also have an additional one-year period to spend your HEERF II funds. I think the issue there is that the way that they set all of these up is that your HEERF II funds were a supplement to your first grant. They set it up that way to get the funds out to schools more quickly. But the GAN dates never got updated.

Karen McCarthy:

So there are schools reached out to us pretty quickly in a panic wondering if they had to spend all of their HEERF II funds by April 2021. And you do not. The Department has confirmed that those dates on the GAN do need to be updated and they will be issuing a new GAN. They will reach out to schools with a new GAN that has correct dates. They do not know though when that will happen. But just so that you can let your grant funds folks know to be expecting that. In the meantime EDs grant systems have automatic email triggers set up. And so what happened is when a lot of institutions receive their HEERF II funds, because it appeared that they needed to spend all of these dollars by April 2021. Institutions got automatic emails warning them, "Wow, you still have a lot of money in your account that you need to spend by April 2021."

Karen McCarthy:

And these emails requested that the institution provide more information back to the Department about their plan to spend down all those funds. So those emails were automatically triggered by the Department systems. And the Department has confirmed that you do not need to respond to those emails and that they were all triggered because of the incorrect dates on the GAN. So you can disregard

any emails that you got saying, "Hey, you need to send us a plan. How much money are you going to spend out by April 2021? How much will you have leftover?" All of that is kind of related to the incorrect dates that were initially on the GAN.

Karen McCarthy:

Now, there are a lot of questions that are still unanswered about use of HEERF funds. And we have sent several of these over to the Department and we are still waiting for clear responses back from them that we can share with all of you probably through *Today's News* in our AskRegs Q&A system. The challenge that we have right now is that because of the timing of all of this, we have a lot of new staff with the incoming administration over at the Department of ED. So they are still kind of getting onboarded and getting their feet under them. So there has been a little bit of a delay getting responses back from them to some key questions that we've heard from lots of members.

Karen McCarthy:

The big categories of questions that we're getting lots of variations on are issues surrounding December 27th. If you recall, December 27th is the date when the CRRSAA was enacted. And so there are lots of questions about using these new funds to cover expenses for both on the students side and on the institutional side that occurred prior to December 27th. So the questions often entail, can we go back in time or these HEERF II funds for things that happened earlier? And there are lots of different variations of that question. And for the most part, we are still unsure of the answers to those questions. So we would advise at this time, if you are anxious to start spending these dollars is that you focus on expenses and student grants for any expenses going forward from December 27th. And hopefully we will get a clear response from the Department, and we will push that out via *Today's News*.

Karen McCarthy:

We also have lots of questions regarding eligibility for student grants, for students who are not enrolled in a Title IV eligible program. So these would be your non-degree students, dual enrollment students, students who are not in a Title IV eligible program and questions as to their grant eligibility. And again, we don't have responses to those questions back from the Department. So for right now, we would encourage you to get the grant dollars out to students who are more clearly eligible. If you want to set aside some funds for some of these other categories of students that we do not know about yet, you can certainly do that. And hopefully at some point down the line, we will get approval for that. And then you can go ahead and award those. We don't encourage you to hold up all awarding of student grants while we wait for the guidance from the Department. We would instead prefer that you start getting these funds out to students who are clearly eligible and hopefully we'll get those answers in the near future.

Karen McCarthy:

And I am going to turn it to Megan who's going to very quickly review recent professional judgement guidance.

Megan Walter:

Yup. Thanks Karen. So, as you may recall, last Friday, the Department of ED published a Dear Colleague Letter, reminding financial aid administrators about their authority to perform professional judgment adjustments in the case of a student with a change in financial circumstances, particularly recently unemployed individuals. While FAAs already have authority under current statute to do this, this

reminder comes at a timely moment as the coronavirus pandemic persists, and many people have been left unemployed or with reduced work hours. The letter serves as a reminder that you may use documentation of unemployment to reduce or adjust to zero, the income earned from work for a student or parent. And also outlines the sources of proof you may consider using to then adjust a student or parents income information to account for the loss of income.

Megan Walter:

Notably ED did not include in this letter, the authority to zero out unemployment benefits received from the student or parent income, which is an authority you have under current statute, and we felt important to include on this slide as a reminder. Something we want to make clear about this letter is that under section 479A of the HEA the Higher Education Act, you already have authority under PJ to take into account special circumstances. And you do not need specific permission from the Department of ED for what circumstances they think qualify this letter. As well as GEN-09-05, which was recently rescinded by the Trump administration, were published by ED to provide reassurance of your ability to do this and to encourage you to do so. And to also reassure you that your institution will not be penalized for performing more PJ's than you may during a normal school year.

Megan Walter:

NASFAA actually encouraged ED to reissue guidance along these lines, because we had done a survey recently around PJ, and we found that the majority of schools felt like they'd be more willing to do this type of PJ adjustment if they had an explicit reminder from ED. And so with that, I will hand it back to Justin to do a quick wrap up and to get us rolling on the Q&A portion.

Justin Draeger:

All right. Thanks gang. We have lots of time left for questions. Just as a reminder to folks, if you want to keep up to date with NASFAA on all of our COVID-19 resources, Q&A's and handouts, you can do that at [nasfaa.org/covid19](https://nasfaa.org/covid19). We release all of our information through *Today's News*, but then if you're looking for that sort of permanent archive, and then of course, as David can attest, we keep our AskRegs Knowledgebase as up-to-date, as humanly possible, as information comes from the Department of education. So, let's go ahead and get into the Q&A folks. And we have lots of good questions in here. Some of these are topics that we might've covered, but because we get the question so often, I think we might want to revisit them. Karen, I want to go back to something you said about awarding.

Justin Draeger:

We have a question here, I'm going to try to push this out to the audience. This person's school is insisting that they, "Wait for further guidance before spending HEERF II money." And probably because of the back and forth and whiplash that was experienced from their CARES experience almost a year ago. The question here is, "Do we think the Biden ministration will issue clarifying guidance on HEERF II funds, especially about student eligibility?" Do you want to tackle that Karen, or do you want me to take a stab at it? Or how do you want to do this?

Karen McCarthy:

Yeah. Why don't you start it off, Justin?

Justin Draeger:



Okay. So, I would just say, we have asked as a community and NASFAA specifically asked the Biden transition team and the Biden administration, once he took the oath of office, to re-examine student eligibility specifically around HEERF II funds. It looks like that's going to be a little bit more complicated because of potential cross-references to other pieces of legislation. And so going back to what Karen has said, we're hopeful that they'll take another look at eligibility so that all students attending your institution would be eligible. In the meantime, schools are able to identify wide swaths of their existing student population that do qualify clearly. And so holding back all funds in hopes that there'll be additional guidance in the immediate future might not be the wisest course of action, especially when I'll say two things. One, Congress has been clear all along that they hope schools will get these funds to students sooner rather than later.

Justin Draeger:

And two, as we discussed earlier, there may be additional funding on the way if Congress moves specifically through budget reconciliation to implement the \$1.9 trillion package that President Biden has proposed. Karen, do you want to amend or edit anything that I've just said?

Karen McCarthy:

No. No, I think you did great.

Justin Draeger:

Okay. All right. Let's keep moving here. David, I think this next one might be for you. "For unclaimed funds if it is for a closed year we reopened, our business side is unsure how the return will look in G5 what shows if we have an amount to draw down."

David Futrell:

All right. Are you pushing these out to the slide?

Justin Draeger:

Oh, no. Sorry. Let me push these. Thank you.

David Futrell:

Oh, no worries. I'm looking at the instructions and the step by step process in that operational update, and it doesn't say anything about reopening an award year. So, I'm going to have to go with, there is no requirement to reopen an award year and you might need to follow-up with your G5 contact if you have further questions or COD technical support.

Justin Draeger:

Okay. Thank you, David. Megan, I think this one's coming to you. Question here is, "Can we spend half of the student HEERF II funds now and save half in case students have to exit campus unexpectedly or for emergencies?"

Megan Walter:

Sure. So, yes, schools can reserve a portion of their unspent HEERF II funds to award for students in a later term. For example, fall 2021 incoming freshmen. But it's important to remember that HEERF II funds similar to the HEERF I funds have a spend by date. And that is one year from the school

supplemental Grant Award Notification for those funds. Also as a reminder, HEERF I funds under the CARES Act that remain unexpended as of December 27th, 2020, and HEERF II funds authorized under the newer CRRSAA Act can be used to make grants to students for any component of the student's cost of attendance or for emergency costs that are related to the coronavirus. That is the expense does not have to be directly related to a disruption of campus operations due to coronavirus. So, just because there's not something going on right now doesn't mean you can't still spend these funds.

Justin Draeger:

Okay. Megan, let's stay with you for just a second. While we're talking about HEERF II grants. This is a question we get quite a bit, "Are HEERF II grants considered EFA?"

Megan Walter:

Yeah. So, it's NASFAA's understanding based on conversations with ED that this HEERF II grants awarded to students are not treated as estimated financial assistance when packaging students. Likewise, the HEERF II grants are not treated as taxable income or untaxed income for Title IV federal student aid purposes. And the same is true for the HEERF I funds awarded under the CARES Act.

Justin Draeger:

Okay. Thanks, Megan. David question to you, "Is there a way to contact ED to request additional details regarding their calculation of their allocation?" So, presumably this school doesn't think they've got the allocation quite right.

David Futrell:

Yeah. You'll want to reach out to the program contact that's listed in your original Grant Award Notification or your supplemental award allocation notification. You could also call grants.gov customer support at 1-800-518-4726, 1-800-518-4726. And we would recommend that you start with your designated grant contact in your Grant Award Notification.

Justin Draeger:

All right. Thank you. Karen, let's send this next one your direction. They're asking about the eligible award period for the HEERF II student grants.

Karen McCarthy:

Yes. The eligible award period is one year from the date when you receive the notification, if these are supplemental funds, from the date you received the notification that your funds were available to you. And this kind of goes back to the confusion about the incorrect GANs. It may not have that date on your GAN right now, but they will be issuing corrections.

Justin Draeger:

Okay. Thanks, Karen. Karen, I'm going to stay with you for just a second. "Has NASFAA received any timeline on the reporting requirements for HEERF II funds?" The school of course is trying to think about being proactive and gathering the data as they are distributing the funds.

Karen McCarthy:

No, we have not received any timeline or any information about what might be in the reporting requirements. We would expect it to be somewhat similar to what we had the last time. The challenge here is that the last administration came up with the last set of reporting requirements. And now we have new people in place. We do expect it to be somewhat similar, but we do not have any of those details from the new administration yet.

Justin Draeger:

Okay. David, let me send this one your direction. The question here is, "When disbursing HEERF II funding, is it problematic to disburse the funding all at once? Would that trigger any sort of special audit or program review by the Department?"

David Futrell:

It is a problem oh, to disburse it all at once or draw it down? So, if you're disbursing it all at once, I don't see that that's a problem as long as you designated your exceptional needs students and major awards based on whatever application process or awarding criteria you set by your school. I don't foresee special audit or program review requirements there. Karen, do you agree?

Karen McCarthy:

No, I would make the same distinction. I think you're going down this path, David of the disbursing out to students, you can do that all at the same time if you want. But I think now you're going to talk about the drawing down part, right?

David Futrell:

Yeah. There's a distinction on drawing down funds though. You can't draw all these funds down in one lump sum. You have to draw down your HEERF II funds and your HEERF I funds for that matter on an as needed basis to meet the immediate financial need of your obligations. So, for student funds, that means you have 15 days from the time you draw down those funds to spend them. And for institutional funds, you have three days from the date you withdraw down those funds to spend them. So, there is a distinction between drawing them down. There are timeframes there and dispersing the funds.

Justin Draeger:

Okay. Thank you, gang. Megan, I think this one's coming to you. It's about professional judgment. The question here, "To be clear, ED administrators do not need to include the unemployment benefits if they're doing a PJ. Is that right?"

Megan Walter:

Sorry. I forgot to turn my mic off. That's correct.

Justin Draeger:

Okay. Right. That's within the aid administrators purview. So yes, they have the authority. All right, David, I think this one's going to come to you. It's a bit lengthy. "If a student is late notifying us that their withdrawal was due to COVID and the school has already returned funds through R2T4 is required that we apply the waiver and redisburse the funds to the student. Or can they choose not to apply the waiver since the deadline they set for notifying us of the circumstances has passed?"

David Futrell:

We talked to the Department about this, and there is no deadline for applying that R2T4 waiver and setting the coronavirus indicator. Shouldn't be receiving any of these, but if you do receive them and the documentation is deemed acceptable by the institution, you cannot choose to not apply the R2T4 waiver or set the coronavirus indicator. Under the CARES Act, the student qualifies for these benefits and you can't have a policy that denies them these benefits.

Justin Draeger:

Okay. Thank you. Karen, I'm going to send this next one your direction. There is a current discussion among college presidents in this person's region to market HEERF II fund availability to students as a way to encourage enrollment. Is this acceptable?

Karen McCarthy:

No, it is not acceptable. And I believe that is explicitly stated in the GAN document that these funds cannot be used to incentivize enrollment in any way.

Justin Draeger:

All right. Karen, let me stick with you for just a second here. I think this is a, sort of a best practices question, but we've talked about this before, how graduate and professional schools have a lot of students who just are zero EFCs. And how are those two schools supposed to prioritize exceptional need?

Karen McCarthy:

Yeah. So this question ties in to the requirement when you are awarding the student grants that you prioritize students with exceptional need. There are no specifics as to how schools should do this for undergraduates or for graduate students. So the school decides how it is going to do this. At the undergraduate level, there is a suggestion that a school could use Pell Grant eligibility which might make it a little bit easier, which I think is why this grad school was asking the question. But even using Pell Grant eligibility is not a requirement at the undergraduate level. So every, all types of schools have the discretion to decide how they are going to prioritize exceptional need. It really is up to you to do this.

Karen McCarthy:

Yes, you can figure this out in any way. It can be based on other aid that the student does have available, even if they have a zero EFC as they have at the graduate level, you might have other types of assistance that some of your graduate students receive and others do not in terms of stipends, assistantship type aid, other non-Title IV aid, that might be one factor. It really is at your discretion. The only advice that we would have is, and this is for all schools, is that once you have determined how you're going to prioritize exceptional needs, that you document that. We have had an indication from the Department that this may be something that will eventually end up being part of the reporting requirements, that they will want further information about how you complied with this requirement. So whatever you decide, make sure you have it locked down and documented so that you're able to produce that if you are requested.

Justin Draeger:

And I'll only add that last week we did a podcast with several aid administrators who talked briefly about this issue, particularly for graduate students, because it might be easy to side the block grant funds to Pell recipients. It's an easily identifiable group that you could use as proxy for exceptional need. That's a little more difficult at the graduate level. And I know that there's this balance between an institutional application, which might be burdensome for a student. But when you have a huge cluster of zero EFCs, I know at least some schools we're looking at trying to collect some additional, easy to submit data from students. And Karen, just to build off that, there's a question here about that proxy. "Is the guidance that both exceptional lead in Pell students need to be prioritized? Or are we using Pell Grant as a proxy here?"

Karen McCarthy:

Pell Grant, and I wouldn't even say it's a proxy. It was more of an example that was provided. Like, one way that you might do this to define exceptional need might be to use Pell Grant eligibility. So it is not a requirement and there is not exceptional need in Pell Grant. There's just an exceptional need requirement. And you get to decide how you define that.

Justin Draeger:

Yeah. And this is generating a few other questions. So why don't we just stick on this topic for one more second here. "So exceptional financial need is different than exceptional remaining need. Is it okay to use remaining need as a determining factor for awarding?" Karen?

Karen McCarthy:

I think that would be acceptable. Yes, the requirement is exceptional need and you get to decide how you are going to define that. I think this may come into play also if you have also awarded some CARES grants, say in the same year, and there might be some additional student grant dollars coming down the pike. That I think that at some institutions you have some groups of students who have already benefited and you want to help some other groups of students. And that may be part of your definition of exceptional need that these students received this type of aid and these students did not, and they have need, and they're going to be our group of exceptional need students that we're awarding this time around. It really is completely up to you. And I think it is fine to use remaining need as part of your definition of exceptional financial need. If that's what you want to do.

Justin Draeger:

Right. Main point here, Karen is schools have discretion, but they have to document and then follow the policy that they've outlined.

Karen McCarthy:

Yes. You always have to follow your own policies. Yes.

Justin Draeger:

Okay. Let's go to this one, David. "Are schools required to use the flexibility of the R2T4 waiver?"

David Futrell:

It's a yes and a maybe. So there were two ways to determine whether someone qualified for the R2T4 waiver. You could make that determination by assuming that everyone in an academic program was

affected by a COVID related disruption during the payment period. If that occurred, you could make an assumption and assume all withdrawals that occurred during that payment period were COVID related withdrawals and you could apply the R2T4 waiver. If you chose as a policy to apply that blanket exception, a blanket assumption, you must apply to all students under your policy. So once you choose to make the assumption, you must apply the waiver to all students who qualify.

David Futrell:

There's also the students who provide you with an attestation. They send you a documentation that their withdrawal was related to COVID-19. For those students, you have to apply the R2T4 waiver. It's not an option for you. Those students qualify for the R2T4 waiver. They qualify to keep their Title IV aid, and they qualify for the withdrawal benefits. So where the school had choice here, it was whether they use the blanket assumption method. They did not have to choose to use blanket assumption method, and they could have waited on attestations from all students individually. But if you did that, the student qualifies for the waiver if they provide you with adequate substantial documentation, explaining that their withdrawal was COVID related. And for those, you have to apply the waiver and you have to apply the coronavirus indicator. No choice.

Justin Draeger:

All right. Thank you, David. David, I'm going to stay with you for just a second here. "Will the institutional match leniency for Federal Work-Study and SEOG be extended for '21-22. And if we don't know, when will we know?"

David Futrell:

So I just pulled up the CARES Act when I saw that one pop in because I got a little confused. For the waiver of the institutional match share, that applies only to the '19-20 and 20-21 award years. But for the ability to transfer unused work-study unspent work-study into SEOG and emergency SEOG awards or regular SEOG awards, applies through the end of the qualifying emergency. So the CARES Act does not limit it to the '19-20 and 20-21 award years. So this might apply to '21-22, we just don't know yet. I don't know if it's on the Department's radar and maybe that's something we need to send over here.

Justin Draeger:

All right. Thank you, David. We'll make a note about that to follow-up with the Department.

David Futrell:

Yup.

Justin Draeger:

Karen, I wanted to send this next one to you. And I know you touched on this during the presentation, but I see several questions in here on this December 27th date. And the question here is, "Additional guidance and or clarity been given a NASFAA with regards to the outstanding account balance regarding charges posted prior to 12/27 for the period of enrollment that began after 12/27." So question here is, "Can we use HEERF II funds for students who began their period of enrollment post 12/27 if the charges for that period of enrollment happened prior to 12/27?"

Karen McCarthy:

Yes, there's a lot going on here with this question. The first thing, and this was not part of the presentation, but this person asking the question obviously understands that one of the changes with the HEERF II funds for students that you could not do with the CARES funds that you can now do. Is that when you are dispersing student grants to students, you are allowed with, if the student provides specific written authorization to credit that student grant towards the student's account towards outstanding charges that are on the student's account. If you remember under CARES, all of the grant dollars had to go directly to students. You could not even with their authorization apply it to their account. This time around you can, if the student provides written authorization. So this person clearly understands that they can apply it to the student account with the authorization.

Karen McCarthy:

So I wanted to make that point that you need authorization to do that. But the question is what if the charges were posted to the student's account, say earlier in December, even if they were spring charges, can the institution with the student's permission apply the HEERF II funds to the student's account to pay for those charges? Our belief is that yes, you can. And we're still having some back and forth with the Department of ED about this, to make sure that they understand the question that we're asking and that this is the response that they are giving. So I would say tentatively, yes. We are still in the process of confirming with the Department of ED. And once we have that confirmation locked down, we will push that out via *Today's News*.

Justin Draeger:

Okay. Karen, let me stick with you on this December 27th date. This person says, "I awarded all my funds from HEERF fund before 12/27. However, I have active confirmation and some students are accepting this awards in January, February. It was my assumption that I had a year to process HEERF I funds. Can I continue to pay these students under HEERF I funds? Or do I have to put them into HEERF II?"

Karen McCarthy:

Yes. You do have a year to spend the HEERF I funds. Those are your CARES dollars. What happened with HEERF II, is that now all of the expanded eligibility for how you can award the student grants that's allowed under HEERF II now applies to your HEERF I funds. But yes, you can continue to pay these students under HEERF I. I mean, do I have to put them into HEERF II? I mean, there's no like putting them into HEERF II. It just means that your CARES funds you can now award for expanded allowable uses to student grants for student grants, but you can continue to spend down your CARES money that you still have leftover.

Justin Draeger:

All right. Thank you. This question goes back to what's happening on Capitol Hill. "Does the \$1.9 trillion package proposed by President Biden include any student loan relief?" The answer to that is the president's proposal does not include any student loan forgiveness. However, the president has made a proposal. The Senate has voted on a budget resolution and the House is considering, or I've been in meetings today, but may have already approved that identical budget resolution. But now both chambers the House and the Senate have to start actually writing the bill. So even though the president has proposed \$1.9 trillion and the House and Senate have passed the procedural motion to allow that to happen. The bills actually have to be written. So whether they will or won't include any student loan debt forgiveness, or any additional student loan borrower relief, stay tuned, we will have to see.

Justin Draeger:

But as of right now, the president's proposal included direct funds to institutions. And presumably in the way that they've done for the last year. All right, next question here is, "The Biden proposal did not include funding for private, not for profit IGs. What is NASFAA doing to address providing funding for the approximately 2.8 million students who attend these institutions? Most of these students are in the same need category students who attend public higher ed schools." Yes, we and many others noticed that the Biden proposal specifically focused on public institutions. That said, it's not clear to us whether this was an inadvertent error or whether this was intentional or whether this was produced by more of the communications PR folks in the transition team and new administration. As Karen pointed out, a lot of the infrastructure of the new administration has not yet been put in place.

Justin Draeger:

There are 1200 roughly positions across the federal government that requires some form of confirmation from Congress. As of this morning, six had been confirmed. And so that leads a lot of infrastructure that needs to be put in place and a lot of expertise that needs to be filled in from just in terms of a policy development. All of that is to say we did not believe that private not-for-profits will be excluded from this next round of funding. And the reason we're confident of that is one, we're not aware that the Biden administration has taken any hard line here and two, Congress wouldn't allow it. Congress is well aware of the higher education landscape and the makeup of both public and private institutions.

Justin Draeger:

Karen, let me go to you for this one. This is a question about releasing funds. Maybe a theory about OPE releasing funds, according to the OPEID number, because this school has still not received their funds presumably most others in their state have.

Karen McCarthy:

I haven't heard any inklings of that happening. I don't know at all if there is any type of structure to how they're releasing the funds over there, so I don't have any info. I'm sorry.

Justin Draeger:

Okay. And I don't either, so that's something we can certainly look into. Let me just keep going through some of these questions. David, a question to you, "Our school received HEERF I funds under the CARES Act. When do we need to start drawing down HEERF II funds under this latest legislation?" David, are you with us?

David Futrell:

I'm just talking away. I'm just talking away. Sorry about that, I didn't [crosstalk 00:56:28].

Justin Draeger:

I had a [crosstalk 00:56:28]. Yeah. Go ahead.

David Futrell:

Okay. Yeah. Schools previously received HEERF I grant funds must start drawing down funds from both their student and institutional portion of HEERF II funds within 90 days of receiving the respective



supplemental award notifications for HEERF II. I'm glad this question came up. I wanted to make sure it got covered because there was an error in our AskRegs Knowledgebase article. And that correction went out in the news, *Today's News* this morning. So I'm hoping you noticed. I had incorrectly indicated that schools with HEERF had 90 days from January 15th. But that deadline is for schools that did not receive HEERF I monies. Schools that did not receive HEERF I monies and are receiving HEERF I monies for the first time or HEERF II monies.

David Futrell:

Sorry, schools that are receiving HEERF II monies for the first time or HEERF monies for the first time had until April 15th to submit their application to receive those funds. We don't know if there's a deadline for starting to draw down funds if you're receiving HEERF monies for the first time. So if you received HEERF monies before, you have 90 days to start drawing down funds from the date that you receive your supplemental grant notification. If you're receiving HEERF funds for the first time, those HEERF II funds, you have 90 days from January 15th. That would be April.

Justin Draeger:

Okay. Thank you, David. Megan, this is coming to you going back to PJ for a moment, "For the unemployment benefits and PJ, can we remove parents and student or just the independent student? Also, can we remove student and spouse or just the student?"

Megan Walter:

Yep. So you can remove the dependent student or their parents as well as independent student or their spouse, the unemployment benefits in their income.

Justin Draeger:

Okay. Thank you.

Karen McCarthy:

Justin I was going to add something on this PJ question, just because we've received so many questions about it. The new guidance and Megan said this when she presented during the presentation, but the new guidance that came out didn't grant institutions any new authority that they did not already have. So under a professional judgment, you can make these adjustments that you deem to be appropriate based on a student's special circumstances. So the question about who can I do it for? And can I zero out unemployment benefits or zero out income? You can do any of that. And you always could, you always had that authority to do that. These documents coming out from the Department are just a reminder to you of your general PJ authority.

Justin Draeger:

Yeah. just as a reminder to retrace a little history here, the Obama administration originally encouraged schools to do this, then the Trump administration archived some of those reminders and guidance, which I think created the confusion in the community, but PJ is not regulated by the Department of Education. And so, Karen, I think the way that I've heard you described this before is this is sort of like the Wizard of Oz where Dorothy finds out she had the power to do this all along. She always had that power. It's the same sort of thing here. Schools have the ability to exercise PJs to the benefit of their students and families. And this latest one is really an encouragement and reminder to use that authority.

Justin Draeger:

Okay. Just to be crystal clear here. Megan Walter, why don't we stick with you for just a minute? Graduate students eligible to receive HEERF II funds?

Megan Walter:

Yeah. Graduate students are eligible to receive them as long as you are making sure you're prioritizing the grants to students with exceptional needs in whatever way you do that for your graduate student population.

Justin Draeger:

Okay. Thank you. We've got lots of questions that I think are different iterations of how to distribute or different methodologies that schools want to use to try to distribute these funds to students. Let me try to find a couple of these. I think some of them we've already covered in discussion. Karen, "We were encouraged to have students confirm in HEERF I that the funds were used for situations affected by COVID-19. Do we not need an active confirmation for HEERF II?"

Karen McCarthy:

No, you do not.

Justin Draeger:

Okay.

Karen McCarthy:

That's it. I know I usually talk on and on. I'm just going to say, no, you do not.

Justin Draeger:

Yeah. And schools could block grant as long as they made certain assumptions, they could also block grant HEERF I funds. But here's a question, does assign financial, if this school is, I guess, looking to back to a previous conversation, if they're looking apply funds directly to the student's account, does assign financial award or offer letters suffice for student approval to apply the funds to their balance or student account? Karen?

Karen McCarthy:

No, it would not be sufficient. The guidance from the Department and what we have heard informally from the Department on the ability to credit towards the student's account is that the student has to explicitly and separately approve that this happened. So, you cannot condition their receipt of the aid based on them applying it towards their student account, which I think is what this is getting at, because it's saying, can they, by accepting the HEERF award, can we make that a requirement then that you apply it towards your student account? And you could not do that. It is a separate authorization. The institution always has to offer the student the ability to get the aid directly and not to credit it towards their account.

Justin Draeger:

All right, let's go back to this concept of need or covering COA. The supplemental agreement is a bit confusing about how the HEERF II grants may be used. There seem to be two different uses, cost of

attendance or emergency costs. Are there're supposed to be two different kinds of uses that they have to track? So are they documenting, which are they meeting a cost of attendance or an emergency cost? Karen?

Karen McCarthy:

Yeah. The tricky thing with this is that we don't know the level of detail that you'll be required to report down the line. So you're kind of making decisions based on how much tracking to do now without knowing what you might end up needing to report down the line. But there are two different uses. It can be used for any component of the cost of attendance or emergency costs. So, I think we would just be making a recommendation at this point. And this really is kind of up to your institution to decide what is reasonable here in terms of how you're making these awards. It may be if you have an application and a student actually indicates what their expense is and how they're affected by COVID-19, then it might be easier to track for those students. Obviously, if you're doing block grants you may just not be able to categorize those in that way. So, I really think you have to use your best judgment at this point, since we don't know how specific the reporting will be. I don't imagine it'll be to that level of detail.

Justin Draeger:

Well, so on that note, there's a follow-up question here about block grants, and this person is saying, "Well, I thought you were supposed to know that the student has emergency needs in order to give them an emergency grant." But in a block grant, you're building in some assumptions about their need, how needy they are and some of their needs. Right? So that's sort of the justification for identifying a group of students and doing the block grant? Karen.

Karen McCarthy:

Yes.

Justin Draeger:

Yeah.

Karen McCarthy:

Yes, that's correct.

Justin Draeger:

Okay. Let me go to you, David. A question here, "Can you re-award any loans that were canceled due to COVID relief? Is there a timeframe for when you can re-award them?"

David Futrell:

I'm not muted. Okay, cool. So yes, you can re-award if the student loans are canceled during the same award year, you can re-award the remaining eligibility during that very same award year. If you have determined that the loan disbursement will be canceled due to CARES Act relief, and you applied the R2T4 waiver, you can exclude that loan disbursement from the student's annual loan limit. And you do not have to wait for NSLDS to be updated before you re-award the student that remaining eligibility within the annual loan limit for that at same academic year. So, the Department told us that you can rely on your own records to determine that the loan disbursement will be canceled and not wait for the coronavirus indicator process to go all the way through and NSLDS and show.

Justin Draeger:

All right, thank you. Karen, since you talked about the direct payments or application to a student's account, I've seen several questions that have been generated here all sort of getting at the same thing, which is how they collect authorization from the student to apply these funds to their account. So, for example, this question is, well, if we already have that authorization because of refunds from financial aid, can they apply that here or do they need to get something specific related to HEERF funds?

Karen McCarthy:

We were told that the institution would need to collect a separate authorization. The authorization that this school likely already has in place is for Title IV funds and the Department had specified this, the Title IV authorization does not work for these funds. This is a separate funding source, and they would like a separate authorization from the student.

Justin Draeger:

Okay. David, let's go to you. This is about documentation. The question here is, "Do we have to require students to provide additional documentation in order to award them emergency FSEOG funds?"

David Futrell:

No, you don't need to request additional documentation in order to award them with emergency FSEOG funds. There are relaxed criteria for awarding emergency SEOG, but there's no application or anything else that you need to make those emergency FSEOG awards.

Justin Draeger:

Okay. Karen, I want to go back to this need question that we've talked about quite a bit. The question is, "Could you just award the same amount to all students not taking into consideration a need, as long as your exceptional needs students are all receiving funding?"

Karen McCarthy:

Yes. I think this would work. And I think that how a school in this situation would document how they are prioritizing exceptional need is how they say, as long as your exceptional needs students are all receiving funding. However, they've defined that they would set identify those students and say they were prioritized for funding. They received funding. There was additional funding available after those exceptional needs students were awarded. So then we awarded on to students who did not have exceptional need. There's nothing that requires that exceptional needs students have to receive certain dollar amounts or that you have to award them first or that other students can't get the same amounts, anything like that. You just have to show that your exceptional needs students were prioritized. In this case they were, the exceptional needs students were awarded and then other students were awarded after that. So I think this would work. I would be careful how you document that though.

Justin Draeger:

Yeah. I'll just say, we're getting a lot of questions about specifically how schools are planning to use these funds. It won't be possible just in the time we have to go through all of them. I would say that I would just point people back to the previous information that we've shared. And you can look at some of the guidance that we've posted on the NASFAA site and in our AskRegs Knowledgebase. But ultimately this is an opportunity for schools to look at their student populations and come up with a

disbursement or distribution model that's really going to get at helping students who are facing challenges related to COVID-19.

Justin Draeger:

So we as an association won't be able to sign off on sort of every model that a school might come up with, but hopefully you've got sort of this outline. So I won't go through all of the questions we're getting about specific distribution models. But here's one about institutional funds. And David, I don't know if maybe you want to take a crack at this or you can maybe tag someone else. But the question here is, "Can HEERF II institutional share funds be used to pay a school's COVID testing expenses?"

David Futrell:

I'm very sure the answer is just straight up yes on that one.

Justin Draeger:

Yeah. Karen, any additional [crosstalk 01:10:37]?

Karen McCarthy:

Yeah. I think it's a yes, too. I haven't seen this listed as a specific example, but the way that the law is worded is that institutions can use the funds to defray expenses associated with coronavirus. So this seems to be one of those, I think this qualifies.

Justin Draeger:

Okay. Karen, I want to go back to something you talked about earlier, which is sort of marketing for enrollment. This person's asking, "Please explain what is meant by institutions may not condition receipt of service of financial aid grants on continued or future enrollment. Can we offer the grant to students upon their registration for classes?"

Karen McCarthy:

I think that this would be, and this is kind of getting into a bit of a gray area, I think. I think that you could, but what I don't think you can do is tell the student upfront, "If you register for classes then we will give you a grant."

Justin Draeger:

Yeah, I think you're right Karen, this does get into a bit of a gray area. And NASFAA had been notified in the original CARES Act of some schools that maybe unintentionally were sort of holding out CARES Act grants to attract students to come to college. In other words, it was being used to market to potential students not meet the needs of their existing students, or at least it didn't appear that way. And so I think this is where we're always constantly looking at the letter of the law versus the spirit of the law. These funds are intended for your enrolled students. And then there's this gray area about whether you're using it as a leverage, as part of enrollment management versus trying to help needy students on your campus.

Justin Draeger:

Let's see here. This is a pretty specific one, but Megan Walter, let's go to you for a second here. "Can our institution require students to file a FAFSA as part of the requirements for determining eligibility for HEERF II funds?"

Megan Walter:

Yeah, you can. I think it's important to note that with the HEERF II funds, there are no student eligibility requirements, so you don't need to do this. They don't need to be Title IV eligible. I think it's also important to note that ED has not issued written guidance to clarify whether or not undocumented DACA or international students may receive these funds. Why I say no student eligibility. So I do want to make sure I preface that with that these students were not sure about the Trump administration officially stated verbally that these students were not eligible. But as far as the necessity to file a FAFSA, you don't but I would say you can, I don't know if Karen or David has a follow-up to that if you want to.

Justin Draeger:

Nope. I think we're good there, Megan. That's right. David, let me send this one to you for the HEERF reporting that is due February 8th, mentions reporting period is March 13th, 2020 through December 31st, 2020. If the institution awarded and disbursed last portion of the student portion of CARES in January 2021, would we need to include student CARES awarded disbursed for this reporting period?

David Futrell:

Any funds that you awarded and disbursed after December 31st 2020 would have to go in your annual report that is due next year.

Justin Draeger:

Okay. Megan, I want to go back to you for just a second. You talked about Title IV eligibility. The question here is, "Can students not meeting SAP receive HEERF II funds?"

Megan Walter:

Yes, that's correct. They don't have to be meeting SAP.

Justin Draeger:

And that is a student eligibility requirement, right? So not applicable to HEERF. Okay, David, I'm going to go back to you because I think if my memory serves, you may have been the one to cover this, but, "Can you repeat the disbursement rules timelines for the student portion versus the institutional portion of HEERF II funds?"

David Futrell:

I talked about the drawing down timeframes and the amount of time you have to award the funds or spend them after you've drawn them down. After you've drawn down the student portion, you have 15 days to award those funds to a student, obligate those funds to the student. For institutional funds, you have three days after you draw them down to spend them.

Justin Draeger:

Okay. Thank you. We've talked a lot about Pell Grants and we've covered different iterations of this, but Karen, this person's asking, are we expected to award the HEERF II funds to Pell recipients only?

Karen McCarthy:

No.

Justin Draeger:

Okay. Next question here, why don't we stay with you for a second, Karen. Thoughts on citizenship, "Will ED expect that we have documented citizenship or can the school accept a student's self-reporting if they have it on file?"

Karen McCarthy:

I think that is up to the institution how it chooses to proceed with regards to the citizenship question? I think that some of the institutions who are considering or have decided that they will require a FAFSA are doing it for purposes of knowing the student's citizenship status for awarding. There are other institutions that are taking a different approach and assuming that everybody meets the citizenship requirements, unless they know otherwise. The only tricky part about knowing otherwise is that you need to be reasonably confident that there isn't another office at your institution, that might have citizenship information that might conflict. So there are some schools that are assuming everybody is eligible unless they have conflicting information as well.

Karen McCarthy:

And there are also a kind of a third option, which is the self-reporting. There are some schools who are probably as part of an application are asking students the citizenship question and students who for whom they do not have a FAFSA. And asking if they are eligible and then they are going with what the students self-report. So I think those are kind of the three iterations that I have heard. Have you heard any others, Justin?

Justin Draeger:

No, that's right. I would just say that if there's sort of a continuum of risk there that's associated with self-reporting versus assuming versus actually doing a database match through FAFSA. And I would just say whatever risk you're assuming as an institution, based on your comfort level, you would want to keep your, obviously your administration on campus informed.

David Futrell:

Hey Justin, real quick.

Justin Draeger:

Yes. Go ahead.

David Futrell:

Can I return to a question real quick just for clarity?

Justin Draeger:

Yeah, go ahead.

David Futrell:

It is the one on disbursements. For your HEERF I and HEERF II money. Once you've drawn down the funds, the student funds, you have 15 days to award and disburse. I think I just said award. You have 15 days to disburse those funds the student. For institutional portion you have three days to disburse those funds or spend those funds after you've drawn them down. Just wanted to make sure I didn't miss a word there.

Justin Draeger:

Thank you, David. Let's go to Megan. Sticking with student eligibility for a second. "Are non-credit students eligible for HEERF?"

Karen McCarthy:

I believe this is one of outstanding questions we have. We're not sure if non-degree students are going to be eligible.

Justin Draeger:

David, I don't know if you have more follow-up on that, but as of right now, I think the question is we don't know.

David Futrell:

Yeah. We sent that question to the [heerf@ed.gov](mailto:heerf@ed.gov) mailbox a while ago, and we sent it to higher ups at the Department just this week and we still just don't have an answer yet. And that includes non-degree students, continuing education students, students who are simultaneously enrolled in high school, all of the above, we just don't yet.

Justin Draeger:

Okay. David, why don't we start with you for a second here? "Any guidance on substantiating the use of institutional funds to replace lost revenues?"

David Futrell:

I don't have that right in my fingertips, Justin I'm afraid. I don't remember seeing anything on substantiating the use of institutional funds, just the ability to use the institutional funds to replace lost revenue.

Karen McCarthy:

I can chime in on this one, Justin, not with super helpful info, but to say that we know that's a question and that has been or will shortly be sent over to the Department as for more clarity there.

Justin Draeger:

Okay. Thank you. Let me see, there's a question here that says an email from another association explicitly stated Karen, that eligible non-citizens are ineligible for HEERF II. And this person says it's



creating a lot of confusion. They're saying I don't see anything that excludes eligible non-citizens who are also eligible for HEERF I funds. They're asking, is this an outstanding question or not?

Karen McCarthy:

Justin, can you push that one out? I think I got lost in the negatives.

Justin Draeger:

Yeah. Hold on. I didn't want to name the association, so let me just edit and push. Yep. Okay. There.

Karen McCarthy:

Okay. Let's see.

Justin Draeger:

So the question [crosstalk 01:20:56]-

Karen McCarthy:

Okay. It's stated eligible non-citizens are ineligible for HEERF II. That is not our understanding.

Justin Draeger:

Right. So we would disagree.

Karen McCarthy:

Right.

Justin Draeger:

Okay. All right. This is a question, Karen I haven't seen this one or haven't heard of this one, but, "We received the CARES Act MSI allocation. We've not received that under CRRSAA HEERF II funding. Have you heard anything about the MSI allocations?" I don't have anything here. Do you?

Karen McCarthy:

I don't have any information other than to say that in the law, the MSI allocations are required to go out to schools within 60 calendar days of enactment. The general HEERF II allocations had a 30 day deadline. So that's why those are out. And I would expect MSI would be out later this month.

Justin Draeger:

Okay. Karen, why don't we stay with you for a second? "If a school has CARES Act funds remaining, do they need to be distributed according to the guidelines for CARES or now HEERF II?"

Karen McCarthy:

The general answer to that is HEERF II. As far as the more flexible allowable uses under for both the, if this doesn't specify, if it is the student share or the institutional share, but you're generally allowed to use HEERF II funds for a broader category of expenses than you were under CARES. So that's a good thing. You want them to be distributed according to the HEERF II guidelines.

Justin Draeger:

Okay. David coming to you, question, "Can withdrawn students research receive HEERF II funds?"

David Futrell:

We've been waiting for an answer to this question for a long time for HEERF I funds and it will be a and I believe it's on our list of ED questions already. But we do not know. We know that graduated students, their Department told us, graduated students could receive those funds under HEERF I. And we assumed the same is for HEERF II, but we do not know about withdrawn students.

Justin Draeger:

Okay. All right.

David Futrell:

We'll still try and get an answer though.

Justin Draeger:

Yup. Okay. Thank you. David's one more question for you. This person's asking if they can award HEERF II funds as part of packaging for fall 2021.

David Futrell:

Yes. There's nothing preventing you from including the HEERF II funds in your 21-22 packages. We just want you to be aware that it is not estimated financial assistance when you back into those students. So as long as you're not treating it as estimated financial assistance when you're packaging them with other aid. Sure. You can do that.

Karen McCarthy:

I had one consideration there as I saw this question come in, which kind of got me thinking, because I think this kind of veers into the category of if it's part of the financial aid package for a, not yet enrolled student, could that be interpreted as enticing enrollment? So I think we might want to discuss, or amongst ourselves, or I don't know if we need to ask the Department of education, but I have some hesitations there. I don't know how others feel.

David Futrell:

That's a good point though.

Justin Draeger:

Yeah, so we don't have an answer. There's nothing that would prevent you from giving HEERF II funds to students in the fall, but to Karen's point about enticing students, that would be the issue at hand, so. All right. Thank you, Karen. I think I just pushed one to Karen. Let me ask you this. "Can you clarify for expected to select students for verification, if they're doing income asset adjustments, presumably because of unemployment via PJ"

Karen McCarthy:

I think the answer is no, but David should chime in on this one.

David Futrell:

No, just because you're adjusting income and assets does not mean you need to select a student for verification. There is the requirement that if a student is selected for verification by the federal government, by the CPS or by the school, then you must complete verification before you exercise PJ. But there is no requirement that you select them for verification before you exercise PJ. So I hope that distinction is clear.

Justin Draeger:

Okay. I'm going to do two final questions here. One of them is still around the 12/27 date, which I think is emblematic of just a lot of confusion around this date, Karen. But the 12/27 timeframe, if they received permission from a student who applied the funds of the student's account, can it pay fall term charges that may still be outstanding? So they would have been incurred by the student prior to 12/27.

Karen McCarthy:

Yeah. This is in the unknown category. Yeah, this is a little bit of a twist on the earlier question. The earlier question was if I bill spring charges earlier in December, prior to December 27, I think this is really about prior charges. And we still don't have a firm answer on that.

Justin Draeger:

All right. And I'm going to give the last one to you as well Karen, since you're online here, "Are part-time students eligible for her for emergency funds?"

Karen McCarthy:

Yes. There are no enrollment restrictions.

Justin Draeger:

Okay. Thank you, gang NASFAA for all your help and answering these questions. We tried to build in significant time just for Q&A as we detailed upfront on the webinar. Let's just wrap up here for just a second. I want to thank you all again for joining us. Download your certificate of attendance. Again, check out the [NASFAA.org](https://www.nasfaa.org). COVID-19 webpage. That's where we post all these updates and where we post all of our Q&A's. And you can always of course, check in *Today's News*, which is going out every single day. Also please do complete the survey, that does determine whether we continue and how frequently we offer webinars like this and helps us focus in on future topics. So we appreciate your help there. Thank you again for joining us. We hope you have a great afternoon.