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STATE HIGHER EDUCATION EXECUTIVE OFFICERS ASSOCIATION

Washington Update: What Does the American Rescue Plan Mean for Midwestern States and Higher Education

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SHEEO

About SHEEO

- SHEEO is a national organization based in Boulder, CO and Washington DC serving chief executives of statewide governing, policy, and coordinating boards of postsecondary education and their staffs
- SHEEO has been a presence in American higher education for 66 years
- Committed ensuring the equitable education of all Americans, regardless of race/ethnicity, gender, or socioeconomic factors.

American Rescue Plan



- \$1.9 trillion package, including investments in broadband and SNAP
- For higher education
 - Over \$350 billion to state and local government
 - Investments in SNAP and broadband internet
 - Nearly \$40 billion to higher education
 - Closes the “90/10 loophole”
 - Blocks forgiven/cancelled student loans from being counted as taxable income for the next 5 years

Over \$350 billion to state and local govts

- **\$219 billion to states and DC (Coronavirus State Fiscal Recovery Fund)**
- **\$130 billion to local governments**
- **\$10 billion for Coronavirus Projects Fund**
- **\$2 billion for Local Assistance and Tribal Consistency Fund**

Uses:

- Respond to the COVID-19 emergency and address its economic effects, including through aid to households, small businesses, nonprofits, and impacted industries such as tourism and hospitality.
- Provide premium pay to essential employees of state or local governments or make grants to the employers of essential employees. Premium pay may not exceed \$13 per hour or \$25,000 per worker.
- Provide government services to the extent of any revenue reduction resulting from COVID-19.
- Make investments in water, sewer and broadband infrastructure.
- No funds for pensions or tax cuts
- All funds must be spent on costs incurred on or before December 31, 2024.

Coronavirus State Fiscal Recovery Fund-\$219.8 billion

- States will receive \$195.3 billion in aid
 - \$25.5 billion will be split evenly among each state and DC, with each state and DC receiving \$500 million in aid
 - \$168.55 billion will be distributed based on each state's share of unemployed workers over a three-month period of October 2020 to December 2020
 - DC will receive an extra \$1.25 billion
 - Tribal gov't will receive \$20 billion
 - Territories will receive \$4.5 billion

Source: JDSupra

Coronavirus Local Fiscal Recovery Fund-\$130.2 billion

- Counties will receive \$65.1 billion in population-adjusted payments
- Cities will receive \$45.57 billion
- “Nonentitlement units of local government” (small cities/counties, those with 50K or less population) will receive \$19.53 billion in payment

Source: JDSupra

Coronavirus Capital Projects Fund

- \$10 billion for capital projects enabling work, education and health monitoring in response to COVID-19
- \$100 million for each state, and then the rest based on population

Source: JDSupra

Local Assistance and Tribal Consistency Fund

- \$2 billion for eligible revenue-sharing counties and eligible tribal governments. Eligible revenue-sharing counties will receive \$750 million for FY22 and FY23 based on economic conditions. Tribal governments will receive \$250 million for both fiscal years.

Source: JDSupra

Grapevine Table 3
State Fiscal Support for Higher Education by Region, FY16, FY19, FY20, and FY21

State Fiscal Support for Higher Education (\$)					Percent Changes in State Support		
Regions	FY16	FY19	FY20	FY21	1-Year % Change, FY20-FY21	2-Year % Change, FY19-FY21	5-Year % Change, FY16-FY21
Great Lakes							
Illinois	3,350,027,230	4,255,316,541	4,564,727,839	4,727,133,922	3.6%	11.1%	41.1%
Indiana	1,739,630,019	1,849,459,088	1,849,926,952	1,780,559,953	-3.7%	-3.7%	2.4%
Michigan	1,825,523,600	1,954,421,700	1,772,087,600	1,999,566,600	12.8%	2.3%	9.5%
Ohio	2,226,256,398	2,299,505,863	2,397,657,319	2,379,374,333	-0.8%	3.5%	6.9%
Wisconsin	1,471,162,500	1,573,280,133	1,575,876,734	1,593,319,600	1.1%	1.3%	8.3%
Plains							
Iowa	849,068,059	815,518,230	852,109,058	844,446,037	-0.9%	3.5%	-0.5%
Kansas	766,842,487	806,027,217	853,854,267	835,999,188	-2.1%	3.7%	9.0%
Minnesota	1,532,825,000	1,630,558,000	1,700,836,000	1,709,306,000	0.5%	4.8%	11.5%
Missouri	1,035,360,643	998,983,910	1,062,255,277	923,518,968	-13.1%	-7.6%	-10.8%
Nebraska	747,592,380	762,533,014	784,804,484	817,103,298	4.1%	7.2%	9.3%
North Dakota	405,723,652	358,491,256	379,613,257	379,613,257	0.0%	5.9%	-6.4%
South Dakota	218,328,634	243,284,466	264,491,587	258,864,361	-2.1%	6.4%	18.6%

Grapevine Table 2
One-Year (FY20-FY21), Two-Year (FY19-FY21), and Five-Year (FY16-FY21) Percent Changes in State Fiscal Support for Higher Education

States	1-Year % Change, FY20-FY21		2-Year % Change, FY19-FY21		5-Year % Change, FY16-FY21	
	State \$ Only	State & Plus Federal CARES/GEER	State \$ Only	State Plus Federal CARES/GEER	State \$ Only	State Plus Federal CARES/GEER
Illinois	3.6%	4.7%	11.1%	12.3%	41.1%	42.6%
Indiana	-3.7%	-3.3%	-3.7%	-3.2%	2.4%	2.9%
Iowa	-0.9%	-0.1%	3.5%	4.4%	-0.5%	0.3%
Kansas	-2.1%	1.0%	3.7%	7.0%	9.0%	12.4%
Michigan	12.8%	1.4%	2.3%	2.3%	9.5%	9.5%
Minnesota	0.5%	0.8%	4.8%	5.2%	11.5%	11.9%
Missouri	-13.1%	-1.3%	-7.6%	4.9%	-10.8%	1.2%
Nebraska	4.1%	4.1%	7.2%	7.2%	9.3%	9.3%
North Dakota	0.0%	0.7%	5.9%	6.6%	-6.4%	-5.8%
Ohio	-0.8%	12.3%	3.5%	17.1%	6.9%	21.0%
South Dakota	-2.1%	-5.4%	6.4%	6.4%	18.6%	18.6%
Wisconsin	1.1%	4.0%	1.3%	4.2%	8.3%	11.4%

SNAP Benefits

- College students have expanded eligibility for SNAP benefits through the pandemic. Students are eligible if they have an Expected Family Contribution of 0 and are eligible for federal or state work-study.
- 15% increase in SNAP benefits through September 2021.
- ED/USDA are working together to share data and perform outreach to students and institutions

Broadband Internet

- **Emergency Broadband Benefit** Internet subsidy (\$50 per month/\$75 per month on Tribal lands). now includes Pell Grant students as an eligibility criteria (along with several others, including free/reduced price lunch, substantial loss of income, etc.)
- Includes \$6 billion in new funding
- FCC is currently working out the details on this program and individuals are expected to be able to enroll in April

Nearly \$40 billion to the Higher Education Emergency Relief Funds (HEERF)

- \$36 billion to public and non-profit institutions of higher education, based on a formula
- \$3 billion to HBCUs, HSIs, and minority-serving institutions
- \$400 million to for-profit colleges
- \$200 million to institutions with the greatest unmet need

Nearly \$40 billion to the Higher Education Emergency Relief Funds (HEERF)

- 37.5% based on full-time equivalent (FTE) enrollment of Federal Pell Grant recipients.
- 37.5% based on headcount enrollment of Pell recipients.
- 11.5% based on FTE enrollment of non-Pell recipients.
- 11.5% based on headcount enrollment of non-Pell recipients.
- 1% based on the relative share of FTE enrollment of students who were Federal Pell Grant recipients and who were exclusively enrolled in distance education courses prior to the qualifying emergency.
- 1% based on the relative share of the total number of students who were Federal Pell grant recipients and who were exclusively enrolled in distance education courses prior to the qualifying emergency.

American Rescue Plan Act of 2021
Section 2002: Higher Education Emergency Relief Fund
Simulated Distribution of \$36.0 Billion Allocated for Public and Private Non-Profit Institutions

Institution Name	City	State	Control	Simulated Total Allocation	Estimated Minimum Amount for Student Grants
Madison Area Technical College	Madison	WI	Public	22,095,000	11,047,500
Maranatha Baptist University	Watertown	WI	Private Non-Profit	1,394,000	697,000
Marian University	Fond Du Lac	WI	Private Non-Profit	3,477,000	1,738,500
Marquette University	Milwaukee	WI	Private Non-Profit	17,303,000	8,651,500
Medical College of Wisconsin	Milwaukee	WI	Private Non-Profit	1,020,000	510,000
Mid-State Technical College	Wisconsin Rapids	WI	Public	5,860,000	2,930,000
Milwaukee Area Technical College	Milwaukee	WI	Public	36,160,000	18,080,000
Milwaukee Institute of Art & Design	Milwaukee	WI	Private Non-Profit	2,395,000	1,197,500
Milwaukee School of Engineering	Milwaukee	WI	Private Non-Profit	5,936,000	2,968,000
Moraine Park Technical College	Fond du Lac	WI	Public	5,584,000	2,792,000
Mount Mary University	Milwaukee	WI	Private Non-Profit	3,250,000	1,625,000
Nashotah House	Nashotah	WI	Private Non-Profit	48,000	24,000
Nicolet Area Technical College	Rhineland	WI	Public	2,092,000	1,046,000
Northcentral Technical College	Wausau	WI	Public	7,055,000	3,527,500
Northeast Wisconsin Technical College	Green Bay	WI	Public	15,845,000	7,922,500
Northland College	Ashland	WI	Private Non-Profit	1,731,000	865,500
Ripon College	Ripon	WI	Private Non-Profit	2,422,000	1,211,000
Sacred Heart Seminary and School of Theology	Franklin	WI	Private Non-Profit	73,000	36,500
Saint Norbert College	De Pere	WI	Private Non-Profit	4,173,000	2,086,500
Shepherds College	Union Grove	WI	Private Non-Profit	270,000	135,000
Southwest Wisconsin Technical College	Fennimore	WI	Public	3,299,000	1,649,500
University of Wisconsin - Eau Claire	Eau Claire	WI	Public	19,990,000	9,995,000
University of Wisconsin - Green Bay	Green Bay	WI	Public	12,470,000	6,235,000
University of Wisconsin - LaCrosse	La Crosse	WI	Public	18,212,000	9,106,000
University of Wisconsin - Madison	Madison	WI	Public	53,184,000	26,592,000
University of Wisconsin - Milwaukee	Milwaukee	WI	Public	50,220,000	25,110,000
University of Wisconsin - Oshkosh	Oshkosh	WI	Public	22,157,000	11,078,500
University of Wisconsin - Parkside	Kenosha	WI	Public	11,118,000	5,559,000
University of Wisconsin - Platteville	Platteville	WI	Public	14,419,000	7,209,500
University of Wisconsin - River Falls	River Falls	WI	Public	12,476,000	6,238,000
University of Wisconsin - Stevens Point	Stevens Point	WI	Public	18,504,000	9,252,000
University of Wisconsin - Stout	Menomonie	WI	Public	14,150,000	7,075,000
University of Wisconsin - Superior	Superior	WI	Public	4,723,000	2,361,500

Key Provisions-Institutional Aid

- Institutional Uses:
 - Lost revenue
 - Reimbursement for expenses already incurred
 - Technology costs associated with the transition to distance education
 - Faculty and staff training
 - Payroll
 - Make additional grants to students
 - Institutions must use a portion of their allocation for:
 - Implementing evidence-based practices to monitor and suppress coronavirus in accordance with public health guidelines; and
 - Conduct direct outreach to financial aid applicants about the opportunity to receive a financial aid adjustment due to the recent unemployment of a family member or independent student, or other circumstances

Key Provisions-Institutional Aid

3. **Question:** What are potential sources of lost revenue that may be reimbursable under the HEERF grant programs?

Answer: Sources of lost revenue associated with the COVID-19 pandemic may include, but are not limited to, the following:

- Academic sources
 - Tuition, fees, and institutional charges (including unpaid student accounts receivable or other student account debts)
 - Room and board
 - Enrollment declines, including reduced tuition, fees, and institutional charges
 - Supported research
 - Summer terms and camps
- Auxiliary services sources
 - Cancelled ancillary events
 - Disruption of food service
 - Dormitory services
 - Childcare services
 - Use of facilities or venues, including external events such as weddings, receptions, or conferences (other than facilities associated with sectarian instruction or religious worship)
 - Bookstore revenue
 - Parking revenue
 - Lease revenue
 - Royalties
 - Other operating revenue

Source: U.S.
Department of
Education

Key Provisions-Institutional Aid

- 50% of the funds to institutions must be distributed to students.
- Need to prioritize needy students, but no student eligibility requirements
- Aid can go to students in exclusively distance education
- Undocumented, DACA and international students remains TBD

Key Provisions-Institutional Aid

No funds received by an institution of higher education under this section shall be used to fund

- contractors for the provision of pre-enrollment recruitment activities;
- marketing or recruitment; endowments;
- capital outlays associated with facilities related to athletics, sectarian instruction, or religious worship;
- senior administrator or executive salaries, benefits, bonuses, contracts, incentives;
- stock buybacks, shareholder dividends, capital distributions, and stock options; or any other cash or other benefit for a senior administrator or executive.

MOE under HEERF

- Maintenance of effort are provisions in federal law requiring states to maintain funding at a certain level. Designed so states use federal funds to supplement but not supplant state funds.
- The institutions will receive funds under HEERF regardless of state funding levels
- To received K-12 funds, they must meet the maintenance of effort (MOE) requirement which applies to both K-12 and higher education funding
- The Secretary of Education has broad waiver authority
- Maintenance of Effort (MOE): States must maintain spending on both K-12 and higher education in FY 2022 and FY 2023 at least at the proportional levels relative to a state's overall spending, averaged over FY 2018, FY 2019 and FY 2020. The MOE can be waived by the secretary of Education.

SHEEO Emails

- We have a daily higher education policy email
- The latest reports, government documents, and news clippings
- Both state and federal policy
- Available at <https://sheeo.org/sheeo-newsletter-signups/>



Tuesday, March 31, 2020

[*3/25 SHEEO Statement on Bipartisan Stimulus Deal*](#)

National Policy Update

[Report: Do College Applicants Respond to Changes in Sticker Prices Even When They Don't Matter?](#)

NBER (Date posted: March 2020)

[Report: Preliminary Simulation of Distribution of Funds under the CARES Act](#)
American Council on Education (Date posted: March 25, 2020)

[Pelosi Floats New Stimulus Plan: Rolling Back SALT Cap](#)
The New York Times (Date posted: March 30, 2020)

[After Three Coronavirus Stimulus Packages, Congress Is Already Prepping Phase Four](#)
The Wall Street Journal-subscription required (Date posted: March 29, 2020)

[More Stimulus? Here's the Case for Adding On](#)
The Wall Street Journal (Date posted: March 30, 2020)

Questions?

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