

OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION

Memo

To: Presidents
From: Chancellor Glen D. Johnson
Date: Tuesday, January 19, 2021
Subject: Coronavirus Response and Relief Supplemental Appropriations Act of 2021

Attached please find a press release that was issued by the U.S. Department of Education regarding the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) (Attachment 1).

Additionally, attached please find a table of the institutional allocations under the CCRSAA relief package (Attachment 2).

Finally, attached please find a FAQ document produced by the U.S. Department of Education outlining key provisions under CRRSAA (Attachment 3).

Key Provisions Under CRRSAA Stimulus Funding

Congress made the following major changes to CRRSAA stimulus funding for public institutions:

Provided Supplemental Funding

- For existing private nonprofit and public CARES Act grantees, the CRRSAA authorized supplemental awards to existing Student Aid Portion and Institutional Portion grantees.
 - Institutions that previously received funding under will not be required to submit new or revised applications to the U.S. Department of Education to receive CRRSAA funding.

Expanded the Allowable Use of Grant Funds

- Congress expanded the allowable uses for supplemental awards and new awards made under section 314(a)(1) of the CRRSAA and for unspent CARES Act funds, subject to certain limitations.

Modified the Share of (a)(1) Funds That Must Be Used for Financial Aid Grants to Students

- The CRRSAA requires that an institution receiving funding under section 314(a)(1) provide the “same amount” in financial aid grants to students from the new CRRSAA funds that it was required or which it would have been required to provide under its original CARES Act Student Aid Portion award.

Added Allocations for Students Enrolled In Exclusively Distance Education Courses

- Unlike CARES Act funding, students enrolled in exclusively distance education courses are included in the CRRSAA section 314(a)(1) allocation formula. Institutions will now receive allocations that factor in such students under the formula, and the formula also allows exclusively online institutions that were ineligible for funding under section 18004(a)(1) of the CARES Act to apply for grant funds.

Receipt of Funding Under CRRSAA

- USDE will make supplemental awards to your existing Student Aid Portion and Institutional Portion grants (CFDAs 84.425E and 84.425F). No action is required by your institution to receive these supplemental awards.
 - The Project Director identified on the most current Grant Award Notification (GAN) will automatically receive an email indicating a supplement award is made to your institution. Drawing down any amount of these supplemented funds constitutes your institution’s acceptance of the applicable terms and conditions under the CRRSAA and as described in the Supplemental Agreements that will be attached to the GANs for the supplemental awards.

Requirements for the Provision of Direct Aid to Students

- The CRRSAA requires that institutions receiving funding under section 314(a)(1) provide the “same amount” of funding in financial aid grants to students that it was required to provide under its original Student Aid Portion (CFDA 84.425E) allocation amount, as listed on the CARES Act Section 18004(a)(1) allocation table.
 - Because the CRRSAA appropriates more total funding to the HEERF program than did the CARES Act (approximately \$22 billion instead of \$14 billion), the USDE anticipates that most institutions will receive a larger Institutional Portion supplement under CRRSAA than their Student Aid Portion supplement, unless certain restrictions apply.
 - However, the Secretary continues to strongly encourage institutions to expand support for students with the most significant financial needs arising from the COVID-19 pandemic.
- Unlike the CARES Act, the CRRSAA requires that institutions prioritize students with exceptional need, such as students who receive Pell Grants, in awarding financial aid grants to students. However, students do not need to be only Pell recipients or students

who are eligible for Pell grants. In addition, the CRRSAA explicitly provides that financial aid grants to students may be provided to students exclusively enrolled in distance education.

- Institutions may not (1) condition the receipt of financial aid grants to students on continued or future enrollment in the institution, (2) use the financial aid grants to satisfy a student's outstanding account balance, unless it has obtained the student's written (or electronic), affirmative consent, or (3) require such consent as a condition of receipt of or eligibility for the financial aid grant.
 - Institutions should carefully document how they prioritize students with exceptional need in distributing financial aid grants to students, as the Department intends to establish reporting requirements regarding the distribution of financial aid grants to students consistent with section 314(e) of CRRSAA.

Student Expenditure of Financial Aid Grants

- Financial aid grants for students may be used for any component of the student's cost of attendance or for emergency costs that arise due to coronavirus, such as tuition, food, housing, health care (including mental health care) or child care.

Expenditure of Funds for Institutional Uses

- Institutions have expanded flexibility in their use of supplemental Institutional Portion funds (CFDA 84.425F). Under section 18004(c) of the CARES Act, institutions were required to use their Institutional Portion awards to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus and/or for additional emergency financial aid grants, subject to certain limitations. In contrast, allowable uses under the CRRSAA for Institutional Portion awards include:
 - Defraying expenses associated with coronavirus (including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff trainings, and payroll);
 - Carrying out student support activities authorized by the Higher Education Act of 1965, as amended (HEA), that address needs related to coronavirus; and
 - Making additional financial aid grants to students.
- No supplemental Institutional Portion awards or new Institutional Portion awards may 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.

- Section 314(c)(2) allows an institution to spend its CRRSAA funds on student support activities authorized by the HEA, where those student support activities address needs related to the coronavirus. The Department interprets this provision to, among other authorized activities, authorize grantees to use CRRSAA funds to carry out TRIO and Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) program activities to the extent that those activities address needs related to the coronavirus.

Use of Funds for Unexpended CARES Act Grant Funds

- The expanded use of funds authority under the CRRSAA also applies to unexpended CARES Act funds:
 - For their Institutional Portion CARES Act grants (CFDA 84.425F), institutions are able to use their remaining funds in the same way they are allowed to use their supplemental Institutional Portion funds under the CRRSAA.
 - For their Student Aid Portion CARES Act grant (CFDA 84.425E), institutions may use their remaining funds to provide financial aid grants in the same way they are allowed to use their supplemental Student Aid Portion funds under the CRRSAA, including by providing such grants to students exclusively enrolled in distance education.
- Institutions have this expanded flexibility to use unliquidated (unspent) funds effective December 27, 2020 (the date of enactment of the CRRSAA).
 - Please note that under section 314(d)(5), an institution that utilizes the expanded use of funds authority under the CRRSAA for its unspent CARES Act funds must ensure at least 50% of the funds it received under CARES Act section 18004(a)(1) (generally, its Student Aid Portion award) is used for financial aid grants to students.

Non-Compliance with CARES Act HEERF Reporting Requirements

- Institutions that have not yet complied with the reporting requirements of the CARES Act may receive delayed supplemental (a)(1) awards and/or may receive awards with a restriction on the ability to drawdown those awarded funds (stop payment status) until the institution has satisfied its CARES Act HEERF reporting obligations.

Indirect Costs and Administrative Costs

- Indirect costs may be charged only to Institutional Portion awards, both new and supplemental, and may not be charged to any Student Portion grant awards because the student allocation represents an amount of funds that must be distributed to students.
- Reasonable direct administrative costs may be charged only to Institutional Portion awards, both new and supplemental, and may not be charged to any Student Portion grant

awards because the student allocation represents an amount of funds that must be distributed to students.

Prior Approval Requirements for Costs under HEERF Grants

- Due to the COVID-19 pandemic, the Department is providing its prior approval for the following cost items for all formula grants under the HEERF program from March 13, 2020 through the period of grant performance specified under your institution's GANs for all HEERF grants, whether awarded under section 18004 of the CARES Act or section 314 of the CRRSAA:
 - [§ 200.308 Revision of budget and program plans](#)
 - [§ 200.313 Equipment](#)
 - [§ 200.430 Compensation—personal services, paragraph \(h\)](#)
 - [§ 200.431 Compensation—fringe benefits](#)
 - [§ 200.456 Participant support costs](#) (defined at [§ 200.75](#))
 - [§ 200.458 Pre-award costs](#)
 - [§ 200.475 Travel costs](#)

 - All cost items charged under these categories must be documented and, as with all costs, must be reasonable and necessary for the performance of the grant per the Cost Principles of the Uniform Guidance, [2 CFR part 200 subpart E](#).

Additional information regarding CRRSAA stimulus funding for higher education can be found online at: <https://www2.ed.gov/about/offices/list/ope/crrsaa.html>.

If you have any questions, please contact Kylie Smith, Vice Chancellor for Administration, at ksmith@osrhe.edu.

Thanks.

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