



Year-End Student Aid Legislation: COVID Relief, Funding, and FAFSA Simplification

January 15, 2021

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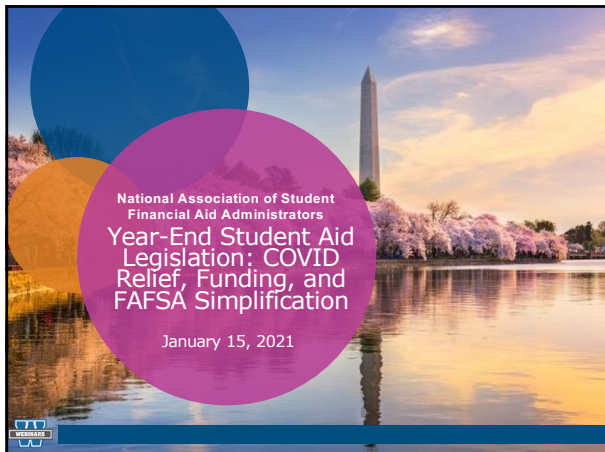
January 2021



NASFAA's Webinar Series

Year-End Student Aid Legislation: COVID Relief, Funding, and FAFSA Simplification

Presented January 15, 2021



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Webinar Housekeeping – Welcome!

- Audio is currently streaming
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Introductions

- **Justin Draeger**
 - President & CEO
- **Megan Coval**
 - Vice President of Policy & Federal Relations
- **Karen McCarthy**
 - Director of Policy Analysis
- **Jill Desjean**
 - Policy Analyst
- **David Futrell**
 - Knowledgebase & AskRegs Manager

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Agenda

- **Poll Question**
- **Prior COVID Updates**
 - Coronavirus Indicator
 - HEERF Annual Reporting
 - Extensions
- **Biden Administration**
- **Consolidated Appropriations Bill**
 - Fiscal Year 2021 Appropriations
 - Coronavirus Response and Relief Supplemental Appropriations
 - Additional HEERF Funding
 - Provisions
 - FAFSA Simplification Provisions
- **Q&A**

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Poll Question

- How quickly does your institution anticipate spending the bulk of your HEERF II allocation?
 - Within one month of receiving funds
 - Within three months of receiving funds
 - Within six months of receiving funds
 - We will be spending the money over the course of the next 12 months

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Poll Results



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► Prior COVID Updates



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Coronavirus Indicators

- COD Coronavirus Indicator for disbursements
 - ED extended the timeframe for schools to add the Coronavirus Indicator for Title IV disbursements for the 2020-21 award year until **September 30, 2021**
 - There was no change for adding the indicator for disbursements from the 2019-20 award year; those should have been added by December 31, 2020
- Coronavirus Indicator in R2T4 Calculator Tool or alternative reporting method
 - Deadline for both award years is still September 30, 2021

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HEERF Annual Reporting

Conducted by: U.S. Department of Education | OMB No. 1840-0045 Expires 12/31/2020

Higher Education Emergency Relief Fund (HEERF) Data Collection Form
(Both Student Aid and Institutional Portions under Section 18004 of the CARES Act)

NOTICE TO RESPONDENTS: Most respondents will be main campus institutions at the 6-digit OPED level that are Minority Serving Institutions (MSIs) or Strengthening Institutions Program (SIP) institutions and received funds under Section 18000(b)(7) of the CARES Act, but their responses will not be displayed on HEERF or OED.

VERSION 1

This data collection form applies to the following HEERF funds:

- Student Aid (CFDA 84.405)
- Institutional Support (CFDA 84.406)
- Institutional Support, Colleges and Universities (CFDA 84.407)
- Minority Serving Institutions, Community Colleges, and Universities (CFDA 84.408)
- Minority Serving Institutions (CFDA 84.409)
- Strengthening Institutions (CFDA 84.410)
- Support for the Improvement of Postsecondary Education (CFDA 84.411)

HEERF Reporting Form

Annual Reporting: This report should be completed for activities in the applicable reporting periods. If an institution has expended all of their HEERF grant funds by the closing date of the reporting period, they do not have to complete subsequent annual reports. All institutions must submit the first Annual Report even before a Question 1 if this report is your first annual report.

Annual Report	Due Date	Applicable Reporting Period
First Annual Report	February 1, 2021	March 13, 2020–December 31, 2020
Second Annual Report	February 1, 2021	January 1, 2021–December 31, 2021
Third Annual Report	February 1, 2022	January 1, 2022–December 31, 2022

1) Institutional identifiers and contact information—
a) Institution Name: _____ created from OED: _____

<https://covid-relief-data.ed.gov/authentication/login>

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HEERF Annual Reporting

- The first annual reporting for HEERF Funds is due February 1, 2021.
 - Requires submission of a form through ED's HEERF Annual Report Data Collection System portal.
 - Contact heerfannual@ed.gov for login info.
- Applies to all institutions that received HEERF grants.
- Includes all student and institutional HEERF expenditures during all of calendar year 2020.

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December 11, 2020 Federal Register

Many end dates for waivers are now extended through the end of the payment period that begins after the date on which the COVID-19 national emergency is rescinded.

- ED requirements for accreditor approval and state authorization to offer distance education (does not waive state requirements)
- Granting LOAs for suspension of study
- Notifying loan servicers when borrowers fail to begin attendance
- Parental signature requirement and accepting photographed signed documents by email or text message

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► Biden Administration



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First Day Items?

- What We Expect
 - DACA reversal
 - Extension of borrower payment/interest relief

- What We Might See
 - Student loan forgiveness
 - Rescinding ED's IFR on student eligibility for CARES Act funds

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► **Consolidated Appropriations Act, 2021**



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The "Coronabus"

- Fiscal Year 2021 appropriations
- Additional COVID-relief funds
- FAFSA simplification and other student aid provisions ("Mini HEA")

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Fiscal Year 2021 Appropriations

- \$73.5 billion in discretionary funding appropriated for the Department of Education
 - Increased by \$785 million from FY2020
- \$150 increase to the maximum Pell Grant award
 - New maximum for 2021-22 award year will be \$6,495
- \$25 million increase for campus-based aid programs
- Impacts award year 2021-2022

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Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act

- Part of 2021 Consolidated Appropriations Act included coronavirus relief measures for Higher Education Institutions
 - \$23 billion for institutions of higher education
 - \$20 billion will go to public and private nonprofit institutions
 - \$1.7 billion to minority-serving institutions
 - \$113.5 million for institutions with the greatest unmet need related to the pandemic through FIPSE
 - \$680 million to proprietary institutions
 - 100% of funding must go to students

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CRRSA Fast Facts:

- Almost 10 billion more for higher education than in CARES (\$14 million)
 - Higher education community requested \$120 billion
- Uses same funding structure as CARES (HEERF)
- Democrats have called this a “down payment”

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Additional CRRSA Act Provisions

- **Does not** extend the federal student loan borrow relief provisions included in the CARES Act past ED's most recent extension of January 31, 2021
- Extends provision allowing employers to contribute up to \$5,250 tax-free toward their employees' student loan debt to payments made before Jan. 1, 2026
- SNAP eligibility will not be limited for postsecondary students who are enrolled at least half-time and who are either eligible to participate in work-study or have a zero EFC

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Just In:HEERF II Guidance

- Allocations and guidance made available by ED on January 14
- Institutions that already received CARES Student Share and Institutional Share Funds will receive an email in the next few weeks
 - Drawing down funds constitutes acceptance of HEERF II terms and conditions
- Institutions that didn't receive CARES Student Share or Institutional Share Funds must complete Certification and Agreement

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Just In:HEERF II Guidance

- Institutions must spend supplemental funds within one year from the date of receipt
- Institutions must spend at least the same amount on student grants as they were required to with the CARES Act funding
 - Allocation tables reflect the amount institutions must spend on student grants
- Students are not required to meet all of the Title IV eligibility requirements
 - DACA, undocumented, international, remain ineligible

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Just In: HEERF II Guidance

Allowable Uses of Funds	
Student Funds	Institutional Funds
<p>Students may use the grants toward:</p> <ul style="list-style-type: none"> • any component of their cost of attendance • emergency costs that arise due to coronavirus <ul style="list-style-type: none"> ○ such as tuition ○ food ○ housing ○ health care (including mental) ○ childcare 	<p>Institutions may use the funds to:</p> <ul style="list-style-type: none"> • defray expenses associated with coronavirus <ul style="list-style-type: none"> ○ including lost revenue, reimbursement for expenses already incurred ○ technology costs associated with a transition to distance education ○ faculty and staff trainings ○ payroll ○ carry out student support activities authorized by the HEA that address needs related to coronavirus. <p style="text-align: center;">Institutional funds may also be used to make additional financial aid grants to students</p>

Any unused CARES Act funds that an institution still holds are now subject to the allowable uses requirements of the HEER II Funds.

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Changes for Future Award Years

- FAFSA simplification
 - FUTURE Act coordination
- FAFSA changes effective for the 2023-24 award year

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FAFSA Simplification

- Fewer untaxed income items factored into FM formula
 - Child support received now reported with assets
- Change to who is reported as parent in cases of divorce/separation
- State/other tax removed
- Small business/family farm exclusion eliminated
- No SAI split for number in college
- No asset questions for:
 - MTB recipients
 - AGI < \$60K and no tax schedules
 - AGI < \$60K and only Schedule C, provided Schedule C gain/loss < \$10K

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Need Analysis & Pell Grant Eligibility

- Expected Family Contribution (EFC) is now Student Aid Index (SAI)
- SAI can be as low as -\$1,500
- SAI determines eligibility for all Title IV aid except maximum and minimum Pell awards.
 - Student is considered for max Pell first
 - Based on # of parents in hh and AGI vs. poverty
 - If no qualification for maximum Pell:
 - [Maximum Pell amount - SAI = Pell amount]
 - still rounded to nearest \$5
 - still subject to statutory minimum
 - If no max Pell and no Pell award from the SAI calculation, student is considered for minimum Pell
 - Based on # of parents in hh and AGI vs. poverty

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Maximum Pell Grant Eligibility

- **Nonfilers**
 - Independent student (and spouse, if applicable) tax nonfilers
 - Dependent children of nonfiling parent(s)
- **Children of certain deceased veterans and public safety officers**
 - Students under age 33 whose parent died serving in the armed forces after Sept. 11, 2001
 - Students under age 33 whose parent died in the line of duty as a public safety officer
- **Low-income students:**
 - Independent students who are single parents and whose student AGI is below 225% of the poverty level
 - Dependent children of a single parent whose parent AGI is below 225% of the poverty level
 - Independent students who are not single parents whose student AGI is below 175% of the poverty level
 - Dependent students with parents who are not single parents whose parent AGI is below 175% of the poverty level

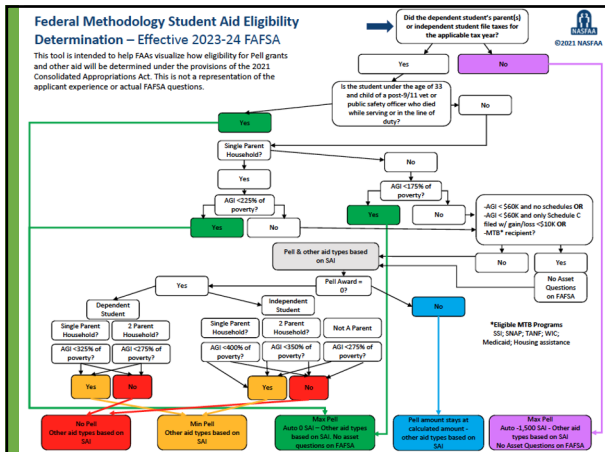
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Drug Convictions and Selective Service Registration

- Eliminates the suspension of Title IV aid eligibility for applicants with drug-related convictions
- Removes the requirement that male students must register with the Selective Service before the age of 26 in order to be eligible for federal aid
- Questions on drug convictions and Selective Service eligibility would be removed from the FAFSA

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Subsidized Usage Limit Applies (SULA)

- Repeals the maximum lifetime subsidized loan limit (SULA) of 150% of published program length
- Requires ED to implement the repeal by July 1, 2023 at the latest but allows for early implementation by ED

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Pell for Incarcerated Students

- Restores Pell Grant eligibility for incarcerated individuals who are currently prohibited from accessing Pell Grants
- Institutions must be approved to participate
 - Optional
 - Proprietary institutions not eligible

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Professional Judgment (PJ)

- Prohibits institutions from maintaining a policy of denying all PJ requests
- Allows FAAs to offer a dependent student an unsubsidized loan without requiring the parents to fill out the FAFSA if the student does not qualify for, or does not choose to have a professional judgment review
 - FAA would have to determine that the parent(s) of the student ended support or would not fill out the form
- Allows FAAs during a qualifying emergency to use PJ to zero out income earned from work if the applicant can provide paper or electronic documentation of receipt of unemployment, or can provide proof that an application for unemployment benefits was submitted

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Provisional Independent Status

- Allows otherwise dependent students to complete the FAFSA as a "provisional" independent student if they believe they may qualify for independent student status due to unusual situations and would likely meet the criteria for a dependency override
- Allows an EFC to be calculated and the student would receive an estimate of Pell Grant eligibility on SAR
- School would be required to notify these students of the institution's process, requirements, and timeline for professional judgment

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Dependency Overrides

- Schools must presume any student who received a dependency override for any preceding award year to be independent for each subsequent year at the same institution unless:
 - They are informed by the student of changes to their circumstances; or
 - The school has conflicting information

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Cost of Attendance (COA)

- Gives ED the authority to regulate all COA components except tuition and fees
 - Currently forbidden by the Higher Education Act
- Requires the food allowance for on-campus or off-campus to provide the equivalent of at least three meals per day
- Requires the inclusion of the one-time cost of obtaining the student's first professional licensure, if applicable
 - Currently optional

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Cost of Attendance (COA)

- Requires actual federal loan fees in COA and removes the option to include private loan fees
- Institutions will be required to make publicly available a list of all the elements of the COA
 - Must also disclose those figures on any portion of the website describing tuition and fees

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Resources

- HEERF Reporting Timeline
 - https://www.nasfaa.org/uploads/documents/HEERF_Reporting_Timeline.pdf
- Federal Register
 - <https://www.govinfo.gov/content/pkg/FR-2020-12-11/pdf/2020-27042.pdf>
- Federal Methodology Student Aid Eligibility Determination Diagram
 - https://www.nasfaa.org/uploads/documents/FAFSA_Methodology_Determination_Pell_Title_IV.pdf
- HEERF Grant Funding Updates
 - <https://www2.ed.gov/about/offices/list/ope/heerfiistudent.html>
 - <https://www2.ed.gov/about/offices/list/ope/factsheetheerfii.pdf>

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Q&A

Enter your question

Submit

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Topic	Air Date
2021-22 Verification Basics	09/16/2020
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2021-22 FAFSA Update	10/07/2020
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Don't Be Alarmed By Clock Hours!	11/18/2020
Economics of Financial Aid	12/09/2020
NASFAA Policy Update (complimentary to members)	12/15/2020
Verification - Challenging Questions and Scenarios - Extended Edition	01/27/2021
Just Keep Swimming: An Aid Professional's Experience with Mental Health Issues	02/24/2021
Graduate and Professional School Town Hall 2020-21*	03/09/2021
Panel Discussion - Data Sharing and Security	03/24/2021
NASFAA Quiz Show	04/21/2021
Consortium Agreements, Written Arrangements & Study Abroad	05/19/2021
NASFAA Policy Update (complimentary to members)	05/25/2021
Student Eligibility Spotlight	06/09/2021

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