Rapid Response Evaluation: Higher Education Emergency Relief Fund Review

April 2021
Legislative Office of Fiscal Transparency
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LOFT Oversight Committee

Co-Chairs


Members


Executive Summary

Oklahoma’s institutions of higher education were allocated approximately $180 million of CARES Act funds to respond to effects of the Coronavirus pandemic. The Higher Education Emergency Relief Fund (HEERF) provisions require half these funds be spent on direct student relief; the remainder may be spent on institutional costs incurred by instructional delivery changes due to the pandemic or to defray institutional expenses.

Through this evaluation, the Legislative Office of Fiscal Transparency (LOFT) sought to determine the risk of federal recoupment of grant funds, the status of the requirement that 50 percent of grant funds be used for student relief, and any identifiable best practices that institutions have utilized in managing the federal funds.

Finding 1: The risk of Federal recoupment is low.

Of the $114 million of HEERF spent through February 28th, 2021, approximately 58% has gone to student relief, according to the Oklahoma State Regents for Higher Education. In addition to exceeding the minimum student allocation, LOFT observed strong accountability measures by institutions, including substantive reporting requirements for grantees reflecting prioritization of funds spent and quarterly reporting to the federal Department of Education.

LOFT determined strong compliance measures were driven by institutions’ routine experience with federal grants and contracts. In 2018, federal grants and contracts made up an average of 30 percent of public college and university income, as the chart below shows:

![IHE Average Income Composition by Source in 2018](chart.png)

Source: Legislative Office of Fiscal Transparency
The State’s risk for recoupment of HEERF is further diminished due to the U.S. Department of Education’s statement that accountability for the proper distribution of these grant funds is solely on the individual institutions of higher education receiving them.

**Finding 2: Coronavirus has had a broad impact on institutions of higher education, with long-lasting ramifications in Oklahoma.**

Enrollment trends will certainly be impacted by COVID-19. Already, disruptions related to Coronavirus have impacted Oklahoma students’ ability to graduate from programs on time. Data reflects that low-income and minority population students are most likely to either not re-enroll or reduce their course load.

Another potential effect on institutions is a reduction of out-of-state students. In Oklahoma, non-residents make up 13.3% of the student population. With out-of-state tuition more than double the rate of in-state tuition, this group has an outsized impact on tuition revenue for many institutions of higher education. International travel restrictions, combined with the shift to expanded online instruction, will likely affect overall enrollment and institutions’ revenue streams. Last, reduced use of campus residences could further reduce institutional revenue.

**Finding 3: Institutions have exhibited many best practices in utilizing Federal relief funds.**

Many institutions of higher education developed and implemented proactive strategies for distributing funds, separated the approval and fund expenditure functions, and developed internal guidance that is more stringent than federal requirements.

Institutions provided LOFT with examples of how they determined best use of the Federal aid, including creating internal checks and balances, taking advantage of Federal training opportunities, and creating committees to review major purchases.
Policy and Agency Recommendations

The Oklahoma State Legislature, State Regents, and individual institutions of higher education may consider the following:

Policy Considerations

• In planning for future federal aid, the Legislature should consider aligning authority for spending relief funds with accountability to ensure that such spending is consistent with guidance, is unlikely to be recouped, and if it is, only impacts the grantee and not the State.

• In the event of another round of federal aid, the Legislature should consider coordinating with institutions of higher education to have their expertise in managing federal funds made available to finance officers who may not be as familiar with best practices.

• The Oklahoma State Legislature may consider amending 70 O.S. § 3218.10 so that institutions of higher education that provide virtual or remote instruction due to a public health emergency and state of emergency shall not charge a student an additional fee for the virtual or remote courses of instruction that is in excess of the institution’s actual additional cost of providing the instruction.

• The Legislature may consider requiring that state governmental entities receiving future Federal relief funds adopt practices utilized by institutions of higher education to ensure compliance and minimal risk.

• The Legislature may consider requiring public institutions of higher education to generate comprehensive reports on actions taken in response to the COVID-19 pandemic; including a comprehensive report on HEERF expenditures.

Agency Considerations

• The Oklahoma State Regents of Higher Education should examine the likelihood and financial impact of out-of-state students declining to study in Oklahoma because of COVID or other infectious diseases, considering that out-of-state students make up such a large minority of tuition revenue.

• Because of the challenges of COVID, institutions of higher education should explore options so that their tuition and fee structures reflect the possibility of more students electing distance or hybrid learning.
Introduction

In response to the national emergency declaration for the COVID-19 pandemic, on March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act; P.L. 116-136) was signed into law. Included in the act was the Education Stabilization Fund (ESF), which was created “to prevent, prepare for, and respond to coronavirus, domestically or internationally.”

The ESF is composed of three emergency relief funds: (1) a Governor’s Emergency Education Relief (GEER) Fund, (2) an Elementary and Secondary School Emergency Relief (ESSER) Fund, and (3) a Higher Education Emergency Relief Fund (HEERF). The ESF has an appropriations level of $30.75 billion for fiscal year FY2020; these funds are to remain available through September 30, 2021. The ESF is administered by the U.S. Department of Education (ED). Oklahoma’s portion of these funds is displayed in Chart 01 below. The scope of this evaluation includes only expenditures that occurred through the Higher Education Emergency Relief Fund.

Chart 01: Oklahoma’s allocations for coronavirus-related education grants (The HEERF category, at $180.5 million, is the subject of this evaluation.)

Source: Legislative Office of Fiscal Transparency

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1 The White House, “Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak,” March 13, 2020
2 U.S. Department of Education, CARES Act HEERF Section 18004(a)1
3 https://crsreports.congress.gov/product/pdf/R/R46378
Higher Education Emergency Relief Fund (HEERF)

The majority (90%) of funds are awarded as direct grants to institutions of higher education (IHEs) based on their pre-coronavirus-emergency relative shares of full-time equivalent (FTE) Pell Grant recipients not exclusively enrolled in distance education and FTE enrollment not exclusively enrolled in distance education. A portion (7.5%) of HEERF funds is made available to IHEs that are eligible to participate in programs for minority serving institutions (MSIs) authorized under Title III-A, Title III-B, Title V-A, and Title VII-A-4 of the Higher Education Act (HEA). The remaining 2.5% of HEERF funds is made available to IHEs through the Fund for the Improvement of Postsecondary Education Program (FIPSE) authorized under HEA Title VII-B. Grants under the MSI and FIPSE programs may be used for emergency financial aid grants to students, to cover costs associated with changes to the delivery of instruction due to the coronavirus emergency, and to defray institutional expenses.

Another federal aid package, The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), was enacted in December 2020. As the scope of this project focused on HEERF funds, CRRSAA funds were not evaluated in this report.

USE of CARES Funds for IHEs

Funds disbursed under the direct grants to IHEs must be used to provide emergency financial aid grants to students or institutional costs as defined below.\(^4\)\(^5\)

\(^4\) U.S. Department of Education, CARES Act HEERF Section 18004(a)1
\(^5\) U.S. Department of Education, Recipient’s Funding Certification and Agreement for the Institutional Portion of the Higher Education Emergency Relief Fund Formula Grants Authorized by Section 18004(a)(1) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, [https://www2.ed.gov/about/offices/list/ope/caresact.html](https://www2.ed.gov/about/offices/list/ope/caresact.html)

<table>
<thead>
<tr>
<th>Institutional Costs</th>
<th>Student Relief</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can be used for any institutional costs associated with significant changes to the delivery of instruction due to the coronavirus emergency.</td>
<td>Can be used for COVID-19 related refunds for housing, food, or other services that could not be provided.</td>
</tr>
</tbody>
</table>

Source: Legislative Office of Fiscal Transparency
IHEs must allocate at least 50% of their direct grant funds to provide emergency financial aid grants to students for eligible expenses related to the disruption of campus operations as a result of the coronavirus emergency. IHEs have discretion to determine individual grant amounts and student eligibility. The emergency financial aid grants are not considered federal student aid as authorized under HEA, Title IV; thus, the amount of the emergency financial aid grant may allow a student to receive total aid in excess of his/her cost of attendance.

Funds disbursed under the programs for MSIs and FIPSE may be used to provide grants to students and to defray IHE expenses, including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff training, and payroll. Grants to students under the MSI and FIPSE programs may only be used to satisfy students’ cost of attendance. The Oklahoma CareerTech system was awarded approximately $10.6 million in FIPSE grants and, based on data provided to LOFT, has satisfied federal regulations for disbursement.

The U.S. Secretary of Education has limited the student grants to individuals eligible to receive HEA Title IV aid. The CARES Act provides Historically Black Colleges and Universities (HBCUs) and other MSIs with the authority to use prior funds awarded under HEA Title III, Title V, and Title VII to prevent, prepare for, and respond to the coronavirus emergency.

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7 https://www2.ed.gov/about/offices/list/ope/heerffipse.html
Finding 1: The Risk of Federal Recoupment Is Low

Oklahoma colleges and universities spent more than $122 million dollars as of February 28th, 2021. Chart 02 below displays how this total has changed over time.

*Chart 02: Total Coronavirus-Related Expenditures by Institutes of Higher Education (The growth of coronavirus related expenditures by institutions of higher education. The February figure of $122.6 million includes about $8.8 million in CRRSSA expenditures.)*

Approximately $8.8 million of that $122 million total was received from a follow-up federal relief program authorized by CRRSSA, indicating that the Oklahoma allocation of HEERF has another $66.7 million remaining.

Reviewing expenditure data provided by the Oklahoma State Regents for Higher Education for the months of July, September and November of 2020 and January 2021 shows how colleges and universities prioritized student relief at the beginning of the pandemic. Chart 03 shows how major cost categories have shifted over time:
Chart 03: Trends in total grant spending from July 2020 to February 2021 (Chart indicates a preliminary emphasis on student relief, in blue, with a gradual decline before moving closer to the 50% requirement. HEERF and CRSSA-based spending on student relief accounted for 58% of spending for those grants.\(^8\))

As of July 2020, 64 cents of every dollar went directly to student aid. The decline from July to January can be ascribed to these institutions aggressively meeting the needs of students first and then having to address institutional needs.

LOFT concludes there is little risk to the state of failing to meet the HEERF requirement that 50% of funds are used for direct student aid. These datasheets are being uploaded to and reviewed by the US Department of Education on at least a quarterly basis and at the institution’s discretion, on a 30-day basis.\(^9\)

In addition, there is a long-standing and material relationship between IHE’s and the US Department of Education: Federal grants and contracts made up 30% of IHE’s income in 2018 (See Chart 04), higher than tuition and fees or state appropriations. This expertise is a resource that could be utilized by other State entities in the event of another round of federal aid, which is a similar approach that Missouri took. On Missouri’s transparency dashboard website, there are trainings available to political subdivisions by subject-matter experts (in this case, an accounting firm).\(^{10}\)

All institutions receiving funds through HEERF are required to upload documentation verifying compliance with guidelines directly to the federal Department of Education.

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\(^8\) According to correspondence with the Oklahoma State Regents for Higher Education.

\(^9\) [https://www2.ed.gov/about/offices/list/ope/heerfreporting.html](https://www2.ed.gov/about/offices/list/ope/heerfreporting.html)

\(^{10}\) [https://treasurer.mo.gov/COVID](https://treasurer.mo.gov/COVID)
This documentation includes a form\textsuperscript{12} that requires institutions to quantify the amount of funds used for providing emergency relief to students, providing tuition discounts, and subsidizing on-campus housing expenses. The responsibility for the appropriate use of these funds has been specified as residing with the “grantees” of the funds; that is, the individual institutions of higher education.\textsuperscript{13} This structure is referred to as aligning authority with accountability and has been touted as a necessary technique for the responsible discharging of duty by the Government Accountability Office since at least 1979.\textsuperscript{14}

**Policy Considerations**

- In planning for future federal aid, the Legislature may consider aligning authority for spending relief funds with accountability to ensure spending is consistent with guidance, is unlikely to be recouped, and if it is, only impacts the grantee and not the State.

- In the event of another round of federal aid, the Legislature may consider coordinating with institutions of higher education to have their expertise in managing federal funds made available to finance officers who may not be as familiar with best practices.

\textsuperscript{11} Based on IPEDS data
\textsuperscript{12} To see a copy of this form, please refer to Appendix B.
\textsuperscript{13} According to guidance from the federal Department of Education, originally published in October 2020, accessible here: https://www2.ed.gov/about/offices/list/ope/round3heerffaq51022020.pdf
\textsuperscript{14} https://www.gao.gov/assets/111071.pdf
Finding 2: Coronavirus Has Had a Broad Impact on Institutions of Higher Education, with Long-lasting Ramifications in Oklahoma.

Results from a longitudinal study completed in July 2020 by the University of Southern California indicates the immediate impact of COVID has been substantive.¹⁵

20 percent of respondents reported that coronavirus has influenced their plans to finish their respective programs on time. Students attending two-year institutions were more likely than students attending four-year institutions to lower their class load. These decisions are also materially impacted by the student’s race and economic security, as Chart 05 shows.

Chart 05: Percentage of Students that Stated a Desire to Take Fewer Classes (Coronavirus impacted students’ stated desire to take fewer classes, which is impacted by the student’s socioeconomic status and ethnicity.)

Hispanic and low-income students were much more likely to say that coronavirus impacted a household member’s decision to re-enroll (both were at 27 percent) than white or upper-middle income respondents (both were at 7 percent).

23 percent of respondents reported more family-care responsibilities, and another 23 percent reported that their employment status changed as result of coronavirus.

Oklahoma’s college population demographics have shifted over the previous decade to increasingly consist of ethnic minorities that are more likely to be negatively impacted by coronavirus, as Chart 06 and 07 show.  

**Chart 06: Enrollment in Associate's Programs by Ethnicity** (Oklahoma’s student demographics for associate’s programs indicate that ethnic minorities are increasingly represented, suggesting that coronavirus is disproportionately impacting a greater share of students presently than it would have in the past.)

**Chart 07: Enrollment in Bachelor's Programs by Ethnicity** (The same trend holds for students enrolled in Bachelor’s programs, as well.)

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16 2016 is the last year this data was publicly available. In addition, in 2014, OSRHE shifted their data presentation methodology in 2014 from reporting hard numbers to displaying a pie chart with no decimal places.
The impact of COVID-19 on Oklahoman institutions of higher education was relatively high for the region, as Figure 01 shows.\textsuperscript{17}

\textbf{Figure 01: The regional impact of COVID-19 on Oklahoman institutions of higher education (Oklahoma was fifth in the region for unemployment in institutions of higher education: 4.6 percent of employees were let go between September 2019 and September 2020.)}

\textbf{Long-term Impacts of COVID-19 Pandemic on Higher Education}\textsuperscript{18}

Colleges and universities across the nation are grappling with tough decisions surrounding the long-term implications of the COVID-19 pandemic. Questions remain about maintaining social distancing, continuing hybrid and online learning, adjusting for fluctuating student enrollment and retaining students amidst the drastic changes on campuses.

\textbf{Enrollment}

Student enrollment will certainly be impacted by COVID-19 but to which specific sectors of higher education and student populations remains uncertain. LOFT sought to perform an analysis of the impact COVID-19 has had on higher education enrollment in Oklahoma but was unable to conduct one due to limited available data. However, a recent national study performed by Brookings specifically highlighted the challenges to enrollment, especially regarding out-of-state, or non-resident, students.\textsuperscript{19} The article concludes that “nearly every school is at least at some risk of significant financial losses.”

\textsuperscript{17} https://www.pewtrusts.org/en/research-and-analysis/articles/2020/11/10/nearly-all-states-suffer-declines-in-education-jobs
\textsuperscript{19} https://www.brookings.edu/blog/brown-center-chalkboard/2020/06/18/university-finances-and-covid-19-different-schools-different-risks/
Non-residents make up a minority of the student population as of FY2018-2019\textsuperscript{20}, the last year this data was available. As Chart 08 shows below, they make up approximately 13.3 percent of the student population:

\textit{Chart 08: Resident vs. Non-Resident Students in Higher Education – 2018} (Oklahoma’s student population is mainly comprised of resident students relative to non-resident students: 86.7 percent to 13.3 percent, respectively).

![Chart 08: Resident vs. Non-Resident Students in Higher Education - 2018](chart)

\textit{Source: Legislative Office of Fiscal Transparency}

Although 86.7 percent of students are in-state residents, the difference in tuition rates between in-state and out-of-state students equates to an outsized portion of tuition possibly being impacted due to COVID-19, as Chart 09 below shows.\textsuperscript{21}

\textsuperscript{20} OSRHE Enrollment Dashboards
\textsuperscript{21} Data for in-state tuition originates from data provided from the OSRHE for another project conducted for LOFT; Data for out-of-state tuition rates comes from https://www.okhighered.org/international-students/costs.shtml.
Chart 09: FY2020 Average Credit Hour Rates for 30 Credit Hours by Residency Status (On average, non-resident tuition is approximately twice as much as resident tuition and sometimes more, indicating that while non-resident students make up a minority of the student population, they comprise an outsized portion of tuition revenue for institutions.)

**International Students**

According to data from the OSRHE, in the 2018-19 academic year, there were 10,854 international students enrolled at public higher education institutions in Oklahoma. Current travel restrictions into the United States will hinder international student enrollment in Oklahoma higher education, ultimately negatively impacting overall enrollment and institutions’ revenue streams. As of February 2021, the CDC lists travel restrictions for multiple countries including China, Brazil, South Africa, and the United Kingdom. Between 2010 and 2019, these specific countries contributed approximately 23,000 students to Oklahoma’s institutions of higher education.

**Online Instruction**

In response to the spread of COVID-19, Oklahoma colleges and universities shifted traditional brick and mortar instruction to online programs and courses. This was a strategy utilized by most systems of higher education across the county to maintain student enrollment and retention rates.
However, with the adoption of online degree programs and courses there may be unintended challenges that continue. Online instruction and courses are convenient but come with an increased cost to upgrade internal IT systems and technologies; as well the ongoing training for faculty and staff to utilize digital platforms. The cost to maintain virtual learning platforms and courses could be placed on students through increased institutional technology fees; ultimately increasing the overall cost of attendance even more for Oklahoma students. These potential trends warrant further review to determine the overall impact shifting to virtual learning will have on the average cost of attendance in Oklahoma higher education.

Campus Life and Living
Many Universities and college campuses serve as residential areas where students live, study and socially interact in close proximity to each other. In response to the COVID-19 pandemic, most institutions shifted to online learning, forcing many students to vacate their on-campus dormitories and seek alternative living arrangements. With current CDC guidelines and health recommendations, schools may need to alter housing options to comply with new health protocols. Such changes may also cause students to forgo the college experience of living on campus to instead stay home, live off-campus and study remotely. This could have substantial impact on colleges and universities that rely on student housing as a significant revenue source.

Policy Considerations
• The Oklahoma State Legislature may consider amending 70 O.S. § 3218.10 so that institutions of higher education that provide virtual or remote instruction due to a public health emergency and state of emergency shall not charge a student an additional fee for the virtual or remote courses of instruction that is in excess of the institution's actual additional cost of providing the instruction.

Agency Considerations
• The Oklahoma State Regents of Higher Education should examine the likelihood and financial impact of declining enrollment from out-of-state students due to COVID or other infectious diseases, considering that out-of-state students contribute significantly to tuition and housing-related revenues.
• Because of the challenges of COVID, institutions of higher education should explore options to ensure their tuition and fee structure reflects the possibility of more students electing distance or hybrid learning.

Because of the long-standing relationship between individual institutions of higher education and the federal Department of Education, LOFT sought to understand any additional specific processes institutions implemented to ensure compliance with expending federal coronavirus relief funds. As part of this review, LOFT generated and conducted a brief survey of institutions with the aid of the OSRHE. Questions included:

1. What is the process of approving reimbursement requests related to federal COVID relief funds?
2. What is the process of ensuring compliance with Federal guidelines related to COVID-19 spending guidelines?
3. To what degree, if any, have you seen inter-institutional coordination of commonly purchased items or services (PPE, licenses for electronic services, etc.)?

LOFT received 14 responses, representing 56 percent of public colleges and universities. The results for the first question indicate that separation of duties was the most common way of approving reimbursement requests. For example, the University of Arts and Sciences of Oklahoma (USAO) funneled reimbursement requests to the finance office to determine the eligibility of the expenditures, while Northwestern Oklahoma State University (NWOSU) charged the Vice President of Administration with reviewing and approving expenditures.

Table 02: Prioritization Strategies (Common strategies for approving reimbursements included separating duties, which was present in 10 of the 14 surveyed institutions.²⁴)

<table>
<thead>
<tr>
<th>Prioritization Strategies</th>
<th>%</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>Separation of duties</td>
<td>66.67%</td>
<td>10</td>
</tr>
<tr>
<td>Proactive Strategy</td>
<td>13.33%</td>
<td>2</td>
</tr>
<tr>
<td>Internal Controls</td>
<td>6.67%</td>
<td>1</td>
</tr>
<tr>
<td>No special routines</td>
<td>6.67%</td>
<td>1</td>
</tr>
<tr>
<td>Separate systems and processes</td>
<td>6.67%</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>15</td>
</tr>
</tbody>
</table>

Source: Legislative Office of Fiscal Transparency

²⁴ One response had two answers that were coded separately, in accordance with generally accepted coding and categorizing techniques (Qualitative Research Design, 3rd edition, Joseph Maxwell (2018))
These responses indicate that the roles of submitting and approving reimbursement requests were siloed within the colleges and universities themselves. As the American Institute for Certified Public Accountants notes, this practice, known in accounting as ‘Segregation of Duties’, is a critical internal control:

“[Segregation of duties is] a basic building block of sustainable risk management and internal controls for a business. The principle of SOD is based on shared responsibilities of a key process that disperses the critical functions of that process to more than one person or department. Without this separation in key processes, fraud and error risks are far less manageable.”

Strategies for ensuring Federal compliance were more varied, indicating that many respondents pursued a multi-layered approach.

Table 03: Compliance Practices (Common practices for ensuring Federal compliance include having a proactive strategy for disbursing funds, imposing limitations on how funds exceeding federal guidance are disbursed and participating in training offered by Federal authorities.)

<table>
<thead>
<tr>
<th>Compliance Practices</th>
<th>%</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proactive Strategy</td>
<td>31.58%</td>
<td>6</td>
</tr>
<tr>
<td>Imposed limitations</td>
<td>21.05%</td>
<td>4</td>
</tr>
<tr>
<td>Training</td>
<td>15.79%</td>
<td>3</td>
</tr>
<tr>
<td>Blank</td>
<td>10.53%</td>
<td>2</td>
</tr>
<tr>
<td>Students self-certifying</td>
<td>5.26%</td>
<td>1</td>
</tr>
<tr>
<td>Internal controls</td>
<td>5.26%</td>
<td>1</td>
</tr>
<tr>
<td>Strong documentation</td>
<td>5.26%</td>
<td>1</td>
</tr>
<tr>
<td>Separation of duties</td>
<td>5.26%</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>19</strong></td>
</tr>
</tbody>
</table>

*Source: Legislative Office of Fiscal Transparency*

Many universities deployed a proactive approach. For example, Tulsa Community College (TCC) used a tiered approach for distributing student relief funds.

Seminole State College prioritized emergency aid to be used for students employed by the college who lost their job due to the pandemic. Another portion was reserved for the upcoming school year to be disbursed as needed.
The remainder was paid out on a per credit-hour basis to qualified students based on the following criteria:

1. Eligibility to receive federal grants through Title IV.
2. Documentation of a disruption attributable to COVID-19.
3. Documentation showing funds would be applied towards eligible expenses.

One action taken to ensure compliance was to participate in Federal training opportunities that IHE’s were offered to improve their ability to understand and apply federal guidance. These opportunities included webinars and publications, which were valuable resources to assist institution’s responses as guidelines changed.

Another typical practice included stricter limitations on approval of expenditures, exceeding Federal requirements. This facilitated decision-making designed to find the best use of funds. For example, Oklahoma City Community College involved their general counsel in determinations of whether an expense met the criteria to make best use of relief funds.

Northeastern State University required students to complete a brief form documenting they understand reimbursements are to be used for “...eligible expenses directly related to COVID 19, including food, housing, course materials, technology, health care and childcare." This transfers the risks associated with ineligible expenditures to the recipients of the funds.

One final method was incorporating feedback into the expenditure process. East Central University involved the president and key advisors in major purchases. The University of Central Oklahoma formed a steering committee including senior leadership across multiple functions of the organization to ensure relief dollars were used to meet the most critical needs.

Responses to the final question of the survey indicate there was little inter-institutional coordination of purchases or expenditures. Fifty-seven percent of respondents reported no inter-institutional coordination of purchases occurred.

The degree of variation in how individual institutions responded to the pandemic supports continued flexibility in responses to meet needs unique to each school and student population. However, some level of coordination between the schools could be beneficial in lowering costs and improving services.
Although specific strategies and tactics varied among the institutions, the funds appeared to be used efficiently to meet the intended purpose, resulting in low risk of reclamation. For these reasons, the common themes and methods used could be applied to other subdivisions of the state when future federal aid is available.

**Policy Considerations**

- The Legislature may consider requiring that state governmental entities receiving future Federal relief funds adopt practices utilized by institutions of higher education to ensure compliance and minimal risk.

- The Legislature may consider requiring public institutions of higher education to generate comprehensive reports on actions taken in response to the COVID-19 pandemic, including a comprehensive report on HEERF expenditures.
Summary of Policy and Agency Considerations

Oklahoma’s institutions of higher education have exhibited many best practices in response to the COVID-19 pandemic. Despite a broad impact on the student population and the institutions themselves, their example highlights many opportunities to utilize these practices in the event of another round of federal relief.

<table>
<thead>
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<th>Finding</th>
<th>Consideration</th>
<th>Page #</th>
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<tr>
<td>Institutions have exhibited many best practices.</td>
<td>The Legislature may consider requiring public institutions of higher education to generate comprehensive reports on actions taken in response to the COVID-19 pandemic; including a comprehensive report on HEERF expenditures.</td>
<td>22</td>
</tr>
</tbody>
</table>
About the Legislative Office of Fiscal Transparency

Mission
To assist the Oklahoma Legislature in making informed, data-driven decisions that will serve the citizens of Oklahoma by ensuring accountability in state government, efficient use of resources, and effective programs and services.

Vision
LOFT will provide timely, objective, factual, non-partisan, and easily understood information to facilitate informed decision-making and to ensure government spending is efficient and transparent, adds value, and delivers intended outcomes. LOFT will analyze performance outcomes, identify programmatic and operational improvements, identify duplications of services across state entities, and examine the efficacy of expenditures to an entity’s mission. LOFT strives to become a foundational resource to assist the State Legislature’s work, serving as a partner to both state governmental entities and lawmakers, with a shared goal of improving state government.

Authority
With the passage of SB1 during the 2019 legislative session, LOFT has statutory authority to examine and evaluate the finances and operations of all departments, agencies, and institutions of Oklahoma and all of its political subdivisions.

Created to assist the Legislature in performing its duties, LOFT’s operations are overseen by a legislative committee. The 14-member Legislative Oversight Committee (LOC) is appointed by the Speaker of the House and Senate Pro Tempore, and receives LOFT’s reports of findings.

The LOC may identify specific agency programs, activities, or functions for LOFT to evaluate. LOFT may further submit recommendations for statutory changes identified as having the ability to improve government effectiveness and efficiency.
Appendices

Appendix A. Methodology

LOFT has reviewed datasets with hundreds of lines of information, read months of communication and guidance from the federal Department of Education and Congress, and conducted interviews with many stakeholders.

LOFT has sought confirmation of all statements presented in this report from independent sources, where possible. Institutions in the case studies were selected to showcase the variety of best practices utilized.

Finally, a staff expert in research and coding independent of the review team looked over the raw and themed data to ascertain the reasonableness and appropriateness of the codes generated. Where there were discrepancies between how the original and subsequent coding treated answers, the review team and the expert discussed and agreed how to proceed to maintain the integrity of the analysis and report.

It is the purpose of LOFT to provide objective information: this report has been reviewed by LOFT staff outside of the project team to ensure accuracy, neutrality, and relevance.
Appendix B. Higher Education Emergency Relief Fund (HEERF) Data Collection Form

Exhibit 01: Higher Education Emergency Relief Fund (HEERF) Data Collection Form (eleven pages)

<table>
<thead>
<tr>
<th>Conducted by:</th>
<th>OMB No. 1840-0850 Expires 12/31/2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Department of Education</td>
<td></td>
</tr>
</tbody>
</table>

Higher Education Emergency Relief Fund (HEERF) Data Collection Form
(Both Student Aid and Institutional Portions under Section 18004 of the CARES Act)
Final Version December 2020

[NOTE to reviewers: Most respondents will be main campus institutions at the 6-digit OPEID. A small number of additional respondents will be branch campuses at the 8-digit OPEID level that are Minority Serving Institutions (MSIs) or Strengthening Institutions Program (SIP) institutions and received funds under Section 18004(a)(2) of the CARES Act, but their main campus is not designated as an MSI or SIP.]

VERSION 1

This data collection form applies to the following HEERF funds:
- Student Aid (CFDA 84.425E)
- Institutional Portion (CFDA 84.425F)
- Historically Black Colleges and Universities (CFDA 84.425J)
- American Indian, Native Hawaiians, Alaska Natives, and Native Pacific Islanders (CFDA 84.425K)
- Minority Serving Institutions (CFDA 84.425L)
- Strengthening Institutions Program (CFDA 84.425M)
- Fund for the Improvement of Postsecondary Education (CFDA 84.425N)

HEERF Reporting Form

Annual Reporting: This report should be completed based on 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. Please indicate in Question 2 if this report is your final annual report.

<table>
<thead>
<tr>
<th>Annual Report</th>
<th>Due Date</th>
<th>Applicable Reporting Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Annual Report</td>
<td>February 1, 2021</td>
<td>March 13, 2020 - December 31, 2020</td>
</tr>
<tr>
<td>Second Annual Report</td>
<td>February 1, 2022</td>
<td>January 1, 2021—December 31, 2021</td>
</tr>
<tr>
<td>Third Annual Report</td>
<td>February 1, 2023</td>
<td>January 1, 2022—December 31, 2022</td>
</tr>
</tbody>
</table>

1) Institutional Identifiers and Contact Information—
   a) Institution Name ________<autofill from G5> ________
Conducted by: U.S. Department of Education

OMB No. 1840-0850 Expires 12/31/2023

DUNS # <autofill from G5> 

b) Please identify the OPEID(s) for this institution:

Please report on these HEERF grant PR/Award Numbers:

1) <autofill Award Number and Amount from G5>
2) <autofill Award Number and Amount from G5>
3) <autofill Award Number and Amount from G5>

Who is the lead contact for this annual data collection?
Name: <autofill> 
Title: <autofill> 
Phone: <autofill> (editable) 
Email: <autofill> 

Did you expend all of your HEERF funds prior to the end of the reporting period, making this your final annual report? (Y/N)

Reporting on institution websites:

a) CARES HEERF quarterly reporting webpage URL: 

b) Student Portion Reporting: Provide all active website URLs posted by your campus, or by the institution on behalf of your campus(es), as required by the August 31 notice in the Federal Register\(^2\) (including any URLs that are still active that provide archived information).

i) 
ii) 
iii) 
iv) (option to add more, as applicable)

Student Portion Reporting: Provide all active website URLs posted by your campus, or by institutions on behalf of your campus(es) as required by the quarterly Higher Education Emergency Relief Fund (HEERF) Data Collection Form\(^1\) (include any URLs that are still active that provide archived information).

i) 
ii) 
iii) (option to add more, as applicable)

---

\(^1\) See [https://www2.ed.gov/about/offices/list/ope/heerfreporting.html](https://www2.ed.gov/about/offices/list/ope/heerfreporting.html).

4) How did your institution determine which students were eligible to receive emergency financial aid grants under any of the CARES Act HEERF programs? (select all that apply)
   a) My institution has received an Institutional Student Information Record (ISIR) or Student Aid Report (SAR) on file that verifies student eligibility for Title IV, federal student aid (Title IV aid).
   b) My institution allowed students to attest to their eligibility for Title IV aid by completing an alternative application form developed by the institution for this purpose.
   c) My institution used another method for determining which students were eligible to receive emergency financial aid grants under the CARES Act. Please describe:

5) How did your institution determine which students received emergency financial aid grants to students and how much each student would receive? Please indicate if any of the following strategies were used.
   • Did you distribute the same amount to all eligible students regardless of different circumstances? (Y/N). If no,
     • Did you ask students to apply for funds? (Y/N). If yes,
       • Did you use that application to determine the amount of a student’s emergency financial aid grant? (Y/N). If yes,
         • What needs did you prioritize to determine the amount of the student’s award?
           a. Food (Y/N)
           b. Housing (Y/N)
           c. Course materials (Y/N)
           d. Technology (Y/N)
           e. Health care (Y/N)
           f. Child care (Y/N)
           g. Other (Y/N). If yes, please specify ____________________________
     • Did you use any institutional administrative data (pre-existing data that did not come from a HEERF-specific application form) in determining the amount of funds awarded to students? (Y/N). If yes,
       • Which of these student factors did you prioritize in the grant determination process? (Mark all that apply)
         • Enrollment intensity (i.e., full-time/part-time status, number of credits the student is taking, etc.) (Y/N).
         • Location (i.e., branch campus) (Y/N).
         • Pell Grant eligibility (Y/N).
         • FAFSA data elements (Y/N). If yes,

---

3 Eligible in this context refers to anyone who could have received grants regardless of how an institution prioritized funding to specific subsets of students
4 Eligible students refer to students with an ISIR or SAR, alternative application form attesting to Title IV aid eligibility. Please see also the Interim Final Rule published in the Federal Register on June 17, 2020 (85 FR 36494). Community Colleges in California, all public institutions in Washington State, and all institutions in Massachusetts have different requirements due to recent U.S. District Court actions. Please discuss with legal counsel. HEERF litigation updates can be found here.
a. Which FAFSA data elements did you use?
   i. FAFSA Family Income _____(Y/N).
   ii. Estimated Family Contribution _____(Y/N).
   iii. Independent/dependent status _____(Y/N).
   • On-campus/distance education status _____(Y/N).
   • On-campus/off-campus living arrangements _____(Y/N).
   • Academic level _____(Y/N).
   • Other (Y/N). If yes, please specify__________________________

6) How did your institution distribute the emergency financial aid grants to students?
   a) Checks _____(Y/N).
   b) Electronic funds transfer /Direct deposit _____(Y/N).
   c) Debit cards _____(Y/N).
   d) Payment apps _____(Y/N).
   e) Other (Y/N). If yes, please specify__________________________

7) Did your institution provide any instructions, directions, or guidance to students (e.g. FAQs) about the emergency financial aid grants upon disbursement? _____(Y/N). If yes,
   a) <upload PDF/MS Word document instructions, directions, or guidance>
   or
   b) Provide any active URLs with instructions, directions or guidance on how to use the grants ________________________________
      (option to add more, as applicable)

8) Use the instructions noted in the Appendix I to complete the following table.
<table>
<thead>
<tr>
<th>Conducted by:</th>
<th>OMB No. 1840-0850 Expires 12/31/2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Department of Education</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Emergency Financial Aid Grants Awarded to Students (direct grants and amounts reimbursed)</th>
<th>ALL HEERF Emergency Financial Aid Grant eligible students</th>
<th>Undergraduates¹⁺</th>
<th>Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Eligible Students</td>
<td>&lt;autofill sum of #s in row&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of HEERF Student Recipients – Emergency Grants to Students (unduplicated)</td>
<td>&lt;autofill sum of #s in row&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HEERF Amount Disbursed (Section 18004(a)(1) Student Aid Portion)</td>
<td>&lt;autofill sum of #s in row&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What was the amount disbursed directly to students as Emergency Financial Aid Grants under Section 18004(a)(1) of HEERF?</td>
<td>&lt;autofill sum of #s in row&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What is the amount reimbursed¹⁰ to your institution for Emergency Financial Aid Grants to students made prior to receiving your Section 18004(a)(1) HEERF grant but after March 27, 2020?</td>
<td>&lt;autofill sum of #s in row&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HEERF Amount Disbursed (18004(a)(1) Institutional Portion)</td>
<td>&lt;autofill sum of #s in row&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What was the amount disbursed directly to students as Emergency Financial Aid Grants through the Institutional Portion of Section 18004(a)(1) of HEERF?</td>
<td>&lt;autofill sum of #s in row&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What was the amount of the Institutional Portion of Section 18004(a)(1) of HEERF that was used to recover the cost of reimbursing students for room, board, tuition, or fees? If funds were not used for that purpose, report $0.</td>
<td>&lt;autofill sum of #s in row&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What was the amount disbursed directly to students as Emergency Financial Aid Grants through the HISCs,</td>
<td>&lt;autofill sum of #s in row&gt;</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ For students in both undergraduate and graduate categories, classify as a graduate student.

⁺ For students who had multiple enrollment intensities use the enrollment status at the time of initial disbursement of the HEERF emergency grant (i.e., for students who received multiple disbursements, the status upon the first disbursement) to determine full-time status or part-time status.

² Designate the student as a Pell grant recipient if the student was a Pell grant recipient at the time of initial disbursement of the HEERF emergency grant within the applicable reporting period.

³ Includes non-FAFSA filers.

⁴ For the purposes of this report, institutions may determine the number of eligible students based on the number of students for whom the institution has received an Institutional Student Information Record (ISIR) plus the number of students who completed an alternative application form developed by the institution for this purpose. The institution may then apply this number to its own methodological framework for disbursement of funds to produce a final total of eligible students at the institution. The institution is not asked to make assumptions about the potential eligibility of students for whom the institution has not received an ISIR or an alternative application.

¹⁰ See FAQ #3 [here](#).

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5
9) Provide the total amount of HEERF funds expended on the categories provided. (Please note that the CARES Act prohibits the use of funding for the provision of pre-enrollment recruitment activities; endowments; or capital outlays associated with facilities related to athletics, sectarian instruction, or religious worship. In addition, please note that this template is meant to serve as a guide, and therefore IHEs are not required to categorize amounts in every category listed but only those that IHEs found applicable to their unique circumstances. Lastly, reported numbers should be consistent with previously published quarterly funding reports (the sum of quarterly reports should equal the value of the annual report)).
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount in (a)(1) institutional dollars</th>
<th>Amount in (a)(2) dollars, if applicable</th>
<th>Amount in (a)(3) dollars, if applicable</th>
<th>Explanatory Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providing additional emergency financial aid grants to students.(^{11})</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Providing reimbursements for tuition, housing, room and board, or other fee refunds.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Providing tuition discounts.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Covering the cost of providing additional technology hardware to students, such as laptops or tablets, or covering the added cost of technology fees.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Providing or subsidizing the costs of high-speed internet to students or faculty to transition to an online environment.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidizing off-campus housing costs due to dormitory closures or decisions to limit housing to one student per room; subsidizing housing costs to reduce housing density; paying for hotels or other off-campus housing for students who need to be isolated; paying travel expenses for students who need to leave campus early due to coronavirus infections or campus interruptions.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidizing food service to reduce density in eating facilities, to provide pre-packaged meals, or to add hours to food service operations to accommodate social distancing.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs related to operating additional class sections to enable social distancing, such as those for hiring more instructors and increasing campus hours of operations.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Campus safety and operations.(^{12})</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchasing, leasing, or renting additional instructional equipment and supplies (such as laboratory equipment or computers) to reduce</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^{11}\) To support any element of the cost of attendance (as defined under Section 472 of the Higher Education Act of 1965, as amended (HEA)) per Section 18004(c) of the CARES Act and the [Interim Final Rule](https://www.federalregister.gov/documents/2020/06/17/2020-13200/interim-final-rule), published in the Federal Register on June 17, 2020 (85 FR 36494). Community Colleges in California, all public institutions in Washington State, and all institutions in Massachusetts have different requirements due to recent U.S. District Court actions. Please discuss with legal counsel. [HEERF litigation updates can be found here.](https://www2.ed.gov/about/offices/list/oun/edtrust/heerf/edtrust-heerf-litigation-updates.html)

\(^{12}\) Including costs or expenses related to the disinfecting and cleaning of dorms and other campus facilities; purchases of personal protective equipment (PPE); purchases of cleaning supplies; adding personnel to increase the frequency of cleaning; the reconfiguration of facilities to promote social distancing, etc.
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount in (a)(1) institutional dollars</th>
<th>Amount in (a)(2) dollars, if applicable</th>
<th>Amount in (a)(3) dollars, if applicable</th>
<th>Explanatory Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>the number of students sharing equipment or supplies during a single class period and to provide time for disinfection between uses.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replacing lost revenue due to reduced enrollment.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replacing lost revenue from non-tuition sources (i.e., cancelled ancillary events; disruption of food service, dorms, childcare or other facilities; cancellation of use of campus venues by other organizations, lost parking revenue, etc.).</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchasing faculty and staff training in online instruction; or paying additional funds to staff who are providing training in addition to their regular job responsibilities.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchasing, leasing, or renting additional equipment or software to enable distance learning, or upgrading campus wi-fi access or extending open networks to parking lots or public spaces, etc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Uses of (a)(1) Institutional Portion funds.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other uses of (a)(2) or (a)(3) funds, if applicable.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Annual Expenditures for each Program**

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13 Including continuance of pay (salary and benefits) to workers who would otherwise support the work or activities of ancillary enterprises (e.g., bookstore workers, food service workers, venue staff, etc.).

14 Please post additional documentation as appropriate and briefly explain in the “Explanatory Notes” section. Please note that costs for Section 18004(a)(1) Institutional Portion funds may only be used “to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus, so long as such costs do not include payment to contractors for the provision of pre-enrollment recruitment activities; endowments; or capital outlays associated with facilities related to athletics, sectarian instruction, or religious worship.”

15 Please post additional documentation as appropriate and briefly explain in the “Explanatory Notes” section. Please note that costs for Sections 18004(a)(2) and (a)(3) funds may only be used “to defray expenses, including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff trainings, payroll incurred by institutions of higher education and for grants to students for any component of the student’s cost of attendance (as defined under section 472 of the HEA), including food, housing, course materials, technology, health care, and child care.”
10) Provide the number of students who ever received HEERF grant funds in the reporting period and their enrollment status at the end reporting period.

<table>
<thead>
<tr>
<th>How many students received emergency financial aid grants through any of the HEERF funds?</th>
<th>How many of the students who ever received HEERF Emergency Financial Aid Grants dropped out (withdrawal without a completion record or return to school since receiving funds)?</th>
<th>How many of the students who ever received HEERF Emergency Financial Aid Grants are still enrolled at your institution?</th>
<th>How many of the students who ever received HEERF Emergency Financial Aid Grants have completed their program of study at your institution?</th>
<th>Withdrawal rate for students who received HEERF Emergency Financial Aid Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;autofill from above&gt;</td>
<td></td>
<td></td>
<td></td>
<td>&lt;autofill: students who dropped out divided by total number of students who received funds&gt;</td>
</tr>
</tbody>
</table>

11) Provide the number of full-time equivalent (FTE) positions as of the listed reporting dates. (The number of FTE positions includes all staff regardless of whether the position is funded by Federal, State, local, or other funds—including instructional and non-instructional staff and contractors—and equals the sum of the number of full-time positions plus the full-time equivalent of the number of part-time positions.)

<table>
<thead>
<tr>
<th>Full-time equivalent (FTE) positions as of September 30, 2018</th>
<th>Full-time equivalent (FTE) positions as of September 30, 2019</th>
<th>Full-time equivalent (FTE) positions as of March 13, 2020</th>
<th>Full-time equivalent (FTE) positions on the last day of the reporting period</th>
</tr>
</thead>
</table>

Appendix I: Table instructions for question 8:
For your institution, provide the following:

a. Count of students that were eligible to receive emergency financial grants under the HEERF.
b. Unduplicated\textsuperscript{16} count of unique student recipients who received grants from any part of the HEERF.

c. The total amount disbursed from each of the following fund types for all students who received grants and grant recipient subgroups listed in the table below:

  - Direct: amount directly disbursed to students as emergency financial aid grants. If funds were not used for this purpose, report $0.
  - Reimbursement: amount of reimbursements to your institution for costs related to refunds made to students for room, board, tuition, or fees. If funds were not used for this purpose, report $0.

- 18004(a)(2): HEERF-Historically Black Colleges and Universities (HBCUs), Tribal Control Colleges and Universities (TCCUs), Minority Serving Institutions (MSIs), or Strengthening Institutions Programs (SIP).
  - Direct: amount directly disbursed to students. If funds were not used for this purpose, report $0.
  - Reimbursement: amount of reimbursements to your institution for costs related to refunds made to students for housing, food, or other services your institution could no longer provide. If funds were not used for this purpose, report $0.

- 18004(a)(3): Funds for institutions through Fund for the Improvement of Postsecondary Education (FIPSE).
  - Direct: amount directly disbursed to students. If funds were not used for this purpose, report $0.
  - Reimbursement: amount of reimbursements to your institution for costs related to refunds made to students for room, board, tuition, or fees. If funds were not used for this purpose, report $0.

d. For designation of enrollment intensity (i.e. full-time and part-time) use IPEDS definitions:

i. Full-time students: Undergraduate: A student enrolled for 12 or more semester credits, or 12 or more quarter credits, or 24 or more contact hours a week each term. Graduate: A student enrolled for 9 or more semester credits, or 9 or more quarter credits, or a student involved in thesis or dissertation preparation that is considered full time by the institution. Doctor's degree - Professional practice - as defined by the institution.

ii. Part-time students: Undergraduate: A student enrolled for either less than 12 semester or quarter credits, or less than 24 contact hours a week each term. Graduate: A student enrolled for less than 9 semester or quarter credits

e. Minimum combined (combined across HEERF funds) amount awarded to any student who received any HEERF funds and by student recipients in the subgroups listed in the table below.

f. Maximum combined (combined across HEERF funds) amount awarded to any student who received any HEERF funds and by student recipients in the subgroups listed in the table below.

\textsuperscript{16} For students who receive grants from different HEERF funds, count them only once.
Burden Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1840-0850. Public reporting burden for this collection of information is estimated to average 6 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Under the PRA, participants are required to respond to this collection to obtain or retain a benefit. If you have any comments concerning the accuracy of the time estimate, suggestions for improving this individual collection, or if you have comments or concerns regarding the status of your individual form, please contact Brian Fu, US. Department of Education, 400 Maryland Avenue, SW, Washington, DC 20202.
Agency Response

March 25, 2021

The Honorable Mike Jackson  
Executive Director  
Legislative Office of Fiscal Transparency  
2300 N. Lincoln, Room 107  
Oklahoma City, Oklahoma 73105

Dear Director Jackson:

Re: Agency Response to LOFT Rapid Response Evaluation – Higher Education Emergency Relief Fund Review

Enclosed please find the Oklahoma State Regents for Higher Education’s (State Regents) agency response to the Legislative Office of Fiscal Transparency’s (LOFT) rapid response evaluation report for Higher Education Emergency Relief Funds (HEERF).

The State Regents greatly appreciate the LOFT’s effort in their evaluation of HEERF expenditures by Oklahoma’s state system colleges and universities. LOFT staff were thorough, diligent, responsive, and highly professional throughout the evaluation process.

If you have any questions regarding the State Regents’ agency response to LOFT’s rapid response evaluation report on HEERF expenditures, please contact Ms. Kylie Smith, Vice Chancellor for Administration, at ksmith@osrhe.edu or 405.225.9122.

We appreciate your leadership and support of Oklahoma’s state system of higher education.

Sincerely,

Glen D. Johnson  
Chancellor  

GDJ/ks  
Enclosure
Agency Response – Oklahoma State Regents for Higher Education  
March 25, 2021

I. Introductory Comments from Agency Regarding the Subject of Evaluation

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was passed by Congress on March 27, 2020. The CARES Act allocated $2.2 trillion to provide fast and direct economic aid to the American people negatively impacted by the COVID-19 pandemic. Of that money, approximately $14 billion was given to the U.S. Department of Education (USDE) Office of Postsecondary Education as the Higher Education Emergency Relief Fund, or HEERF.

Oklahoma’s public colleges and universities received a total of $310,246,701 through the various higher education programs funded under the CARES Act. This includes the following programs:

- Direct Student Aid (Student Portion)
- Institutional Aid (Institutional Portion)
- Historically Black Colleges and Universities (HBCUs)
- Minority Serving Institutions (MSI)

While stimulus funding provided under the CARES Act was distributed directly to Oklahoma’s public colleges and universities by the USDE, the Oklahoma State Regents for Higher Education (OSRHE) played a critical role in disseminating information about CARES Act funding, coordinating campus responses to the COVID-19 pandemic, and facilitating institutional compliance with CARES Act requirements. Since the beginning of the pandemic, the OSRHE has served as a significant resource for our state system institutions.

The Legislative Office of Fiscal Transparency (LOFT) was tasked to perform a rapid response evaluation of higher education’s compliance with CARES Act requirements, including allowable use of CARES Act funds and institutional reporting. The OSRHE greatly appreciates the efforts of the LOFT in their evaluation of the CARES Act funding. LOFT staff were thorough, diligent, responsive, and highly professional throughout the evaluation process.

We appreciate the opportunity to respond to LOFT’s Rapid Response Evaluation Report of CARES Act grant administration by Oklahoma’s public colleges and universities. Below please find our technical and policy responses to LOFT’s findings and recommendations.
**Finding 1: The risk of Federal recoupment is low.**

<table>
<thead>
<tr>
<th>Does the agency agree with the facts as presented?</th>
<th>Does the agency agree with the recommendations related to this finding?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, with clarifications as listed in our technical response.</td>
<td>Recommendation – In planning for future federal aid, the Legislature should consider aligning authority for spending relief funds with accountability to ensure that such spending is consistent with guidance, is unlikely to be recouped, and if it is, only impacts the grantee and not the State. Yes. Recommendation – In the event of another round of federal aid, the Legislature should consider coordinating with institutions of higher education to have their expertise in managing federal funds made available to finance officers who may not be as familiar with best practices. Yes, in the event of another round of federal aid, the state system of higher education is willing to assist in any way that would be helpful.</td>
</tr>
</tbody>
</table>

**Agency Comments and Clarifications (Technical Response)**

Page 6 of the report (first sentence) indicates that “Oklahoma colleges and universities spent more than $122 million as of January 31st, 2021.” The corresponding table, however, is representative of expenditures through February 28, 2021.

Page 7 (Chart 03) of the report reflects HEERF expenditures by category. The chart indicates a decline in the Scholarships – Grants and Aid to Students category to 48.1% of total expenditures while CARES Act funding requires at least 50% of funds to be expended on direct student aid. The total $122 million in expenditures through February 2021 includes all CARES federal funding received by our institutions, including direct grants funded through federal agencies such as Health and Human Services, Small Business Administration, and Tribal partners for specific research and public service activities, in addition to the U.S. Department of Education. Funding for these types of federal grants do not have a 50% requirement for student grants and scholarships but are reported in the amount of total expenditures through February 2021. For example, the University of Oklahoma (OU) Health Sciences Center and the Oklahoma State University (OSU) Center for Health Sciences, have been very active in supporting the state’s COVID-19 response efforts, including COVID testing labs and sewage surveillance research. Therefore, the percentages shown in Chart 3 are...
Finding 2: Coronavirus has had a broad impact on institutions of higher education, with long-lasting ramifications in Oklahoma.

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<td>Yes.</td>
<td>Recommendation – The Oklahoma State Regents of Higher Education should examine the likelihood and financial impact of declining enrollment from out-of-state students due to COVID or other infectious diseases, considering that out-of-state students contribute significantly to tuition and housing-related revenues.</td>
</tr>
<tr>
<td></td>
<td>Yes.</td>
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<td></td>
<td>Recommendation – Because of the challenges of COVID, institutions of higher education should explore options to ensure their tuition and fee structure reflects the possibility of more students electing distance or hybrid learning.</td>
</tr>
<tr>
<td></td>
<td>Yes.</td>
</tr>
<tr>
<td></td>
<td>Recommendation – The Oklahoma State Legislature may consider amending 70 O.S. § 3218.10 so that institutions of higher education that provide virtual or remote instruction due to a public health emergency and state of emergency shall not charge a student an additional fee for the virtual or remote courses of instruction that is in excess of the institution's actual additional cost of</td>
</tr>
</tbody>
</table>
Agency Comments and Clarifications (Technical Response)

Page 10 of the report references a report conducted by the State Regents in July 2020; however, the footnote citation provides a link to information on a national longitudinal study conducted by the University of Southern California’s Center for Economic and Social Research, the Understanding America Survey. The body of the report should be updated to reference “a report conducted by the University of Southern California.”

Since the beginning of the pandemic, the impact of COVID-19 on college enrollment and higher education business models has been a significant concern for our colleges and universities. While Oklahoma’s state system institutions have not experienced the dramatic enrollment declines being seen at colleges and universities across the nation, the short-term and long-term impacts of the COVID-19 pandemic on college enrollment remains a serious challenge for our state system of higher education. Our colleges and universities have been examining strategies to mitigate the negative financial impact of COVID-19 and address changing enrollment patterns resulting from the pandemic, including out-of-state tuition and housing revenues. Additionally, our college and university presidents are cognizant that the COVID-19 pandemic may have a lasting impact on the percentage of students enrolling in online or hybrid programs. To ensure the continued fiscal viability of our colleges and universities, the State Regents have partnered with Huron Consulting Group to conduct a pilot project examining collaboration and partnership opportunities for Oklahoma’s higher institutions, which ultimately will help mitigate the long-term financial impacts of the COVID-19 pandemic and prevent drastic increases in tuition and fees for students.

With regard to the recommendation for the Legislature to amend 70 O.S. § 3218.10 so that institutions of higher education that provide virtual or remote instruction due to a public health emergency and state of emergency do not charge an additional fee for the delivery of virtual or remote courses, it should be noted that several institutions requested permission by the State Regents to waive certain academic service fees for the Summer 2020, Fall 2020, and Spring 2021 semesters in response to COVID-19 and the transition of in-person courses to alternative delivery format. Although the provision of these fee waivers has a negative financial impact, these institutions are absorbing the revenue impact through the use of budgeted reserves in order to relieve the financial hardship placed on students.

**Finding 3:** Institutions have exhibited many best practices in utilizing Federal relief funds.

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<tr>
<td>Yes.</td>
<td>Recommendation – The Legislature should consider requiring that state governmental entities receiving future Federal relief funds adopt practices utilized by institutions of higher education to ensure compliance and providing the instruction.</td>
</tr>
<tr>
<td><strong>Recommendation</strong>&lt;br&gt;Yes.</td>
<td><strong>minimal risk.</strong>&lt;br&gt;Yes.</td>
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<tr>
<td>Recommendation – The Legislature may consider requiring public institutions of higher education to generate comprehensive reports on actions taken in response to the COVID-19 pandemic; including a comprehensive report on HEERF expenditures.</td>
<td>Yes.</td>
</tr>
</tbody>
</table>

**Agency Comments and Clarifications (Technical Response)**

The State Regents appreciate LOFT’s comments regarding grant administration by our colleges and universities.

Since the beginning of the COVID-19 pandemic, the State Regents have collected information regarding institutional responses to COVID-19 and have made that information available to external stakeholders. We agree that a report on higher education’s overall response, including HEERF expenditures, would be beneficial in the future and will consider working with colleges and universities to develop a comprehensive report on the impact of COVID-19 at our campuses and the use of stimulus funding provided through the CARES Act, the CRRSA, and the recently passed American Recovery Plan.