



SHEEO

STATE HIGHER EDUCATION EXECUTIVE OFFICERS ASSOCIATION

State Council of Higher Education for Virginia March Meeting

03/23/21

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SHEEO

About SHEEO

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

Today's Call

- Biden Administration Leadership at ED
- Review of the American Rescue Plan
- State-level matters of interest

Key Appointments



- Dr. Miguel Cardona for Secretary of Education
 - Connecticut's Commissioner of Education
 - Background in K-12 education in Connecticut
 - Holds a doctorate in education from UConn
 - Teaches as adjunct professor at UConn
 - Focused on community colleges in Senate testimony
 - Expected to be confirmed next week by the Senate

Key Appointments



- James Kvaal for Undersecretary of Education
- Will be the point person for higher education policy in the Biden Administration
- Currently the president of the Institute for College Access and Success (TICAS), formerly Obama Administration
- Interest in state-federal partnership, affordability, accountability, and consumer information/protection

Key Appointments



- Michelle Asha Cooper as acting assistant secretary for postsecondary education/deputy assistant secretary for higher education programs
- Was president of the Institute for Higher Education Policy (IHEP)
- Background in college affordability/data/degree completion

American Rescue Plan



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

Over \$350 billion to state and local govts

- **\$219 billion to states and DC**
- **\$130 billion to local governments**

Uses:

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

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

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

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

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

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

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

Institution Name	City	State	Control	Simulated Total Allocation	Estimated
					Minimum Amount for Student Grants
Edward Via Virginia College of Osteopathic Medicine	Blacksburg	VA	Private Non-Profit	1,382,000	691,000
Emory & Henry College	Emory	VA	Private Non-Profit	3,396,000	1,698,000
Fairfax University of America	Fairfax	VA	Private Non-Profit	172,000	86,000
Ferrum College	Ferrum	VA	Private Non-Profit	4,370,000	2,185,000
George Mason University	Fairfax	VA	Public	63,918,000	31,959,000
Germanna Community College	Locust Grove	VA	Public	11,232,000	5,616,000
Hampden Sydney College	Hampden-Sydney	VA	Private Non-Profit	1,749,000	874,500
Hampton University	Hampton	VA	Private Non-Profit	10,617,000	5,308,500
Henrico County-Saint Mary's Hospital School of Practic	Henrico	VA	Public	231,000	115,500
Hollins University	Roanoke	VA	Private Non-Profit	2,152,000	1,076,000
J Sargeant Reynolds Community College	Richmond	VA	Public	16,821,000	8,410,500
James Madison University	Harrisonburg	VA	Public	31,758,000	15,879,000
John Tyler Community College	Chester	VA	Public	14,407,000	7,203,500
Liberty University	Lynchburg	VA	Private Non-Profit	66,300,000	33,150,000
Longwood University	Farmville	VA	Public	8,881,000	4,440,500
Lord Fairfax Community College	Middletown	VA	Public	9,010,000	4,505,000
Mary Baldwin University	Staunton	VA	Private Non-Profit	3,554,000	1,777,000
Marymount University	Arlington	VA	Private Non-Profit	5,826,000	2,913,000
Mountain Empire Community College	Big Stone Gap	VA	Public	5,473,000	2,736,500
New River Community College	Dublin	VA	Public	6,439,000	3,219,500
Norfolk State University	Norfolk	VA	Public	19,898,000	9,949,000
Northern Virginia Community College	Annandale	VA	Public	77,919,000	38,959,500
Old Dominion University	Norfolk	VA	Public	46,649,000	23,324,500
Patrick Henry Community College	Martinsville	VA	Public	5,507,000	2,753,500
Paul D. Camp Community College	Franklin	VA	Public	2,154,000	1,077,000
Piedmont Virginia Community College	Charlottesville	VA	Public	7,628,000	3,814,000
Radford University	Radford	VA	Public	24,359,000	12,179,500
Randolph - Macon College	Ashland	VA	Private Non-Profit	2,743,000	1,371,500
Randolph College	Lynchburg	VA	Private Non-Profit	1,721,000	860,500
Rappahannock Community College	Glenns	VA	Public	4,513,000	2,256,500
Regent University	Virginia Beach	VA	Private Non-Profit	7,153,000	3,576,500
Richard Bland College	South Prince George	VA	Public	3,163,000	1,581,500
Riverside College of Health Careers	Newport News	VA	Private Non-Profit	956,000	478,000

Key Provisions-Institutional Aid

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

Key Provisions-Institutional Aid

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

Key Provisions-Institutional Aid

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

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

MOE under HEERF

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

State-Level Policy Trends

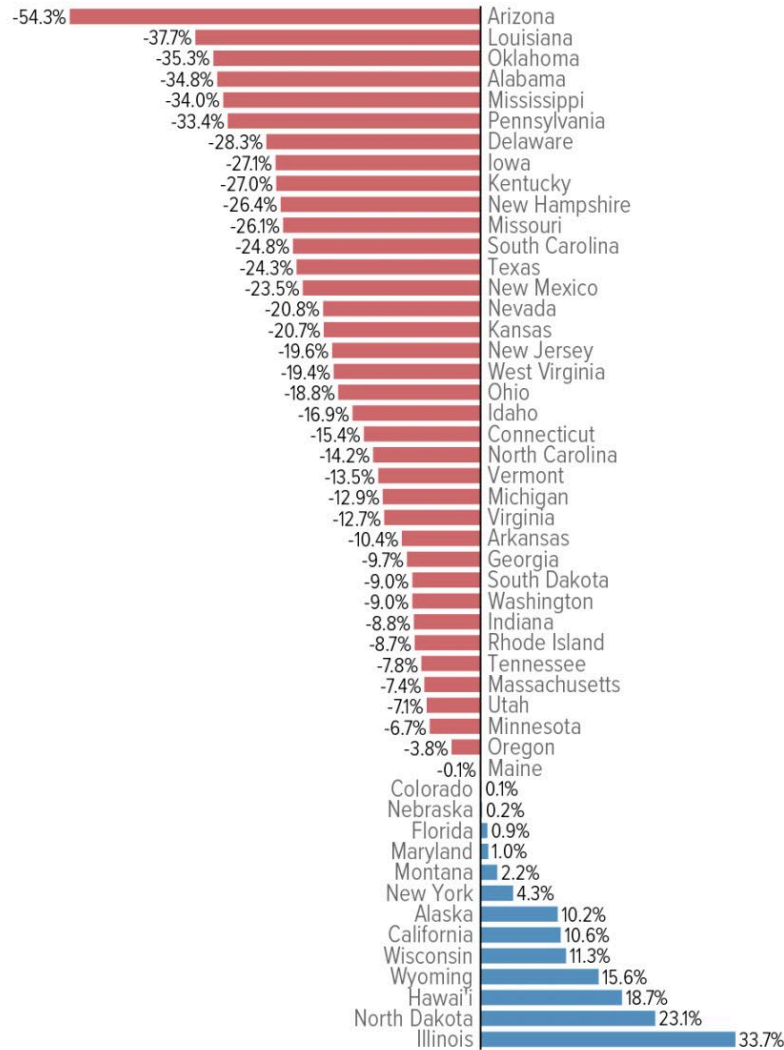
- Continued interest in free college programs, particularly community college
- States budgets situations are uneven due to COVID, but the \$350 billion offered a lifeline
 - Virginia has done better than other states in recent years on higher education funding, but remains below the national average on funding
- Focus on some hot-button issues in the states, such as free speech, Chinese influence on US campuses, immigration, payments to college athletes

State-Level Policy Trends

	1-Year Percent Change, FY20-21		2-Year Percent Change, FY19-21		5-Year Percent Change, FY16-21	
	State \$ Only	State & Federal CARES/GEER	State \$ Only	State & Federal CARES/GEER	State \$ Only	State & Federal CARES/GEER
Virginia	7.6%	6.5%	16.7%	16.7%	33%	33%
US	-1.30%	0.3%	2.6%	4.7%	13.5%	15.8%
Source: Grapevine, 2021						

State Funding for Higher Education Well Below Pre-Recession Levels in Most States

Percent change in state spending per student, inflation adjusted, 2008-2019

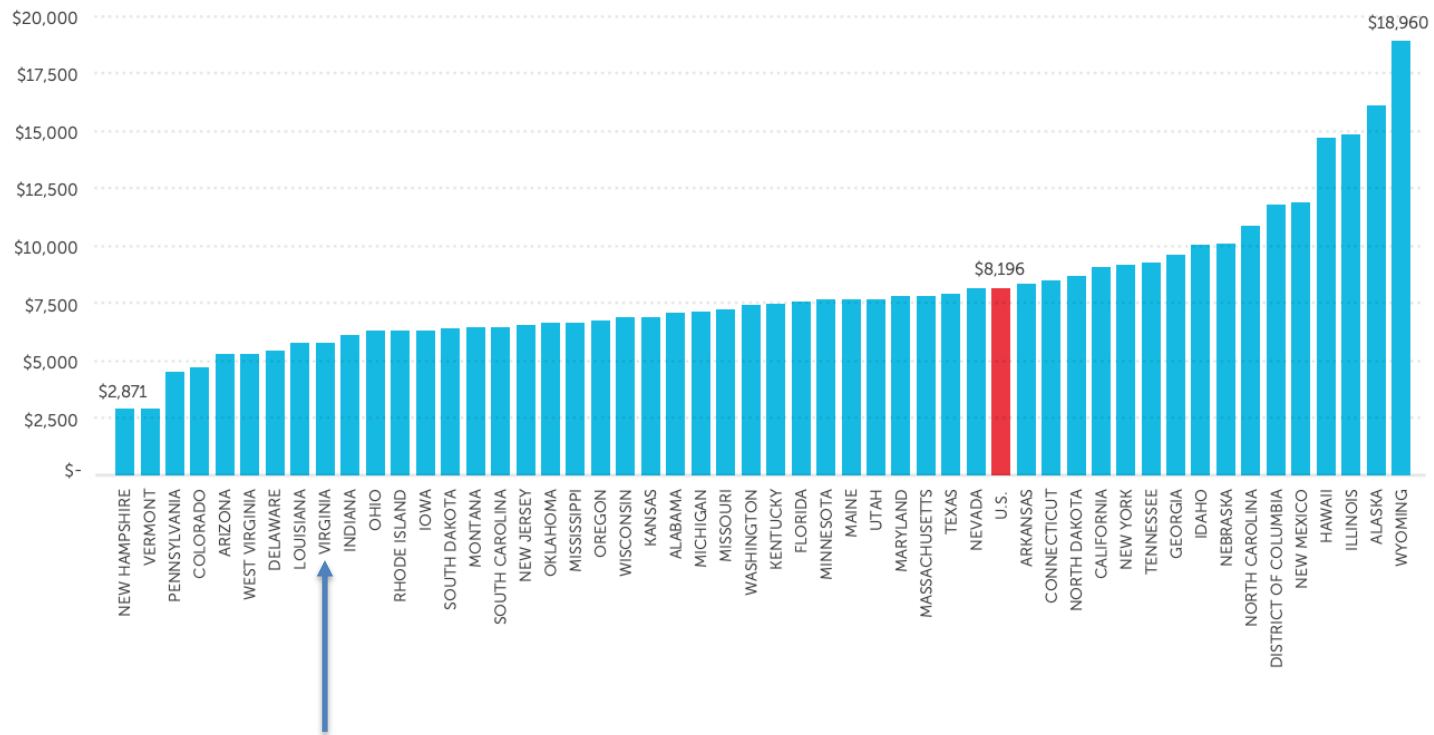


Source: CBPP analysis using SHEEO State Higher Education Finance report and Bureau of Labor Statistics Consumer Price Index Retroactive Series (CPI-U-RS)

Source: Center on Budget and Policy Priorities

State-Level Policy Trends

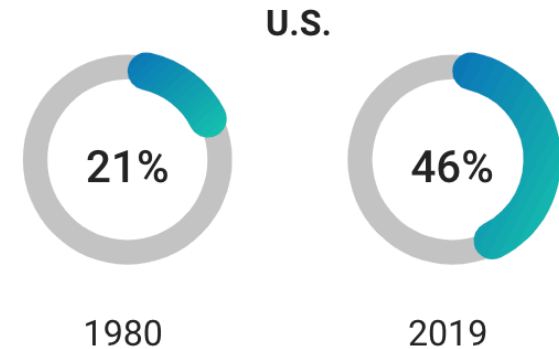
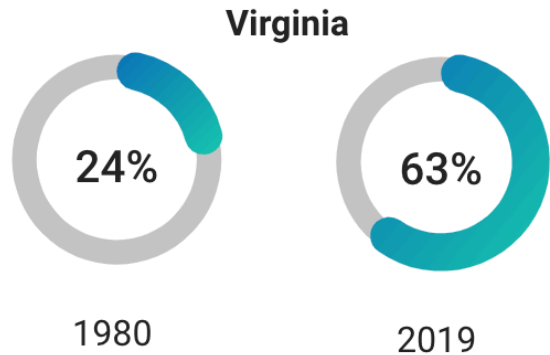
FIGURE 3.2
PUBLIC HIGHER EDUCATION APPROPRIATIONS PER FTE BY STATE, FY 2019 (ADJUSTED)



Net Tuition Revenue

How Has the Student Share Changed Over Time? [↗](#)

Over time, the student share (the proportion of total education revenues at public institutions coming from net tuition revenue) has increased in every state. ⁱ Student share generally rises during economic recessions and levels off during economic recoveries. The sharpest increase in student share occurred during and immediately following the Great Recession. In over half of all states, tuition revenue comprises more than 50% of total revenues. Virginia had an above average student share in 2019.



SHEEO Emails

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



Tuesday, March 31, 2020

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

National Policy Update

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

NBER (Date posted: March 2020)

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

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

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

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

Questions?

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