

Higher Education Emergency Relief Fund

2021 Annual Performance
Report



U.S. Department of Education

February 2023



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February 1, 2023

U.S. Department of Education

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New Data Show That in 2021 Alone, 12.7 Million Students Received 19.5 Billion Higher Education Emergency Relief Funds, Helping to Keep Them In School and Meet Their Needs

Introduction

As part of the Biden-Harris Administration’s comprehensive response to the COVID-19 pandemic, including but not limited to resources under Executive Order 14000 and the COVID-19 Handbook: Volume 3, the U.S. Department of Education (Department) is committed to efficiently and effectively administering Federal emergency and relief funds and implementing strong public accountability for these resources.¹ As demonstrated by this report, these efforts have ensured that the Higher Education Emergency Relief Fund (HEERF) continues to serve its intended purpose as a lifeline for students, institutions, and educators, helping students stay enrolled and keep costs down, especially for low-income students and students of color, helping faculty and staff stay employed, and slowing the spread of the pandemic.

When the COVID-19 pandemic hit in March 2020, the challenges facing institutions of higher education (IHEs) and the students they serve were immediate and severe. IHEs were required to transition to remote learning environments overnight with minimal preparation and limited resources. IHEs faced additional costs for essential items, such as cleaning supplies and equipment for remote learning, all while facing steep revenue declines from lost room and board, declining enrollment, and state budget cuts. Students, meanwhile, had to grapple with severe disruptions to their pursuit of higher education as a result of the pandemic, often facing un- and under-employment, taking on additional caregiving responsibilities, experiencing health challenges and crises, and being forced to move unexpectedly, all while transitioning to distance learning. Many students also lacked consistent access to high-speed internet, the proper technology, or the digital skills to succeed in online education, further highlighting the stark inequities of a digital divide that continues to be particularly acute for students from low-income families, students of color, and students in rural communities.² In response to these challenges, Congress acted with immediate and necessary support to IHEs and the students they serve.

Through three iterations of legislation, including \$40 billion under the American Rescue Plan, which doubled previous amounts provided under HEERF, Congress provided \$76 billion in total to IHEs to “prevent, prepare for, and respond to [the] coronavirus” pandemic. This report details HEERF spending in calendar year 2021 as captured through the annual reports submitted by institutions to the Department.

Key Findings

The following provides an overview of the most recent data collected by the Department on how HEERF is being used to support students, institutions, and their communities. Key findings reflected in the data include:

¹ “ED Covid-19 Handbook-Volume 3,” June 2021, <https://www2.ed.gov/documents/coronavirus/reopening.pdf>.

² “Advancing Digital Equity for All,” Office of Educational Technology, December 22, 2022, <https://tech.ed.gov/advancing-digital-equity-for-all/>.



- **HEERF helped students stay enrolled and keep costs down while slowing the spread of the pandemic.** The overwhelming majority of institutions indicated that HEERF helped students stay enrolled by providing emergency aid and access to technology needed for distance learning, made it possible to keep costs for students at pre-pandemic levels, and helped institutions invest in necessary safety precautions such as testing and vaccines. Institutions that were under-resourced and serve populations more likely to be hit harder by the pandemic were more likely to indicate HEERF was critical to meeting institutional and student needs.
- **Nearly half of all students who were enrolled at HEERF-eligible institutions received emergency financial aid.** Emergency Financial Aid Grants can be used for any aspect of a student's cost of attendance, including food, housing, healthcare (including mental health care), and child-care. In 2021, institutions distributed a total of \$19.5 billion in Emergency Financial Aid Grants to 12.7 million students.
- **Pell Grant recipients and students at under-resourced institutions were more likely to receive aid and typically received aid in higher amounts.** Students receiving Pell Grants and students enrolled at historically underserved institutions such as at Historically Black Colleges and Universities (HBCUs), Tribally Controlled Colleges and Universities (TCCUs), Minority Serving Institutions (MSIs), and institutions eligible for Strengthening Institution Program (SIPs) funds – referred to in this report as under-resourced institutions – were more likely to receive aid and in higher amounts. Eighty percent of Pell Grant recipients received one or more Emergency Financial Aid Grant.
- **Institutions expended HEERF on strategies to boost retention and completion, address enrollment declines, and reengage students.** For example, over 1,400 institutions spent nearly \$1.5 billion to discharge unpaid student balances, which in some cases allowed students to re-enroll when they might have otherwise been prevented from doing so.



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Background

The HEERF grant program was initially established in March 2020 under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provided approximately \$14 billion in funding for IHEs. An additional \$22.7 billion was provided in January 2021 under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), followed by \$39.6 billion in March 2021 under the American Rescue Plan (ARP) Act. Under each iteration of legislation, IHEs were required to provide a specific percentage of their allocated funds directly to students as Emergency Financial Aid Grants. The majority of the remaining funding, called the institutional portion, could be used for any purpose that supported the IHE’s efforts to prepare, prevent, and respond to the COVID-19 pandemic. All institutions participating in the Title IV Federal student aid programs were eligible to receive funding under HEERF. Additional supplemental funds were also distributed to under-resourced institutions and the institutions that faced the greatest unmet needs related to the pandemic.

Exhibit 1 shows the amount of HEERF awarded and expended by institutions, disaggregated by sector. Of the approximately \$76 billion distributed to IHEs through HEERF, more than half (\$39.6 billion) was provided through the American Rescue Plan.

Exhibit 1. Number of reporting institutions, amount of HEERF awarded, amount of HEERF expended in 2021, and percent expended in 2021 by sector

Sector ³		Amount awarded (2020-2022) (in millions)	Amount expended in 2021 (in millions)	Percent expended in 2021 ⁴
Public 4 Year	721	\$39,320	\$21,147	54%
Public 2 Year and <2 Year	1,058	\$19,554	\$9,003	46%
Private Not-For-Profit 4 Year	1,454	\$13,878	\$8,203	59%
Private Not-For-Profit 2 Year and <2 Year	135	\$316	\$151	47%
Private For-Profit 4 Year	162	\$636	\$299	47%
Private For-Profit 2 year and <2 year	1,078	\$1,157	\$513	44%
Total⁵	4,608	\$74,861	\$39,315	53%

³ Sector refers to institutional control and level. “<4 year schools” in this table refer to 2 year schools and less than 2 schools.

⁴ Amounts may not divide exactly to percentage shown due to rounding.

⁵ Amounts may not sum exactly to total due to rounding.



Institutions are responsible for determining how grants are distributed to students and determining how student aid grant amounts are calculated. Institutions are required to prioritize students with exceptional financial need, such as students who receive Pell Grants or undergraduates with extraordinary financial circumstances, in awarding Emergency Financial Aid Grants to students. Beyond Pell eligibility, other types of exceptional need could include students who may be eligible for other Federal or state need-based aid or have faced significant unexpected expenses, such as the loss of employment (either for themselves or their families), reduced income, or food or housing insecurity.

IHEs are required to report HEERF spending data to the Department on a quarterly and annual basis. The Department publishes the aggregate and institutional spending data and releases downloadable institutional data from the annual reports through the Education Stabilization Fund transparency portal.⁶ The 2021 HEERF annual report is based on an improved reporting instrument that provides more granular data on the ways in which institutions are investing these essential funds.

A total of 4,608 IHEs submitted annual reports for 2021. These IHEs reported that 53 percent, or \$39 billion, of total HEERF dollars were spent in calendar year 2021. Exhibit 1 describes the number of institutions, the total amount of HEERF awarded since the beginning of the pandemic, the amount of HEERF expended in calendar year 2021, and expenditures as a percentage of overall awards, all disaggregated by sector (institutional control and level). As of publication, IHEs have spent nearly 90 percent of their HEERF grants. Additional data on 2022 spending will be shared in the next annual reporting cycle.

Funding provided under HEERF made historic investments in many of our nation's under-resourced institutions, including targeted, supplemental HBCUs, TCCUs, MSIs, and SIP-eligible institutions. These institutions educate a disproportionate share of students whose communities were most acutely affected by the pandemic. Among the 4,608 IHEs described in Exhibit 1, 1,686 received \$5.6 billion in supplemental HBCUs, TCCUs, MSIs, and SIP-eligible grants. IHEs receiving these awards span across all 50 states.

How HEERF Supports Student and Institutional Success

HEERF helped keep students enrolled, faculty and staff employed, and communities safe.

In HEERF annual reporting, institutions were asked to what extent HEERF enabled them to achieve specific outcomes in 2021. IHEs reported the impact of HEERF on essential areas affected by the pandemic, including keeping faculty and staff employed, investing in necessary safety measures, and keeping their students enrolled. The information reported suggests that HEERF had a critical impact on aiding IHEs in meeting important goals. For example:

- Approximately 9 in 10 IHEs indicated that HEERF enabled them to keep students enrolled who were at risk of dropping out by providing financial support.
- Roughly 3 out of 4 IHEs indicated that HEERF enabled them to keep student net prices similar to pre-pandemic levels.

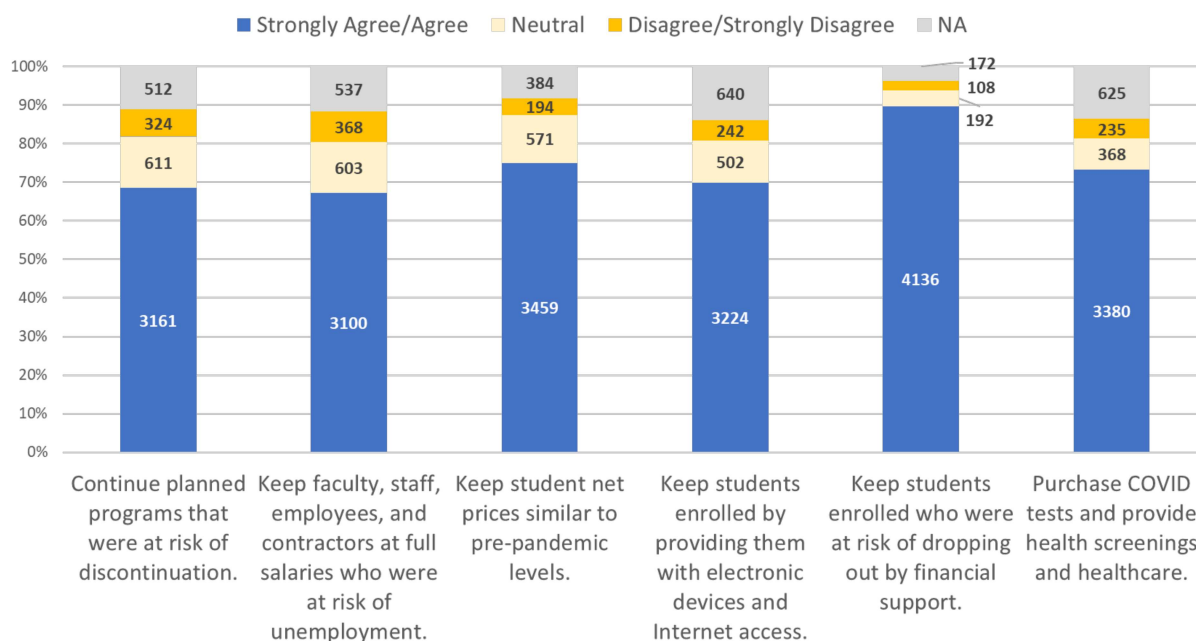
⁶ "Education Stabilization Fund," Education Stabilization Fund, accessed January 18, 2023, <https://covid-relief-data.ed.gov/>.



- More than 2 in 3 IHEs indicated that HEERF allowed them to keep faculty, staff, employees, and contractors at full salary levels. From data collected through the annual report, in 2020, the full time equivalent (FTE) staff count dropped three percent (from 2019 counts). By 2021, staffing declines stabilized, with only a .2 percent drop overall from 2020.
- Nearly 3 in 4 IHEs stated that HEERF enabled them to purchase COVID tests, provide health screenings, and provide the healthcare necessary to support students, faculty, and staff.
- Roughly 7 out of 10 IHEs stated that HEERF enabled them to keep students enrolled by providing them with computers and Internet access.

Exhibit 2 provides the breakout of responses to specific questions.⁷

Exhibit 2. How institutions view impact of HEERF on their ability to achieve specific goals



HEERF was particularly vital for under-resourced institutions, with HBCUs and TCCUs being most likely to report that HEERF helped them achieve these particular goals in essential areas. For example, 96 percent of under-resourced institutions stated that HEERF enabled their institutions to keep students enrolled who were at risk of dropping out due to pandemic-related factors by providing direct financial support to students compared to 86 percent of other institutions. Over 90 percent of HBCUs and TCCUs indicated that HEERF helped in purchasing COVID tests, providing health screenings, and other healthcare, while only 66 percent of other institutions indicated the same. Exhibit 3 provides the breakout of responses for under-resourced institutions. Responses for institutions that were not eligible to receive additional target funds are described in Exhibit 4.

Community colleges were also more likely to indicate that HEERF was essential to achieving particular goals. For example, 77 percent of community colleges indicated that HEERF helped continue programs that were at risk of discontinuation compared to 64 percent of public and non-profit 4-year institutions.

⁷ In Exhibit 2, the “Agree” category aggregates “Strongly agree” and “Agree” responses. The “Disagree” category aggregates “Strongly disagree” and “Disagree” responses. The “N/A” category aggregates the “N/A” and “Unable to determine” categories.



More than 80 percent of community colleges indicated that HEERF helped provide students access to electronic devices and internet access compared to 67 percent of their 4-year counterparts.

Exhibit 3. How institutions responded to questions on how HEERF enabled them to achieve specific goals by institution type for eligible institutions that received additional targeted supplemental funds.

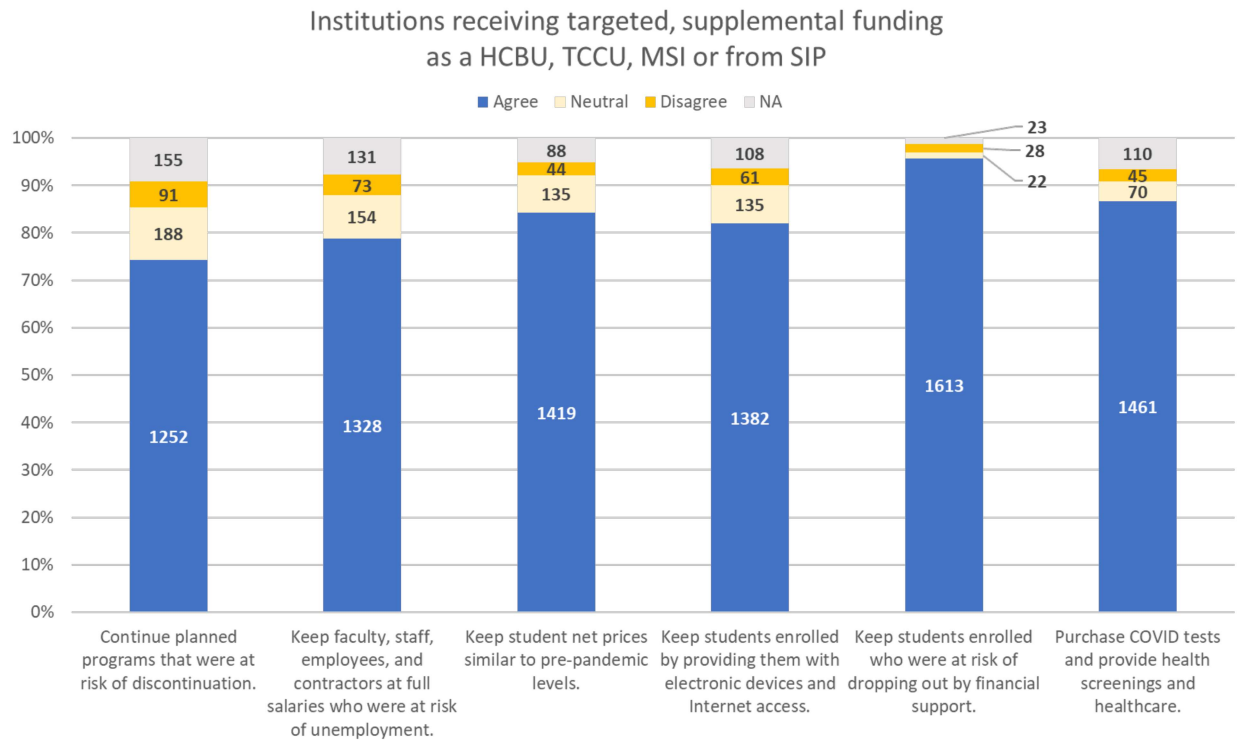
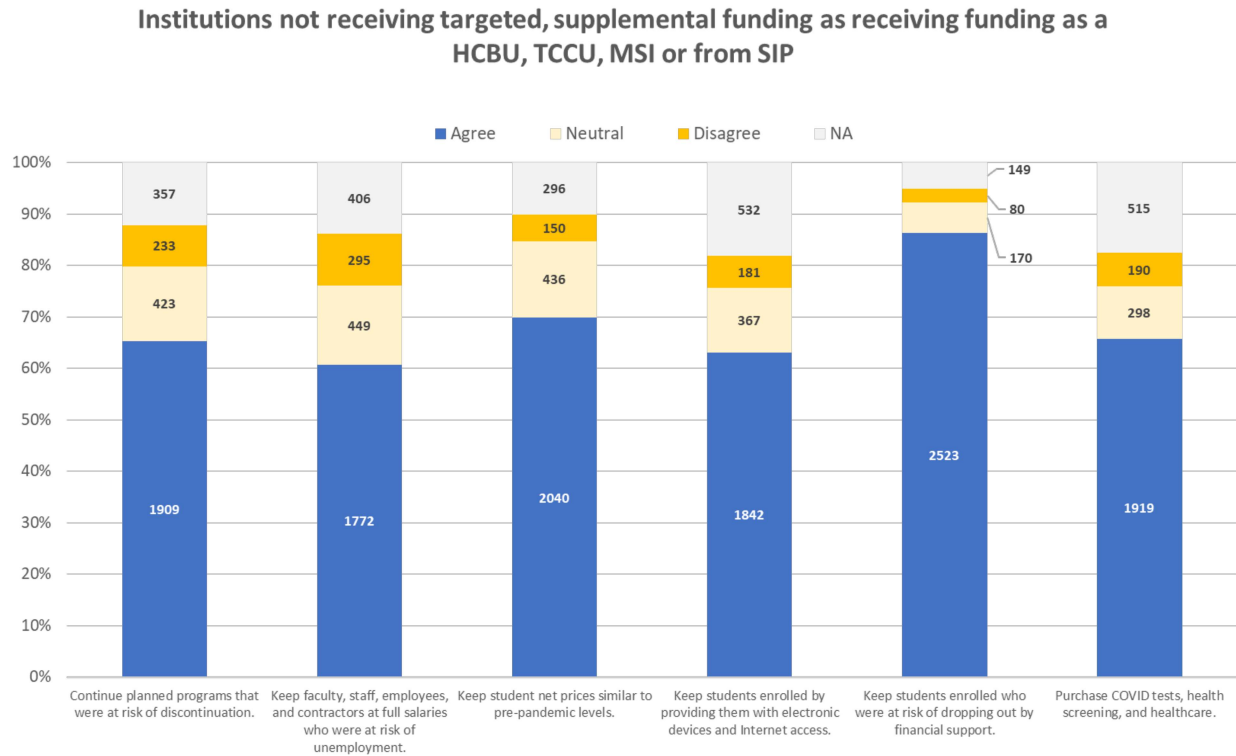




Exhibit 4. How institutions responded to questions on how HEERF enabled them to achieve specific goals by non-eligible institutions that did not receive additional targeted supplemental funds.



All told, these data indicate that under-resourced institutions were more likely to rely on HEERF to address the impacts of the pandemic, and HEERF provided critical funding to meet institution and student needs, particularly at under-resourced institutions.

Almost half of enrolled students received Emergency Financial Aid Grants

Emergency Financial Aid Grants supported students whose lives had been disrupted by the pandemic, many of whom continue to face financial challenges and struggle to meet their basic needs. The loss of employment throughout the COVID-19 pandemic exacerbated food and housing insecurity for college students. As an example, in a Fall 2020 survey of more than 195,000 students, almost 40% at two-year institutions experienced food insecurity, while nearly 30% of students at four-year institutions had experienced food insecurity since the beginning of the COVID-19 pandemic.⁸ In order to help students in these types of situations, IHEs were required to prioritize exceptional financial need in distributing funds.

Data from the annual report revealed that, in 2021, institutions awarded \$19.5 billion to students in the form of Emergency Financial Aid Grants to 12.7 million students. Exhibit 5 provides the total number of students who received Emergency Financial Aid Grants and the amounts that they received in 2021.

⁸ The Hope Center Survey 2021: Basic Needs Insecurity During the Ongoing Pandemic. Retrieved from: <https://hope.temple.edu/sites/hope/files/media/document/HopeSurveyReport2021.pdf>.



Student enrollment and student recipient counts include students that were certificate seeking students, degree seeking students, and students in non-credit programs.

Exhibit 5. Student enrollment counts, Emergency Financial Aid Grant recipient counts, percent of students receiving grants, total amount awarded, and average amount per student recipient by sector

Sector ⁹	Enrollment (in thousands)	Grant recipients (in thousands)	Percent recipients	Amount awarded (in millions)	Average amount per grant recipient
Public 4 Year	12,436	6,391	51%	\$10,347	\$1,619
Public 2 Year and <2 Year	7,424	3,523	47%	\$4,523	\$1,284
Private Not-For-Profit 4 Year	5,297	2,260	43%	\$3,886	\$1,719
Private Not-For-Profit 2 Year and <2 Year	77	41	53%	\$80	\$1,951
Private For-Profit 4 Year	1,197	271	23%	\$250	\$923
Private For-Profit 2 Year and <2 Year	623	278	45%	\$419	\$1,507
Total	27,054	12,764	47%	\$19,505	\$1,528

Of the \$19.5 billion that institutions spent on Emergency Financial Aid Grants, nearly 10 percent were funds that IHEs opted to spend from their HEERF institutional funds to provide additional aid to students. Almost half of all enrolled students received an Emergency Financial Aid Grant and awards averaged over \$1,500 per recipient.

Pell Grant recipients and students at under-resourced institutions were more likely to receive aid and typically received aid in higher amounts

Throughout the COVID-19 pandemic, students faced immense challenges meeting their basic needs including housing and food insecurity. Moreover, evidence has shown that the pandemic has disproportionately impacted underserved communities and communities of color.¹¹

⁹ Sector refers to institutional control and level. "<4 year schools" in this table refer to 2 year schools and less than 2 schools.

¹⁰ Enrollment counts could include individuals enrolled as non-credit students.

¹¹ Center for Disease Control and Prevention, 2022. Health Equity. <https://www.cdc.gov/healthequity/whatis/>



IHEs worked diligently to provide support for their students, prioritizing students with exceptional need, including students who receive Pell Grants and undergraduates with extraordinary financial circumstances. Accordingly, Pell Grant recipients were more likely to receive Emergency Financial Aid Grants and, on average, received more in grants than their non-Pell Grant recipient peers. Eighty percent of Pell recipients received awards compared to less than 2 out of 5 non-Pell recipients. Pell Grant recipients received an average of \$2,000 compared to \$1,200 for non-Pell Grant recipients.

Students enrolled at under-resourced institutions were also slightly more likely to receive Emergency Financial Aid Grants than students at other institutions and, in some cases, were more likely to receive higher awards. For example, at HBCUs, the percentage of students receiving aid through HEERF was nearly 80 percent, and students, on average, received more funding than their peers at other institutions with an average award of \$2,400. Similarly, at TCCUs, nearly 70 percent of students received aid and at a higher amount than their peers at other institutions, with an average award of \$2,600.

The higher rates of emergency aid receipt among students at under-resourced institutions is partially a reflection of the legislation's establishment of additional program funding designated specifically for these institutions. Under-resourced institutions were more likely to spend institutional funds on additional emergency aid to students. Sixty-one percent of these institutions (1,026 institutions) spent \$1.4 billion in institutional funds for emergency aid in 2021, compared to \$319 million in institutional funds from other institutions.

IHEs and students alike have reported that HEERF emergency aid was important for retention and completion. A recent survey found that the majority of students who received emergency aid indicated the aid allowed them to experience less stress and better focus on their studies, stay enrolled in college, and get better grades than they would have without the funding.¹² Most recipients surveyed used the funds to pay for food, books, and housing. Clark State College, a community college, reports that student retention and completion was higher for students who received HEERF, and that completion rates for students of color increased by 4 percent between 2020 and 2021.¹³ This emergency aid helped students at Clark State College and across the nation cover basic needs and handle unforeseen expenses that arose due to the pandemic.

Institutions used HEERF to improve student completion and address enrollment declines

Many IHEs have used HEERF on various efforts to boost retention and completion, address enrollment declines, and re-enroll students. IHEs have seen enrollment declines of nearly 1 million undergraduate students since 2019.¹⁴ Public two-year colleges felt the greatest impact with a 13.2 percent drop in enrollment, accounting for over 700,000 students. Some institutions sought to improve retention and re-engage students through the discharging of unpaid student account balances for students enrolled during the pandemic. Overall, IHEs spent \$1.5 billion in discharging unpaid student balances in 2021. When combining this with student portion funds that students opted to put toward student accounts, \$3.3 billion in HEERF went toward student accounts. Small balances can prevent students from enrolling, accessing

12 "Evaluating Student and Institutional Experiences with HEERF." NASFAA, NASPA, & HCM Strategists. Retrieved from: https://www.nasfaa.org/uploads/documents/Evaluating_Student_and_Institutional_Experiences_with_HEERF.pdf.

13 Jo Alice Blondin, "Going the Distance, but Quickly," Community College Daily, October 17, 2022, <https://www.ccdaily.com/2022/10/going-the-distance-but-quickly/>.

14 "Overview: Fall 2021 Enrollment Estimates," National Student Clearinghouse Research Center, 2021, https://nscresearchcenter.org/wp-content/uploads/CTEE_Report_Fall_2021.pdf.



transcripts needed to transfer, or obtaining a job. Research has found that discharging unpaid balances can boost student persistence.¹⁵ For example, California State University—San Bernadino (CSUSB) paid off outstanding debts to help encourage re-enrollment among students who stopped out during the pandemic.¹⁶ Students who received discharges were required to take two free classes during the summer and register for the fall semester. Through the effort, CSUSB re-enrolled 823 students, 85 percent of whom were Black and Latino, by covering just \$130,000 in unpaid balances.

Other institutions have used HEERF to offer free or reduced tuition. For example, four community colleges in California recently announced they would continue efforts to waive tuition and fees using HEERF to boost enrollment.¹⁷ Laney College saw a 15 percent increase in student enrollment when it first started the initiative. Moreover, North Carolina A&T University used their funds to pay for students' textbooks for the next two years and allowed students to enroll in two summer courses for free. A total of 3,800 students took advantage of this summer scholarship.¹⁸

The COVID-19 pandemic took a toll on students' mental health and exacerbated the need for basic needs supports on campuses. For example, in a September 2021 survey of college presidents, 73 percent of respondents indicated that the mental health of students was a pressing concern on their campus, up from 41 percent in April 2020.¹⁹ In May 2022, the Department released guidance strongly encouraging IHEs to use available HEERF grants to address student, faculty, and staff mental health. In 2021, at least 100 IHEs reported using funds to support mental health on campus, and the Department expects this number to increase. For example, Fond du Lac Tribal and Community College in Wisconsin provided mental health resources for students, faculty, and staff in addition to fitness and wellness resources. Many other institutions reported using HEERF to address food insecurity and to provide holistic supports and wraparound services that keep students enrolled. For example, Alamo Community College in Texas used HEERF for food pantry equipment and supplies.

Institutions used HEERF to cover losses in revenue and provide additional supports to students

IHEs used their institutional funds on a variety of other mechanisms to prepare, prevent, and respond to the COVID-19 pandemic including discharging unpaid balances for students enrolled during the pandemic, addressing students' basic needs, providing mental health supports, expanding access to technology, improving campus safety, and covering lost revenue. They were also able to use institutional funds to provide additional Emergency Financial Aid Grants to students. In 2021, institutions expended more than \$21.5 billion of HEERF institutional portion funds.

- Approximately 2,000 IHEs provided \$1.7 billion in Emergency Financial Aid Grants through their institutional funds, which amounts to 8 percent of all institutional funds spent in 2021.

¹⁵ "Forgiving Students' Unpaid Balances Boosts Persistence and Revenue," EAB, February 11, 2020,

<https://eab.com/insights/expert-insight/enrollment/forgiving-students-unpaid-balances-boosts-persistence-and-revenue/>.

¹⁶ California State University (CSU) Chancellor's Office, "Action for Equity: Removing Administrative Barriers," Newswise (Newswise, September 26, 2022), <https://www.newswise.com/articles/action-for-equity-removing-administrative-barriers>.

¹⁷ Aja Seldon, "Four East Bay Community Colleges Continue Free Tuition for Spring Semester," KTVU FOX 2 (KTVU FOX 2, November 18, 2022), <https://www.ktvu.com/news/four-east-bay-community-colleges-continue-free-tuition-for-spring-semester>.

¹⁸ John Newsom, "With New Scholarship Funds, N.C. A&T Gives Its Students a Major Price Break," News & Record, July 12, 2021, https://greensboro.com/news/local/education/with-new-scholarship-funds-n-c-a-t-gives-its-students-a-major-price-break/article_9b125a28-e331-11eb-a378-1b01554df5e2.html.

¹⁹ Melidona, Danielle, et al. American Council on Education, 2021, 2021 Fall Term Pulse Point Survey of College and University Presidents, <https://www.acenet.edu/Documents/Pulse-Point-Survey-Fall2021.pdf>



- When combining Emergency Financial Aid Grants used to discharge unpaid student balances and institutional funds reported as lost revenue for discharging unpaid student balances, more than 1,400 institutions spent nearly \$1.5 billion on discharging unpaid student balances. This represented 7 percent of all institutional fund expenditures by IHEs in 2021. Institutions could use institutional portion funding to discharge student accounts either by awarding Emergency Financial Aid Grants to satisfy outstanding balances or by applying lost revenue to unpaid student accounts. This total is likely an undercount since some institutions also reported discharging debt in the “other” category.
- Twelve percent of institutional funds went to campus safety, and 8 percent of such funds was spent on technology and other activities, such as providing Wi-Fi and hotspots to students who did not have access to broadband internet at home.

Overall, the majority of institutional funds (nearly \$13 billion in 2021) went toward recovering lost revenue. Generally, lost revenue refers to those revenues an institution otherwise expected but were reduced or eliminated because of the COVID-19 pandemic. Institutions reported institutional portion funds covering lost revenue in calendar year 2021 at nearly \$13 billion. More than half of reported lost revenue amounts were attributable to two categories, enrollment declines (29 percent) and room and board (23 percent). IHEs shared that covering revenue losses with HEERF funds helped institutions maintain services and avoid cuts in programs, student support services, and faculty and staff.

The major categories of institutional spending varied by institution type. For example, HBCUs and TCCUs were less likely to report spending on lost revenue than institutions overall and more likely to report higher spending on technology expenditures. Lost revenue at community colleges was much more likely to stem from enrollment declines, while a higher share of lost revenue stemmed from covering unpaid student account balances at community colleges, HBCUs, and TCCUs.

Conclusion

The Biden-Harris Administration remains committed to addressing the challenges faced by IHEs, students, faculty, and staff resulting from the ongoing impacts of the COVID-19 pandemic. The data in this report demonstrate that HEERF helped keep students enrolled, faculty and staff employed, and communities safe. There are early indications that student enrollment is beginning to rebound from the lows of the pandemic in the 2022-2023 award year.²⁰ In the deployment of the ARP and the implementation of new initiatives, the Department is committed to accelerating efforts to reverse enrollment declines and improve student success.

HEERF provided, and continues to provide, support to students and institutions as they work to address the impact of the COVID-19 pandemic. In 2022, the Biden-Harris Administration issued guidance to institutions on using HEERF in addressing basic needs and mental health.²¹ The Department will continue to support IHEs in their efforts and effective use of funding through HEERF in response and recovery that leaves our Nation’s students and IHEs stronger than before the COVID-19 pandemic began.

20 National Student Clearinghouse Research Center, 2022. Fall 2022 Enrollment. COVID-19: Stay Informed - National Student Clearinghouse Research Center, <https://nscresearchcenter.org/>

21 “Using HEERF Institutional Portion Grant Funds to Meet the Mental Health and Substance Use Disorder Needs of Students,” May 19, 2022, <https://www2.ed.gov/about/offices/list/ope/heerfmentalhealthfaqs.pdf>.