

Pandemic Relief Funding for Community Colleges

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To provide fast and direct economic aid to the American people negatively impacted by the COVID-19 pandemic, Congress enacted a series of laws and injected about \$4.6 trillion into the U.S. economy (U.S. Government Accountability Office, 2023). Of this amount, over \$75 billion was directed to institutions of higher education through the Higher Education Emergency Relief (HEER) Funds (U.S. Department of Education, n.d.). This brief describes the broad purposes of the funds as indicated by Congress and the U.S. Department of Education, and it provides a first look at how much funding was awarded to and spent by the nation's community colleges between March 2020 and February 28, 2023.

Purpose and Structure of HEER Funding

HEER funds were intended to serve two main purposes: (1) to provide emergency aid directly to students facing financial challenges during the COVID-19 pandemic and (2) to ensure that institutions of higher education could continue serving students in the midst of unforeseen disruptions. Congress appropriated funds to higher education institutions in three acts passed between March 2020 and July 2022.¹ How much money each college received in HEER funds depended on student enrollment levels. In the initial legislation, the funding formula was weighted toward full-time equivalent enrollment of federal Pell Grant recipients. This placed community colleges at a disadvantage because of the high number of part-time students and distance learners that they serve (National Student Clearinghouse Research Center, 2023). In subsequent legislation, the

Over \$25 billion in emergency relief funding was awarded to community colleges during the COVID-19 pandemic.

formula was adjusted to provide more funding for institutions that enroll part-time students as well as students enrolled exclusively in distance education courses, though it retained its emphasis on Pell Grant recipients.

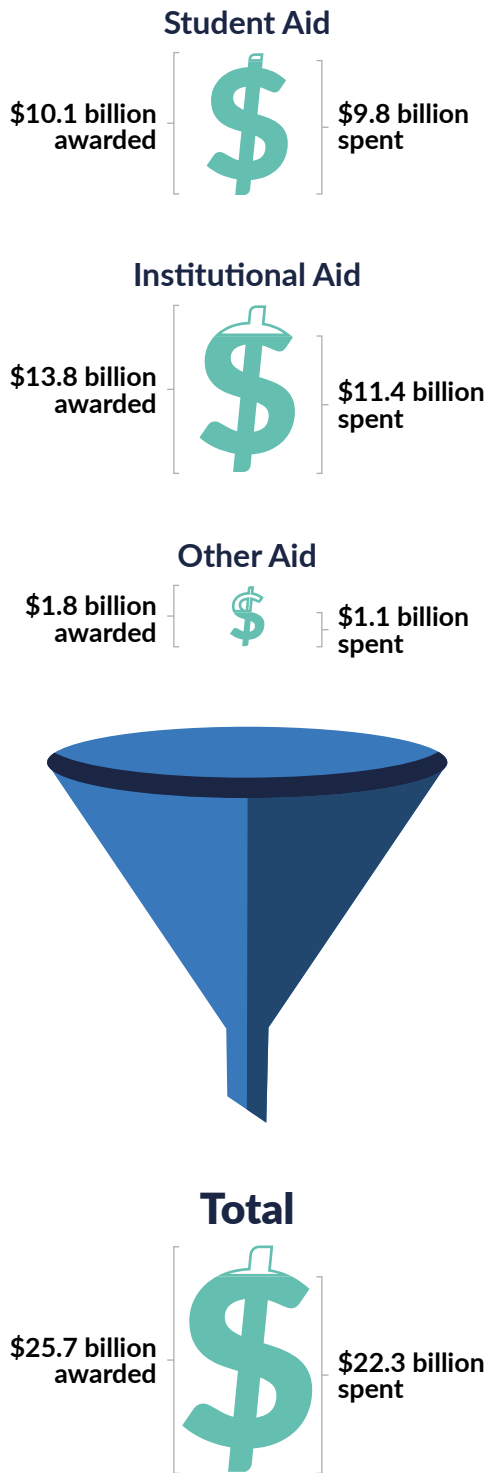
Funds were designated in three categories: student aid, institutional aid, and other aid. Student aid was intended to help students address disruptions of campus operations due to COVID-19, including expenses related to food, housing, course materials, technology, healthcare, and childcare. These funds were disbursed directly by colleges to students, often in the form of cash grants. Institutional aid was intended to help colleges defray expenses related to COVID-19, including lost revenue, technology costs associated with the transition to distance education, faculty and staff training, and payroll. The remaining, other aid was awarded to colleges that met certain qualifications for funding, such as Minority Serving Institutions (MSIs) or Tribally Controlled Colleges and Universities (TCCUs) (Skinner et al., 2023). The deadline for using HEER funds is June 30, 2023.

Community College HEER Funds Received and Spent

Community colleges were hard hit by COVID-19 because the people they serve experienced significant illness and job loss during the early stages of the pandemic. Community college enrollments dropped 15% between fall 2019 and fall 2020, with especially sharp declines among Black, Hispanic, and Indigenous students (Brock & Diwa, 2021). Enrollments continued to decline the following year but have since stabilized (National Center for Education Statistics, 2023).

In most states, community colleges are funded largely based on head counts. If not for HEER funding, the financial losses precipitated by enrollment declines could have been devastating. At the time of this analysis, most community colleges had spent the great majority of their HEER funds, including nearly all of their allotment for student aid. Where there are unspent funds, they are usually designated for institutional and other aid.

HEER Funds Awarded to and Spent by Community Colleges Through February 2023



How much in total HEER funds did community colleges receive and spend?

The U.S. Department of Education awarded funds to 970 community colleges.² Across these colleges, a total of \$25.8 billion was allocated for student (39%), institutional (54%), or other (7%) aid. Funding amounts ranged from \$306,209 to \$1.6 billion, averaging \$26.5 million per institution. Of the total funding awarded, \$22.4 billion (87%), or an average of \$23 million per institution, has been spent. Nearly 74% of the \$3.4 billion in unspent funds is remaining institutional aid.

How much student aid did community colleges receive and spend?

Student aid, which was provided directly to students in the form of emergency financial aid, totaled \$10.1 billion and ranged from \$124,240 to \$637 million per institution. Student aid comprised 39% of total aid awarded and was the most quickly spent. As of February 2023, 97% of student aid, averaging \$10 million per institution, has been spent. Colleges were given discretion as to how they made students aware of these funds and how they ultimately dispersed funds to students. Some colleges chose to automatically deposit funds into qualifying students' accounts, while others had students apply to receive aid.

How much institutional aid did community colleges receive and spend?

Institutional aid was the largest portion of aid awarded at \$13.9 billion (54%) of total funds. Institutional aid served to supplement the cost of expenses associated with COVID-19 and additional student costs not covered by the emergency grants to students. Similar to student aid, colleges had significant discretion over how to use these funds, though some uses were prohibited (e.g., marketing and recruitment, endowment, and capital outlays). As of February 2023, the majority of institutional aid, \$11.4 billion (83%), has been spent. Amounts awarded ranged from \$30,341 to \$854 million and averaged \$14 million per institution.

How much did community colleges receive and spend in other aid?

The smallest portion of HEER funds was classified as “other” aid and was allocated to qualifying institutions that served high concentrations of minority and low-income students. Other aid was awarded to 794 (82%) of the 970 community colleges and comprised \$1.8 billion (7%) of total funds, ranging from \$20,231 to \$99 million per institution. The average college receiving other aid was awarded \$2.7 million in other aid, and colleges have spent \$1.1 billion (59%) of those funds as of February 2023.

Looking Ahead

This brief will be followed by a longer report analyzing HEER funding and spending through the spending deadline of June 30, 2023. The forthcoming report—scheduled for late 2023—will examine in detail the amounts awarded and spent across all award categories and explore spending patterns by institutional characteristics. The report will incorporate the most recently available spending data and discuss implications for unspent funds. In addition to both this brief and the forthcoming report, we will also release an interactive dashboard on the [ARCC Network website](#) that allows for further, independent exploration of HEER-related data.

This expenditure analysis complements the work of the ARCC Network’s institutional survey project, which is being conducted in partnership with state educational organizations to survey community colleges in California, Michigan, New York, Ohio, Tennessee, and Texas on their uses of HEER funds. The survey asks how community colleges have used federal pandemic recovery funds, which student populations were identified as having the greatest needs during the pandemic, and what unmet needs or concerns colleges have as HEER funding expires. Together, the institutional survey and expenditure analysis will present a comprehensive picture of how this unprecedented federal investment was used by community colleges to provide critical support during the COVID-19 pandemic.

Endnotes

1. The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed in March 2020, followed by the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) in December 2020 and the American Rescue Plan (ARP) in March 2021, and, finally, the Supplemental Support under American Rescue Plan (SSARP) in July 2022.
2. The U.S. Department of Education determined eligibility for HEER funding based on colleges’ Title IV federal designation under the Higher Education Act of 1965.

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For more information about the ARCC Network, visit ccrc.tc.columbia.edu/arccnetwork/

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