
U.S. Department of Education Announces New HEERF and SNAP Guidance

The U.S. Department of Education (“Department”) [announced](#) new guidance to assist institutions of higher education with the use of their Higher Education Emergency Relief Fund (“HEERF”) grants. These HEERF funds were authorized by the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) in April 2020 (“HEERF I”); the Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSAA”) in December 2020 (“HEERF II”); and the American Rescue Plan (“ARP”) earlier this month (“HEERF III”). The Department also released information regarding expanded student eligibility to receive Supplemental Nutrition Assistance Program (“SNAP”) benefits.

HEERF Guidance

The new HEERF [guidance](#) came in several parts. As an initial matter, the Department released a [Notice of Interpretation](#) (“NOI”) that updates the allowable period of time for which institutions may use HEERF I and HEERF II funds under the revised use-of-funds provisions outlined in the CRRSAA, including for lost revenue and expenses already incurred. The Department originally said that HEERF II funds and any unspent HEERF I funds could be used only for COVID-related obligations incurred on or after December 27, 2020, the date of CRRSAA enactment. The NOI revised that date back to March 13, 2020, the day that President Trump declared a national emergency.

Consistent with the NOI, the Department released an [update](#) to the Grant Award Notification (“GAN”) and the Supplemental Agreement associated with the CRRSAA. Institutions are advised to retain the GAN update in their HEERF program files.

The expanded-use authorization applies to all unspent HEERF I funds provided to institutions of higher education under Section 18004(a)(1) of the CARES Act and to certain institutions under Sections 18004(a)(2) and 18004(a)(3) of the CARES Act. It also applies to the HEERF II funds provided to public and private nonprofit institutions under Sections 314(a)(1) and 314(a)(2) of the CRRSAA and to HEERF III funds for these institutions authorized under Section 2003 of the ARP.

Proprietary institutions are not eligible to receive funds under Section 314(a)(1) of the CRRSAA. Instead, the CRRSAA establishes a separate HEERF II funding stream under Section 314(a)(4) that proprietary institutions can use only for student financial aid grants. Section 2003 of the ARP supplements the Section 314(a)(4) funding stream with HEERF III funds for student grants.

Among the expanded uses for HEERF funds authorized by the CRRSAA is lost revenue, and the recent guidance included a new [FAQ](#) document addressing the topic. This document provides

much-needed instruction regarding acceptable sources of lost revenue due to the COVID-19 pandemic, how institutions can calculate lost revenue, and methodologies for documenting and supporting lost-revenue determinations.

The Department updated its [HEERF II FAQs for public and private nonprofit institutions](#) and [HEERF II FAQs for proprietary institutions](#) to reflect these changes. Q&A #7 in the latter document makes clear that the CRRSAA expanded-use guidance applies to unspent HEERF I funds held by proprietary institutions, including the possibility of using HEERF I Institutional Portion funds to cover lost revenue and payroll.

The FAQs remind institutions that the CARES Act requires that at least 50% of all HEERF I funds (i.e., the Student Aid Portion plus the Institutional Portion) must be used for direct grants to students. The CRRSAA mandates that any institution receiving HEERF II funds under Section 314(a)(1) must provide at least the same amount of student grant funds as the institution was required to provide under the CARES Act. The Department continues to emphasize that institutions must prioritize students with exceptional need as they award student grant aid funds.

The Department updated its side-by-side [comparison](#) of the HEERF I and HEERF II provisions to reflect the revision of pre-award cost reimbursement date back to March 13, 2020, the beginning of the national emergency declaration. The Department also recently released an [overview](#) of auditing requirements for institutions that received HEERF funds.

SNAP Eligibility

Finally, and unrelated to HEERF, the Department released information regarding the new and temporary eligibility of certain students to receive SNAP benefits. The [March 19, 2021, Electronic Announcement](#) explains that institutions can provide FAFSA information to state and local SNAP agencies to verify student eligibility. This new Electronic Announcement supplements the more detailed discussion about the temporary changes to the SNAP program provided in the [February 23, 2021, Electronic Announcement](#).

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