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Higher Education Emergency Relief Fund

Some University Campuses Did Not Maximize Available Federal Pandemic Funds, and They Prioritized Students Differently When Awarding Relief Funds

Background

To alleviate the economic effects of the COVID-19 pandemic, Congress provided economic assistance to institutions of higher education and students through three laws, which allocated billions of dollars to the Higher Education Emergency Relief Fund (HEERF). These funds were intended to help defray campuses' expenses associated with the pandemic and to provide financial aid grants to students. The University of California (UC) and California State University (CSU) campuses received more than \$4.4 billion in HEERF funding. Although the acts established general requirements for using HEERF funds, campuses retained significant discretion in the specific use of the funds. We reviewed three UC campuses' and three CSU campuses' use of HEERF funds.

Key Recommendations

- To maximize HEERF funds, campuses should do the following:
 - » Review expenses they incurred in response to the pandemic and submit all eligible expenses to FEMA for reimbursement.
 - » Reallocate any HEERF funds initially spent for expenses that may be reimbursed by FEMA to other purposes, such as additional student aid.
- The CSU Chancellor's Office and the UC Office of the President should encourage campuses to obtain additional federal funds to maximize student services and aid by directing each of their respective campuses to identify expenses that are eligible for FEMA reimbursement.
- UC San Diego should apply for MSI status to ensure it provides additional educational opportunities and expand the capacity of the campus to serve its minority students.

Key Findings

- Most of the campuses we reviewed did not maximize available federal funds.
 - » We identified \$47 million in actual and planned HEERF spending at four campuses that could be submitted to FEMA for reimbursement, allowing those campuses to use their HEERF funds to defray lost revenue or provide additional aid to students.
 - » There may be millions of dollars in additional pandemic-related expenses at other UC and CSU campuses that are eligible for FEMA reimbursement.
 - » Two UC campuses could have received an additional \$2.8 million in HEERF funds if they had renewed or applied for minority-serving institution (MSI) designation.
- Many campuses used both an application process and an automatic process for distributing grants to students; however, the variations in campuses' processes and priorities for student aid grants resulted in inconsistent treatment of students in similar situations.
 - » Some campuses that used an application process asked students to fill in their requested amounts in predetermined categories, while other campuses required justifications for requested amounts and then reviewed the request to determine if the costs were allowable.
 - » Under their automatic grant processes, campuses divided students into categories and awarded larger grant amounts to students with certain characteristics. However, the campuses differed in how they prioritized students—one campus prioritized students with children, others did not.