

**Missouri
State**
UNIVERSITY



**Missouri
State
University**
WEST PLAINS

Use of COVID-19 Recovery Funds

December 16, 2021

Report No. 172-21

Office of Internal Audit & Risk Management



DATE: December 16, 2021

TO: Board of Governors

CC: Rachael Dockery, General Counsel
 Dr. Frank Einhellig, Provost
 Dr. Dennis Lancaster, Interim Chancellor – West Plains
 Clifton M. Smart III, University President

FROM: COVID-19 Cost Recovery Team

Use of COVID-19 Recovery Funds Awarded

BACKGROUND

In response to the Coronavirus pandemic, the U.S. Congress has passed several pieces of legislation to provide up to \$4.7 trillion in economic relief which has been aimed to help governments, businesses and individuals react and recover from the downturn created by various local public health emergency requirements. Since the initial legislation was passed in March 2020, the University system has been awarded nearly \$105 million in related federal funding. To ensure funding was utilized in the most useful, equitable and necessary means possible, the University assembled a COVID-19 Cost Recovery Team who have worked to identify reimbursable expenses, compile required documentation, and submit requests for reimbursement to these various governmental bodies. As of November 30, 2021, this team has ensured reimbursement of qualifying expenditures totaling more than \$93 million. The following compilation provides an understanding of each award, its intended purpose and use by the University, and any amount remaining unused or unclaimed on November 30, 2021.

COVID-19 Cost Recovery Team Members:

Springfield Campus:

Natalie B. McNish, Director of Internal Audit & Risk Management
 Steve Foucart, Chief Financial Officer (co-chair)
 Lori Swindell, Accounting Manager
 Teresa Lindsay, Payroll Manager
 Rachel McGinnis, Director of Research Admin.
 Michel Hackworth, Assistant Director of Grants & Capital Projects
 Rob Moore, Director of Financial Aid
 Rachel Anderson, Business Incubator Director
 Ryan DeBoef, Chief of Staff
 Suzanne Shaw, VP for Marketing & Communications

David Hall, Director of University Safety
 Karen McKinnis, Emergency Preparedness Manager
 Jen Cox, University Space Manager & Director of Support Services
 Rachel Knight, General Manager KSMU & OPT

West Plains Campus:

Crockett Oaks, Director of Business & Support Services
 Jennifer Walker, Coordinator of Financial Aid
 Christina Kerley, Accounting Manager
 C.J. Collins, Coordinator of Information Systems Support

EXECUTIVE SUMMARY

In March 2020, Congress passed the Coronavirus Aid, Relief and Economic Security (CARES) Act, which provided over \$2 trillion in economic relief through numerous grant programs focused on citizens, businesses, healthcare facilities, educational institutions, and governments. A portion of this money was granted directly to grantees and another portion was passed down to each state for further distribution. As a result, the State of Missouri received \$2.69 billion. Using this money, the State of Missouri recovered costs related to the state response and recovery, provided grants to businesses, schools, not-for-profit entities and governments, and passed a portion of this money down to each County. The counties were tasked with establishing their own cost recovery and granting processes. In addition, the Corporation for Public Broadcasting (CPB) received \$75 million of these funds which were passed on to local public broadcasting agencies, including \$335,000 to the University.

In December 2020, Congress passed the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) which provided an additional \$81.88 billion in support of education.

In March 2021, Congress again passed legislation for economic relief and recovery through the American Rescue Plan (ARP) Act, which added another \$39.6 billion in support of education. The University was directly awarded another \$46.5 million of these funds. The CPB received and passed through another \$175 million from these funds to local public broadcasting agencies, including \$642,000 to the University.

Since the pandemic announcement in March 2020, the University was awarded grant funding from all three levels (federal, state, local) which totals \$104,654,282 (\$13,340,483 System, \$84,426,142 Springfield; \$6,887,657 West Plains) as of November 30, 2021. The following report will provide an understanding of each award received (See also Exhibit A), its use, and any amount remaining or pending as of November 30, 2021.

1. CARES - Higher Education Emergency Relief Fund (HEERF I)

In April 2020, the Office of Postsecondary Education (OPE) released granting opportunities for the \$14 billion of CARES Act monies held in the Higher Education Emergency Relief Fund (HEERF). The HEERF was divided into eight programs. The University received awards from three of these programs.

HEERF I – Student & Institutional Portion Programs \$14,815,840

The Student Portion and Institutional Portion (two separate programs awarded simultaneously) provided grants to all Title IV schools using a formula based upon student enrollment. These programs required each institution to provide at least 50 percent in emergency financial aid grants to students. Guidance provided by the OPE allowed each institution to develop its own policies and procedures to award these emergency financial aid grants to students requiring only that, “the funds be used to cover expenses related to the disruption of campus operations due to coronavirus (including eligible expenses under a student’s cost of attendance, such as food, housing, course materials, technology, health care, and child care).”

As previously reported, the University was awarded and received a total of \$14,815,840 (\$13,855,674 Springfield, \$960,166 West Plains) for both the Student & Institutional portions of HEERF in April 2020. The University disbursed **\$7,407,920** (\$6,927,837 Springfield, \$480,083 West Plains) of the student portion to qualifying students by June 2020. The University utilized the institutional funds to reimburse itself for student refunds and testing and tracking related expenses totaling **\$4,708,319** (\$4,660,771 Springfield and \$47,548 West Plains), and **\$10,597** in additional emergency student aid for West Plains. This left **\$2,689,004** in awarded funding available for use when the prior report was issued.

The remaining funding was used to:

- To refund **\$1,833,090** for the additional \$29 per credit hour tuition charged to all Springfield campus students for online classes, when no other modality was provided.
- To issue additional student aid to students of the West Plains campus totaling **\$415,720**.
- To recover lost revenue totaling **\$266,575** for Springfield campus Residence Life and Athletic operations and lost revenue totaling **\$107,546** related to Springfield campus Study Away and Choral travel cancelations.
- To refund student housing totaling **\$55,707 (Springfield)**.
- To reimburse COVID testing and tracking related expenses totaling **\$9,604** (\$3,440 Springfield, \$6,164 West Plains).
- To supplement student aid totaling **\$762** (\$707 Springfield, \$55 West Plains).

HEERF I – Strengthening Institution Program (SIP)

\$739,028

The Strengthening Institution Program (SIP) provided grants to institutions which have at least 50 percent of their degree seeking students receiving need-based assistance or have a substantial number of enrolled students receiving Pell Grants. Allowable uses of these monies include direct aid for students (only if students are Pell eligible), reimbursement of lost revenue, costs associated with the transition to virtual learning, faculty and staff training and payroll expenses.

As previously reported, the University was awarded a total of \$739,028 (\$691,590 Springfield, \$46,891 West Plains) which was claimed as reimbursement for **\$642,106** in lost revenue as of November 30, 2020 and left \$97,791 remaining for qualifying use.

The University claimed this remaining funding to cover **\$49,484** in lost revenue related to Coke commissions (Springfield) and **\$46,891** in lost revenue related to decrease in tuition revenue earned for Fall 2020 (West Plains).

2. CRRSAA - Higher Education Emergency Relief Fund (HEERF II)

In January 2021, the Office of Postsecondary Education (OPE) announced granting opportunities for the \$81.88 billion of CRRSAA monies held in the Higher Education Emergency Relief Fund (HEERF II). The HEERF was again divided into eight programs. The University again received awards from three of these programs.

HEERF II – Student & Institutional Portion Programs

\$25,524,244

The Student Portion and Institutional Portion (two separate programs awarded simultaneously) provided grants to all Title IV schools in the same manner used for HEERF I funding described above; however, the 50 percent rule was replaced by specific awards for both the student and institutional programs and institutions were authorized to utilize funding to pay off account balances, but only with documented permission of the student.

The University was awarded a total of **\$25,524,244** (\$23,441,360 Springfield, \$2,082,884 West Plains) for both the Student & Institutional portions of HEERF II in April 2020. The University claimed **\$7,407,920** (\$6,927,837 Springfield, \$480,083 West Plains) of its Student portion award to qualifying students as emergency financial aid in March 2021. Of this amount, approximately \$700,000 was applied to student account balances.

The University claimed institutional portion of these funds to cover **\$16,238,073** (15,049,268 Springfield, \$1,188,804, West Plains) in lost revenue related to April through June 2020, Summer 2020, Fall 2020 and Spring 2021 decreases in tuition, fees, and housing revenue on both campuses, decreased enrollment at the International Leadership and Training Center and English Language Institute; decreased rental of entertainment venues and other spaces on both campuses, decreased athletic ticket sales on both campuses, and decreased use of transit operations on the Springfield campus. The University also claimed **\$1,878,251** (\$1,464,254 Springfield, \$413,997 West Plains) as reimbursement of COVID-19 testing expense, personal protection equipment expense, purchase of

fixtures and assets use to protect employees and test/trace the virus on both campuses, and employment of contract tracers for both campuses.

HEERF II – Strengthening Institution Program (SIP) \$1,089,998

The Strengthening Institution Program (SIP) provided grants to institutions in the same manner used for HEERF I funding described above. The University was awarded and claimed a total of **\$1,089,998** (\$1,004,057 Springfield, \$85,941 West Plains) which was used to reimburse lost tuition and fee revenue related to the Spring 2021 semester.

3. ARP Act- Higher Education Emergency Relief Fund (HEERF III)

In May 2021, the Office of Postsecondary Education (OPE) announced granting opportunities for the \$39.6 billion of ARP Act monies held in the Higher Education Emergency Relief Fund (HEERF III). The HEERF was again divided into eight programs. The University again received awards from three of these programs.

HEERF III – Student & Institutional Portion Programs \$44,591,421

The Student Portion and Institutional Portion (two separate programs awarded simultaneously) provided grants to all Title IV schools in the same manner used for HEERF II funding described above; however, new guidance allowed grants to international students who applied for emergency financial aid. The University was awarded a total of **\$44,591,421** (\$41,218,072 Springfield, \$3,373,349 West Plains) for both the Student & Institutional portions of HEERF III in July 2021.

In October 2021, the University claimed **\$19,504,505** (\$18,458,613 Springfield, \$1,045,892 West Plains) of its Student portion award to reimburse emergency financial aid awarded. Of this amount, approximately \$2.9 million was applied to student account balances. An additional amount of **\$1,745,500** (\$1,587,000 Springfield, \$158,500 West Plains) has been dispersed to students as emergency financial aid, but reimbursement was not claimed prior to November 30, 2021. As of November 30, 2021, **\$1,278,856** (\$712,914 Springfield, \$565,672 West Plains) of this award remains available for qualified use.

For the institutional portion of this award, the University claimed **\$7,604,717** (\$7,600,117 Springfield, \$4,600 West Plains) in lost state appropriations, and another **\$5,864,651** for lost revenue related to decreased sales at the Baker Bookstore, decreased clinic fees collected by the Magers Health and Wellness Center who has dedicated their staff to COVID recovery efforts during much of this pandemic, decreased enrollment at the International Leadership and Training Center and English Language Institute; decreased rental of entertainment venues and other spaces, decreased athletic ticket sales, and decreased use of transit operations on the Springfield campus. The University also claimed **\$141,583** as reimbursement of COVID-19 testing expense on the Springfield Campus. An additional amount of **\$73,544** has been allocated for lost revenue related to Veteran’s Assistance contracts, but reimbursement was not claimed prior to November 30, 2021. As of November 30, 2021, **\$8,378,335** (\$6,779,650 Springfield, \$1,598,685 West Plains) of this award remains available for qualified use.

HEERF III – Strengthening Institution Program (SIP) \$1,987,808

The Strengthening Institution Program (SIP) provided grants to institutions in the same manner used for HEERF II funding described above. The University was awarded and claimed a total of **\$1,987,808** (\$1,843,516 Springfield, \$144,292 West Plains) which was used to reimburse lost tuition and fee revenue related to the Fall 2021 semester.

4. CARES - Governor’s Emergency Education Relief (GEER) \$2,164,761

In collaboration with the Office of the Governor, Office of Administration (OA), and Department of Elementary and Secondary Education (DESE), the Department of Higher Education & Workforce Development (DHEWD) established and funded the GEER fund with more than \$23.6 million in CARES

Act monies. Using enrollment, employment, and other data the DHEWD allocated these funds to all state institutions including a grant of **\$2,164,761** to Missouri State University. As previously reported, the University requested and received reimbursement of payroll and benefit costs incurred between April 1 and September 30, 2020 totaling **\$2,164,761** related to employees who assisted with transitional and functionality efforts of the University as required by current local health orders.

5. CARES - Coronavirus Relief Fund (CRF)

The Coronavirus Relief Fund (CRF) was created by the CARES Act and appropriated \$150 billion to the State of Missouri. Using this funding, the Office of the Governor, OA & DHEWD established two programs for higher education. Submissions for reimbursement were sent to the DHEWD and, with their approval, were then forwarded to the Office of Administration for final approval. In total, the University received **\$11,118,801** for qualifying expenses.

CRF – COVID-19 Response & Reopening Program

\$10,095,759

The COVID-19 Response & Reopening program was developed to reimburse higher education institutions for costs incurred in relation to the public health emergency which were not budgeted prior to March 27, 2020 and were incurred between March 1 and December 30, 2020. Costs allowed included PPE, disinfection, quarantine and isolation, modifications and expenses required to comply with public health orders, increasing medical treatment capacity, testing, screening materials, and some payroll and benefit expenses when employees are substantially dedicated to mitigating or responding to the pandemic. As previously reported, this program was funded with \$80 million and Missouri State University was awarded and received \$8,278,784 for qualifying expenses.

In early December 2021, the State offered a second funding opportunity from these funds to institutions who still had expenses not previously reimbursed by any other funding source. These funds, if awarded, had to be claimed before December 15, 2020. The University applied for this funding and was awarded another **\$1,816,975**. Of this amount, the University claimed **\$1,760,054** to reimburse expenses including:

- COVID-19 testing expenses totaling \$723,909,
- Cleaning, sanitation, and PPE related expenses totaling \$709,808,
- Payroll for contact tracers, employees conducting COVID testing, and time directly spent moving classes to a virtual platform in response to the pandemic totaling \$282,440,
- Technology for remote teaching/learning totaling \$43,897

The remaining **\$56,921** was unused at the close of the program.

CRF – Building Remote Learning Capacity

\$1,079,963

The Building Remote Learning Capacity program was developed to reimburse higher education institutions for expenses necessary to facilitate distance learning for students and telework for employees. Allowable expenditures include technological improvements, training and support, upgrades and creation of networks and internet accessibility, and solutions for hands-on learning components. As previously reported, Missouri State University was awarded \$1,079,963 from this program for qualifying expenses.

6. Corporation for Public Broadcasting (CPB) Stabilization

\$976,708

In April 2020, the CPB was awarded \$75 million in CARES Act funding for use as emergency stabilization grants. According to their press release, the CPB developed a formula to divide the funding among the various public media stations and the University's public radio (KSMU) and television (KZOK) were awarded and received a total of **\$335,205** from this source.

In March 2021, the CPB was awarded with another 175 million as stabilization funding. According to their press release this funding was, “directed to local public media entities that are continuously responding to the pandemic’s impact by providing essential educational, informational, and public safety services.” The University’s two public media stations met all required criteria and was awarded and received a total of **\$641,503** from this source.

Unlike most other funding, these grants did not require monies to be used in any specific manner. KOZK allocated **\$753,352** and KSMU had allocated **\$223,356** to programing expenses. No award remains as of November 30, 2021.

7. Department of Economic Development (DED) \$250,000
Co-working and Incubator Grant Program

As previously reported, the DED received \$20 million in CARES Act Relief Fund monies to provide grants to eligible incubator facilities such as the eFactory. The University was awarded **\$250,000** in September 2020 for technology, furnishing and other expenses related to the safe continuation of business development services to entrepreneurs and emerging companies.

8. Greene County \$1,145,165

As previously reported, Greene County received approximately \$34 million in CARES Act Relief Fund monies from the State of Missouri Coronavirus Relief Funds to support local COVID-19 response in May 2020. The University was awarded and received **\$845,165** for return to campus and ongoing testing expenses, and **\$300,000** in November 2020 for non-capital technology and physical distancing expenses related to the eFactory.

9. Howell County \$194,134

As previously reported, Howell County received approximately \$4.7 million in CARES Act Relief Fund monies from the State of Missouri Coronavirus Relief Funds to support local COVID-19 response in May 2020. The West Plains campus was awarded and received reimbursement totaling **\$194,134** for sanitation, technological improvements for learning and working from home, and payroll for custodial and maintenance staff from March 16 through July 15, 2020.

Financial Services reconciled all accounts and noted a rebate for expenses included in the above reimbursements were paid with a procurement card; however, no rebate was discounted from the claim. The calculated rebate was \$54. To correct this duplication, Financial Services refunded this amount to Howell County.

Exhibit A – Schedule of Awards

Level	Grantor	Grant Fund	Grant Program	Total Award	Springfield	West Plains
Federal	Office of Postsecondary Education (OPE)	Higher Education Emergency Relief Fund I (HEERF I)	Student Portion	\$ 7,407,920	\$ 6,927,837	\$ 480,083
			Institution Portion	\$ 7,407,920	\$ 6,927,837	\$ 480,083
			Strengthening Institution Program (SIP)	\$ 738,481	\$ 691,590	\$ 46,891
		Higher Education Emergency Relief Fund II (HEERF II)	Student Portion	\$ 7,407,920	\$ 6,927,837	\$ 480,083
			Institution Portion	\$ 18,116,324	\$ 16,513,523	\$ 1,602,801
			Strengthening Institution Program (SIP)	\$ 1,089,998	\$ 1,004,057	\$ 85,941
		Higher Education Emergency Relief Fund III (HEERF III)	Student Portion	\$ 22,528,591	\$ 20,758,527	\$ 1,770,064
			Institution Portion	\$ 22,062,830	\$ 20,459,545	\$ 1,603,285
			Strengthening Institution Program (SIP)	\$ 1,987,808	\$ 1,843,516	\$ 144,292

State	Department of Higher Education & Workforce Development (DHEWD)	Governor's Emergency Education Relief (GEER) Fund		\$ 2,164,761	*	\$ -	\$ -	
			Coronavirus Relief Fund (CRF)	COVID-19 Response & Reopening	\$ 10,095,759	*	\$ -	\$ -
				Building Remote Learning Capacity	\$ 1,079,963	*	\$ -	\$ -
	Department of Economic Development (DED)	DED Federal Stimulus Fund	Coworking and Incubator Grant Program	\$ 250,000		\$ 250,000	\$ -	

Local	Greene County			\$ 1,145,165		\$ 1,145,165	\$ -
	Howell County			\$ 194,134		\$ -	\$ 194,134

Private	Corporation for Public Broadcasting (CPB)		Stabilization	\$ 976,708		\$ 976,708	\$ -
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* Grants from DHEWD were awarded to the Missouri State University System and not any specific campus.

Total Awarded \$ 104,654,282 \$ 84,426,142 \$ 6,887,657

Awards drawn \$ 93,121,343
Awards no longer eligible to be drawn \$ 56,974
Awards remaining as of 11/30/2021 \$ 11,475,965