

**Missouri
State**
UNIVERSITY



**Missouri
State
University**
WEST PLAINS

Use of COVID-19 Recovery Funds

December 15, 2022

Report No. 181-22

Office of Internal Audit & Risk Management



DATE: December 15, 2022

TO: Board of Governors

CC: Rachael Dockery, General Counsel
 Dr. John Jasinski, Interim Provost
 Dr. Dennis Lancaster, Chancellor – West Plains
 Zora Mulligan, Executive Vice President
 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 passed several pieces of legislation to provide up to \$4.7 trillion in economic relief which was 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. The following final compilation provides an understanding of each award and its intended purpose and use by the University. The scope of this report does not include some project based American Rescue Plan (ARP) or Federal Emergency Management Agency (FEMA) awards.

COVID-19 Cost Recovery Team Members:

Springfield Campus:

Natalie B. McNish, Director of Internal Audit & Risk Management
 Steve Foucart, Chief Financial Officer
 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, Associate Vice-Chancellor for 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. 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, provided, 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 December 2020, Congress passed the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) which provided an additional \$81.88 billion in support of education and 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.

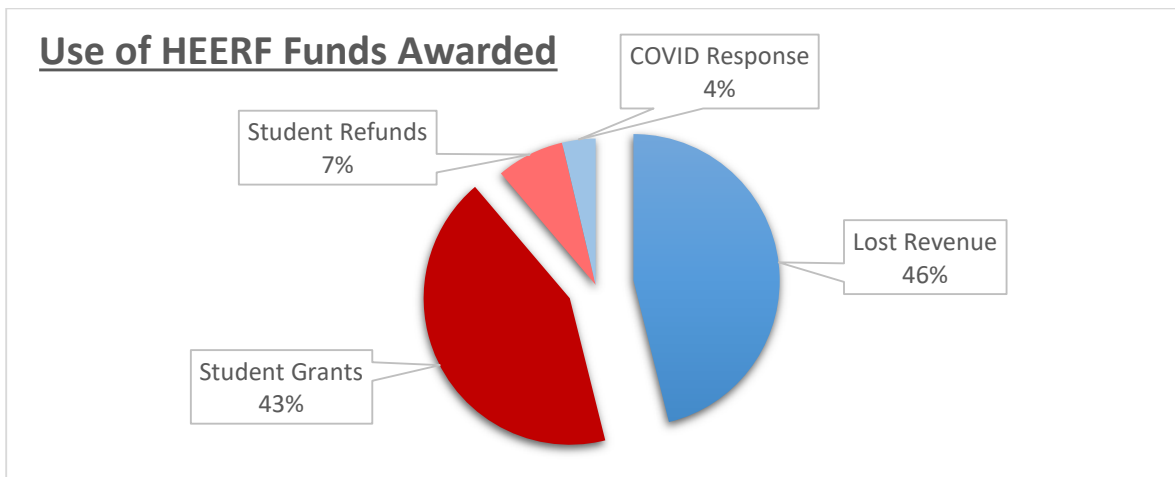
Since March 2020, the University was awarded grant funding from all three levels (federal, state, local) which totals \$104,654,282 (\$13,340,483 System, \$84,426,142 Springfield; \$6,887,657 West Plains). The following report will provide an understanding of each award received (See Exhibit A) and its use. As of November 30, 2022, all funding from these awards has been expended and no additional reporting is planned.

1. Federal Higher Education Emergency Relief Fund (HEERF)

In April 2020, the Office of Postsecondary Education (OPE) released granting opportunities for \$14 billion of CARES Act monies through the HEERF. In January 2021, the OPE announced additional granting opportunities for \$81.88 billion of CRRSAA monies through the HEERF II. In May 2021, the OPE announced granting opportunities for the \$39.6 billion of ARP Act monies through HEERF III. The University was awarded funds from all three HEERF programs as follows:

Program	Award
HEERF I – Student & Institutional Portion Programs	\$ 14,815,840
HEERF I – Strengthening Institution Program (SIP)	738,481
HEERF II – Student & Institutional Portion Programs	25,524,244
HEERF II – Strengthening Institution Program (SIP)	1,089,998
HEERF III – Student & Institutional Portion Programs	44,591,421
HEERF III – Strengthening Institution Program (SIP)	1,987,808
TOTAL HEERF AWARDS	\$ 88,747,792

The following pie chart identifies the percentage of funds awarded used for each qualifying purpose. Note, the University provided more than 50 percent of all funding to students through both grants and refunds.



As of November 30, 2022, all of the nearly \$89 million in HEERF funding awarded to the University was used as intended and by the award expiration date.

2. State of Missouri CARES Act Awards

The Office of the Governor, Office of Administration (OA), Department of Elementary and Secondary Education (DESE), and the Department of Higher Education & Workforce Development (DHEWD) established and funded the Coronavirus Relief Fund (CRF) with more than \$150 billion and the Governor's Emergency Education Relief (GEER) fund with more than \$23.6 million from the \$2.69 billion received from the federal CARES Act. Both of these funds offered programs for higher education and the University was initially awarded **\$9,358,747** in CRF funds (\$8,278,784 to reimburse higher education institutions for costs incurred in relation to the public health emergency which were not budgeted and \$1,079,963 for expenses related to transitioning to a remote learning modality) and **\$2,164,761** in GEER funds. As the programs neared to a close, the State of Missouri offered unclaimed CRF funding to institutions with additional expenses not already reimbursed. The University was awarded an additional **\$1,760,054** through this second chance opportunity for CRF funds which reimbursed \$1,703,133 in costs not already covered by other funding. The University did not draw down the remaining \$56,921 of this second chance funding due to timing restrictions.

In addition, the Corporation for Public Broadcasting (CPB) was also awarded significant CARES funding for use as emergency stabilization grants to broadcasters. According to their press release, the CPB developed a formula to divide the funding among the various public media stations who are "continuously responding to the pandemic's impact by providing essential educational, informational, and public safety services." The University's public radio (KSMU) and television (KZOK) were awarded and received a total of **\$976,708** from this source. The University used these funds to cover a portion of programming expenses incurred during the pandemic period.

Lastly, the Department of Economic Development (DED) also received CARES Act funding 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.

As of November 30, 2022, all of the \$14.5 million in State CARES Act funding awarded to the University was used as intended to reimburse expenses or remained undrawn by the award expiration date.

3. Local Government CARES Act Awards

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.

Similarly, 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. As of November 30, 2022, all of the \$1.3 million in Local CARES Act funding awarded to the University was used as intended to reimburse expenses or was reimbursed by the award expiration date.

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
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Awards drawn	\$ 104,597,308
Awards no longer eligible to be drawn	\$ 56,974
Awards remaining as of 11/30/2022	\$ -