

An Exploration of CARES Act Funding Policies Affecting Hispanic-Serving Institutions in Texas – Executive Summary

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Purpose of the Study & Research Questions

Despite the laudable efforts to tailor federal funding via the Coronavirus Aid, Relief and Economic Security (CARES) Act: Higher Education Emergency Relief Fund (HEERF) in a way that supports underfunded minority-serving institutions and students, the allocation of funds did not consider the unique characteristics of public Hispanic-serving institutions (HSIs) and their students. This resulted in distribution to each HSI a lower share of CARES Act funding than what was necessary to support their students, which handicapped relief efforts to the very institutions these funds are meant to support. As a result, public four-year HSIs responded to CARES Act funding in disproportionate ways.

Using federal CARES Act reporting data and legislative appropriations requests data, I carried out a comparative case study analysis of CARES Act spending patterns among selected HSIs within Texas. Centering decision-making in uncertain times within a resource dependency framing, I synthesize the educational policy funding context that each selected HSI was operating within before the pandemic to better understand how each HSI spent federal emergency relief aid during the COVID-19 pandemic.

This study addresses the following research questions:

1. How was CARES Act funding disbursed to each selected HSI?
2. How was CARES Act funding used by each selected HSI?
3. How do HSIs navigate state and federal funding systems and policies – including barriers faced (and overcome) – as they attempt to secure short-term and long-term financial sustainability in light of the pandemic?

Findings

How CARES Act funding was disbursed to each selected HSI

Despite the laudable efforts to tailor the policy in a way that supported underfunded institutions and students, it still made the CARES Act a one-size-fits-all policy that did not consider the unique characteristics of public HSIs and their students. HSIs received unequal federal funding to support their faculty, staff and students who have more than likely been impacted by the COVID-19 pandemic. As a result, public HSIs responded to CARES Act funding in disproportionate ways.

Since not all HSIs are organizationally equal, especially when considering the regional landscapes, characteristics of the students served, and the financial realities of each campus, this study speculates that such contexts could have possibly played a role in the decision-making of each campus and how the funding was used to support students.

How CARES Act Funding Was Used by Each Selected HSI

public institutions spent a proportion of their funds to provide extra funding for students. This additional student funding included additional emergency aid; reimbursements for housing, room and board; other fee refunds; and tuition discounts. Most of the funding went for tuition reimbursement, followed by additional financial aid. Multiple campuses also forgave student debts for classes and services, which enabled student re-enrollment.

Collectively, these universities spent millions of their funding on the transition to fully online instruction.

The selected HSIs spent a large proportion of their funding on making their campuses and students safe during the pandemic. These HSIs campuses also provided personal protective equipment to faculty, staff, and students. Almost all HSIs made decisions to spend their funding on mental health services. These services were not in place before the pandemic.

HSI campuses must do a better job of telling their financial need story as well as documenting their relief efforts for students. From the findings in this study, it was clear that these campuses were doing the most with these funds to support their students and keep them enrolled.

Several of the HSIs studied used eligibility methods that considered their student populations of working students, Dreamer students, and graduate students who are often overlooked in college affordability frameworks. This is because these student groups often do not qualify for need-based federal financial aid. The HSIs in this study not only adopted eligibility procedures that intentionally considered these groups of students but also found ways to financially support them. In many cases, the colleges used their own HEERF institutional funds.

How HSIs Navigate State and Federal Funding Systems and Policies as They Attempt to Secure Short-Term and Long-Term Financial Sustainability in Light of the Pandemic

The findings from this study support past research arguing that HSIs organizational differ from predominately white institutions and that a major factor in this difference is found in inequities in college funding and affordability systems (Ortega, et al., 2015; Sansone, 2023). However, this study builds on this work, which has also shown that HSIs rely more on federal and state financial support, by showing how HSI leaders make decisions and spend federal relief aid.

A significant finding from this study showed that the HSIs used direct relief aid in ways that were intentional, supported the whole student, and addressed infrastructure needs that were a challenge prior to the pandemic due to reductions in state support. This finding is also important because it contradicts previous scholarship that often paints HSIs in a deficit manner as institutional organizations where Latino students fail or are unsuccessful. Instead, these institutions

are, as HSI scholars note, continuously being asked to do more with far less.

Policy Implications

Developing foundational knowledge about federal relief aid *movidas* for Latino students and HSIs is timely and important to the ongoing finance policy discussions that are taking place at the federal level. As of this writing, the federal law that provides financial assistance for post-secondary students, the *Higher Education Act* (HEA), is pending reauthorization by Congress after efforts to update the HEA stalled due to the COVID-19 pandemic. The proposed revisions aim to reduce college costs and increase access for students from families with low incomes and underrepresented students of color.

President Biden's proposed budget for Fiscal Year 2024 includes a number of requests for funding that would support college completion initiatives and schools serving Latino students. For example, the budget would increase funding for the Postsecondary Student Success Program grant, which provides grants for evidence-based programs that have been shown to improve college completion rates. The proposed budget also increases funding for competitive grants to improve services, increase research capacities, and address affordability issues for students attending MSIs and HSIs.

The findings from this study can contribute to policy discussions about the distribution, implementation and accountability of these funds and grant programs. Results from this study offer knowledge and guidance about HSIs, their financial decision-making, and the needs of their students. This information is needed to create better public policy efforts at both the federal and state levels that relieve (and do not reinforce) existing inequities for HSIs and the students they serve that have been worsened by the pandemic.

In the following section, I address how the study's findings can be applied in ways to design public policy and funding strategies at both federal and state levels to support HSIs in enacting justice for their students.

Federal and State Policy Applications

- The federal government should continue to identify HSIs as a distinct institutional type that differs from predominately white institutions that also tend to be highly selective.
- As a differing organizational type that addresses racial and social inequities that impact historically marginalized postsecondary students, the federal government should continue to allocate funding directly to HSIs. This funding should require maintenance of effort by states to continue their financial support of HSIs. The current maintenance of effort provision of 'equal' needs to be redrafted in a way that forces states to provide equitable financial support. Doing so will create strong federal-state partnerships.

- The CARES Act Higher Education Emergency Relief Fund (HEERF) federal policy design and implementation proved to be effective in several ways. The federal government should continue to support policies that include set aside funding for students and institutions that serve particularly vulnerable student populations, like Dreamers, who may be overlooked in other federal financial policies.
- The federal government should continue to require reporting procedures for institutions accepting direct relief funds. These efforts can be enhanced by requiring institutions to indicate how these funds were used to best serve Latino students. As of now, the current reporting structures require institutions to post reports publicly on their institutional websites and are publicly available on a federal government website. While those reports include information about spending based on student characteristics, including race and ethnicity, there should be more specificity about how the funds were spent and how Latino students were impacted. Requiring these detailed reports to be regularly posted on institutions' websites would help HSIs, policymakers, and advocates push for targeted investments of future federal and state funds.
- The federal and state governments should consider a funding allocation model that considers the large population of part-time students enrolled at HSIs. Currently, the model is focused on full-time students. Therefore, funding levels could be based on enrollment headcount rather than full-time equivalent. In combination with headcount, the funding levels should also be based on a variety of factors including student composition, geographic location, and degree offerings.
- The state government, institutional, and advocacy policy organizations should push for shared funding practices amongst HSI leaders. This would include identifying HSI comparison groups that consider comparable structures and funding supports. Doing so could enhance the Legislative Appropriations Requests (LAR) of HSI leadership. Currently, HSIs and their LAR proposals are directly linked to the performance metrics that compare HSIs to highly selective state flagships and research universities. This approach is not a fair assessment of HSIs and their performance. Instead, this study signifies a greater need for assessing the success of HSIs using metrics that make sense given the characteristics of the students that they serve. Continuing to use metrics designed for highly selective state flagships and research universities will lead to an incomplete understanding of HSIs and their outcomes since they are supporting large proportions of historically-marginalized students.

The IDRA José A. Cárdenas School Finance Fellows Program honors the memory of IIDRA founder, Dr. José Angel Cárdenas. The goal of the program is to engage the nation's most promising researchers in investigating school finance solutions that secure equity and excellence for all public school students.

*This document is an executive summary to the report, *An Exploration of CARES Act Funding Policies Affecting Hispanic-Serving Institutions in Texas*, by Vanessa A. Sansone, Ed.D. (May 2023) IDRA.*