



Summary of H.R. 133, the Consolidated Appropriations Act, 2021 December 21, 2020

Below is a summary of key higher education funding and policy provisions included in the combined FY 2021 omnibus appropriations bill and fourth coronavirus relief measure, [H.R. 133](#), the Consolidated Appropriations Act, 2021. The legislation provides \$1.4 trillion in funding for federal agencies through the end of FY 2021, and roughly \$900 billion in funding for pandemic related programs governing health care and vaccine distribution, education, unemployment assistance, small business loans, and direct payments to individuals. The bill also includes Senate HELP Chairman Lamar Alexander's FAFSA Simplification Act and other miscellaneous items to assist institutions and students during the pandemic.

(a) Division H—Departments of Labor, Health and Human Services, Education, and Related Agencies Appropriations Act, 2021

The bill provides \$77.2 billion in overall funding for the Department of Education, an increase of \$850 million increase above the FY 2020 enacted level. Below is a summary of key higher education programs funded in the bill.

- ***Student Financial Assistance:*** The bill provides federal student aid programs \$24.5 billion, a \$25 million increase above the FY 2020 enacted level.
 - *Pell Grants:* The maximum Pell award is increased by \$150 to \$6,495.
 - *Federal Supplemental Educational Opportunity Grant (FSEOG):* The FSEOG program is funded at \$880 million, a \$15 million increase above FY 2020.
 - *Federal Work Study:* The Work Study program is funded at \$1.2 billion, a \$10 million increase above FY 2020.
- ***Higher Education Programs:*** The bill provides Higher Education programs approximately \$2.5 billion, \$66 million above the FY 2020 enacted level.
 - *Minority Serving Institutions (MSIs):* MSIs are provided \$789 million, an increase of \$30 million above the 2020 enacted level. This amount includes: \$338 million for Historically Black Colleges and Universities; \$149 million for Hispanic Serving Institutions; and \$38 million for Tribally Controlled Colleges and Universities.
 - *Federal TRIO Programs and GEAR UP:* TRIO is funded at \$1.1 billion, an increase of \$7 million above the FY 2020 enacted level. GEAR UP is provided \$368 million, an increase of \$3 million above the FY 2020 enacted level.

In addition, the bill excludes a legislative rider included in the House passed Labor-HHS bill, [H.R. 7617](#), that would have: (1) increased the amount of revenues proprietary institutions must derive from non-federal sources to 15% from 10% (from 90-10 to 85-15); and (2) expand the scope of federal funds included under the current formula by revising the definition of 'Federal education assistance funds.'

(b) Division M – Coronavirus Response and Relief Supplemental Appropriations Act, 2021

Division M of the bill appropriates \$82 billion for the Education Stabilization Fund to support the educational needs of states, school districts, and institutions of higher education and the students they serve during the pandemic. Of the \$82 billion appropriated, \$22.7 billion is provided for the Higher Education Emergency Relief Fund (HEERF).

Higher Education Emergency Relief Fund (HEERF) Distribution

- \$20.2 billion (89% total) for public and private, non-profit institutions of higher education, including those that serve students enrolled exclusively in distance education, to be distributed by a formula taking into account head count and full-time equivalent enrollment.
- \$1.7 billion (7.5% total) for Historically Black Colleges and Universities, Tribal Colleges and Universities, Hispanic Serving Institutions, and certain other institutions.
- \$681 million (3% total) for proprietary institutions to provide financial aid grants to students (including students exclusively enrolled in distance education). Funds may be used for any component of the student’s cost of attendance or for emergency costs that arise.
- \$113 million (0.5% total) for institutions of higher education with the greatest unmet need.

It should be noted, however, that the legislation does not extend the forbearance period, pause in interest accrual, or suspension of collections past Jan. 31, 2021, for federally held student loans.

(c) Authorizing Matters

Title I—Continuing Education at Affected Foreign Institutions and Modification of Certain Protections for Taxpayer Return Information

Sec. 101. Continuing Education at Foreign Institutions of Higher Education.

This section clarifies that a foreign institution is eligible to offer courses under the CARES Act via distance education and to enter into written agreements with US-based institutions due to a declaration of an emergency in the applicable country or a qualifying emergency in the United States. This section also extends these flexibilities through the latter of the qualifying emergency or June 30, 2022.

Title VII—FAFSA Simplification (Secs. 701-706)

Sections 701-706 include many provisions from the FAFSA Simplification Act authored by Sen. Alexander for the purposes of simplifying the financial aid application process and expanding student aid eligibility. Unless otherwise provided, the provisions shall take effect on July 1, 2023, for award year 2023–24, and each subsequent award year. Key provisions included in the bill:

- Simplify the Free Application for Federal Student Aid by:

- Reducing total questions on the FAFSA from 108 questions to a maximum of 36 questions, including by removing questions on Selective Service registration and drug-related offenses;
- Reducing the Department's lengthy financial data verification process through the use of data from the Internal Revenue Service; and
- Creating simpler Pell Grant eligibility guidelines for maximum and minimum awards.
- Provide clearer information and earlier outreach about college costs, financial aid, and other benefits available to students.
- Restore the ability for incarcerated individuals to receive Pell grants (although the legislation excludes for-profit colleges from receiving or awarding grants).
- Eliminate drug conviction restrictions and Selective Service registration requirements for student aid.
- Reinstate Pell Grants for students who successfully prove they were defrauded through the borrower defense process.
- Repeal the HEA provision that limits a student's usage of subsidized loans to 150% of program length.
- Require the Secretary to discharge disbursed loans borrowed under the HBCU Capital Financing program.

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