

Higher Education Emergency Relief Fund III, American Rescue Plan

The Higher Education Emergency Relief Fund III (HEERF III), authorized by the American Rescue Plan (ARP), was signed into law on March 11, 2021 and provides \$39.6 billion in support to institutions of higher education to serve students and ensure learning continues during the COVID-19 pandemic. Emergency funds available to institutions and their students under all emergency funds total \$76.2 billion.

Kansas City Art Institute, on May 23, 2020, signed and returned to the Department the Certification and Agreement and the assurance that the institution has used, or intends to use, no less than 50 percent of the funds received under Section 18004(a)(1) of the CARES Act to provide Emergency Financial Aid Grants to students. A supplemental grant award notification (GAN) was received from the Department on January 19, 2021 that included the HEERF II Funds. Another supplemental GAN was received on May 15, 2021 that included HEERF III funds.

KCAI has been awarded \$1,107,828 in student financial aid funding under HEERF III. Following the guidelines set forth by the US Department of Education, these funds will be distributed as emergency financial grants. As designated by the Department of Education, KCAI is required to prioritize grants to students with exceptional financial need, such as those who receive Pell Grants. Students' financial needs will be determined by the FAFSA; however, students are not required to have completed the FAFSA or be eligible for Title IV funding to receive a grant. KCAI will distribute these funds as widely as possible.

The American Rescue Plan Act of 2021 has also allowed institutions of higher education to make financial aid adjustments for any individual who has experienced financial hardship due to COVID-19, which may include loss of employment, income or undue financial burden.

What specific expenses are covered by the HEERF III Emergency funding?

Emergency financial aid grants may be used by students for any component of their cost of attendance or for emergency costs that arise due to coronavirus, such as tuition, food, housing, health care (including mental health care) or child care. Students determine how they may use their emergency financial aid grant within the allowable uses.

Who is eligible for HEERF III Emergency funding?

Regardless of whether they have completed a Free Application for Federal Student Aid (FAFSA) or are eligible for Title IV, students who are or were enrolled on or after March 13, 2020 at an institution of higher education are eligible for emergency financial aid grants from the HEERF III.

How much will eligible students receive in HEERF III Emergency funding?

The HEERF III Emergency grant is a one-time grant. As designated by the US Department of Education, KCAI is required to prioritize grants to students with exceptional financial need, such as those who receive Pell Grants; however, we plan to distribute these funds as widely as possible. Students' financial needs will be determined by lowest EFC information between the 20/21 and the 21/22 FAFSA.

<u>Estimated Family Contribution (EFC)</u>	<u>Grant Awarded</u>
\$0 - \$5,846	\$1,540
\$5,847 - \$12,000	\$980
\$12,001 - \$20,000	\$560

\$20,001 - and up / no fafsa

\$420

When will eligible students receive their funds?

KCAI will disperse funding in three rounds.

Round 1: Students who are currently enrolled AND were enrolled on or after March 13, 2020.

Students identified in Round 1 will receive an email on August 4, 2021. The email will include general information and FAQs about HEERF III funding, as well as options for the disbursement of the grant. Students will receive their grant via direct deposit or check as noted within their account in Tuition Management System (TMS) unless the student opts to have the funding applied directly to an outstanding balance on their KCAI student account.

If a student is choosing to apply the grant to a balance due, students are required to complete a short form indicating this is their choice for disbursement. The deadline to complete the form is Monday, August 9, 2021 at 5:00 p.m. Any excess funds remaining after balance is paid will be disbursed to the student via TMS.

If a student is enrolled in direct deposit in TMS, funds should be available within 3 to 4 days once disbursed. If the student is not currently enrolled in direct deposit, please enroll within TMS before Monday, August 9, 2021 at 5:00 p.m. If direct deposit is not set up a paper check will be mailed to the address on file. Payments will begin to be disbursed to students in Round 1 on August 10, 2021.

- Update / enroll in direct deposit through Tuition Management Systems as follows:
 - Login to [MyKCAI](#).
 - Use the first part of your KCAI email address (*e.g., everything except the @kcai.edu*) and the password that you created.
 - Click on the “TMS Student Account Center” link located on the left-hand navigation bar.
 - Log in using your KCAI username and password.

Round 2: Students who matriculated but withdrew or graduated March 13, 2020 to date.

Former students and graduates identified in Round 2 will receive an email (date to be determined). The email will include general information and FAQs about HEERF III funding, as well as options for the disbursement of the grant. The timeline for payment distribution is to be determined.

Round 3: Students new to KCAI as of add/drop Fall 2021, if funding is available.

Students new to KCAI as of add/drop Fall 2021 identified in Round 3 will receive an email (date to be determined). The email will include general information and FAQs about HEERF III funding, as well as options for the disbursement of the grant. The timeline for payment distribution is to be determined.

Will the HEERF III Emergency funding impact my financial aid?

No. This one-time grant is emergency relief funding provided by Congress.

Is HEERF III Emergency funding taxable?

No. The Internal Revenue Service (IRS), under section 139, has qualified these funds as “disaster relief payments” therefore, they cannot be included in your gross income. For more information, please review the [FAQ](#). If applied towards your student bill, there is currently an obligation to report accordingly on Form 1098-T.

Can HEERF III Emergency Funding be applied to my student bill?

As the recipient of these funds, you may choose to pay the balance of your tuition or student account; however, KCAI will not disburse funds to pay outstanding balances without a student's consent. Students who wish to apply their grant toward the balance of their student account must notify the college of their decision to do so through the online form as stated above.

If I'm not eligible for HEERF III Emergency Funding are there other emergency funds available?

No. We do not have additional sources for funding at this time; however, we always encourage students to reach out to student affairs for support and assistance as there are many programs and services in the area that may be of financial benefit to students. Please email student affairs at studentaffairs@kcai.edu for assistance.

Financial Aid Adjustments through the American Rescue Plan Act of 2021

The American Rescue Plan Act of 2021 has also allowed institutions of higher education to make Financial Aid Adjustments for any individual who has experienced financial hardship due to COVID-19, which may include loss of employment, income or undue financial burden. Financial aid decisions and the amount of aid that students have been offered is based on pre-pandemic tax records.

Students or their parents who experienced a job loss or source of income in 2020 or 2021, may benefit from a Financial Aid Adjustment.

How can I request a Financial Aid Adjustment?

For more information or to request a Financial Aid Adjustment, please contact:

KCAI Financial Aid Office

816-802-3337

financialaid@kcai.edu

Reporting: HEERF III Emergency Student Funding

- May 15, 2021:
 - Supplemental GAN was received that included HEERF III funds of \$1,107,828.
- July 2021:
 - The HEERF III working group was established. The group developed a tentative timeline for distribution of the student emergency grants, as well as a communication plan for financial aid adjustments allowable through the American Rescue Plan Act of 2021.
 - Postcards were sent to students and their parents/guardians who were enrolled as of March 13, 2020, as well as students who had withdrawn March 13, 2020 to date. KCAI 2020 and 2021 graduates were not included.
 - Financial Aid staff worked with students and parents who notified the office to request financial aid adjustments. This is an ongoing process through add/drop Fall 2021.
- July 27, 2021:
 - The HEERF III working group met to finalize the communication and timeline of the communication of information to students, as well as timeline for the payment of the grants. It was determined that KCAI would distribute the funding in three Rounds.
 - Round 1: Students who are currently enrolled AND were enrolled on or after March 13, 2020.
 - Round 2: Students who matriculated but withdrew or graduated March 13, 2020 to date.
 - Round 3: Students new to KCAI as of add/drop Fall 2021, if funding is available.
- July 29th, 2021:

- The HEERF III working group estimated the number of students to receive an award by round as follows:

<u>Round</u>	<u>Estimated # of students</u>
Round 1	478
Round 2	437
Round 3 (if funding available)	263
Total	1,178

- August 4, 2021:
 - Students identified in Round 1 will receive an email on August 4, 2021. The email will include general information and FAQs about HEERF III funding, as well as options for the disbursement of the grant. Students will receive their grant via direct deposit or check as noted within their account in Tuition Management System (TMS) unless the student opts to have the funding applied directly to an outstanding balance on their KCAI student account.

If a student is choosing to apply the grant to a balance due, students are required to complete a short form indicating this is their choice for disbursement. The deadline to complete the form is Monday, August 9, 2021 at 5:00 p.m. Any excess funds remaining after balance is paid will be disbursed to the student via TMS.

If a student is enrolled in direct deposit in TMS, funds should be available within 3 to 4 days once disbursed. If a student is not currently enrolled in direct deposit, please enroll in TMS before Monday, August 9, 2021 at 5:00 p.m. If direct deposit is not set up a paper check will be mailed to the address on file.

- August 9, 2021:
 - Online form was due for students who wanted the grant applied to any outstanding balance (if applicable).
 - 33 students completed the form.
- August 11, 2021:
 - Students receive HEERF III funding.
 - Total of \$497,420 was awarded.
 - \$39,900 was applied to 33 student accounts who turned in the form indicating that they wanted the grant applied to their outstanding balance.
 - \$457,520 was disbursed to 445 students via check or direct deposit.
- August 20, 2021:
 - Disbursed excess funds remaining after balance was paid to students who had indicated that they wanted the grant applied to their outstanding balance.
- October 2021
 - Working group will gather to discuss Round 2 and Round 3 disbursement timing and logistics.