



# 2020 CARES Act: Implementation FAQ's and New Developments

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Coronavirus Aid Relief and Economic Security (CARES) Act

Barbara Mistick, President

Stephanie Giesecke, Director of Budget and Appropriations

Moderator, Pete Boyle, Vice President for Public Affairs

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# Agenda

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- Introductions
- CARES Act
  - Educational Stabilization Fund
- Department of Education – Guidance Update
- Frequently Asked Questions
- Next Steps – Stimulus 4
- Questions

# Our Team

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**Government Relations General Email:** [governmentrelations@naicu.edu](mailto:governmentrelations@naicu.edu)

## **Sarah A. Flanagan**

*Vice President for Government Relations and Policy Development*

## **Jody Feder**

*Director of Accountability and Regulatory Affairs*

## **Stephanie Giesecke**

*Director of Budget and Appropriations*

## **Communications**

### **Pete Boyle**

*Vice President for Public Affairs*

[Pete@naicu.edu](mailto:Pete@naicu.edu)

## **Karin L. Johns**

*Director of Tax Policy*

## **Robert (Bo) Newsome**

*Director of Outreach and State Relations*

## **Tim Powers**

*Director of Student Aid Policy*

## **Research**

### **Frank Balz**

*Vice President for Research and Policy Analysis*

[Frank@naicu.edu](mailto:Frank@naicu.edu)

## **Before We Get Started**

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**Only what we Know** – There is information that is still not yet available on specific provisions in the CARES Act

**Just the Facts** – Today's presentation will focus on the facts as we understand them today drawn from:

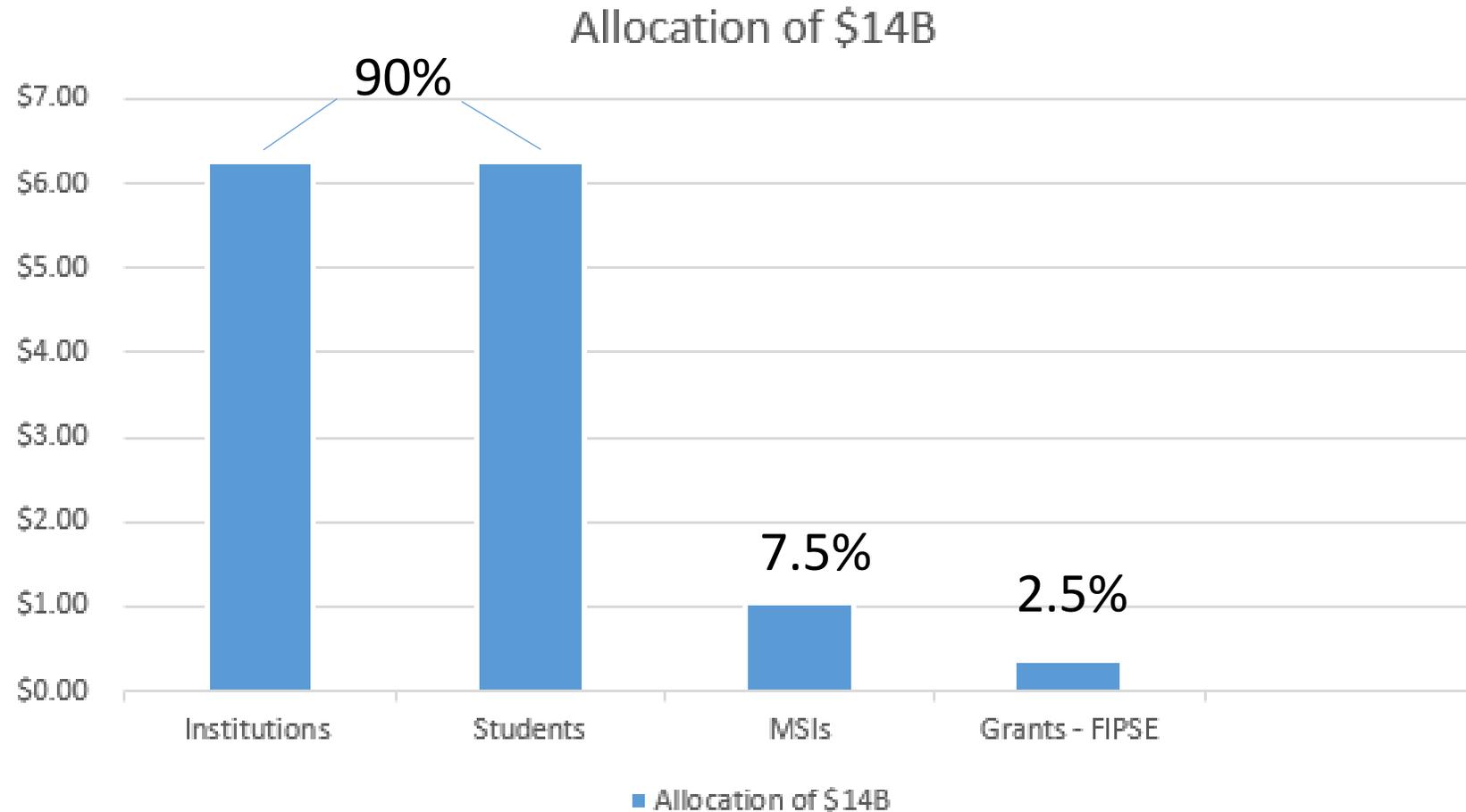
- Legislative text
- Guidance issued by Department of Education up to and including April 21

# Before We Get Started

- **There is no risk of funds running out or expiring** Institutions are entitled to their federal funds.
- **Key Dates** – Application available at [Grants.gov](https://www.grants.gov)
  - Apply by September 30, 2020
  - Expend money within a year of applying

# Congressional Action – CARES Act

- **\$14 billion for all sectors of higher education**



CARES Act:  
Educational  
Stabilization  
Fund

## **Student Emergency Grant Funds – Available 4/9/2020**

- \$6.279 billion fund for student emergency grants
  - Institutional estimates of student emergency grants portion of CARES Act funding published by Department of Education on April 9, 2020
  - Institutions must apply through Grants.gov to receive funding
  - Student funds are currently being distributed to institutions

# Institutional Funds – Available 4/21/2020

- \$6.279 billion fund for institutions
  - Estimates of institutional grants portion of CARES Act funding published by Department of Education on April 9, 2020
  - In order to receive the institutional grants allocation from the federal government, institutions **must** have applied for student emergency grants portion of CARES Act funding

## Other Institutional Grant Programs – Awaiting Guidance

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- \$1.047 billion for MSIs/HBCUs
- \$349 million set aside for grants to institutions that were particularly hard hit by costs associated with the virus – distributed through FIPSE
- NAICU will continue to monitor these grant funding streams and will alert institutions as appropriate

# **CARES Act – Formula for Distribution**

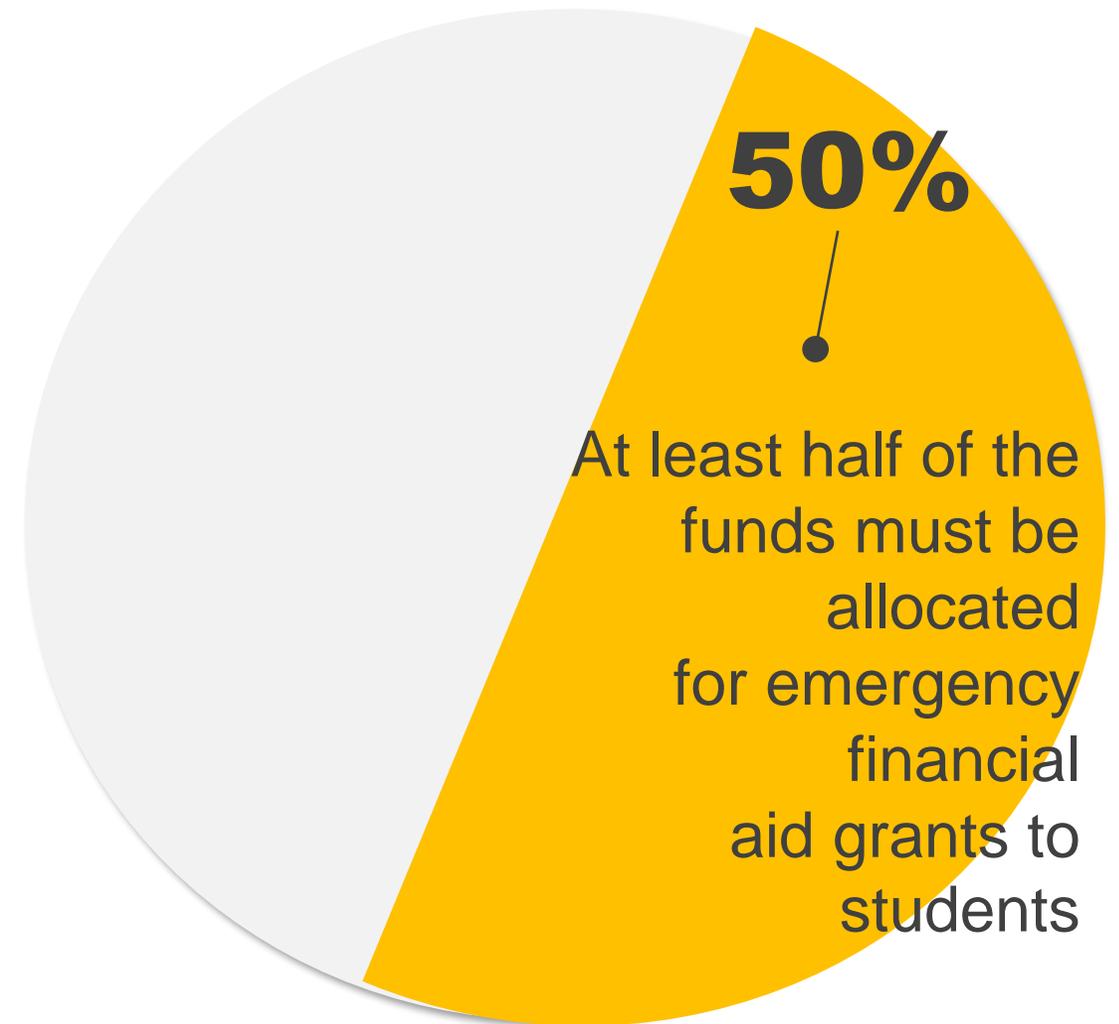
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- Institutions must submit certification documents to receive CARES Act grants:
  - Student Emergency Grants: [ED-GRANTS-041020-003](#)
  - Institutional Grants: [ED-GRANTS-042120-004](#)
- **Apply for student portion first, then institutional portion**
- Allocated amounts will be based 75% on an institution's Pell FTE enrollment and 25% on an institution's overall FTE enrollment relative to the national total, except that students who were enrolled exclusively online prior to the pandemic outbreak will not be in the count.

# Student Emergency Grants – Available 4/9/2020

➤ Distributes  
\$6.279B

- Allows for One Year to Distribute Funds
  - Must apply by September 30, 2020
  - Must distribute within one year of application



# Student Emergency Grants – Available 4/9/2020

➤ Distributes \$6.279B

- **Must** be used for cash grants to students.
- An institution **may** use mechanisms such as electronic transfer payments, debit cards, and payment apps or checks. No fees may be charged and cannot use credit or debit cards limited to use on campus.
- Institutions **may** reimburse themselves for emergency grants already made to students on or after the date of the passage of the CARES Act on **March 27** from the student portion, but only if they meet the requirements for student emergency grants in the CARES Act (such as cash grants).

# Student Emergency Grants – Available 4/9/2020

- The Pell Grant maximum award of \$6,195 is suggested, but not required, as a maximum grant.
- Institutions are encouraged, but not required, to provide grants to the neediest students.
- Only Title IV “eligible” students may receive the student funds
  - Needn’t have filled out FAFSA to be eligible
- Funds **may not** be used for students who were enrolled exclusively online prior to March 13

# Institutional Grants – Available 4/21/2020

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➤ Distributes \$6.279B

- The institutional funds **must** be used for costs associated with significant changes to the delivery of instruction due to coronavirus, including interruptions in instruction, as outlined in the CARES Act.
- Funds **may not** be used for payment to contractors for the provision of pre-enrollment recruitment activities, endowments, or capital outlays related to athletics, sectarian instruction or religious worship.
- Institution **may** use institutional grants to reimburse itself for costs related to refunds made to students for housing, food, or other services that the institution could no longer provide.

# Institutional Grants – Available 4/21/2020

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- Institutions may use the funds to pay a per-student fee to a third-party service provider, including an OPM, for each additional student using the distance learning platform, learning management system, online resources, or other support services;
  - Institutions may not use funds to pay third-party recruiters or OPMs for recruiting or enrolling new students at institution.
- Institutions that purchased computers or other equipment to donate or provide to students on or after **March 13, 2020**, may reimburse themselves for such computers or other equipment from the funds for Recipient's Institutional Costs.

# Frequently Asked Questions?

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- Student Eligibility
- Tuition & Account Balances
- Financial Aid
- Student Grant Determinations
- Room & Board Refunds
- Other Institutional Uses of Funds
- When the Money will be Available

# FAQ's – What Students are Eligible?

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- Are non—Title IV students eligible?
- Are Graduate Students Eligible?
- Are International Students Eligible?
- Are DACA Students Eligible?

# FAQ's - Tuition & Account Balances

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- Can the CARES Act funds for students be used to cover tuition?
- What about payments of remaining student account balances?
- Are these student grants taxable?

# FAQ's – Financial Aid

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- Could we use the funds as financial aid for returning students in FY21 if they appeal their current awards because of changed circumstances?
- Can these funds be used for grants under financial aid packages in FY21 for students who have greater financial need due to the pandemic?
- Can funds be used as a recruitment tool for new students?

# FAQ's – Student Grant Determinations

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- Are students expected to submit an application for the funds or is it left up to the institution?
- Do institutions have discretion in terms of which students receive the funds?

# Frequently Asked Questions? Room & Board Refunds

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- Can an institution use the student portion of the CARES Act funds to reimburse themselves for room and board refunds or for the cost of shipping students possessions home?
- If not, can institutions issue room and board grants or credits in lieu of refunds?
- Can institutions that have not yet refunded students for unused room and board use the CARES Act funds to do so?
- Can institutions provide room and board grants for summer for students who are still on campus?

# FAQ's – Other Institutional Uses of Funds

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- Can institutions reimburse themselves for emergency grants already made directly to students?
- How do schools determine the nature of the expenses the grants will cover?
- Can CARES Act student emergency funds be used in lieu of wages for student campus employment that can no longer take place?
- If institutions can't use student funds to pay for some of these expenses, can they use the institutional portion of the CARES Act funding to do so?

# FAQ's – When will the money be available?

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- Student funds?
- Institutional funds?
- MSI and HBCU funds?
- FIPSE Funds?

# Action Items

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- ✓ Have a PLAN and PROCESS in place for distributing the student and institutional funds
- ✓ Apply for the student funds
  - ✓ CANNOT apply for Institutional Funds if you haven't already applied for the Student Funds
- ✓ Be transparent
- ✓ Document, Document, Document

## Next Steps

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NAICU will be tracking and providing information on a number of issues going forward:

- Department of Education guidance – FAQ's, Institutions, MSI's, FIPSE
- Updates on regulatory relief efforts (e.g., Financial Responsibility Scores and NC-SARA among others)
- Next round of stimulus support

# Engaging Policy Makers – Tell Your Story

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- Describe what your campus and students are going through and the steps you are taking to help
- Explain ways in which you continue to do the work of the community and live by your values
- Convey the economic and societal contributions your institution plays in your community
- Explain your business model
- Remind your elected officials about the number of jobs you provide to your community, both directly and indirectly
- Describe how you plan to use the CARES Act funding

# Next Round of Stimulus Support

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- \$46 billion for student and institutional support
- Changing the tax status for student grants
- Zero-interest federal loans to institutions
- SAFETY is the priority

## NAICU Resources

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- NAICU's Coronavirus Disease (COVID-19) Resource Page: <http://www.naicu.edu/research-resources/coronavirus-disease-covid-19-resources>
  - Updated daily
- Email campus-based and financial impact stories: [coronacampuseffects@NAICU.edu](mailto:coronacampuseffects@NAICU.edu)
- 4-14-20 NAICU [webinar recording](#) & [presentation slides](#)
- [Step-by-step guide](#) on registering on grants.gov