

CECU Readout of the U.S. Department of Education's Briefing on COVID-19 and CARES Act
April 9, 2020

CECU Senior Vice President of Policy and Research Nicholas Kent was invited to this afternoon's briefing with several senior U.S. Department of Education ("Department") officials, including Secretary Betsy DeVos, Acting Under Secretary Diane Auer Jones, and Assistant Secretary for Postsecondary Education Bob King. The call focused on the Higher Education Emergency Relief Fund and the Department's announcement that it is making immediately available to postsecondary institutions more than \$6.2 billion in emergency grants for students.

Although the call lasted only 15 minutes and generally reflected the Department's [press release](#) and accompanying [documents](#), which were sent to CECU members earlier today, there are a few items from the briefing we would like to share.

The Department emphasized on several occasions that the \$6.2 billion is required to go toward direct grants for students. For example, an institution is prohibited from using these funds to reimburse itself for any costs or expenses. These funds must go directly to students to cover expenses related to the disruption of campus operations due to coronavirus, including eligible expenses under a student's cost of attendance, such as food, housing, course materials, technology, health care, and childcare. As a reminder, the term "cost of attendance" is defined in section 472 of the Higher Education Act of 1965.

Should an institution sign and return the required [Certificate of Funding and Agreement](#) via [grants.gov](#) in the next day or so, funds may be available to draw down through G5 as soon as Wednesday, April 15, 2020.

Guidance regarding the institutional share of funds – the remaining \$6.2 billion – should be published within the next two weeks. Institutions will also have considerably more latitude to spend these funds, including the ability for an institution to reimburse itself for refunds provided to students.

The Department underscored that institutions are responsible for accounting for all funds spent and that guidance for this reporting to the Department is forthcoming. CECU strongly recommends institutions work with their chief financial officers and accountants to ensure funds received under the Higher Education Emergency Relief Fund are spent in conformance with all applicable laws and thoroughly documented.

As CECU affirmed in our recent [letter](#) to Secretary DeVos, "[t]he proprietary school sector recognizes the responsibility Congress entrusted to it to ensure funds made available in the CARES Act are targeted to stabilize and support students and institutions. In this spirit, CECU supports maximum transparency and accountability in how these funds are distributed and used across all sectors of higher education, without regard to tax status."