Creating the Right Method to Distribute the Emergency Grant Funds to our Students

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CECU Resources

https://www.career.org/coronavirus.html
Guide for the Distribution of Student Grants under the Higher Education Emergency Relief Fund

In the midst of the Coronavirus pandemic, the proprietary school sector has a unique opportunity. The federal government has directed us to utilize the Emergency Stabilization Fund for institutions of higher education under Sec. 1234(g) ADP, and the Career College Act (CCAct). Starting the week of April 13, 2020, institutions will have the opportunity to directly utilize the Emergency Education Relief Fund (EERF) to distribute funds to their students as needed, and in accordance with the new requirements. This guide, developed with the help from sector leaders, will assist institutions in understanding what they should know regarding the emergency allocation of grants, potential uses for the distribution of such grants, and a sample grant application form. The guide will be updated regularly based on ongoing feedback and federal updates to the disaster relief funds.

CARES Q&A

April 21, 2020
Question: Can an institution distribute emergency financial aid grants to their students under the Higher Education Emergency Relief Fund (HEERF) using their own cards?
Answer: No. According to the CARES Act (Section 150), institutions that receive emergency financial aid grants to their students under the HEERF are required to use funds to directly provide emergency financial aid grants to eligible students using debit cards, cash cards, checks, or electronic transfers, payments, and payment apps.

April 21, 2020
Question: Are there reporting requirements for an institution that distributes emergency financial aid grants to their students under the Higher Education Emergency Relief Fund (HEERF)?
Answer: Yes. According to the CARES Act (Section 150), institutions that receive the emergency financial aid grants to their students under the HEERF are required to report on the use of the funds. The U.S. Department of Education requires institutions to report on the use of the funds on a semi-annual basis, and the reports must be submitted via the Federal Student Aid (FSA) website.

April 21, 2020
Question: What are the reporting requirements for the HEERF funds?
Answer: Institutions are required to report on the use of the funds on a semi-annual basis. The U.S. Department of Education requires institutions to report on the use of the funds on a semi-annual basis, and the reports must be submitted via the Federal Student Aid (FSA) website.

April 17, 2020
Question: Can an institution distribute emergency financial aid grants under the Higher Education Emergency Relief Fund (HEERF)?
Answer: Yes, however, the U.S. Department of Education requires institutions to consider the current ratio of the aid granted to the cost of the aid and the appropriate distribution for a student emergency aid grant under the HEERF to be in the range of 75% of the amount of aid granted.

CECU Resources Cont’d

https://www.career.org/grant-guide.html
CECU Resources Cont’d

https://www.career.org/grant-guide.html

On April 9, 2020, Education Secretary Betsy DeVos announced the U.S. Department of Education (“Department”) was making immediately available to postsecondary institutions more than $6.2 billion in emergency grants for students impacted by Coronavirus and authorized in the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The approximately $6.2 billion accounts for the portion of the Higher Education Emergency Relief Fund (Sec. 18004) that must be used to provide emergency financial aid grants directly to students. The institutional share of funds is not yet available to institutions.

The use of the Higher Education Emergency Relief Fund is governed by Sec. 18004(e) of the CARES Act and mandates, in part, that:

“Institutions of higher education shall use no less than 50 percent of such funds to provide emergency financial aid grants to students for 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 child care.” Emphasis added.

This first allocation, which represents 50 percent of an institution’s total allocation under the Higher Education Emergency Relief Fund, must be used exclusively for student emergency financial aid grants. Secretary DeVos makes clear in her April 9 letter to college and university leaders that, “We (the Department) are prioritizing this funding stream in order to get money in the hands of students in need as quickly as possible.”

Secretary DeVos indicates that the leadership of each institution has significant discretion to develop its own system and process for determining how to allocate student emergency financial aid grants but encourages institutions to prioritize students with the greatest need. She also recommends establishing a maximum funding threshold for each student (e.g., the current maximum federal Pell Grant amount of $6,195) to help ensure the funds are distributed as widely as possible.

Finally, Secretary DeVos suggests that if you conclude your institution’s students do not have significant financial need, you should consider giving some or all your allocation to those institutions that might have students with significant need.

CECU is emphasizing that in both the CARES Act and Secretary DeVos’s letter references to the definition of a student’s “cost of attendance” under Sec. 472 of the Higher Education Act of

1 This Guide does not, and is not intended to, constitute legal advice.
2 Revised on April 15, 2020.
ED Resources

https://www.ed.gov/coronavirus

COVID-19 ("Coronavirus") Information and Resources for Schools and School Personnel

Health officials are currently taking steps to prevent the introduction and spread of COVID-19 ("Coronavirus") into communities across the United States. Coronavirus.gov offers the most up to date information about this rapidly evolving situation.

Through collaboration and coordination with State and local health departments, State and local educational agencies, other education officials, and elected officials, schools can disseminate critical information about the disease and its potential transmission to students, families, staff, and community.

Additional Resources for Higher Education Institutions:

- CARES Act Information: Nearly $413 Billion for Higher Education Emergency Relief for Students and Institutions (April 21, 2020)
- The US Department of Education’s website for the Education Stabilization Fund (April 13, 2020)
- UPDATED Guidance for interruptions of study related to Coronavirus (April 3, 2020)
- Federal Student Aid issued Coronavirus Information for Students, Borrowers, and Parents (updated April 1, 2020)
- The Office of Postsecondary Education issued a COVID-19 FAQ and Guidance for interruptions of study related to Coronavirus (COVID-19) (March 20, 2020), see latest update above
- The Office of Postsecondary Education issued Information for Accrediting Agencies Regarding Temporary Flexibilities Provided to Coronavirus Impacted Institutions or Accrediting Agencies (March 17, 2020)
- U.S. Immigration and Customs Enforcement (ICE) issued guidance on Coronavirus Disease 2019 (COVID-19) and Potential Procedural Adaptations for F and M Nonimmigrant Students (March 9, 2020)
ED Resources Cont’d

https://www2.ed.gov/about/offices/list/ope/caresact.html
HEERF Use of Funds: Student Portion

At least 50 percent of an institution’s total HEERF allocation must be used to provide emergency financial aid grants to students for expenses related to the disruption of campus operations due to coronavirus.

Eligible expenses include expenses under a student’s cost of attendance, such as food, housing, course materials, technology, health care, and child care.

Sec. 18004(c) of the CARES Act
ED Announcement: Student Portion

In an April 9, 2020 letter to college and university presidents, Secretary DeVos wrote that institutions:

- Have significant discretion on how to award emergency financial aid grants to students
- Should prioritize students with the greatest need
- Consider establishing a maximum funding threshold for each student (e.g., $6,195)
- Consider giving their allocation to institutions within the same state or region, if no significant need for funds
Certification & Agreement: Student Portion

100 percent of the student portion must be directed solely and exclusively to emergency financial aid grants to students.

Must make grants available to students promptly.

Cannot use funds to reimburse the institution for any costs or expenses.*

Provides discretion to institutions to determine the amount of each individual grant.

Requires institutions to regularly report to ED how grants were distributed to students, amount of each grant, how the amount of each grant was calculated, and any directions given to students about the grants.
New FAQ: Student Portion

New FAQ document published by ED on April 21, 2020

Provides clarity and new information regarding use of funds for the student portion

Higher Education Emergency Relief Fund

Frequently Asked Questions about the Emergency Financial Aid Grants to Students under Section 18004 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act

The CARES Act, which establishes and funds the Higher Education Emergency Relief Fund (HEERF), directs institutions of higher education (“institutions”) to use no less than 50 percent of funds received under Sections 18004(a)(1) and 18004(c) of the CARES Act to provide emergency financial aid grants to students for expenses related to the disruption of campus operations due to coronavirus. These FAQs address only those funds provided by the Secretary to an institution for emergency financial aid grants to students under Sections 18004(a)(1) and 18004(c) of the CARES Act.

1) Can institutions that have provided refunds to students for room and board, tuition, and other fees (such as activities fees) reimburse themselves from the funds for the emergency financial aid grants to students?

No. The CARES Act requires institutions to use no less than 50 percent of HEERF funds received under Sections 18004(a)(1) and 18004(c) of the CARES Act to provide emergency financial aid grants to students. These funds distributed by the Department represent the 50 percent minimum of each institution’s HEERF funds under Section 18004(a)(1) of the CARES Act for these emergency financial aid grants to students. Section 2 of the Funding Certification and Agreement for the Emergency Financial Aid Grants to Students states: “Recipient shall not use [these] funds to reimburse itself for any costs or expenses, including but not limited to any costs associated with significant changes to the delivery of instruction due to the coronavirus and/or any refunds or other benefits that Recipient previously issued to students.”
New FAQ: Student Portion Cont’d

Institutions cannot use the student portion of funds to reimburse themselves for:
- Room and board, tuition, and other fees
- Information technology hardware, such as laptops
- Pay to student workers for campus jobs

Institutions cannot use the student portion of funds to satisfy a student’s outstanding account balance

Only students who are or could be Title IV eligible may receive emergency financial aid grants

Students who were enrolled exclusively in an online program on March 13, 2020 are not eligible for grants
Institutions can use the student portion of funds to reimburse themselves for institutionally-funded emergency financial aid grants if those grants are:

- For authorized expenses related to the disruption of campus operations due to coronavirus;
- Made to students eligible to receive an emergency financial aid grant under the CARES Act; and
- Made on or after March 27, 2020

ED is not requiring students to track how they use their grants, and not requiring that institutions report how students use their grants.
DECISIONS TO BE MADE IN ALLOCATING CARE ACT FUNDS TO STUDENTS

• What will your allocation be to students of the total funds you are earmarked to receive?
  • 50/50 split between students and Institution?
  • We chose to allocate 75% of the total funds available to go directly to students
  • If for any reason we needed more it would come from the “institution” side

• Determine what the average grant total per student would be based on number of students who qualify:
  • In our case it was Active Title 4 students with and ISIR on file in the OPE
  • We then divided that number into the total grant amounts to be made available to the OPE

• That gave us an average grant available per student
QUESTIONS TO BE ANSWERED

▪ Is the amount meaningful?
▪ Are all of your students in the same amount of need?
▪ If you have multiple OPE’s, are they programmatically and geographically equal?
USE OF QUALIFIERS

- We chose to allocate funds in such a way that the most in need students would get the most funds but everyone would get something meaningful.
- To do that we chose not to give everyone the same average so we created Qualifiers that either increased or decreased the beginning average grant amounts such as:
  - Indirect COA comparison to students in other school regions within the OPE group
  - Independent or dependent statuses
  - Active student status; full time, ¾ time, ½ time, or less than ½ time
  - PELL EFC values drive additional funds
RESULTS

▪ When we calculated out what every student should receive we ended up with a pretty good bell curve
▪ Our students in most need received somewhere between $4,000 and $5,000
▪ Students with less “needy” variables received between $400 and $800
ADDITIONAL CONSIDERATIONS

▪ Timing of disbursements
▪ Vehicle to pay students
▪ Clarity of record keeping
▪ Clear separation from School
Emergency Financial Aid Grants for Students

- Our goal is to serve all currently active students with the grant funding, as those are the ones who were impacted by changes of delivery method due to Coronavirus
- We established two levels of need, based on EFC
- We have 13 OPEID's
- Each OPEID has a slightly different amount per student need level
Emergency Financial Aid Grants to Students
Under the Coronavirus Aid, Relief, and Economic Security (CARES) Act

The US Department of Education has provided Emergency Financial Aid Grants to students who are in need of financial support for their expenses related to the disruption of our campus operations due to Coronavirus, to include food, housing, course materials, technology, health care, and childcare. In determining eligibility for an Emergency Financial Aid Grant, the campus has used the US Department of Education’s calculation of Expected Family Contribution (EFC), which takes into account factors such as household income, numbers of dependents within the household, expenses required for program completion, cost of living, and other financial factors. Students who are eligible for U.S. Title IV benefits who are active or on leave of absence within a residential program as of Wednesday, April 22, 2020 will be eligible to receive a grant.

Student Form

- Documents the instructions and information provided to students
- Explains that the grant amount was formulated on a needs basis
- Requires the student to attest that they are eligible for Title IV
- Requires the student to attest that this one-time grant was correctly determined
- Documents the amounts awarded

Student Name: ___________________________ Campus: _______ Student Number: ____________
Street Address: ___________________________ City: ___________ State: _____ Zip: _____________
EFC: ___________ Grant Amount: ___________

Student Attestation

Signing below attests that you are a US Citizen or Title IV-eligible non-citizen attending our institution within a residential program and that you have incurred expenses due to campus disruptions caused by the Coronavirus pandemic. You agree that you will use these funds to offset the costs associated with the disruption of campus operations such as food, housing, course materials, technology, health care, and childcare. Finally, signing here indicates that you understand that this is a one-time grant that does not need to be repaid, and your eligibility for this grant was correctly determined by reviewing your expected family contribution as calculated by US Department of Education methodologies.

Student Name: ___________________________ Signature: ________________________ Date: ____________

5/1/2020
• HUGE THANKS to CECU for this wonderful accomplishment 🙌
• 10 Campus System in CA and NV focused in allied health
• 4 OPEID’s
• In process of creating web pages describing policy and formula for distribution
• Will be sending electronic e-sign attestation following wording used by ED
• Our formula was simply based on Title IV eligible students, who were active on March 13th (National emergency declaration) which will be distributed in 2 disbursements equally across the board

• For SEC, this simply came down to one of our 6 Core Values:

  **We Will Always Be Fair to All Faculty, Staff and Students**

• Because we have 4 OPEID’s, we will use different reserve percentages to make disbursements equal for all eligible students
Communication plan to students and Team Members is critical!

Steps to notification
1. Made an announcement in our Monday Morning Memo to all team members
2. Created a student video message to be sent to all eligible students with text blast reminders to watch video
3. Go live with web pages with more detail on formula and further details
4. Sending all eligible students e-sign attestation with text blast reminders to watch video
5. Make disbursements with letters reiterating the basis for our formula, based primarily on the Core Values of the College

View examples at career.org/coronavirus
CARES Act Student Aid
Process Overview
Southeastern College & Institute
## Goals

<table>
<thead>
<tr>
<th>Goal</th>
<th>Description</th>
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<tbody>
<tr>
<td>1.</td>
<td>To expeditiously develop and implement a plan to distribute CARES Act funds to Southeastern College students</td>
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<td>2.</td>
<td>To adhere to CARES Act requirements and ED interpretive guidance in distributing funds</td>
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<td>3.</td>
<td>To create a process for awarding of funds that is defensible, replicable, and equitable – a process which will stand up to predictable future scrutiny (auditors, legislators, media, etc.)</td>
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<td>4.</td>
<td>To distribute funds in a manner that best ensures student support in light of COVID-19 and economic challenges</td>
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<tr>
<td>5.</td>
<td>To utilize existing processes and automate the awarding, distribution, and tracking process to the greatest degree possible</td>
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Process Outline

Task Force initiated April 14, 2020

- Tasked with accomplishing goals outlined above
- Task force members representing all areas of institution, and mix of front-line workers and executive leaders

Developed a strategy that involves three “waves” of funding

- Approximately 50% administered in equal amounts immediately among all eligible full-time students. Disbursed in May
- Second round of grants for students who demonstrate financial emergencies due to COVID-19. Students who are Pell eligible receive priority. Approximately 30% of CARES Act funds. Disbursed in June
- Third wave is actually a second round of emergency grants for students who experienced financial emergencies due to COVID-19. Approximately 20% of CARES Act funds. Disbursed in July 2020
Process Outline

First grants (50% of funds) are distributed immediately to all eligible students.

Emergency Grants I & II rely on an application process

- Application is online and in a questionnaire format
- Covers a range of potential financial emergencies (following closely language from ED) such as job loss, healthcare expenses, childcare expenses, costs associated with moving to online study, etc
- Application generates a “score” that, in turn, is compared to a matrix of award amounts
- Grant amounts range from a minimum of $620 to a maximum of $6,195 (maximum full Pell amount)
Process Outline

All grants are awarded in one disbursement

Created a website with Policy (important to document the process we used to distribute funds and what instructions we provided to students), FAQs, and Online Application
Timeline

- **Tue. 14 Apr. 2020**
  - Initiate CARES Act Task Force
- **23 Apr. 2020**
  - Have drafts of all online/portal forms and procedures
- **5 May. 2020**
  - Go “live” and begin receiving grant requests from students
- **15 June, 2020**
  - First Emergency Aid distribution
- **Wed. 15 Apr. 2020**
  - Brief Leadership team on implementation plan
- **Mon. 27 Apr.**
  - Review further “guidance” offered by DOE and ensure plan meets all requirements
- **15 May 2020**
  - Initial grant to all F/T students
- **15 May, 2020**
  - Second emergency aid distribution
- **15 July, 2020**
Arizona College of Nursing: 3 Methods for CARES Funding

Funds distributed evenly among eligible students
- Chose this method, because of objectivity, ease and speed to implement, and all students will receive funding
- We plan to set aside a portion of the funds for the school to help students and employees on a needs-based way

Sliding scale based on Expected Family Contribution
- Divided students by EFC into 7 groups (EFC<1k, 1-2k, 2-3k, 3-4k, 4-5k, 5-6k, & >6k)
- Disbursement graduated based on EFC with a ~20% difference between top and bottom
- Pro: More objective approach to need
- Con: Students in the higher ranges might be more impacted than students in the lower range

Needs based approach
- Needs based approach that weighed two factors: % of family income lost & number of dependents
- Pro: More funds to students who were impacted the highest
- Con: Subjectivity; these two factors did not capture enough impact
Questions?
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