




*State Leaders Connecting Learning to Work*

A horizontal bar composed of three segments: blue, green, and orange, each with a chevron shape at its right end.

# Overview of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

*April 8, 2020*

# Agenda

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- Welcome
  - CARES Act Overview \*
    - Questions and Answers
  - Update on OCTAE Guidance and Fourth Stimulus
    - Questions and Answers
  - Open Forum: State Sharing
  - Upcoming Virtual Events

\* only the CARES presentation is being recorded

# Today's speakers



**Kimberly Green, Executive Director**

**Sam Dunietz, Senior Associate for Federal Policy**

**Meredith Hills, Policy Associate**

# COVID-19 Stimulus Bills

- Congress is passing a series of bills in response to COVID-19 (Coronavirus). So far there have been three phases
  - **Phase 1:** Coronavirus Preparedness and Response Supplemental Appropriations Act
    - \$8.3 billion to prevent spread of Coronavirus
  - **Phase 2:** Families First Coronavirus Response Act
    - \$3.5 billion for paid sick and family leave and unemployment benefits
  - **Phase 3:** Coronavirus Aid, Relief, and Economic Security Act (CARES Act) – Public Law 116-136

# Phase 3: CARES Act



- Signed into law on March 27, 2020
- **\$2.2 trillion**
  - This is the most significant stimulus package in funding and in scope of relief support.
  - This stimulus is equal to about 10% of the U.S. economy (2019 GDP).
  - Funding to state, direct payments for individuals, unemployment benefits and supports to businesses

# Education Funding Provisions



- **Education Stabilization Fund:**
  - \$30.75 billion comprised of three investments:
    - Governor's Emergency Education Relief Fund
    - Elementary and Secondary Emergency Relief Fund
    - Higher Education Emergency Relief Fund
  - Requires maintenance of effort but can be waived due to "*precipitous decline in financial resources*"
  - Goal is to get funding out to states within 30 days
  - Estimated state allocations on pages 13-15, <https://politi.co/3e6yTOX>

# Education Funding Provisions



- **Governor's Emergency Education Relief Fund - \$2.9 billion**
  - Upon an “approved application”
  - Distributed to states based on formula
  - After distribution to each state per the formula
    - the State Education Agency will determine which Local Education Agencies should receive this funding
    - Governor will determine which higher education institutions receive funding
  - Authorized uses: ESEA, Native Hawaiian/Alaskan, Perkins, IDEA, Adult Ed, McKinney-Vento
  - Estimated state allocations on pages 3-4,  
<https://politi.co/3e6yTOX>

# Education Funding Provisions



- **Elementary and Secondary Emergency Relief Fund - \$13.5 billion**
  - Upon an “approved application”
  - Distributed to State Education Agencies via formula
  - 90% of funds will go to Local Education Agencies for Coronavirus response
  - Estimated state allocations on pages 5-7, <https://politi.co/3e6yTOX>

# Education Funding Provisions



- **Elementary and Secondary Emergency Relief Fund**
  - Authorized uses including but not limited to:
    - ESEA, Native Hawaiian/Alaskan, Perkins, IDEA, Adult Ed, McKinney-Vento
    - Addressing needs of vulnerable student populations
    - Training and professional development
    - Planning for long-term closures
    - Online learning
    - Equipment
    - Mental health supports
    - Summer learning and afterschool
    - Planning and training for re-opening of schools

# Education Funding Provisions



- **Higher Education Emergency Relief Fund-**  
\$13.953 billion
  - 90% to direct grants to institutions - \$12.557 billion
  - 2.5% to Fund for the Improvement of Postsecondary Education Program - \$348.8 million
  - 7.5% to HBCU and Minority Serving Institutions (Titles III, V-A, VII-A of HEA) -\$1.046 billion

# Education Funding Provisions



- **Higher Education Emergency Relief Fund:**
  - \$12.557 billion in direct assistance to Title IV institutions
    - Complex formula is based on number of students receiving federal student aid that were not enrolled exclusively in online programs
    - To be used to prevent, prepare for and respond to Coronavirus
      - 50% of funds each institution receives must go towards emergency student financial aid for expenses related to the disruption of campus operations due to Coronavirus
    - Funds can be used for some for-profit programs and title IV eligible area technical centers

# Education Funding Provisions



- **Higher Education Emergency Relief Fund:**
  - \$348.8 million to Fund for the Improvement of Postsecondary Education Program
    - Focus on institutions of higher education that receive less than \$500,000 from other CARES programs and demonstrate the highest “unmet need” due to Coronavirus
    - 50% must be used for students

# Education Funding Provisions



- **Higher Education Emergency Relief Fund**
  - Individual community college estimates by AACCC:  
[https://www.aacc.nche.edu/wp-content/uploads/2020/03/Estimates\\_for\\_CARES\\_Act\\_Funding.pdf](https://www.aacc.nche.edu/wp-content/uploads/2020/03/Estimates_for_CARES_Act_Funding.pdf)
  - Simulation of estimates to all title IV institutions:  
<https://www.acenet.edu/Policy-Advocacy/Pages/HEA-ED/CARES-Act-Higher-Education-Relief-Fund.aspx>
  - Total state allocations located here:  
<https://politi.co/3e6yTOX>

# Workforce Funding Provisions



- **Dislocated Worker Assistance National Reserve - \$345 million**
  - Employment Recovery Dislocated Worker Grants provide employment and training services in response to large, unexpected economic events that cause job loss.
  - States, Indian Tribal governments are eligible to apply if 50 or more people are laid off by one employer, or if there are “significant layoffs that increase unemployment in a given community.”
  - To remain available through September 30, 2022

# Other Funding Provisions: Misc.

- **Institute of Museum and Library Sciences - \$50 million**
  - Grants can be used to expand digital network access, purchase Internet-accessible devices and provide technical support services.
- **Small Business Administration Loans - \$350 billion**
  - “Small businesses,” including non-profits and private institutions (including Institutions of Higher Education) with under 500 employees can apply

# Policy Provisions: Education Waivers



- **National Emergency Education Waiver**
  - State Education Agency, Indian tribe or Local Education Agency can request waivers of certain statutory and regulatory provisions
  - Most of what is authorized for waivers are under to Every Student Succeeds Act/Elementary and Secondary Education Act including the definition of professional development
  - Some waivers require public notice (posting on state website)

# Policy Provisions: Education Waivers



- **National Emergency Education Waiver**
  - Waiver can only be requested through State Education Agency (SEA)
  - Perkins eligible agencies that are not SEAs cannot apply
  - At this time, the only Perkins relevant item for a waiver:
    - **Waiver for section 421(b) of the General Education Provisions Act (GEPA)**
      - This is what's known as the Tydings Amendment
      - Flexibility for the period of availability of funds

# Policy Provisions: Input into Future Needs



- The Secretary of Education will provide a report to the Senate HELP Committee, House Education and Labor Committee and the House and Senate Appropriations Committee on additional recommendations or waivers needed within 30 days of law's enactment. Includes:
  - Every Student Succeeds Act
  - Individuals with Disabilities Education Act
  - Rehabilitation Act
  - Perkins

# Policy Provisions: Workforce



- **Workforce Response Activities (WIOA)**
  - Allows flexibility with WIOA funds for administrative costs (up to 20%) related to local workforce investment activities
  - Unspent Governor's reserve funds can be re-directed for rapid response activities for Coronavirus

# Policy Provisions: Student Financial Aid



- Freeze on interest, collections, payments for Higher Education Act Title IV loans through September 30, 2020
- Pell grants received during a period of enrollment not counted toward lifetime exhaustion limit.
- Title IV loans do not have to be returned because of withdrawal due to Coronavirus- both for institutions and students
- Removes federal matching requirements
- Canceling loan obligation due to student withdrawal.

# Policy Provisions: Federal Work Study



- Institutions have flexibility to transfer Federal Work Study funds to Supplemental Educational Opportunity Grants (SEOG)
  - Emergency grants to students experiencing hardship
  - CARES extends SEOG to students impacted by Coronavirus
  - Students can still be paid for (up to one year) Federal Work Study even if they are not working.

# Policy Provisions: Health Care Workforce




- TANF Block Grants
  - Health Professions Opportunity Grants extension
    - Extends this program which provides funding to help low-income individuals obtain education and training in high-demand, well-paying, health care jobs.
- Expands Health Care Workforce
  - Directs the Secretary of Health and Human Services to develop comprehensive plan for health profession training, including expanding nursing programs.

# New Guidance from USDE



- New fiscal guidance released today:
  - <https://www2.ed.gov/documents/coronavirus/factsheet-fiscal-questions.pdf>
  - Staff and travel questions answers
- Guidance to SEAs on waivers was released on April 3:
  - <https://oese.ed.gov/files/2020/04/invite-covid-fiscal-waiver-19-20.pdf>
- More guidance in the clearance process

# Virtual Events

- 
- Regional calls on April 15 and May 14
    - Replaces cross-state sharing
  - Lunch and learns starting in April
    - Replaces problems of practice
  - Deep dive content series in late Spring/summer
    - Replaces general sessions and topical breakouts

# Thanks for joining!



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