



CARES Act Analysis: Grant Implications for Higher Education

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Overview

The Coronavirus Aid, Relief, and Economic Security Act ([H.R. 748](#)), also known as the CARES Act, was signed into law by President Trump on March 27, 2020 ([Pub. L. 116-136](#)). Unprecedented in scope and size, the \$2 trillion CARES Act provides aid to states, industry, and workers during the coronavirus outbreak. This policy analysis document summarizes those CARES Act provisions with potential to impact institutions of higher education, as defined by [20 U.S.C.A. §1002](#).

Education Stabilization Fund (§18001 – §18006 of the CARES Act)

The \$30.75 billion appropriation for the Education Stabilization Fund was created for the purpose to prevent, prepare for, and respond to coronavirus, domestically or internationally, and will remain available through September 30, 2021. The fund allocates approximately \$13.953 billion to the Higher Education Emergency Relief Fund (§ 18004).

§18004 Higher Education Emergency Relief Fund (HEERF) Distribution

- \$12.558 billion was disbursed directly to institutions of higher education with 50% of the allocation designated for student aid and the remaining 50% designated as the institutional portion; details can be found on the [HEERF Information](#) website
- \$1.047 billion was distributed via Titles III, V, and VII to eligible minority-serving institutions and eligible institutions serving high numbers of low-income students
- \$349 million was allocated and distributed to smaller institutions of higher education receiving less than a total of \$500,000 under HEERF and that have the “greatest unmet needs related to coronavirus” with a remaining \$15 million to be awarded in a competitive grant program

UPDATED - Reporting Requirements: HEERF Student Aid Allocation

Institutions must keep accurate records of how the funds are distributed and must be ready to prepare and submit required reports to the U.S. Department of Education (ED) describing the institution’s funding distribution. The Funding Certification and Agreement describes the reporting requirements, the first of which must be submitted within 30 days after signing the Certification and every 45 days thereafter. A memo posted on ED’s Information for Financial Aid Professions (IFAP) webpage states that the Department will provide instructions for submitting reports at a later time. In the interim, “each HEERF participating institution must post the information listed below on the institution’s primary website.” Institutions that accurately report the information listed will meet the initial reporting requirements.

1. An acknowledgement that the institution 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.
2. The total amount of funds that the institution will receive or has received from the Department pursuant to the institution’s Certification and Agreement [for] Emergency Financial Aid Grants to Students.
3. The total amount of Emergency Financial Aid Grants distributed to students under Section 18004(a)(1) of the CARES Act as of the date of submission (i.e., as of the 30-day Report and every 45 days thereafter).
4. The estimated total number of students at the institution eligible to participate in programs under Section 484 in Title IV of the Higher Education Act of 1965 and thus eligible to receive Emergency Financial Aid Grants to students under Section 18004(a)(1) of the CARES Act.
5. The total number of students who have received an Emergency Financial Aid Grant to students under Section 18004(a)(1) of the CARES Act.
6. The method(s) used by the institution to determine which students receive Emergency Financial Aid Grants and how much they would receive under Section 18004(a)(1) of the CARES Act.
7. Any instructions, directions, or guidance provided by the institution to students concerning the Emergency Financial Aid Grants.

Reporting Requirements: HEERF Institutional Allocation

Institutions must “comply with all reporting requirements including those in Section 15011(b)(2) of Division B of the CARES Act and submit required quarterly reports to the Secretary, at such time and in such manner and containing such information as the Secretary may reasonably require.”

15011(b)(2) of Division B: Not later than 10 days after the end of each calendar quarter, each covered recipient shall submit to the agency and the Committee a report that contains—
(D) detailed information on any level of subcontracts or subgrants awarded by the covered recipient or its subcontractors or subgrantees, to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note) allowing aggregate reporting on awards below \$50,000 or to individuals, as prescribed by the Director of the Office of Management and Budget.

The Secretary may require additional reporting in the future, including but not limited to reporting on the use of the funds for Recipient’s Institutional Costs:

- Demonstrating such use was in accordance with Section 18004(c);
- Accounting for the amount of reimbursements to the Recipient for costs related to refunds made to students for housing, food, or other services that Recipient could no longer provide; and,
- Describing any internal controls Recipient has in place to ensure that funds were used for allowable purposes and in accordance with cash management principles.

CARES Act Grant Implications

A portion of the funding provided through the CARES Act will be distributed through formula and discretionary grant programs. The specifics of how the funds will be distributed will be determined by each agency in accordance with the language in the Act. Overarching themes in relation to grant funding include a variety of programs and support including the following.

- Research support directly related to the coronavirus
- Support for broadband in rural areas
- Improvements to telemedicine/telehealth
- Additional funding for Titles III (Institutional Aid) and VII (Graduate Programs) under the Higher Education Act of 1965
- Increased support for behavioral sciences projects, including suicide prevention programs
- Funding for analyzing and expanding the healthcare workforce, including nursing
- Support for arts and humanities projects

Other information gleaned from the Act indicates that for some existing federal grant programs, terms have been adjusted or project periods extended to accommodate delays resulting from the closure of institutions. Grant funding provided through the Act is intended to address the coronavirus pandemic in some way, either directly through research, in resuming operations, or building infrastructure to prepare for future situations. A significant portion of the funding for education will be allocated to states through formula grants. However, states may elect to expend funds through competitive grant programs.

The following tables reflect the funds appropriated in the CARES Act that are of interest to higher education by federal agency. The section number and page number refer to the full CARES Act as passed ([hyperlink above](#)) as well as the implication for grant programs and the total appropriated.

CARES Act Bill Analysis by Agency

U. S. Department of Agriculture				
Section	Page Number	Excerpted Bill Language	Grant Implications	Total Appropriated
6002 Division B	227	<p>Rural Utilities Service</p> <p>Distance Learning, Telemedicine and Broadband Program</p> <p>UPDATE APPLICATION WINDOW: April 14 - July 13, 2020 to include \$25 million</p>	Rural areas will receive funds to increase access to broadband internet in order to increase distance learning opportunities	\$25,000,000
Title VII – Related Agencies	269	<p>Forest Service</p> <p>[Funds] for the reestablishment of failed experiments associated with employee restrictions due to coronavirus</p>	Current grantees who must restart their experiments due to a lapse in worktime will have additional moneys available to support their project's completion	\$3,000,000

U. S. Department of Commerce				
Section	Page Number	Excerpted Bill Language	Grant Implications	Total Appropriated
Title II of the Act	230	To prevent, prepare for, and respond to coronavirus, domestically or internationally, including for necessary expenses for responding to economic injury as a result of coronavirus: <i>Provided</i> , That such amount shall be for economic adjustment assistance as authorized by section 209 of the Public Works and Economic Development Act of 1965	Section 209 states “the Secretary may make grants for development of public facilities, public services, business development (including funding of a revolving loan fund), planning, technical assistance, training, and any other assistance to alleviate long-term economic deterioration and sudden and severe economic dislocation and further the economic adjustment objectives”	\$1,500,000,000

National Science Foundation				
Section	Page Number	Excerpted Bill Language	Grant Implications	Total Appropriated
11004	234	[Funds to] prevent, prepare for, and respond to coronavirus, domestically or internationally, including to fund research grants	Research grants in microbiology, epidemiology, and related areas will be available in 2020	\$75,000,000

U. S. Department of the Interior				
Section	Page Number	Excerpted Bill Language	Grant Implications	Total Appropriated
Title VI	264	Assistance to Firefighter Grants	Grants for equipment may extend to training facilities for first responders	\$100,000,000
Title VII	267	Bureau of Indian Education Funding for tribal colleges and universities	IT support, transportation costs, and salary support available through grant funds	\$20,000,000
Title VII	268	Environmental Protection Agency [Funds] shall be for research on methods to reduce the risks from environmental transmission of coronavirus	Research grants will be funded through this opportunity	\$1,500,000

Institute of Museum and Library Services				
Section	Page Number	Excerpted Bill Language	Grant Implications	Total Appropriated
Title VII	291	Funds to prevent, prepare for, and respond to coronavirus, including grants to States, territories and tribes to expand digital network access, purchase internet accessible devices, and provide technical support services	\$15 million of the total \$50 million will be issued in grants to eligible applicants; match requirement waived Deadline: June 12, 2020 https://www.ims.gov/news/15-million-ims-cares-act-grants-now-available-museum-and-library-services	\$50,000,000

National Endowment for the Arts				
Section	Page Number	Excerpted Bill Language	Grant Implications	Total Appropriated
Title VII	272	...40% of such funds shall be distributed to State arts agencies and regional arts organizations and 60% of such funds will be for direct grants	State arts organizations funded through NEA will continue to receive funds for passthrough grants. In addition, new money will be made available for arts organizations to apply for directly to the NEA	\$75,000,000

National Endowment for the Humanities				
Section	Page Number	Excerpted Bill Language	Grant Implications	Total Appropriated
Title VII	273	...40% of such funds shall be distributed to State arts agencies and regional arts organizations and 60% of such funds will be for direct grants	State arts organizations funded through NEH will continue to receive funds for passthrough grants. In addition, new money will be made available for arts organizations to apply for directly to the NEH	\$75,000,000

U. S. Department of Education (ED)				
Section	Page Number	Excerpted Bill Language	Grant Implications and UPDATES	Total Appropriated
Title III, Part IV, Subtitle B, § 3517	128	Waiver Authority for Institutional Aid	<p>For current recipients of Title III, Title V, or Title VII A.4, eligibility data, wait-out periods, and allotment requirements may be waived.</p> <p>Modifications may be made, or waivers issued, to ensure grantees are not adversely affected by formula calculations during the period of emergency.</p> <p>Any funds paid to an institution under these programs that have not yet been expended may be carried over and expended during the succeeding 5-year period.</p> <p>UPDATE ED elected NOT to waive the eligibility for Title III Strengthening Institutions Programs or Title V Hispanic-Serving Institutions Programs.</p>	-

U. S. Department of Education (ED)				
Section	Page Number	Excerpted Bill Language	Grant Implications and UPDATES	Total Appropriated
			ED used a formula to distribute funds to institutions through Titles III, V, and VII. However, for Titles III and V programs for which institutions are not designated by statute, ED reserved 2% of the funding so that institutions that believe they are eligible , including eligible branch campuses whose parent institution is not eligible for Section 18004(a)(2) grants, may request funding and submit the requisite data . The Department will provide information on how to request funds from this reserve in the near future.	
Title III, Part IV, Subtitle B, § 3518	346	Authorized Uses and Other Modifications for Grants	At an institution's request, the Secretary is authorized to modify required and allowable uses of funds for grants awarded. Financial matching requirements may also be modified at the request of a recipient institution	-
Title VIII (18001)	284	Education Stabilization Fund (ESF) 1% for grants to States with the highest coronavirus burden	States will apply for funds to support their education system through grant money UPDATE ED announced two new discretionary grant programs: ESF-Rethink K12 Education Models Grants and ESF-Reimagining Workforce Preparation Grants. Both programs are open to states based on highest coronavirus burden. States will compete for the funds, and if awarded, will determine how to distribute funds within their state. See https://oese.ed.gov/offices/education-stabilization-fund/states-highest-coronavirus-burden/ for more information; link to the Notice Inviting Applications https://s3.amazonaws.com/PCRN/docs/ESF-RWP_Notice_Inviting_Applications.pdf State burden is articulated in a table at https://s3.amazonaws.com/PCRN/docs/ESF-REM_Coronavirus_Burden_Table.pdf . Points will be awarded based on percentile range with higher scores indicating higher burden.	TBD based on formula

U. S. Department of Education (ED)				
Section	Page Number	Excerpted Bill Language	Grant Implications and UPDATES	Total Appropriated
Title VIII (18002)	284	Governor's Emergency Education Relief (GEER) Fund	<p>Funds can be used for the following.</p> <ul style="list-style-type: none"> A) Provide emergency support to local educational agencies most impacted by coronavirus B) Provide emergency support through grants to institutions of higher education C) Provide support to any other educational entity the governor determines is essential to carry out emergency education support <p>UPDATE Link to GEER Letter to Governors Link to GEER State Allocation Tables</p>	TBD based on formula
18004(a)(1)	287	Higher education emergency relief fund \$12.558 billion total	90% of funds will be given to institutions of higher education based on a formula, with institutions receiving 75% of funds based on the number of students who are full time, Pell eligible	\$11.162 billion
18004(a)(2)	287	7.5% for additional awards under parts A and B of Title III Strengthening Institutions Programs, parts A and B of Title V Hispanic Serving Institutions Programs, and subpart 4 of part A of Title VII Graduate & Postsecondary Improvement Programs of the Higher Education Act	<p>Funds allocated through grant awards must be used to address needs directly related to coronavirus. Funds are in addition to section 18004 formula amounts. Technology costs related to building distance learning platforms is an admissible expense. 50% of funds provided through this section must be used for financial aid grants to students for expenses related to the disruption of campus operations due to coronavirus.</p> <p>UPDATE Funds allocated through a formula to eligible institutions. Process for applying for funds is the same as the HEERF – completing and submitting a Certification Form via grants.gov. More information is available at https://www2.ed.gov/about/offices/list/ope/caresact.html</p> <p>See also row 1 of this table: Waiver Authority for Institutional Aid for more information on eligibility for funding under this section.</p>	\$1.047 billion
18004(a)(3)	287	2.5 percent for part B of title VII Fund for the Improvement of	Appropriated for institutions of higher education that the Secretary determines have the greatest unmet needs related to coronavirus, which may be used to defray expenses (including lost revenue, reimbursement	\$349,000,000

U. S. Department of Education (ED)				
Section	Page Number	Excerpted Bill Language	Grant Implications and UPDATES	Total Appropriated
		Postsecondary Education (FIPSE) of the Higher Education Act	<p>for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff trainings, payroll) incurred by institutions of higher education and for grants to students for any component of the student's cost of attendance (as defined under section 472 of the Higher Education Act), including food, housing, course materials, technology, health care, and child care.</p> <p>UPDATE ED used FIPSE funding to provide funding to smaller institutions that did not receive at least \$500,000 through the student aid and institutional portions of HEERF. Institutions received the difference between their total HEERF funding and \$500,000. The remaining \$15 million will be awarded via a future competitive FIPSE grant competition.</p>	

U. S. Department of Health and Human Services				
Section	Page Number	Excerpted Bill Language	Grant Implications	Total Appropriated
Title III, Subtitle E, Part III, §§ 3821-3822	152	Extension of Sexual Risk Avoidance Education Program & the Personal Responsibility Education Program	Extends the programs, which were originally intended to end May 22, 2020, through November 30, 2020.	-
Title III, Subtitle E, Part III, § 3823	153	Extension of Demonstration Projects to Address Health Professions Workforce Needs	Extends these projects through November 30, 2020 in the manner authorized for FY 2019.	-
Title VIII	276	Substance Abuse and Mental Health Services Administration Certified Community Behavioral Health Clinic Expansion Grant Program	Additional funding will be available to support current grantees. This may tie into apprenticeship and other training programs connected to mental health services	\$250,000,000

U. S. Department of Health and Human Services				
Section	Page Number	Excerpted Bill Language	Grant Implications	Total Appropriated
Title VIII	276	Substance Abuse and Mental Health Services Administration Suicide prevention programs	Funding for suicide prevention grants will receive a one-time boost in funding	\$50,000,000
Title VIII	279	Head Start Supplemental summer programs	Additional funds will be made available to current Head Start grantees to expand their summer program offerings	\$500,000,000
Title III, Part 2B, § 3212	88	Telehealth Network (50% of funds must be used for designated rural areas)	Supports evidence-based projects to improve and increase access to, delivery of, and quality of telehealth technologies and telehealth resource centers	\$29,000,000
Title III, Part 2B, § 3213	90	Rural and Small Health Center Quality Improvement Grant Program	Updates grantee eligibility to, “be an entity with demonstrated experience serving, or the capacity to serve, rural underserved populations”	\$79,500,000
Title III, Part 4, § 3401	105	Reauthorization of Health Professions Increases funding for grant programs and revises language	Appropriations for scholarships, loan repayments/fellowships and education in health professions for individuals from disadvantaged backgrounds has been increased through 2024.	\$23,711,000
Title III, Part 4, § 3403	108	Education and Training related to Geriatrics Creates Geriatric Academic Career Awards program.	Bureau of Health Workforce’s Geriatrics Workforce Enhancement Grant Program supports the training of health professionals in geriatrics, including traineeships or fellowships	\$40,737,000
Title III, Part 4, § 3404	111	Nursing Workforce Development	Increases appropriation for grants for health professions education including amended language pertaining to cultural competency, prevention, and public health and individuals with disability; adds language regarding internships, fellowships and residency programs.	\$137,837,000