DIVISION OF BUSINESS & FINANCIAL AFFAIRS
COVID-19 BRIEFING

April 26, 2020
Prepared by: Divisions of Business and Financial Affairs, Student Affairs, and Academic Affairs
Planning: Barbara Rex, Hung Dang and Sunshine Garcia
Implementation: Stephanie Bracamontes, Toni DeBoni, Dottie Ayer and Sunshine Garcia

_______________________________________________________________

ACTION AND INFORMATION ITEM:
Approve the concept plan for distribution of CARES Emergency Grant funds to CSUCI students and select a rubric for the awards.

BACKGROUND AND POLICY ISSUE(S):
On Friday, March 27, 2020 President Donald Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act or the CARES Act. It provided $2 trillion dollars for COVID-19 relief and part of the Emergency Stabilization Fund earmarked $14 billion for higher education. Ninety percent ($12.5 billion) was allocated to institutions based on the enrollment of full-time equivalent (FTE) Pell Grant recipients and 25% on enrollment of non-Pell Grant recipients. Students enrolled exclusively in online, distance education courses prior to the COVID-19 emergency were excluded from this calculation.

On April 9, 2020, the US Department of Education (ED) announced that more than $14 billion would be distributed immediately to colleges and universities across the country to provide direct emergency financial aid grants to college students whose lives and educational pathways have been disrupted by the coronavirus outbreak. The funding has been made possible through the Higher Education Emergency Relief Fund (HEERF) authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. CSUCI was allocated $8,580,009 and $4,290,005 (50%) must go directly to students in the form of emergency grants for expenses under the Cost of Attendance (COA) related to the disruption of campus operations.

Based on updated guidance received from (ED) on Tuesday, April 21,2020 only students who are or could be eligible to participate in programs under Section 484 in Title IV of the Higher Education Act of 1965, as amended (HEA), may receive emergency financial aid grants. If a student has filed a Free Application for Federal Student Aid (FAFSA), then the student has demonstrated eligibility to participate in programs under Section 484 of the HEA. Students who have not filed a FAFSA but who are eligible to file a FAFSA also may receive emergency financial aid grants. The criteria to participate in programs under Section 484 of the HEA include but are not limited to the following: U.S. citizenship or eligible noncitizen; a valid Social Security number; registration with Selective Service (if the student is male); and a high school diploma, GED, or completion of high school in an approved homeschool setting. Students eligible to receive the funds include all currently enrolled undergraduate, graduate and professional students who are eligible to
receive federal financial aid. Notable, exceptions include international, undocumented students, students enrolled in exclusive online programs (Cal State Online), students not meeting satisfactory academic progress and those in default of a federal student loan and owe a grant repayment to ED are not eligible for the HEERF funding.

Enrollment Services proposes to award students with a FASFA on file initially (82%) and hold on distribution to students without a FAFSA on file until the campus receives additional guidance from NASFAA and/or ED on how to provide assistance. This will help to minimize audit risk.

While the Chancellor's Office issued guidelines to campuses on the distribution of HEERF funds to students, details of the implementation to support the disbursement of these funds remain fluid. The implementation plan is included under Supplemental Documents.

Rubrics for CARES Awards:

Notes:
- Total eligible students is 5,511.
- Each rubric includes an automatic grant of $250.
- Grant options per student range from $250 to $1,050 depending on EFC ranges, excluding emergency grant applications.
- Depending upon the total grant awards, the CARES Initiative Application (emergency program) ranges from $538,430 to $796,205 using a total funding pool of $4,290,005.
- Award proration applies to eligible part-time students with less than seven units.

SUPPORTING DOCUMENTATION:
- Attachment 1: CSUCI CARES Student Emergency Grant Disbursement Implementation Plan
- Attachment 2: CO CARES Fund Set-up
- Attachment 3: CSU Cares Program Guidelines, April 21, 2020
CARES Funding Certification and Agreement

- The first agreement was signed by President Beck and submitted to ED via the grants.gov website on April 16, 2020.
- April 25, 2020 ED notified CI the agreement has been received and approved for funding.
- After receipt of the first disbursement of funding, the Director of Financial Aid will coordinate President Beck’s certification of the second CARES agreement to receive campus-directed funds.

Awards: Once the Cabinet selects and approves the methodology for the CARES funding the FA office will begin to work with various campus partners (Student Affairs and Financial Services) to implement the CARES Application process and begin awarding funds to students.

CARES Application for Emergency Grants (Group 1) Processing
The criteria established for Group 1 includes students with the lowest income status who received maximum levels of state and/or federal financial aid. The Financial Aid office will prepare a listing of these students with corresponding award amounts approved by the Cabinet and provide to Financial Services.

Due to the uncertainty of timing of the DUO implementation, it is likely that Financial Services will process and issue paper checks for between 1,900 and 2,700 students in Group 1. To support this process the need of additional resources have been identified -- additional check stock, ITS services request to set up one additional printer and one additional folding machine.

CARES Application for Emergency Grants (Group 2) Processing
The criteria established for Group 2 includes students with some financial need who received some state and/or federal financial aid. The Financial Aid office will prepare a listing of these students with corresponding award amounts approved by the Cabinet and provide to Financial Services. For Group 2, it is estimated between 550 and 1,400 checks will be processed.

CARES Application for Emergency Grants (Group 3) Processing
The criteria established for Group 3 includes a minimum grant amount that will automatically be awarded to every enrolled student eligible for federal financial aid in this group. For Group 3, it is estimated that between 1,800 and 2,200 checks will be processed. Additional emergency requests above the minimum amount, including those submitted from students receiving grants in Groups 1 and 2, will be processed through an online application.

On Friday, April 24, 2020 the CO CMS IT group created the CARES Grant Application and Administrative page in PeopleSoft for campuses. CSUCI Information Technology Services (ITS)
was able to install this non-baseline posting into the test environment on Friday, April 24, 2020 for the Financial Aid office to test, review and customize for CSUCI if we decide to utilize this application. The Director of Financial Aid has recommended it would be in CSUCI’s best interest to use this application for the third category of students who are eligible for CARES federal funding and to assist her area in managing this process. Based on the additional guidance that was released by ED on Tuesday, April 21, 2020 it is appropriate for the Financial Aid office to manage this application process since it is tied to Federal Title IV eligibility and the application resides in the financial aid module.

*CARES Application Testing in PeopleSoft:* On Monday, April 27, 2020 the financial aid (FA) team will test and work with (ITS) to customize and move the application to production. Once this application is moved to production FA will ensure the application is working as needed and ready to launch in the student portal.

**ADDITIONAL INFORMATION:**

**Chancellor’s Office Student Financial Affinity Group Call**
There is much discussion on the determination of how disbursements will flow through Financial Aid and Student Financial Modules, Chancellor’s Office advised Campus colleagues to hold off on any system configuration until after this call. Colleagues from IT Services, Enrollment Services and Financial Services will be in attendance. The call is scheduled for Tuesday April 28th at 11:00 a.m.

**CARES Fund Set-Up Initiated**
Chancellor’s Office Financial Services distributed chart field attributes to track revenue and disbursements. Email from Chancellor’s Office (Attachment 2).

**Next Steps for the CARES Implementation Team**
- *Prepare Updates:* Team regroup after the CO Student Financial Affinity Call on April 28 to refine implementation plan
- *Messaging:* Student Affairs finalizes campus messaging and communication plan (Attachment 3)
- *Internal Controls:* Document controls and compliance around the distribution
- *DOE Reporting:* First report due within 30 days of first round of disbursement and 45 days thereafter until funds are exhausted
- *Distribution of Checks:* Create a timeline for the disbursement of CARES funding to students
- *Emergency Grants:* Financial Aid and Student Affairs collaborate to define the application process to award remaining funds for Group 3 including establishing award parameters for CARES emergency application.
- *Non-FAFSA Student Funds:* Finalize process for non-CARES funding from the University to provide awards to students who are ineligible to receive CARES federal funds.
ATTACHMENT 2

CARES Fund Set-Up

From: Pickering, Sherry <spickering@calstate.edu>
Sent: Friday, April 10, 2020 2:49 PM
To: Legal@lists.calstate.edu; GAAP@lists.calstate.edu
Cc: SPF_R_StateReporting@share.calstate.edu; Ortega, Wendy <wortega@calstate.edu>; Kulju, Dean <dkulju@calstate.edu>; Mullien, Melissa <mmullien@calstate.edu>; Willard, Jerry <jwillard@calstate.edu>; Perkins, Kara <kperkins@calstate.edu>
Subject: FRMS Updates - CARES Act Program and Other COVID-19 Federal Funding Reporting Structure

Dear Colleagues,

Receipts related to the CARES Act programs and other COVID-19 federal funding the CSU may receive are required to use the following reporting structure.

The following new object code and the combination edits for that code were established:

- 503114 – Other Federal nonoperating grants (CARES) - direct (noncapital)
  - Use this object code in combination with CSU fund 413 to report funds received to award emergency financial aid CARES grants to students. As the details of additional programs become available, we will adjust the legal edit to allow the use of this object code in the applicable funds.
  - The CARES emergency financial aid grants to students receipts and awards must be used in the new PNAT key 132882 established with CSU fund 413.
  - When the funding for the CARES act expands to other funds, new PNAT keys with the FRMS Project CARES will be created and must be used.
  - The object description is:
    - Used to record the awards from the Coronavirus Aid, Relief and Economic Security (CARES) Act. CSU is a direct recipient.

These existing object codes must continue to be used to record augmentations or new federally funded research awards related to COVID-19:

- 503107 – Federal Grants and Contracts – Other (Noncapital)
  - Used for federal non-financial aid, non-capital grants and contracts, such as research grants.
- 50319 - Federal Grants and Contracts – Capital
  - Similar in nature to 503107, except this object code is used for federal grants and contracts that are for capital expenditures. This object code is not to be used for financial aid.

Record Federal Emergency Management Act (FEMA) funds received using the following object code:

- 503108 – Misc. Federal Funds
  - Used for federal non-financial aid, non-capital funding that is special (non-recurring) in nature. An example is funding from FEMA for natural disasters.

Please contact me with the details of any receipt of COVID-19 related federal funds that are not described above.

Please let me know if there are any questions.

Sherry Pickering | Director, Legal Reporting & Tax | California State University, Office of the Chancellor | (p) 562/951-4531 | (IM) Zoom
ATTACHMENT 3: (draft communication to students)

Dear Dolphins:

As we work through this difficult time together, please know that CSU Channel Islands remains committed not only to your educational success, but to your holistic wellbeing. In an effort to support you beyond the classroom, I am pleased to share that in the coming weeks, the campus will be providing the following financial relief to its students.

Disbursement of Aid

How much are students receiving?
All eligible students will receive an automatic disbursement of aid ranging from $XX – XX based on the Expected Family Contribution identified within their completed FAFSA.

Where is this money coming from?
The Coronavirus Aid, Relief, and Economic Security (CARES) Act has provided financial support to the campus which will fund a significant portion of the aid we are able to offer to students. Due to federal restrictions of the CARES Act, only students who meet the below criterion will receive CARES Act funding:
- Students must be currently enrolled
- Students must be meeting Satisfactory Academic Progress
- Students must not be in Default or owe a grant payment
- Cal State Online students are not eligible for these funds (please note that taking classes in a virtual environment for spring 2020 does not disqualify you)
- Students must have or be eligible to file Free Application for Federal Student Aid (FAFSA)
  - If you do not have a FAFSA on file, it isn’t too late! Please complete your 2019-20 FAFSA here.

While the CARES Act does not allow disbursements to all students, the Campus is committed to providing funding to everyone. For our non-resident and International students, we have identified alternate campus resources to provide the same level of financial support as the CARES Act.

How will I get my money?
You will receive your disbursement in the form of a check, which will be sent to the mailing address you have on file. As such, please confirm your mailing address on file in CI records through myCI as soon as possible:
- Log in to myCI
- Select CI Records
- Scroll down to Personal Information section
- Review mailing address listed under Contact Information
- Click on Mailing Address link
- On the row for Mail, click red pencil at right
- Insert new mailing address
- Click OK at bottom
- Confirm address is correct and click Save button
Applications for Supplemental Aid

In addition to the automatic disbursements outlined above, the campus has also set-aside funding to provide additional financial relief to students who have identified as having an even greater need. This disbursement of this additional aid will be managed through a simple online application process. Details regarding this application are forthcoming.

Additional Campus Resources

While we hope that the financial assistance provided by the campus will help, we understand that additional needs may continue for you and your loved ones during this time. Please know that our Basic Needs Program continues to operate and is available for CSUCI students.

If you have any questions regarding the relief and support outlined above, please contact XXXX.

Sincerely,

XXX
Overview
On April 9, 2020, the US Department of Education (DOE) announced that more than $6 billion would be distributed immediately to colleges and universities across the country to provide direct emergency financial aid grants to college students whose lives and educational pathways have been disrupted by the coronavirus outbreak. The funding has been made possible through the Higher Education Emergency Relief Fund (HEERF) authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed into law by President Trump in early April 2020. The California State University System will receive over $262.5 million to allocate to our students in grant aid. These federal resources provide a tremendous supplement to the more limited resources that campuses already have to support emergency grants. The combination of these federal and campus resources form the basis of the CSU Cares initiative, creating emergency grants for students with financial need induced by COVID-19.

A summary of HEERF allocations to all 23 campuses is attached as Appendix A. The letter sent to campus presidents by the US Secretary announcing the availability of funds is attached as Appendix B. The methodology used by DOE to calculate each campus’ allocation is attached as Appendix C. The DOE also issued guidance about administration of the HEERF in the form of an FAQ document on April 21, 2020, which is included as Appendix D. A sample application form is attached as Appendix E.

The DOE clarifies that the sole and exclusive purpose of this federal funding is to provide emergency financial aid grants to students for their expenses related to the disruption of campus operations due to the coronavirus, such as food, housing, course materials, technology, health care and child-care expenses. Each institution is specifically requested not to use the advanced 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 the institution previously issued to students. Further, the DOE specifically states that campuses should be mindful of each student’s particular socio-economic circumstances in the staging and administration of these grants.

Eligibility for HEERF Funding
All currently enrolled undergraduate, graduate and professional students at any CSU campus, who are eligible to receive federal financial aid (whether or not they currently have a FAFSA on file), may receive emergency financial aid grants using funds provided through HEERF. Specifically, full- and part-time students are eligible, although campuses should ensure that any automatic grant aid awards are prorated accordingly for part-time students. Degree-seeking
students who are enrolled in self-supported academic programs are also eligible. However, those students who were enrolled exclusively in an online program prior to and as of March 13, 2020, are not eligible for emergency financial aid grants.

Lastly, international and undocumented students are not eligible for the current iteration of HEERF funding. These students can receive grants from existing or newly-created campus-based emergency aid programs supported through a variety of funding sources (e.g., operating fund, lottery, foundation). Campuses are encouraged to augment their campus emergency grant programs accordingly, and should consult with their respective Financial Aid Office, Dream Resource Center, International Student Programs, Basic Needs Initiatives Programs, and other relevant units and departments for this purpose.

**CSU Campus Model for Allocation**

The CSU presidents and Chancellor’s Office leaders discussed scenarios that the CSU could select as a general framework for how emergency grant aid will be distributed to students via the **CSU Cares** initiative. Based on the discussion, feedback and input, the Chancellor’s Office expects campuses to use the following paradigm to distribute the HEERF grant aid, as it affords a degree of consistency across the shared mission and values of the CSU campuses and yet provides enough flexibility to meet the unique circumstances of each campus.

The following three operational principles should inform the distribution of these grants:

- **Student Success** – The purpose of this emergency assistance is to help alleviate financial distress that CSU students are currently experiencing – and have been experiencing – as a result of the COVID-19 pandemic. Given the CSU’s unwavering commitment to Graduation Initiative 2025, our goal is to retain as many students as possible so that they can complete the current academic term, be positioned to return for future academic terms and remain on the path to degree.

- **Equity** – Inclusive excellence and a deep-seated commitment to promoting equitable educational outcomes remain at the forefront of CSU values. The CSU recognizes that all students have experienced some impacts as a result of the COVID-19 pandemic, but those impacts have been disparate – with greater negative impacts on students from historically underserved communities. Students are facing various challenges related to accessing both instructional and student services via remote and virtual formats because of differential access to reliable high-speed, working internet, working laptops or computers, and varying levels of comfort with using technology as the predominant or sole learning modality. This emergency aid should be awarded with a commitment to equity as a guiding value.
• **Timeliness and Administrative Simplicity** – We seek to ensure access for the greatest number of deserving students possible to receive emergency aid as needed, with minimal administrative processes to maneuver when they are already facing numerous stressors. Processes should allow the campus to make decisions quickly and get funds to students as soon as possible to mitigate the financial challenges they are experiencing.

In awarding grant aid to students, each CSU campus will utilize a three-pronged approach, benchmarked against students’ documented financial need whenever possible, with students in each group receiving different levels of grant aid proportional to their financial difficulty. There will be variability in grant awards across the campuses, as the amount of available HEERF dollars varies as a result of the federal allocation algorithm used by the DOE. Campuses will retain the autonomy to determine the amount of their allocation to be expended for each group, as well as to determine the threshold criteria for use in differentiating students between the first two groups. The third group allows all students to be eligible for a baseline amount of emergency funds if they request such funds.

The three primary categories of students will be as follows:

- Students with the lowest income status who received maximum state and/or federal aid;
- Students with some financial need prior to the COVID-19 pandemic; and
- All other students without regard to prior state and/or federal aid received.

1. **Students with the lowest income status who received maximum levels of state and/or federal financial aid.** The students who were the most financially needy prior to the start of the COVID-19 pandemic likely remain the most challenged, and we anticipate they have experienced disproportionately greater hardship as a whole. **These students could be identified based on a combination of existing measures of high financial need that cast the broadest, most inclusive net,** e.g., maximum Pell award recipient, Estimated Family Contribution (EFC) of $0, etc. These students would then receive automatic grants of a designated amount to mitigate financial hardship in the current term. Additional funds beyond this initial grant may also be requested via an easy application process.

2. **Students with some financial need who received some state and/or federal financial aid.** A proportion of CSU students received some financial aid, but were also paying out-of-pocket for educational expenses prior to the start of the COVID-19 pandemic. These students now likely face greater financial difficulty and need more assistance than they normally would. For example, consider the following scenarios: “I lost my job at the restaurant and am now facing eviction from my off-campus apartment.” Or, “I was in a study abroad program which was cancelled by the CSU, and I had to pay out-of-pocket
for a flight home.” As above, these students could be identified based on a combination of existing measures of financial need and targeted to receive automatic grants of a designated dollar amount – less than what the lowest-income students receive. Similarly, additional funds beyond this initial grant may also be requested via an easy application process.

3. **All other students.** Any eligible, currently enrolled student could apply for funds, via an easy application process, to mitigate financial losses due to the impacts of COVID-19. Alternatively, those campuses that wish to could set a minimum grant amount that would be automatically awarded to every enrolled student eligible for federal financial aid in this group without requiring an application; only funds above that minimum level would require an easy application process.

Campuses will be responsible for modeling their implementation to determine the optimal aid distribution among these three groups of students. A primary benefit of this framework is that it ensures that **funding is awarded in a targeted manner to the students who most need it at the present time to mitigate financial distress.** If genuine efforts to award the funding are made, yet not all funding is awarded in spring 2020, any residual funding may be used in subsequent terms.

For all three groups, the Chancellor’s Office recommends that campuses set a minimum and maximum award level, depending on funds available and campus circumstances. For the minimum award amount, research on the use of microgrants suggests that as little as $250-300 is often found to have a positive impact on student retention. The maximum award level should be no more than $5,000; in rare cases of extenuating circumstance, the total award can be increased to the Pell maximum amount of $6,195.

It is further recommended that campuses establish and broadly share the following deadlines for submitting applications for emergency grant aid that guarantee priority consideration (although campuses can adjust these in accordance with their unique institutional context):

- Spring 2020 – May 8, 2020
- Summer 2020 – June 24, 2020
- Fall 2020 (if funding remains available) – TBD

In situations where a student will be requesting grant aid or an increase to their existing grant aid amount, a simple application process will be provided wherein the student indicates the amount of emergency assistance they need and provides a brief explanation of the reason. In no cases should existing financial liabilities to the institution (e.g., library fines) be used to deny grant aid or to reduce the amount of the grant aid.

Administrative, academic and/or student services offices and departments should be prepared to make students aware of this funding opportunity as appropriate through multiple
communication platforms, and to make referrals to the financial aid office, allowing for simple electronic and US Mail applications. Collaboration with Associated Students on each campus will be critical to ensuring broad notification to students.

**Campus Plans for Awarding Emergency Financial Aid Grants**

The Chancellor’s Office recommends that all 23 campuses use this same approach to distribute these emergency aid grants. All campuses will communicate criteria, deadlines, etc. with their students, as well as document and disseminate procedures in writing. Further, campuses should prepare and submit reports with all data as requested to the DOE, with a copy to the Chancellor’s Office, by all published deadlines.

The Chancellor’s Office, through the Systemwide Office for Financial Aid Programs, is assisting campuses with implementation of this emergency grant aid program in the following ways:

1. Developing an application form for students to complete which campuses may elect to use if they so choose (a sample application form is attached as Appendix E);
2. Developing a workflow for receiving and processing applications that utilize digital technologies, which campuses may elect to use if they so choose; and
3. Reviewing distribution plans prior to implementation and/or draft reports prior to submission, upon timely request.
# California State University

**APPENDIX A: CARES Act Higher Education Emergency Relief Fund Campus Distribution**

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<tr>
<th>Campus</th>
<th>Total Allocation</th>
<th>Designated for Emergency Financial Aid for Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bakersfield</td>
<td>$13,588,942</td>
<td>$6,794,471</td>
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<tr>
<td>Channel Islands</td>
<td>$8,580,009</td>
<td>$4,290,005</td>
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<td>Chico</td>
<td>$19,959,391</td>
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<td>East Bay</td>
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<td>Fresno</td>
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<td>Fullerton</td>
<td>$41,021,512</td>
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<td>Humboldt</td>
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<td>Maritime</td>
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**TOTALS**

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<thead>
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<th>Total Allocation</th>
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<tbody>
<tr>
<td>$525,326,834</td>
<td>$262,663,423</td>
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Questions about the distribution of CARES Act Higher Education Emergency Relief Fund grant aid may be directed to the following individuals in the CSU Chancellor’s Office:

- Luoluo Hong, Associate Vice Chancellor for Student Affairs & Enrollment Management (lhong@calstate.edu)
- Dean Kulju, Systemwide Director for Financial Aid Programs (dkulju@calstate.edu)
Dear College and University Presidents:

These are unprecedented and challenging times for your students and for you. I know you find yourselves grappling with issues you never imagined, and I want to assure you we are here to support you in your missions and to quickly provide the resources and flexibilities you need to continue educating your students. That’s why we’re focused on implementing the Coronavirus Aid, Relief, and Economic Security (CARES) Act quickly and faithfully.

I gave my team a charge as soon as the CARES Act was signed into law: get support to those most in need as quickly as possible. That starts with college students whose lives have been disrupted, many of whom are facing financial challenges and struggling to make ends meet.

As you know, the CARES Act provides several different methods for distributing roughly $14 billion in funds to institutions of higher education. The most significant portion of that funding allocation provides that $12.56 billion will be distributed to institutions using a formula based on student enrollment. Of the amount allocated to each institution under this formula, at least 50 percent must be reserved to provide students with emergency financial aid grants to help cover expenses related to the disruption of campus operations due to coronavirus. We are prioritizing this funding stream in order to get money in the hands of students in need as quickly as possible.

The CARES Act provides institutions with significant discretion on how to award this emergency assistance to students. This means that each institution may develop its own system and process for determining how to allocate these funds, which may include distributing the funds to all students or only to students who demonstrate significant need. The only statutory requirement is that the funds be used 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 child care). With that said, I would like to encourage the leadership of each institution to prioritize your students with the greatest need, but at the same time consider establishing a maximum funding threshold for each student to ensure that these funds are distributed as widely as possible. As a point of reference, you might consider using the maximum Federal Pell grant (for the 2019-2020 academic year, $6,195) as that threshold. In addition, if you determine that your institution’s students do not have significant financial need at this time, I would ask that you consider giving your allocation to those institutions within your state or region that might have significant need.

In order to access these funds, all institutions must sign and return the Certificate of Funding and Agreement via: grants.gov (https://www.grants.gov/web/grants/applicants/registration.html), acknowledging the terms and conditions of the funding. After the Department has received the
certificate, institutions may draw down their emergency assistance funds using the Department’s G5 system.

The Department is also working expeditiously to allocate the remaining funding that is reserved for institutional use, and we will provide details on how institutions may apply for this institutional funding, as well as for other emergency funding, in the coming days. Thank you for your continued work on behalf of America’s students.

Sincerely,

Betsy DeVos
Methodology for Calculating Allocations per Section 18004(a)(1) of the CARES Act

Of the funds available for the Higher Education Emergency Relief Fund, 90% ($12,557,254,500.00) of the funds will be awarded to IHEs based on two formula factors: (1) 75% of the funds will be awarded to IHEs based on each IHE’s share of full-time equivalent (FTE) enrollment of Pell Grant recipients who were not enrolled exclusively in distance education prior to the coronavirus emergency, relative to the total FTE enrollment of such individuals in all IHEs; and (2) 25% of the funds will be awarded to IHEs based on each IHE’s share of FTE enrollment of students who were not Pell Grant recipients and who were not enrolled exclusively in distance education prior to the coronavirus emergency, relative to the total FTE enrollment of such individuals in all IHEs. The first factor primarily allocates funds based on undergraduate enrollment since Pell Grant eligibility is limited to undergraduates and students in postbaccalaureate teacher education programs. The second factor allocates funds based on undergraduate and graduate enrollment.

Because limitations of available data preclude calculating precise amounts for the factors, the U.S. Department of Education (the Department) approximated the factors using the best available data from ED’s Integrated Postsecondary Education Data System (IPEDS) and Pell Grant Volume data provided by the Office of Federal Student Aid (FSA).

The first factor was approximated as follows. The number of undergraduate students awarded Pell grants as reported in IPEDS was adjusted based on the institution’s share of total Pell recipients as reported by FSA for the 2018/19 award year. The FTE enrollment of these Pell recipients was approximated by looking at the ratio in IPEDS between 2017/18 FTE undergraduate enrollment and 2017/18 undergraduate headcount enrollment. In order to approximate FTE enrollment of Pell Grant recipients who were not enrolled exclusively in distance education, the estimated FTE enrollment of Pell Grant recipients was multiplied by the percentage of fall 2018 undergraduate degree/certificate-seeking students not enrolled exclusively in distance education as reported in IPEDS.

The second factor was estimated by subtracting the approximated FTE enrollment of Pell Grant recipients (if any) from the total 2017/18 FTE enrollment of students as reported in IPEDS and then multiplying the difference by the percentage of fall 2018 undergraduate, graduate, and professional students not enrolled exclusively in distance education as reported in IPEDS.

The Department acknowledges the limitations of this data, and therefore has reserved $50 million to be provided in a subsequent award.

Some additional points to note:

- The data used to determine distance education participation are based on a fall unduplicated enrollment which is different from FTE enrollment and, in the case of the total FTE enrollment, also different from FTE enrollment for a 12-month period. The unduplicated enrollment is a simple headcount of students enrolled in classes; whereas the FTE enrollment counts part-time students in accordance with their enrollment rate.
- Allocation amounts were calculated at the 6-digit OPEID.
- Some OPEID information was adjusted based on information provided by FSA regarding change of ownership or affiliation.
- For some IHEs, the approximated FTE enrollment of Pell Grant recipients exceeded the total FTE enrollment. For these IHEs, the total non-Pell FTE enrollment was set to $0, making the IHE ineligible for the second factor.
• The ratio of FTE undergraduate enrollment to undergraduate headcount enrollment was capped at 100 percent.
• Schools that are currently ineligible or were not participating in Title IV per the IPEDS data are excluded.
• There may be some currently participating and eligible schools which may be excluded from this formula. For this reason, a reserve of $50 million has been set aside in part to address such institutions.
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.”

Institutions will have more flexibility in the use of the portion of the HEERF that is made available to cover an institution’s costs associated with significant changes to the delivery of instruction due to the coronavirus. The Department will provide a Frequently Asked Questions (FAQ) document regarding the allowable uses of funds for an institution’s costs shortly after making those funds available to institutions.

2) Can institutions that have provided information technology hardware (such as laptops, hotspot internet devices, etc.) and other related equipment to students reimburse themselves from the funds for the emergency financial aid grants to students?

No. The CARES Act requires institutions to provide the 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.”
Institutions will have more flexibility in the use of the portion of the HEERF that is made available to cover an institution’s costs associated with significant changes to the delivery of instruction due to the coronavirus. The Department will provide a FAQ document regarding the allowable uses of funds for an institution’s costs shortly after making those funds available to institutions.

3) Can institutions that have provided institutionally-funded emergency grants to students as a result of COVID-19 reimburse themselves from the funds for the emergency financial aid grants to students?

The only institutionally-funded emergency grants to students that are eligible for reimbursement from the funds for emergency financial aid grants to students under the CARES Act are grants: 1) for authorized expenses related to the disruption of campus operations due to coronavirus as set forth in Section 18004(c) of the CARES Act; 2) made to students eligible to receive emergency financial aid grants under the CARES Act; and 3) made on or after March 27, 2020, the date the CARES Act was enacted. An institution must use no less than 50 percent of funds provided pursuant to Sections 18004(a)(1) and 18004(c) for emergency financial aid grants to students. An institution must document that reimbursements for institutionally-funded emergency grants to students are made in accordance with the CARES Act.

4) Can institutions that have continued to pay student workers from institutional funds for campus jobs reimburse themselves from the funds for the emergency financial aid grants to students?

No. The CARES Act requires institutions to provide the emergency financial aid grants to students, and institutions may not use that portion of the HEERF set aside for emergency financial aid grants to students for this purpose. The Department notes that Congress has provided additional flexibility to institutions relating to the Federal Work-Study (FWS) Program, including that institutions may continue to pay FWS wages to students for the remainder of the current academic year in instances in which those students’ jobs were interrupted as a result of the national emergency due to the coronavirus, as long as those students had started employment prior to this national emergency. The CARES Act also waives the non-federal wage match requirement for institutional and non-profit employers of FWS students. Please see the Department’s Guidance for Interruptions of Study Related to Coronavirus, which provides additional information about the FWS Program.

The Department will provide a FAQ document regarding the allowable uses of funds for an institution’s costs associated with significant changes to the delivery of instruction due to the coronavirus shortly after making those funds available to institutions.
5) **Can institutions use the funds for the emergency financial aid grants to students to pay outstanding or overdue student bills to institutions?**

No. The CARES Act requires institutions to provide the emergency financial aid grants to students. The institution may not use that portion of the HEERF set aside for emergency financial aid grants to students to satisfy a student’s outstanding account balance. The Department notes that the student may use his or her emergency financial aid grant for expenses related to the disruption of campus operations due to coronavirus.

6) **What data will the Department require institutions to report after disbursement of emergency financial aid grants to students?**

As explained in the Funding Certification and Agreement for the Emergency Financial Aid Grants to Students, each institution will report to the Secretary the following: how grants were distributed to students, how the amount of each grant was calculated, and any instructions or directions that the institution gave to students about the grant. Institutions must also comply with the reporting requirements under Section 15011 of the CARES Act. The Department will publish a notice in the Federal Register to provide instructions to institutions on these reporting requirements.

7) **What obligation does an institution have to continue to pay all its employees after accepting the funds for the emergency financial aid grants to students?**

The CARES Act requires each institution that accepts funds from the HEERF, including funds used to pay emergency financial aid grants, to continue to pay employees and contractors to the greatest extent practicable based on the unique financial circumstances of each institution; however, institutions may not use emergency financial aid grants to students to pay employees and contractors.

8) **Are incarcerated students participating in the Second Chance Pell Experimental Site Initiative (ESI) eligible for emergency financial aid grants to students?**

The CARES Act expressly requires that institutions provide the 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 childcare).” If an incarcerated individual who is participating in the Second Chance Pell experiment is released from incarceration as a result of the national emergency due to the coronavirus, remains enrolled as a student in the program under the Second Chance Pell experiment, and has such expenses, he or she likely qualifies for an emergency financial aid grant. A person who remains incarcerated is unlikely to incur these expenses and would thus be ineligible. Accordingly, for students participating in the Second Chance Pell ESI, institutions will need to review on a case-by-case basis what, if any, expenses an incarcerated person, or a formerly incarcerated person released due to the coronavirus, has incurred due to the disruption of campus operations.
9) **What students are eligible to receive emergency financial aid grants from the HEERF?**

Only students who are or could be eligible to participate in programs under Section 484 in Title IV of the Higher Education Act of 1965, as amended (HEA), may receive emergency financial aid grants. If a student has filed a Free Application for Federal Student Aid (FAFSA), then the student has demonstrated eligibility to participate in programs under Section 484 of the HEA. Students who have not filed a FAFSA but who are eligible to file a FAFSA also may receive emergency financial aid grants. The criteria to participate in programs under Section 484 of the HEA include but are not limited to the following: U.S. citizenship or eligible noncitizen; a valid Social Security number; registration with Selective Service (if the student is male); and a high school diploma, GED, or completion of high school in an approved homeschool setting.

10) **Will funds provided through the CARES Act be included in an institution’s 90/10 calculation?**

Funds paid directly to institutions by the Department through the HEERF will not be included as revenue for 90/10 purposes.

11) **How must institutions pay the emergency financial aid grants to students?**

Institutions may provide emergency financial aid grants to students using checks, electronic transfer payments, debit cards, and payment apps that adhere to the Department’s requirements for paying credit balances to students. The disbursement of the emergency financial aid grant to the student must remain unencumbered by the institution; debts, charges, fees, or other amounts owed to the institution may not be deducted from the emergency financial aid grant. The emergency financial aid grant may not be made to students through the use of a credit card that can be used only on campus or in a retail outlet affiliated with the institution.

12) **At institutions that provide both online and ground-based education, are students who were enrolled exclusively in online programs prior to the national emergency due to the coronavirus eligible to receive emergency financial aid grants?**

At institutions that provide both online and ground-based education, those students who were enrolled exclusively in an online program on March 13, 2020, the date of the President’s Proclamation, “Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak,” Federal Register Vol. 85, No. 53 at 15337-38, are not eligible for emergency financial aid grants. The formula provided by Congress for calculating the distribution of funds to institutions excludes students who were exclusively enrolled in distance education courses. Additionally, the emergency financial
aid grants to students are for expenses related to the disruption of campus operations due to coronavirus, and students who were enrolled exclusively in online programs would not have expenses related to the disruption of campus operations due to coronavirus.

13) Where can institutions locate additional resources and information related to emergency financial aid grants to students?

CARES Act grant resources and guidance are located on the Office of Postsecondary Education’s webpage: [https://www2.ed.gov/about/offices/list/ope/caresact.html](https://www2.ed.gov/about/offices/list/ope/caresact.html).
CSU Cares Initiative
Emergency Grant Aid for Students with Financial Hardship due to COVID-19

APPLICATION FORM
California State University XXX [insert campus name]
Deadline to Apply: XXX [include relevant date]

The purpose of the Higher Education Emergency Relief Fund aid program is to provide emergency grants to students for their expenses related to the disruption of campus operations due to the novel coronavirus (COVID-19) pandemic, such as food, housing, course materials, technology, health care, and child-care expenses. Additional information can be found at XXX [insert campus webpage URL].

Am I Eligible?
Undergraduate, graduate or professional students currently enrolled in the spring term, who are eligible for federal financial aid (Title IV), may receive funds.

How Can I Apply?
Please provide the information requested below.

Full legal name: __________________________________________

Campus/student ID number: __________________________ Phone Number: _______________________

Amount requested: $$______________________________

Brief description of financial hardship due to COVID-19 pandemic:
____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________

How would you like to receive your funds? Check one option and provide the requested information below.

___ Mail check ___ Direct deposit

Completed application should be sent to: XXX [include both an email and mailing address for the processing office]

Students will be notified about their award via XXX [indicate email, student portal, text/SMS, etc.]

ADDITIONAL INFORMATION:

Mailing address: __________________________________________

Bank name, routing number & account number (if possible, attach a copy of a blank, voided check):

___________

NOTE: Students may also provide direct deposit information via the self-service function.