# DIVISION OF BUSINESS & FINANCIAL AFFAIRS
# COVID-19 BRIEFING

Original Briefing Date: April 26, 2020

Updated: May 26, 2020 *(incorporates final approved rubric)*

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.
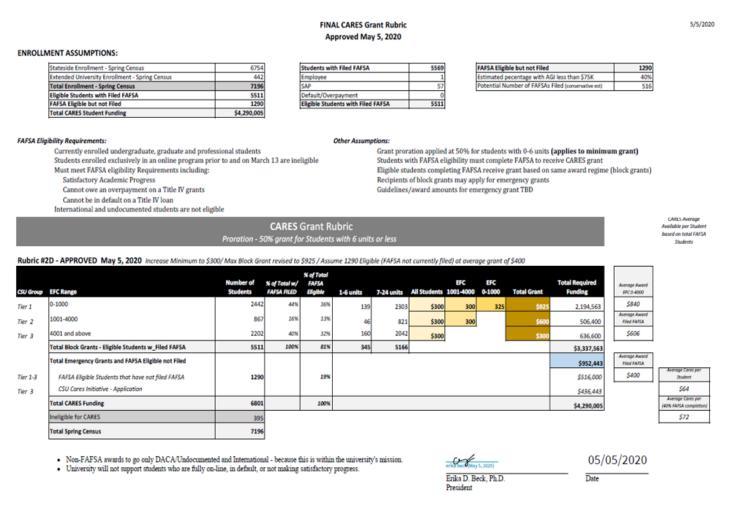
Based on updated guidance received from (ED) on Tuesday, April 21,2020 only students who are or could be eligible to participate in programs under Section 484 in Title IV of the Higher Education Act of 1965, as amended (HEA), may receive emergency financial aid grants. If a student has filed a Free Application for Federal Student Aid (FAFSA), then the student has demonstrated eligibility to participate in programs under Section 484 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:

**FINAL CARES Grant Rubric**
**Approved May 5, 2020**

5/5/2020

**ENROLLMENT ASSUMPTIONS:**

| | |
|---|---|
| Stateside Enrollment - Spring Census | 6754 |
| Extended University Enrollment - Spring Census | 442 |
| Total Enrollment - Spring Census | 7196 |
| Eligible Students with Filed FAFSA | 5511 |
| FAFSA Eligible but not Filed | 1290 |
| Total CARES Student Funding | $4,290,005 |

| | |
|---|---|
| Students with Filed FAFSA | 5569 |
| Employee | 1 |
| SAP | 57 |
| Default/Overpayment | 0 |
| Eligible Students with Filed FAFSA | 5511 |

| | |
|---|---|
| FAFSA Eligible but not Filed | 1290 |
| Estimated pecentage with AGI less than $75K | 40% |
| Potential Number of FAFSAs Filed (conservative est) | 516 |

**FAFSA Eligibility Requirements:**
- Currently enrolled undergraduate, graduate and professional students
- Students enrolled exclusively in an online program prior to and on March 13 are ineligible
- Must meet FAFSA eligibility Requirements including:
  - Satisfactory Academic Progress
  - Cannot owe an overpayment on a Title IV grants
  - Cannot be in default on a Title IV loan
- International and undocumented students are not eligible

**Other Assumptions:**
- Grant proration applied at 50% for students with 0-6 units **(applies to minimum grant)**
- Students with FAFSA eligibility must complete FAFSA to receive CARES grant
- Eligible students completing FAFSA receive grant based on same award regime (block grants)
- Recipients of block grants may apply for emergency grants
- Guidelines/award amounts for emergency grant TBD

**CARES Grant Rubric**
*Proration - 50% grant for Students with 6 units or less*

CARES Average Available per Student based on total FAFSA Students

**Rubric #2D - APPROVED May 5, 2020** *Increase Minimum to $300/ Max Block Grant revised to $925 / Assume 1290 Eligible (FAFSA not currently filed) at average grant of $400*

| CSU Group | EFC Range | Number of Students | % of Total w/ FAFSA FILED | % of Total FAFSA Eligible | 1-6 units | 7-24 units | EFC All Students | EFC 1001-4000 | EFC 0-1000 | Total Grant | Total Required Funding | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Tier 1 | 0-1000 | 2442 | 44% | 36% | 139 | 2303 | $300 | 300 | 325 | $925 | 2,194,563 | Average Award EFC 0-4000 $840 |
| Tier 2 | 1001-4000 | 867 | 16% | 13% | 46 | 821 | $300 | 300 | | $600 | 506,400 | Average Award Filed FAFSA |
| Tier 3 | 4001 and above | 2202 | 40% | 32% | 160 | 2042 | $300 | | $300 | | 636,600 | $606 |
| | Total Block Grants - Eligible Students w_Filed FAFSA | 5511 | 100% | 81% | 345 | 5166 | | | | | $3,337,563 | |
| | Total Emergency Grants and FAFSA Eligible not Filed | | | | | | | | | | $952,443 | Average Award Filed FAFSA |
| Tier 1-3 | FAFSA Eligible Students that have not filed FAFSA | 1290 | | 19% | | | | | | | $516,000 | $400 |
| Tier 3 | CSU Cares Initiative - Application | | | | | | | | | | $436,443 | Average Cares per Student $64 |
| | Total CARES Funding | 6801 | | 100% | | | | | | | $4,290,005 | Average Cares per (40% FAFSA completion) |
| | Ineligible for CARES | 395 | | | | | | | | | | $72 |
| | Total Spring Census | 7196 | | | | | | | | | | |

- Non-FAFSA awards to go only DACA/Undocumented and International - because this is within the university's mission.
- University will not support students who are fully on-line, in default, or not making satisfactory progress.

*erika beck (May 5, 2020)*
Erika D. Beck, Ph.D.
President

05/05/2020
Date

Notes:
- Total eligible students is 5,511.
- Each rubric includes an automatic grant of $300.
- Grant options per student range from $300 to $925 depending on EFC ranges, excluding emergency grant applications.

- Depending upon the total block grant awards (5,511 eligible plus some portion of 1290 FAFSA eligible unfiled), funding for CARES Initiative Application (emergency program) will range between $436,443 up to $952,443 assuming no additional FAFSA filings.
- Award proration applies to eligible part-time students with less than seven units.

**Eligibility for HEERF Funding**

Guidelines published by the Chancellor's on April 21, 2020 provide the following criteria for HEERP eligibility:

> *"all currently enrolled undergraduate, graduate and professional students who are eligible to receive federal financial aid (whether or not they currently have a Free Application for Federal Student Aid (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-support 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."*

More specifically, recipients must meet the following in order to receive federal aid:

• Students must be meeting Satisfactory Academic Progress (SAP)
• Students must not be in default on a Title IV loan
• Students must not owe an overpayment on a Title IV grant
• Students (males) must be registered for Selective Service
• Students must have a Free Application for Financial Student Aid (FAFSA) on file

# CSUCI Campus Model for Allocation

CSUCI will distribute grant aid using a three-pronged approach to an estimated 5511 FAFSA eligible students with a completed FAFSA on file. Block grants will be awarded and benchmarked against student documented financial need. The largest grant, or first tier, will award $925 to students with the greatest financial need as indicated by estimated family contribution (EFC) of $0-$1000.  Students with EFC between $1001 and $4000 will receive a second-tier grant of $600. All other eligible students with a completed FAFSA will receive a third-tier grant of $300. As directed by the Chancellor's Office, proration will apply to part-time students. A proration factor of 50% will be applied to each of the three grant tiers for students with less than seven units. The tiers are provided below.

| CARES AWARD TABLE | | | |
|---|---|---|---|
| | EFC Range | 1-6 units | 7-24 units |
| Tier 1 | 0-1000 | $462.50 | $925.00 |
| Tier 2 | 1001-4000 | $300.00 | $600.00 |
| Tier 3 | 4001 and above | $150.00 | $300.00 |

**FAFSA Eligible - Not Filed**

Just under 20%, or 1290, of students enrolled in the spring have been identified as FAFSA eligible but have not filed the application. In order to receive CARES grants, students must complete the FAFSA to confirm eligibility. Although it is uncertain how many students will

complete the FAFSA by the May 30, 2020 deadline, the CARES grant rubric establishes a pool of $516K (1290 students with an average estimated award of $400) as a conservative placeholder. Ultimately, any student completing the FAFSA and satisfying eligibility requirements will receive grant aid based on the same three-tiered rubric as the 5511 students. After the May 31$^{st}$ filing deadline, remaining funds will be evaluated against the number of new FAFSA filings to determine the likelihood of awarding the entire $516K. Uncommitted funds will augment the existing $436K pool earmarked for supplemental CARES emergency grant applications.

## Supplemental CARES Emergency Grant Applications

CSU System guidance allows for a supplemental grant application process open to all recipients of CARES tiers 1 -3 grants. Using a simple application process, a student may request an increase to their existing grant aid amount by indicating the amount of emergency assistance they need and providing a brief explanation of the reason for the emergency request.  The maximum emergency grant will be $500 which is based on the President's Cabinet judgmental estimate.   Accordingly, the maximum grant aid (CARES block grant and supplemental emergency grant) that can be distributed to any student will be $1425.  Supplemental CARES emergency grants will be disbursed on a first come, first served basis until exhausted. New students enrolled after the spring 2020 semester that meet eligibility requirements may apply for the grant.

## Final Distribution of CARES Funds

As a final backstop to ensure the entire $4.29M is disbursed to students as expediently as possible, the available uncommitted balance will be reviewed as of November 2, 2020. Based on the remaining balance, a second and final block grant will be disbursed to students that received a block grant (tiers 1-3). Grant aid will be disbursed as an equal amount to all students or targeted to students with the greatest need as defined by EFC. Disbursements will be made by December 18, 2020. In the event the November 2, 2020 balance is too low to reasonably justify the disbursement of a final block grant, additional applications will be accepted, and disbursements made through the end of the spring 2021 semester.

**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

# CSUCI CARES Student Emergency Grant Disbursement Implementation Plan

## 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 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.

# 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:** SFSR_StateReporting@share.calstate.edu; Ortega, Wendy <wortega@calstate.edu>; Kulju, Dean <dkulju@calstate.edu>; Mullen, Melissa <mmullen@calstate.edu>; Willard, Jerry <jwillard@calstate.edu>; Perkins, Kara <kperkins@calstate.edu>
**Subject:** FIRMS 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* FNAT key 132882 established with CSU fund 413.
    - When the funding for the CARES act expands to other funds, *new* FNAT keys with the FIRMS 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.
- 503109 - 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.

<u>Disbursement of Aid</u>

> <u>How much are students receiving?</u>
> 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.
>
> <u>Where is this money coming from?</u>
> 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.
>
> <u>How will I get my money?</u>
> 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**:
>   a. Log in to *myCI*
>   b. Select *CI Records*
>   c. Scroll down to *Personal Information* section
>   d. Review mailing address listed under *Contact Information*
>   e. Click on *Mailing Address* link
>   f. On the row for *Mail*, click red pencil at right
>   g. Insert new mailing address
>   h. Click OK at bottom
>   i. Confirm address is correct and click Save button

<u>Applications for Supplemental Aid</u>

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.  <span style="color:red">Details regarding this application are forthcoming.</span>

<u>Additional Campus Resources</u>

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 <u>Basic Needs Program</u> continues to operate and is available for CSUCI students.

If you have any questions regarding the relief and support outlined above, please contact <span style="color:red">XXXX.</span>

Sincerely,
<span style="color:red">XXX</span>