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Education Department Releases Higher Education Student Relief and Governor's Emergency Education Relief Funds

The Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) of March 27, 2020, established the Education Stabilization Fund (ESF) for educational institutions facing challenges related to COVID-19. Recently, the U.S. Department of Education (ED) published application protocols for and guidelines regarding disbursement of certain of these emergency funds. Below is a brief summary of key ESF grant programs for colleges and universities and the status of their various application processes. For information on the CARES Act's provisions concerning higher education institutions generally, please see our prior alert [The CARES Act: Key Provisions Affecting Colleges and Universities](#).

Higher Education Emergency Relief Fund (HEERF): Colleges and universities participating in Title IV federal student financial aid programs are each entitled to a formula grant under the HEERF. ED has calculated [each institution's allocation](#) based on the [student enrollment formula](#) stipulated in the CARES Act. This formula grant contains two components—financial aid for students and institutional relief.

- **Emergency Financial Aid to Students:** At least 50% of an institution's HEERF grant must be used to provide emergency financial aid directly to students for any expenses related to the disruption of campus operations due to COVID-19. Examples of such eligible expenses include student housing, food, course materials, technology, health care, and child care. An institution may *not* use this portion of an HEERF grant to reimburse *itself* for any expenses, such as costs related to changes to delivery of instruction due to COVID-19, refunds, or benefits previously issued to its students.
 - Institutions have significant discretion in determining the appropriate amount of each individual emergency financial aid disbursement and may do so on a case-by-case basis. ED urges prioritization of students with the highest need and has proposed the maximum Federal Pell Grant for the applicable award year (e.g. \$6,195 for academic year 2019-2020) as an appropriate maximum amount for such awards in most cases.
 - Institutions must disperse these emergency financial aid grants to students promptly, and in any event, within one year.
 - A [letter](#) from U.S. Secretary of Education Betsy DeVos urges institutions whose students do not have significant financial need to share unused



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allocations with other colleges and universities with significant need in their region. However, information on how to do so is not included in the letter or ED's other current HEERF resources; presumably, additional guidance will be forthcoming.

- Within 30 days, and every 45 days thereafter, recipient institutions must report to ED how the emergency financial aid grants were distributed to students, the amount of the grant awarded to each student, how the amount of each grant was calculated, and any instructions or directions given to students about the grants. Recipients must also document that all employees and contractors have remained on payroll to the greatest extent practicable during the period of any disruptions or closures and explain any related decisions in detail.
- **To apply** for this emergency student financial aid grant allocation, an institution must sign and submit the [Funding Certification and Agreement](#) through **grants.gov** (Opportunity Number ED-GRANTS-041020-003).
 - When filling out the Funding Certification, only the institution's 50% direct-to-student allocation should be included, not the total HEERF grant amount.
 - An **Application for Federal Assistance (SF-424)**, as well as the **SF-424 Supplemental Information form** (both available on grants.gov), must also be completed and provided simultaneously.
 - After ED receives the completed application, funds may be drawn down using ED's G5 system.
 - The application period is open, and the deadline to apply is **September 30, 2020**.
- Emergency Relief for Institutional Use: Neither the application for nor any guidelines surrounding the remaining 50% of HEERF grant funding is available at this time. ED expects to issue them imminently.

Governor's Emergency Education Relief Fund (GEER Fund): Under the CARES Act, each state is entitled to an emergency block grant, based on its student-aged population and poverty levels, to be used by its governor to support educational institutions within the state. These grants are authorized to go to K-12 schools, colleges and universities, and other education-related entities. Both public and private institutions are eligible. ED has issued a [table](#) listing each state's GEER Fund allocation.



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- Governors have wide discretion to make GEER Fund sub-grants to institutions they determine have been most significantly impacted by COVID-19, in order to support the continued provision of educational services to students and the institutions' ongoing functionality.
 - Governors may also award GEER Fund sub-grants to any entity within the state that they deem essential to carry out emergency educational services, provide childcare and early childhood education, provide social and emotional support, and protect education-related jobs.
- Governors have until **June 1, 2020**, to apply for their state's grant, with GEER Funds available within 3 business days of ED's receipt of the application. Each application is processed in the order it is received, though monies will be disbursed on a highly-expedited basis. **Within 45 days** of receipt of the grant, governors are required to report to ED details on the state's process for awarding GEER Fund sub-grants, including the criteria for determining those entities that are "most significantly impacted by coronavirus" and/or "essential for carrying out emergency educational services."
- Although governors must award GEER Fund sub-grants within **one year** of receiving the state's allocation, each state must certify that it will use its best efforts to provide grant funding on an expedited basis. Any amount not used with one year must be returned to ED to be disbursed among other states.
 - To the greatest extent possible, institutions receiving GEER Fund sub-grants must continue to pay their employees and contractors during the period of any disruptions or closures related to COVID-19.
 - ED advises states to include in sub-grant agreements with colleges and universities provisions generally prohibiting use of GEER funds to pay salaries or benefits of administrators or executives. States are required to separately identify and account for any such payments and will presumably require sub-grantees to do the same.
 - States are required to report quarterly to ED on the use of GEER Funds and will in all likelihood require corresponding quarterly reports from sub-grantees.

Education Stabilization Fund Discretionary Grants: The CARES Act set aside approximately \$300 million for ED to make discretionary grants to states with the highest COVID-19 burden. Allocations of these discretionary grant funds have not yet been published.



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Additional Resources

- [Remote Meetings for Members – New COVID-19 Relief for Nonprofit Governance](#) (April 7)
- [The CARES Act: Key Provisions Affecting Colleges and Universities](#) (April 1)
- [The CARES Act and Nonprofits](#) (March 31)
- [Endowments in the Time of Coronavirus](#) (March 27)
- [Direct Impact - Establishing an Emergency COVID-19 Relief Fund](#) (March 20)
- [Managing Contractual Relationships During the COVID-19 Crisis: Force Majeure Clauses and Other Approaches](#) (March 18)

Please visit our [COVID-19 Resource Page](#) for additional resources related to COVID-19.

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