

CARES Act: Direct Grants to Institutions of Higher Education Under the Emergency Relief Fund

By **Steven S. Rogers**

While much of the CARES Act media focus is on the Small Business Administration's Paycheck Protection Program and the distribution of stimulus payments, the act also provides for tens of billions of dollars in other relief. For example, the CARES Act establishes a \$30.75 billion Education Stabilization Fund that is composed of the Governor's Emergency Relief Fund, the Elementary and Secondary School Emergency Relief Fund, and, the subject of this alert, the Higher Education Emergency Relief Fund.

The Higher Education Emergency Relief Fund provides for the distribution of approximately \$14 billion to institutions of higher education to address needs directly related to the coronavirus, including transitioning courses to distance education and granting aid to students for educational costs such as food, housing, course materials, health care, and child care.

An institution of higher education (IHE) is essentially a domestic, post-high school educational institution that awards an academic degree or professional certification. Some examples include universities, colleges and junior colleges, vocational/trade/career schools, and institutes of technology.

Of the approximately \$14 billion in the *Higher Education Emergency Relief Fund*, a total of \$12.5+ billion is allocated to approximately 5,000 IHEs. Allocations are based on student enrollment, and a minimum of 50 percent of the funds allocated to each IHE must be used to provide students with emergency financial aid grants to cover expenses related to the disruption caused by COVID-19.

The CARES Act does not direct how IHEs are to disburse the funding to students, leaving that to each institution. IHEs can distribute allocated funds to all students or just those who demonstrate financial need. By a letter dated April 9, 2020, the secretary of education advised IHEs to balance the desire to assist students based on need with establishing thresholds that will cause funds to have as wide a reach as possible. The Pell Grant threshold was cited in the letter as an example that could be used as an allocation baseline.

In order to access funds, an IHE is required to sign a Recipient's Funding Certification and Agreement. The Department of Education will then make the funds available for drawdown on the G5 system to the institution. The agreement and a list setting forth the dollar award to each eligible IHE are here:

View the Recipient's Funding Certification and Agreement [here](#).

View the Allocations [here](#).

Each IHE should confirm its allocation, if any, and then consider entering into the Recipient's Funding Certification and Agreement. In addition, each IHE should ensure that its student body is made aware of the numerous CARES Act provisions designed to provide direct benefits to students.

To see our other material related to the pandemic, please visit the *Coronavirus/COVID-19: Facts, Insights & Resources* page of our website by clicking [here](#).

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