

The Coronavirus Aid, Relief and Economic Security Act Summary

Today, Senate leaders released an updated version of a third COVID-19 relief package, the Coronavirus Aid, Relief, and Economic Security Act. While there may still be some minor changes, the Senate is expected to vote on this package today, with House action following later today, tomorrow or later this week. Below is a summary of the bill's major provisions related to education, job training and related matters.

Funding

U.S. Department of Labor

- \$345 million for the dislocated workers national reserve to respond to COVID-19 issues.

U.S. Department of Health and Human Services

- Child Care and Development Block Grant (CCDBG) - \$3.5 billion. Funds can be used for providing assistance to providers due to decreased enrollment, closures or to remain open. States are encouraged to place conditions on providers to use a portion of funds to continue to pay staff wages. Funds are authorized to provide childcare assistance to health care workers, emergency responders and sanitation workers without regard to income eligibility requirements. Funds can be available to providers even if providers were not receiving CCDBG assistance prior to COVID-19. Funds can be used for expenses incurred prior to bill's enactment for previously mentioned purposes.
- Head Start - \$750 million

U.S. Department of Education (ED)

- Education Stabilization Fund
 - \$30.75 billion in overall funding.
 - Reservations for Bureau of Indian Education (BIE) schools and Outlying areas (both .5%) and Highly Impacted States (1%).
 - After reservations, funds allocated as follows: 9.8 percent to Governors; 43.9 percent to State educational agencies (SEAs) for grants to local educational agencies (LEAs) and other purposes for K-12; 46.3 percent to institutions of higher education (IHEs).
 - Governors receive funding via a formula that is 60 percent based on population ages 5 through 24 and 40 percent on Title I child count. SEAs receive an allocation based on their Title I share. 90 percent of IHE funds are allocated to institutions via a formula that is based on 75 percent Pell enrollment (excluding those students who are exclusively online) and 25 percent non-Pell enrollment (excluding those students who are exclusively online). The 10 percent of remaining IHE funds are allocated as follows: 7.5 percent for Minority-Serving Institutions (MSIs) and 2.5% for IHEs with the greatest unmet need (with priority given to IHEs not getting at least \$500,000 under the other IHE allocations). SEAs can retain 10% for SEA level activities.
 - LEAs can use funds for a wide variety of purposes including those under major Federal education programs and States and LEAs can use funds for a wide

variety of activities related to COVID-19. IHEs must use at least 50 percent of their allocations to provide emergency financial aid to students.

- States must provide an assurance they will maintain support for elementary and secondary education and postsecondary education in Fiscal Years (FYs) 2020 and 2021, with ED being able to waive this requirement for States that have experienced a precipitous decline in financial resources.
- States, LEAs and IHEs are required “to the greatest extent practicable” to continue to pay employees and contractors.
- Title I equitable participation requirements apply to K12 funding.

- Project Serv - \$100 million
- Student Aid Administration - \$40 million
- \$8 million for ED administrative and management expenses
- \$7 million for the ED Inspector General (IG)

Other Agencies

- Corporation for Public Broadcasting (CPB) - \$75 million
- Institute of Museum and Library Services (IMLS) - \$50 million

Flexibility Related Provisions

Below are the bill’s provisions providing specific flexibility of certain student aid and related provisions under the Higher Education Act (HEA):

- The requirement to provide a non-Federal match for Federal Supplemental Educational Opportunity Grant (SEOG) and Campus Work-Study is required to be waived by ED for the 2019-2020 and 2020-2021 award years.
- During the COVID-19 emergency, an IHE can transfer unexpended funds from Federal Work-Study to SEOG.
- IHEs are permitted to use SEOG funds to provide emergency financial aid grants to assist students with unexpected expenses due to COVID-19 emergency.
- For up to one academic year, IHEs are permitted to continue to make Federal Work-Study payments to individuals who were participating in Work-Study, but are unable to fulfill their Work-Study obligation due to the COVID-19 emergency.
- For the purposes of usage limitations on subsidized loans, ED is required to exclude any period of enrollment during which a student was unable to complete due to the COVID-19 emergency. (As a reminder, current DL borrowers are generally limited to receiving subsidized loans for up to 150% of the length of program – i.e. for a 2 year program the limit would be 3 years.)
- ED is required to exclude any semester in which a student is unable to complete due to the COVID-19 emergency from the student’s Pell Grant lifetime usage limits (if the Secretary is able to administer the policy in a manner that limits complexity and burden on the student).

- Both IHEs and students are relieved of Return of Title IV Funds (R2T4) requirements during a term in which they withdraw due to the COVID-19 emergency.
- ED is required to cancel a borrower's loan obligation if a borrower withdraws from an IHE as a result of the COVID-19 emergency. This applies to the portion of loan attributable to the payment period.
- IHEs may provide a student with an approved leave of absence due to the COVID-19 emergency under certain conditions.
- IHEs may exclude any attempted credits not completed by a student from the student's satisfactory academic progress calculation due to the COVID-19 emergency.
- Foreign institutions may offer programs via distance learning to Title IV eligible students during the COVID-19 emergency for the payment period during such emergency and the following payment period. Programs offered via distance education from March 1, 2020 through the date of enactment of the bill are covered by the previous sentence.
- A foreign institution may enter into an agreement with a U.S.-based institution to allow a student of the foreign institution to take courses at the U.S.-based institution due to a qualifying emergency.
- ED may defer payments on HBCU Capital Financing Loans due to COVID-19 issues.
- ED may modify matching requirements and required and authorized uses of funds under certain HEA programs.
- ED may waive certain requirements related to wait out periods, allotment requirements and other matters for IHEs receiving assistance under certain MSI program authorities
- ED may modify service requirements related to TEACH Grants and Teacher Loan forgiveness due to the COVID-19 emergency.

National Emergency Educational Waivers

The bill also includes a new Secretarial waiver authority for the Elementary and Secondary Education Act (ESEA). Under this authority, ED can waive certain provisions, upon request by a State, Indian tribe or LEA due to the COVID-19 emergency. At the State level, this includes the use of a streamlined application process and allows for the waiver of the following provisions:

- Assessments
- Certain accountability system requirements
- Certain requirements related to school identification under the accountability system (currently identified schools must maintain their designation and continue to receive supports and interventions)
- Any ESEA report card reporting requirements related to these areas
- Provisions regarding time periods to obligate funds (Tydings amendment)

States, Indian tribes and LEAs may request waivers on a different set of provisions under a process other than the streamlined process described above. Waivers under this process must be approved or disapproved within 30 days and this process requires an applicant to provide an assurance of how negative consequences, if any of the waiver will be mitigated. Provisions which may be waived under this process include:

- The poverty threshold necessary to do a schoolwide program
- Maintenance of effort
- Restrictions on carry over limitations (unused funds from one year to the next)

- Certain requirements under the Student Supports and Academic Enrichment Grants program, including the needs assessment, spending certain percentages among the three programmatic focuses, and the limitation on technology spending
- Requirements related to the definition of professional development

Waivers issued apply to all schools including public charter schools (for charter schools in accordance with State charter school law). Waivers are applicable for the 2019-2020 academic year, except for a maintenance of effort waiver granted during this present school year.

Student Loan Relief

The bill also includes several provisions which would suspend payment and interest on Direct Loan and FFEL loans held by ED. These include:

- ED would automatically suspend payments on these loans until September 30, 2022 and no interest would accrue during this period of suspension. Months for which payments are suspended will be deemed as counting for the purposes of Public Service Loan Forgiveness (PSLF), other loan forgiveness programs and for those borrowers who are rehabilitating their loans.
- ED would ensure that any payment that is suspended would be treated as a payment made by the borrower for consumer reporting agency purposes.
- ED would suspend involuntary collections during the suspension period described above (such as wage garnishment).

Corporation for National Community Service (CNCS) Flexibility

The bill also provides flexibility to alter service and age requirements and provide the full education award for COVID-19 impacted individuals.