

# COVID-19 and Higher Education: A discussion with your peers and CLA about the industry impact and reactions

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# Agenda

Title IV Compliance

Financial Statement Considerations

CARES Act

Panel Discussion

Closing Remarks



# Title IV Compliance

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## Department of Education COVID-19 Webpage

- The Department of Education (ED) has created a Coronavirus webpage for updated information.

<https://www.ed.gov/coronavirus?src=feature>



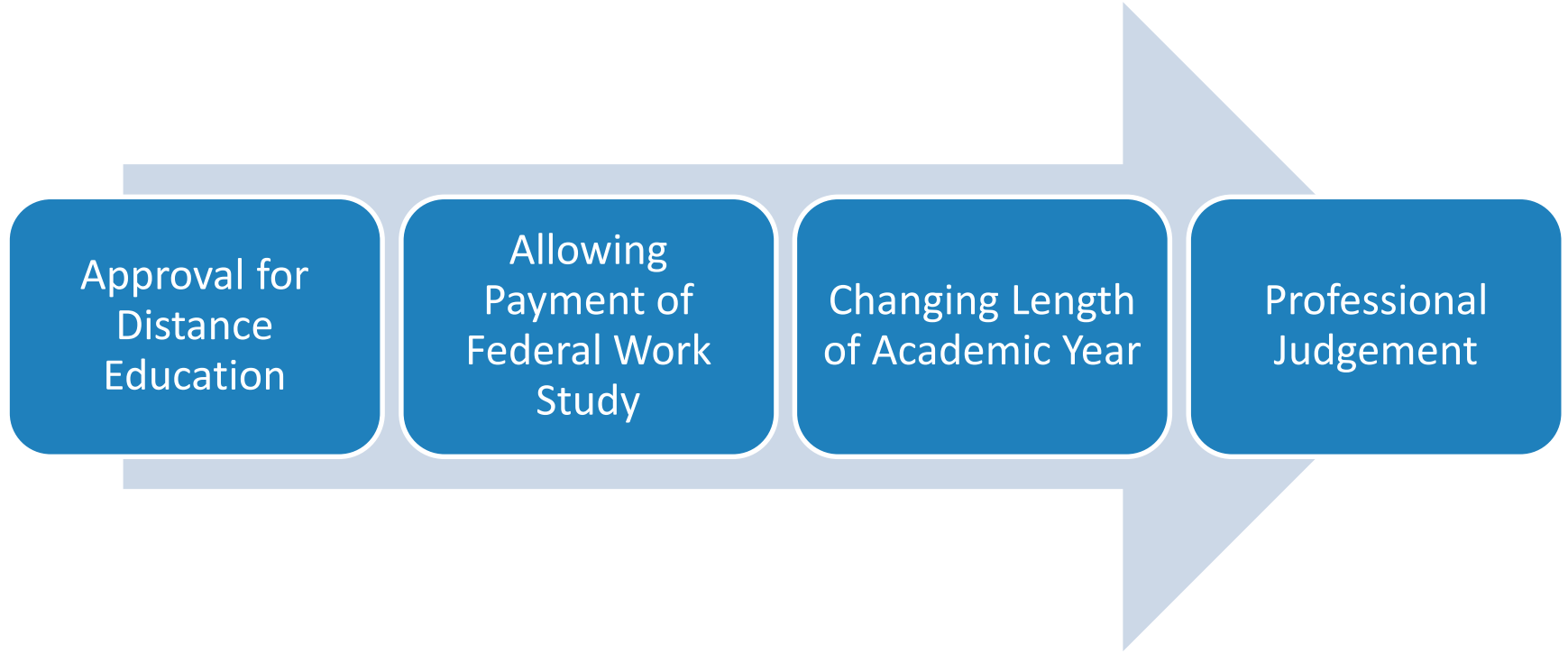
## Department of Education Actions

- ED sent information addressing some possible situations that schools are facing and how the Title IV programs may be affected.

<https://ifap.ed.gov/electronic-announcements/030520Guidance4interruptionsrelated2CoronavirusCOVID19>



# Title IV Changes/Guidance



# Title IV Changes/Guidance (Continued)

Satisfactory  
Academic  
Progress

Enrollment  
Changes

Return to  
Title IV  
(R2T4)

# Other Reminders



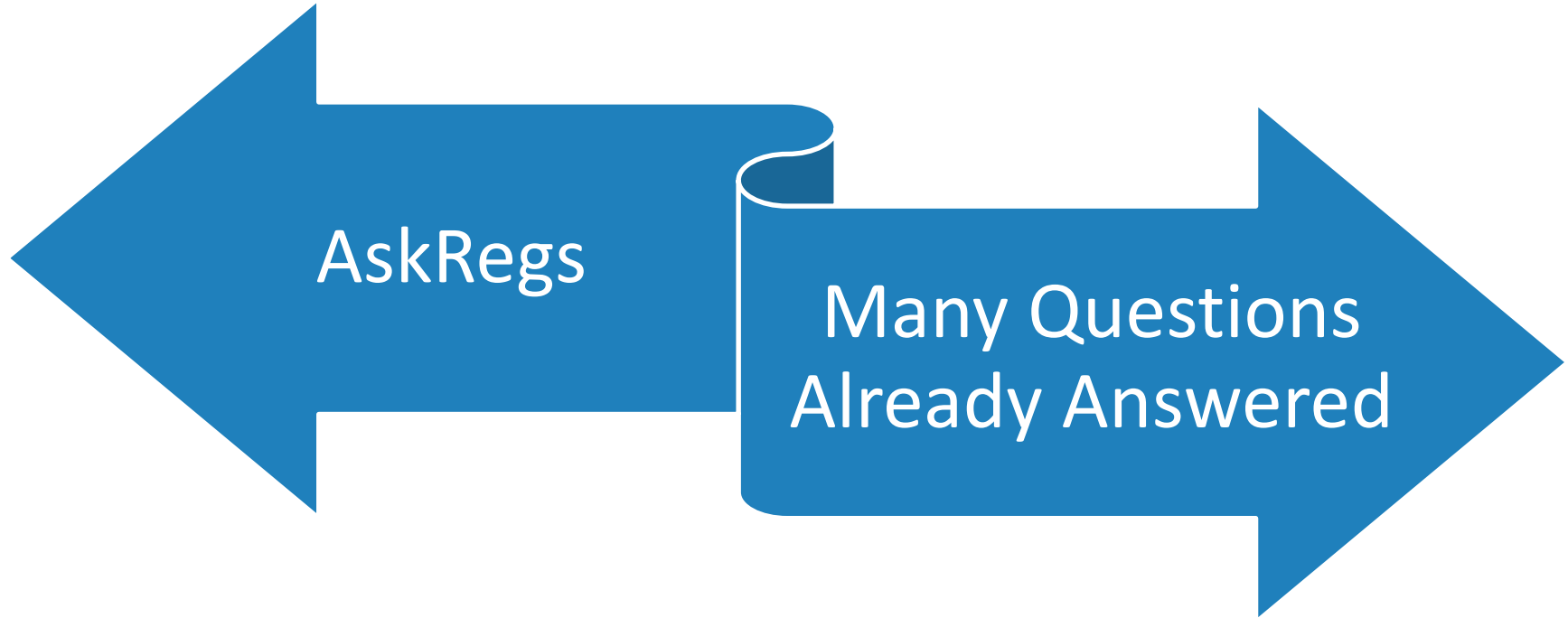
R2T4 Reminders

Withdrawal Dates

Breaks of Five Days or  
More

Refund of Room and  
Board


# National Association of Student Financial Aid Administrators



## Other Changes



Site Visits



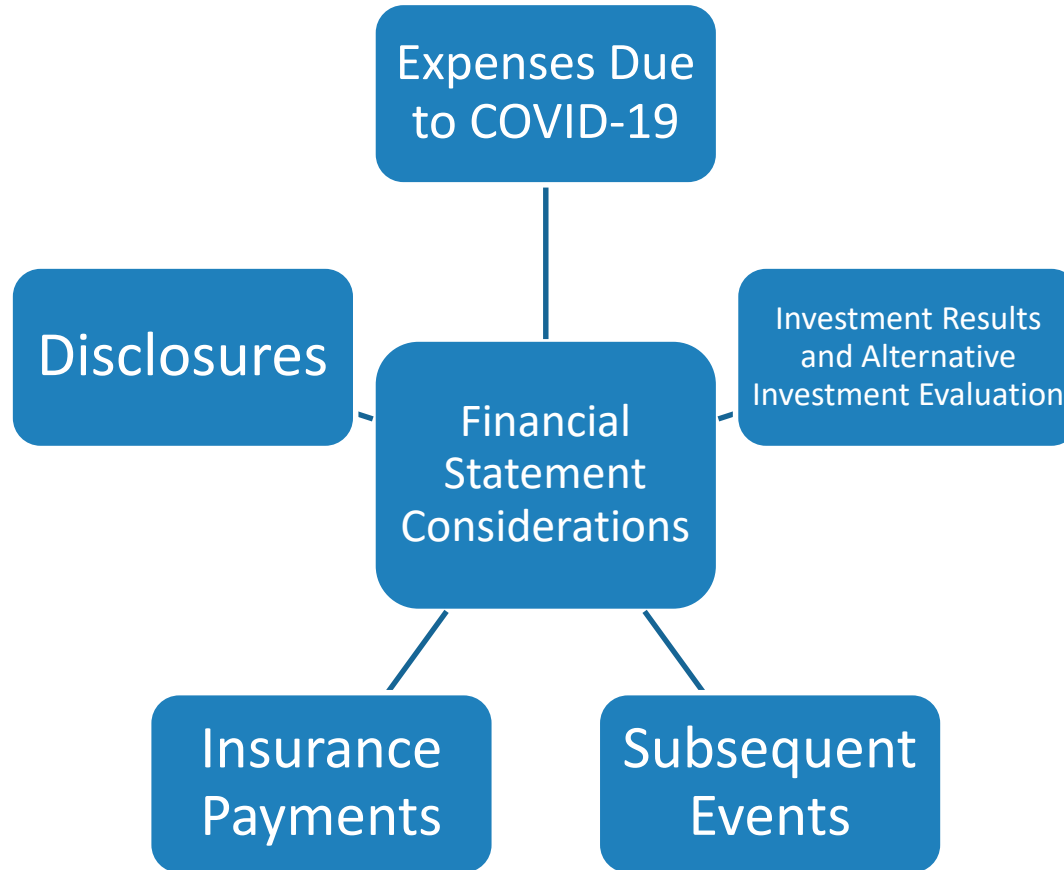
OMB  
Deadlines



# Financial Statement Considerations

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# Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

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# Higher Education Funding Provisions

- Total \$31 billion allocated to education
  - \$14 billion for grants to colleges and universities
    - ◇ 90% (\$12.6B) based on Pell grants recipients and total students
    - ◇ 7.5% (\$1B) to tribal colleges and HBCU's
    - ◇ 2.5% (\$0.4B) for schools hit particularly hard by the virus
  - \$3 billion to states for grants to K-12 and higher education, at governor's discretion
  - \$14 billion to K-12

# Getting and Spending the Relief Funds

- \$12.6 billion allocation
  - 75% (\$9.45B) based on the number of full-time equivalent Pell grant recipients
  - 25% (\$3.15B) based on total full-time equivalents
- Funding received
  - 50% must go to students for emergency aid
  - Remainder – broad discretion on the use with few explicit exclusions
- Distribution is expected (currently) through G5 draws

# Possible Distribution of \$12.6B Based on Pell Recipients\*

\$28.2B\*\* in Pell Grants in 18-19

School with \$2M in Pell Grants = 0.01% of Total

\$9.45B = 75% of the \$12.6B

\$670K

\$335,000 needs to go to students

\* For discussion only. Based on best estimates with current data, final allocation will be determined by the Department of Education

\*\*Note this is total Pell, includes full and part time students from Collegeboard.org

Note: American Council on Education (ACE) funding simulation at:

[https://www.nasfaa.org/uploads/documents/ACE\\_Preliminary\\_Analysis\\_COVID\\_Stimulus.pdf](https://www.nasfaa.org/uploads/documents/ACE_Preliminary_Analysis_COVID_Stimulus.pdf)



# Possible Distribution of \$3.15B Based on Total FT Enrollment\*

12.1M\*\* Estimated FT Students

School with 1,500 FT  
Student = 0.01% of Total

\$3.15B

\$390K

\* For discussion only. Based on best estimates with current data, final allocation will be determined by the Department of Education

\*\* Estimated students from quora.com

Note: American Council on Education (ACE) funding simulation at:

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# Student Aid Related Provisions

- FWS and FSEOG:
  - Matching waivers and payment allowances
- COVID-19-related withdrawal period
  - R2T4 waiver and SAP calculation exclusions
  - Pell and Direct Loan annual and lifetime exemptions



# Resources

- <https://www.claconnect.com/campaign/covid-19#Resources>
- Breaking down the various funding packages
  - SBA Loans
  - Tax Credits

## REGULATIONS

### CARES Act Signed Into Law: Includes an Estimated \$2 Trillion or More in Stimulus

By Chastity Wilson and Rob Schile and Jennifer Boese and Todd Sprang  
and Yuliya Ostapenko  
3/27/2020

#### Key insights

- The CARES Act became law today
- The Act includes an estimated \$2 trillion in stimulus
- Start your loan application process

Today, the CARES Act, which includes various provisions totaling an estimated \$2 trillion or more in stimulus intended to help businesses, individuals, health care providers, states and municipalities, became law.

### COVID-19 Funding, Updates

March 16, 2020 /by Jennifer Boese

The COVID-19 situation is rapidly developing, and from all apparent evidence, will continue to have a profound impact on the country for weeks, if not months to come. In a period of changing events, it is difficult to keep track of resources that are available,



including the various funding packages being provided by Congress. CLA is actively monitoring and analyzing the various pieces of legislation coming out of Washington, D.C. One funding package has already been enacted, and a second one is in process right now.

We focus today's blog on the first funding package, the Coronavirus Preparedness and Response Supplemental Appropriations Act, and provide links to available resources to help guide your organization. We'll also give you a glimpse at major policies in the second package and will certainly



# Panel Discussion

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# Panel Participants

Fred Rogers  
Vice President and Treasurer  
Carleton College



# Panel Participants

Ed Kania  
Vice President of Business  
and Finance & Treasurer  
Rollins College



# Panel Participants

Dr. Charles Patterson  
President  
Mansfield University





# How have you built your structure for making decisions and how are you communicating to/managing the expectations of your stakeholders?

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# How are you assessing COVID financial losses and how are you responding to the losses, addressing cash flows?

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# How do you manage the fear, motivate the campus and keep people engaged from afar?

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# What do you believe will happen to Colleges and Universities in the summer and then in the fall?

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# What do you think the lasting effects are of COVID?

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# Questions

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