

CARES ACT – HR 748
EDUCATION STABILIZATION FUND

Prepared by the NMSU Office of Government Relations
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The Emergency Appropriations for Coronavirus Health Response and Agency Operations bill provides a total of **\$30.75 billion** for the Education Stabilization Fund and remains available through September 30, 2021, to prevent, prepare for, and respond to coronavirus, domestically or internationally. The funding is distributed as follows:

Section	Description	Amount	Percentage
18001	Basis of Respective Needs by Secretary	\$153,750,000	0.5%
18001	BIA Indian Education Programs	\$153,750,000	0.5%
18001	Grants to States with Coronavirus Burdens	\$307,500,000	1.0%
18002	Governor’s Emergency Education Relief Fund	\$2,953,230,000	9.8%
18003	Elementary and Secondary School Emergency Relief Fund	\$13,229,265,000	43.0%
18004	Higher Education Emergency Relief Fund	\$13,952,505,000	45.4%

Section 18002 – Governor’s Emergency Education Relief Fund \$2,953,230,000

- (a) Federal grants from funds reserved under section 1800(b)(1) of this title, the Secretary shall make Emergency Education Relief grants to the Governor of each State with an approved application (grants to states and requires an application by state).
- (b) The amount of each grant shall be allocated by the Secretary to each State as follows:
 - 60% on the basis of their relative population of individuals aged 5 through 24.
 - 40% on the basis of their relative number of children counted under section 1124(c) of the Elementary and Secondary Education Act of 1965.
 - APLU estimated that NM will receive \$22,904,859 and the final amount from the US Dept of Education was \$22,262,663.
- (c) The grant funds awarded under subsection (b) may be used to:
 - (1) Provide emergency support through grants to local educational agencies that the State educational agency deems to have been most significantly impacted by the coronavirus to support the ability of such local educational agencies to continue to provide educational services to their students and to support on-going functionality of the local educational agency.
 - (2) Provide emergency support through grants to institutions of higher education serving students within the State that the Governor determines have been most significantly impacted by coronavirus to support the ability of such institutions to continue to provide educational services and support the on-going functionality of the institution.
 - (3) Provide support to any other institution that the Governor deems essential for carrying out emergency educational services to students for authorized activities described in section 18003(d)(1) (Any activity authorized by the ESEA of 1965 and includes several other items) of this title or the Higher Education Act, the provision of childcare and early childhood education, social and emotional support, and the protection of education related jobs.

- (d) Reallocation – The Governor shall return to the Secretary any funds received under this section that the Governor does not award within one year of receiving such funds.

Section 18003 – Elementary and Secondary School Emergency Relief Fund - \$13.229 Billion (43%)

- 30 days to apply; Secretary has 30 days to approve or deny applications.
- Not less than 90 percent will be used as subgrants to local educational agencies.
- Each state receives the same proportion that they received from the Elementary and Secondary Education Act (ESEA).
- Uses of funds may be used for:
 - Any activity authorized by the Elementary and Secondary Education Act.
 - Coordination of preparedness and response efforts of local education agencies to improve coordinated responses relevant agencies to prevent, prepare for, and respond to coronavirus.
 - Providing Principals and other school leaders with the resources to address the needs of their individual schools.
 - Activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth.
 - Developing and implementing procedures and systems to improve the preparedness and response efforts of local educational agencies.
 - Training and professional development on sanitation and minimizing the spread of infectious diseases.
 - Purchasing supplies to sanitize and clean facilities.
 - Planning for and coordinating during long term closures, including how to provide meals to eligible students, how to provide technology for online learning to all students, and carrying out requirements under the Individuals with Disabilities Education Act, and other Federal, State, and local requirements.
 - Purchasing educational technology (including hardware, software and connectivity).
 - Providing mental health services and support.
 - Planning and implementing activities related to summer learning and afterschool programs.
 - Other activities that are necessary to maintain the operation of and continuity of services in local educational agencies and continuing to employ existing staff.
- A state may reserve not more than 0.5% for administrative costs and the remainder for emergency needs to address issues responding to coronavirus, which may be addressed through the use of grants or contracts.
- Reallocation – The Governor shall return to the Secretary any funds received under this section that the Governor does not award within one year of receiving such funds.

Section 18004 - Higher Education Emergency Relief Fund - \$13.953 Billion

- (a) (1) - 90 Percent (\$12,557,354,500) to each institution is distributed as follows:
 - (a)(1) (A) - 75% according to relative share of full-time equivalent enrollment of Federal Pell Grant recipients who are not exclusively enrolled in distance education courses prior to the coronavirus emergency; and
 - (a)(1) (B) - 25% according to the relative share of full-time equivalent enrollment of students who were not Federal Pell Grant recipients who are not exclusively enrolled in distance education courses prior to the coronavirus emergency
 - (b) Funds under this section shall be distributed by the Secretary using the same systems as the Secretary distributes funding to each institution under title IV of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

- (a)(2) - 7.5 Percent (\$1,046,437,875) additional awards under parts A and B of Title III, parts A and B of Title V and subpart 4 of Part A of Title VII of the Higher Education Act to address needs directly related to the coronavirus (this is in addition to the 90 percent allocation) – **For HBCUs and MSIs**
 - Distributed proportionately on the relative share of funding appropriated to such programs in the Further Consolidated Appropriation Act, 2020 (PL 116-94)
 - May be used to defray expenses (including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff training, payroll) incurred by institutions and for grants to students for any component of the student's cost of attendance (defined in section 472 of the Higher Education Act of 1965) including food, housing, course materials, technology, health care, and child care.

- (a)(3) 2.5 percent for part B of title VII of the Higher Education Act for institutions of higher education that the Secretary determines have the greatest unmet needs related to coronavirus, which may be used to defray expenses (including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff training, payroll) incurred by institutions and for students cost of attendance.
 - Awards are prioritized to any institution of higher education that is not eligible under the 90 percent or 7.5 distributions of at least \$500,000 and demonstrates significant unmet needs related to expenses associated with the corona virus.

- (c) Uses of Funds
 - Except and otherwise specified in section (a) the funds may be used to cover any costs associated with significant changes to the **delivery of instruction** due to the coronavirus, so long as such costs DO NOT include payments to contractors for the provision of pre-enrollment recruitment activities; endowments; or capital outlays associated with facilities related to athletics, sectarian instruction, or religious worship.
 - Institutions shall use **no less than 50 percent** of such funds to provide emergency financial aid grants to students for expenses related to the disruption of campus operations due to coronavirus (including eligible expenses under a student's cost of attendance - (defined in section 472 of the Higher Education Act of 1965).

- (d) Special Provisions
 - (1) In awarding grants under section (a)(3) the Secretary shall give priority to any institution that is not otherwise eligible for funding under paragraphs (a)(1) and (a)(2) of at least \$500,000 and demonstrates significant unmet needs related to expenses associated with corona virus.
 - (2) A Historically Black College and University or a Minority Serving Institution may use prior awards provided under title III, V, and VII of the Higher Education Act to prevent, prepare for, and respond to coronavirus.
- (e) Any institutions receiving funding under the “Higher Education Emergency Relief fund shall submit a report that describes the use of the funds to the Secretary at such time and manner as required by the Secretary of Higher Education.
- **NMSU received a total of \$14,076,359** based on an announcement made by the US Secretary of Higher Education on April 9. This does differ from both APLU and ACE estimates that uses different methodology. APLU **estimates** that the NMSU system will receive approximately \$17.2 million while ACE estimated that NMSU will receive \$17,276,000. (Note: 50% of the funds are to be provided to grants to students as mentioned above).

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Section 18004(a)(1) Estimated Payments to NMSU System			
Campus	APLU	ACE	FINAL
NMSU Alamogordo	\$516,716	\$339,000	NA
NMSU Carlsbad	\$510,277	\$457,000	NA
NMSU Dona Ana	\$4,731,666	\$4,461,000	NA
NMSU Grants	\$196,738	\$142,000	NA
NMSU Main	\$11,209,166	\$11,877,000	NA
Total	\$17,164,563	\$17,276,000	\$14,076,359
<small>Note: Section 18004(c) mandates that no less than 50% of the funds will be provided as emergency financial aid grants to students. Final column – as distributed by US Dept of Secretary. Secretary distributed funding using the 6-digit OPEID which funding flows through all campuses via the main campus. APLU - Association of Public Land Universities ACE - American Council on Education</small>			

Section 18006 – CONTINUED PAYMENT TO EMPLOYEES

- **Indicates that any educational agency, State, institution of higher education, or other entity that receives funding under the “Education Stabilization Fund,” shall to the greatest extent practicable, continue to pay its employees and contractors during the period of any disruptions or closures related to the coronavirus.**

Sec. 18008 Maintenance of Effort

- (a) Applies to the State’s applications for funds to carry out the Governor’s Emergency Education Relief Fund (Sec. 18002) and the Elementary and Secondary School Emergency Relief Fund (Sec. 18003).

- The Application shall include assurances that the State will maintain support for the elementary and secondary education, and State support for higher education (funding and state need-based financial aid and not including capital projects, research and development or tuition and fees paid by students).
- Applies in fiscal years 2020 and 2021 and must be at least at the 3-year average of the State's support for the three fiscal years preceding the date of enactment of this act.
- **(b) The Secretary may waive the requirement for the purpose of relieving fiscal burdens on States that have experienced a precipitous decline in financial resources.**
- SAFE SCHOOLS AND CITIZENSHIP EDUCATION
 - \$100 million is available through September 30, 2021, to prevent, prepare for, and respond to coronavirus Available to both elementary, secondary and post-secondary schools for cleaning disinfecting affected schools, counseling, distance learning and associated costs.
 - Must be declared as an emergency requirement by Congress.