



TO: Chancellor Eloy Ortiz Oakley
Chief Executive Officers
Chief Business Officers
Chief Student Services Officers
Chief Instructional Officers

FROM: Lizette Navarette, Vice Chancellor, College Finance and Facilities Planning

RE: Preliminary Analysis of the COVID-19 Federal Stimulus Package

Summary

The Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (COVID-19 relief bill) (H.R. 133) is the fourth federal stimulus packet in response to the Coronavirus. The stimulus will allocate \$22.7 billion to the Higher Education Emergency Relief Fund of which California Community Colleges are estimated to receive over \$1 billion in one-time resources.

Bill Details

On December 28, 2020, the president signed the \$900 billion COVID-19 relief bill. The new Coronavirus stimulus deal earmarks \$82 billion for education providers. While the funds will be allocated similarly to the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the COVID-19 relief bill applies a new allocation formula which considers FTES and headcount – an adjustment highly supported by California Community Colleges. For higher education, the \$82 billion includes the following:

- \$22.7 billion for the **Higher Education Emergency Relief Fund**
 - \$20.2 billion distributed by a formula comprised of the following:
 - 37.5% for Pell FTE, excluding students who were enrolled exclusively online prior to the pandemic
 - 11.5% for non-Pell FTE, excluding students who were enrolled exclusively online prior to the pandemic
 - 37.5% for Pell “total number of students” which is like headcount, excluding students who were enrolled exclusively online prior to the pandemic
 - 11.5% for non-Pell headcount, excluding students who were enrolled exclusively online prior to the pandemic
 - 1% for Pell FTE who were enrolled exclusively online prior to the pandemic
 - 1% for Pell headcount who were enrolled exclusively online prior to the pandemic
 - \$1.7 billion for Historically Black Colleges and Universities, Tribal Colleges and Universities, Hispanic Serving Institutions, and certain other institutions
 - \$113 million for institutions of higher education with unmet need
 - \$4.1 billion for the Governor’s Emergency Education Relief Fund

The relief bill also includes an extension of the CARES Act Coronavirus Relief Fund (CRF) expenditure deadline from December 30, 2020 to December 31, 2021. This extension should alleviate any concerns by community college districts who were not poised to encumber by December 30th the \$54 million in CRF funds allocated as part of the state COVID-19 Response Block Grant in the 2020–21 State Budget Act.

Allowable Uses

The Higher Education Emergency Relief Fund which includes flexible funding to be distributed directly to institutions of higher education to help with immediate needs related to coronavirus, including:

1. Defraying expenses associated with coronavirus (including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff trainings, and payroll);
2. Carrying out student support activities authorized by the HEA that address needs related to coronavirus; or
3. Providing financial aid grants to students (including students exclusively enrolled in distance education), which may be used for any component of the student's cost of attendance or for emergency costs that arise due to coronavirus, such as tuition, food, housing, health care (including mental health care), or child care.

Like the CARES Act, the provisions of this stimulus bill do not appear to restrict colleges' ability to provide aid to students based on their immigration status.

Emergency Financial Aid to Students

The COVID-19 relief bill requires higher education institutions to **spend at least the same amount they spent on emergency financial aid under the CARES Act**. California Community Colleges are expected to spend at least an estimated \$300 million on emergency financial aid to students. Given the extent of student need, more than the required expenditure is recommended and encouraged.

The stimulus provides institutions with significant discretion on how to award emergency assistance to students. Each institution may develop its own system and process for determining how to allocate these funds. In making financial aid grants to students, an institution of higher education shall prioritize grants to students with exceptional need. Details on the college specific allocations will follow in the coming weeks.

Estimated Statewide Allocation

As with the CARES Act, it is necessary to make a number of assumptions in the calculations. The California Community Colleges are *estimated* to receive about 6.3% of the total \$20.2 billion or about \$1.26 billion of the total \$20.2 billion Higher Education Emergency Relief Fund. This analysis does not include additional allocations for minority serving institutions or those with the most need. Unlike the CARES Act, students who were previously enrolled online only will be counted for funding under this act.

ESTIMATED Funding Allocations based on \$20.2 billion (dollars in millions)*			
	Total Stimulus		
	Pell based	Non Pell based	Total
Total Degree-Granting Institutions	\$15,554	\$4,646	\$20,200
California Community Colleges	\$853	\$412	\$1,26
<i>*Both FTE and student counts exclude students who were enrolled exclusively online except where noted. Counts are for 2017-18.</i>			
<i>All funds are one-time only.</i>			

The Chancellor's Office will continue its federal advocacy and Congressional engagement as Congress considers future Coronavirus response appropriations.

If you have any questions, please don't hesitate to contact me at lnavarette@cccco.edu.