

From John Falleroni, PASFAA Vice President and Chair of the Government Relations Committee.

PASFAA members,

Earlier in the week, I was asked by a Vice President to provide a synopsis of the CARES act because I “was involved in government relations.” I am sure many of you are currently getting these requests within your institution. I realize sorting through Senate Bills and reading through NASFAA newsletters is not necessarily a priority when the kids are at home; the Internet goes out; and frustrated parents are still reaching you remotely.

Therefore, I thought I would provide some aspects of the CARES Act for your institution in case you are asked.

To begin, the Senate Bill 3548 (CARES Act) is 247 pages long and the details are still being reviewed. However, the obvious take away from the CARES Act (for your institution) is with Campus Based Aid.

1. Under CARES the non-federal share requirements for Work Study and SEOG are waived for 1920 and 2021.
2. The bill allows institutions to transfer up to 100% of Federal Work Study into SEOG during the period of a qualifying emergency.
3. Institutions can award SEOG to assist undergrad or grad student for unexpected expenses and unmet financial need as a result of the emergency.
4. SEOG rules for awarding are waived-the school can determine how this emergency grant is spent.
5. The emergency SEOG can be awarded up to Maximum Pell amounts (\$6195 for 1920)

Under the category of details yet to be determined....

The mention of \$14 billion to Higher Education in the Emergency Stabilization Fund. 90% (\$12.5 billion) will be allocated based on 75% enrollment of Full time Pell students and 25% of Non-Pell Full time stuents. On-line students who were on-line BEFORE the Covid 19 emergency ARE NOT COUNTED. \$1 billion is allocated to minority serving institutions.

In addition, 50% of the \$14 billion MUST GO DIRECTLY TO STUDENTS in the form of grants. For this the Bill states that funding will be distributed by the Secretary of Education like other Title IV aid.

Other details will help students, but a school will not see any direct benefits as an institution, but some indirect benefits:

- Impact to Subsidized loan usage rules
- Impact to Lifetime Pell limits
- Suspending payments and interest on Federal loans
- Suspending garnishments for delinquent loans
- SAP exclusions

— Tax breaks for businesses that contribute to employee student loans (this was a proposal that has been around for years, but made it to this law).

As for allocations for your individual school, I did find [these projections](#) from the American Council on Education. I received this estimate from an article yesterday. The article mentioned a meeting with the Department about specifics and how the answers were very few. I am sure more details will be available shortly. I will keep you posted.

Hang in there.

We are all in this together!

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