

## CARES Act. Developed by [Committee for Education Funding](#), March 30, 2020

- **Final summary and breakdown of what's in the CARES Act for education** – The Coronavirus Aid, Relief, Economic Stability Act ([CARES ACT](#)) is now law. I thought it might be useful to have a summary of the education funding and policy highlights all in one CEF Update, along with links to the text and Congressional Committee summaries (pieces were included in various Updates last week).
- **Funding** – Section B of the Act has about \$31 billion in supplemental fiscal year (FY) 2020 funding for the Department of Education plus more for education programs in other agencies, the biggest of which are the Child Care and Development Block Grant and Head Start in the Department of Health and Human Services.
- **\$30.9 billion in Department of Education funding** – The Act includes \$30.9 billion in emergency funding for the Department of Education.
  - **\$30.75 billion for an Education Stabilization Fund** for PreK-12 and higher education (Division B, Title VIII of the legislative text). This total includes:
    - **Up to a total of 2% for:** outlying areas (up to half a percent); Bureau of Indian Education (half a percent); and the states hardest hit (1%).

The rest is divided into three pots – the Act gives the percentages and the summaries give the funding amounts, but those don't reflect 2% of the total being given out as described above:

    - **43.9%, or about \$13.5 billion for elementary and secondary education** – distributed to states using the Title 1 formula. This funding can also be used for non-public schools (page 764) and can be used for any activity authorized under the major education laws (ESSA, IDEA, Perkins CTE, Adult Education and Family Literacy, McKinney-Vento Homeless Education).
    - **9.8%, or about \$3 billion for governors** with discretion to be used for emergency grants for the most affected local educational agencies and institutions of higher education and those deemed essential to providing child care, early childhood, K-12, or higher education services; and
    - **46.3% or about \$14.25 billion for higher education emergency relief** for institutions and at least 50% for emergency financial aid to students for expenses related to the pandemic.
    - **Maintenance of Effort requirements** – while the bill requires states receiving this aid to maintain their own educational support this year and next year at least at the average of the three preceding years, the Secretary of Education can waive that requirement.
  - **\$100 million for Project SERV.**
  - **\$7 million for Gallaudet University.**
  - **\$40 million for student aid administration.**
  - **\$13 million for Howard University.**
  - **\$8 million for Departmental Management.**
  - **\$7 million for the Inspector General's office.**
- **\$3.5 billion for the Child Care and Development Block Grant** in the Department of Health and Human Services.
- **\$750 million for Head Start** in the Department of Health and Human Services.
- **\$75 million for the Corporation for Public Broadcasting.**
- **\$50 million for the Institute for Museum and Library Services**

- **\$360 million for Department of Labor** training programs and to implement the new Unemployment Insurance and paid leave programs.
- **Changing authority for higher education funding and eligibility during the pandemic** – Section A of the Act automatically pauses all federal student loan payments and interest for six months, continues student loan and Pell Grant eligibility for those who have to drop out, allows states and institutions of higher education to apply for waivers from certain requirements, allows flexibility in the use of institutional and campus-based aid. The provisions are listed below:
  - **Tax-free employer-provided student loan repayment** - Title II, Subtitle B, Section 2206 allows employers to provide up to \$5,250 annually tax-free as a loan repayment benefit through the end of this calendar year.
  - **Title III, Part IV, Subtitle B – Education Provisions** (in chronological order):
    - **Waives the institutional match for campus-based aid** (Section 3503);
    - Allows institutions to use **Supplemental Educational Opportunity Grants (SEOG) for pandemic-related emergency student aid** (section 3504);
    - **Federal Work-Study payments can continue** to students whose jobs closed (Section 3505);
    - For students who had to drop out, **doesn't count this semester or grades for eligibility for student loans and Pell Grants or make the students or institutions return the loans or grants** (Sections 3506, 3507, 3508, and 3509);
    - **Allows distance learning for US students who were at foreign institutions** (Section 3510);
    - **Allows the Secretary to waive regulations under the Elementary and Secondary Education Act except for civil rights** (Section 3511);
    - **HBCU capital financing payments can be waived** by the Secretary of Education during the national emergency (Section 3512);
    - **Automatically defers student loan payments, interest, and collections through September 30** for all federal student loans (Section 3513);
    - **Continues national service education awards** and extends eligibility for participants whose jobs closed (Section 3514);
    - **Provides additional flexibility to Workforce Boards** (Section 3515);
    - Makes **technical amendments to the FUTURES Act** (Section 3516);
    - Allows **waivers for certain outcomes for HBCUs and Minority-Serving Institutions** in FY 2021 (Section 3517);
    - Allows **waivers for authorized use of institutional grants (TRIO, GEAR-UP, Title III, Title V, and parts of Title VII)** to redirect funding for COVID-19 needs (Section 3518); and
    - **Continues teacher loan forgiveness and TEACH grant service requirements** this school year even though schools closed (Section 3519).
- **Legislative text and congressional summaries** – Below are links to the text and various summaries from Congressional sources:
  - [Final legislative text](#). Division A is everything but appropriations, and Division B is the appropriations language.
  - [Section-by-Section description of Division A](#)
  - [One-pager on HELP Committee provisions](#) - from Majority Committee staff
  - **Two summaries of the appropriations section (Division B)** – from Senate Appropriations Committee [Majority](#) and [Minority](#) staffs