

CARES Act Summary for Education

Division A

Higher Education

- Title II
 - Tax-free employer-provided student loan repayment - 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
 - 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, either as a lump sum or in payments similar to paychecks (Section 3505);
 - Excludes this semester from counting toward federal financial aid lifetime limit for students who had to drop out as a result of COVID-19 for subsidized loans, Pell grants. Institutions do not have to return aid and student's grades do not impact eligibility (Sections 3506, 3507, 3508, and 3509);
 - Allows distance learning for US students who were at foreign institutions (Section 3510);
 - 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 federally owned student loans (Section 3513);
 - Interest does not accrue, no reporting to credit agencies;
 - Payment periods waived count as on-time payments for purposes of Public Service Loan Forgiveness;
 - Continues national service education awards and extends eligibility for participants whose jobs closed (including age and term of service limits) (Section 3514);
 - Provides additional flexibility to Workforce Boards for administrative costs, including for online resources. (Section 3515) (not more than 20 percent if more than 10 percent of total used for response activities)
 - Governors may use any unobligated workforce funds for rapid response activities related to COVID-19
 - Released within 30 days to local boards most impacted
 - Allows waivers for certain outcome and reporting requirements for HBCUs and Minority-Serving Institutions in FY 2021 (Section 3517);

- Allows Secretary to waive 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);
 - Secretary may also waive financial matching requirements in competitive and MSI grants;
 - Continues teacher loan forgiveness and TEACH grant service requirements this school year even though schools closed (Section 3519);
 - Waives requirement for consecutive years of service;

K-12 Waivers

- Section 3511
 - Secretary may waive below listed provisions (and related regulatory requirements) at request of State or Indian tribe if necessary and appropriate due to emergency
 - Secretary must create expedited “streamlined” waiver application and process for SEAs related to assessments accountability, and reporting as long as Secretary believes necessary for (section (b)(1)):
 - ESEA Section 1111(b) (2) and (3) (assessments, exceptions for recently arrived ELs)
 - ESEA Section 1111(c)(4) (description of accountability system, including long-term goals and indicators)
 - ESEA Section 1111(d)(2)(C) and (D) (“additional targeted support” and notification)
 - ESEA Section 1111(h)(1)(C)(i), (ii), (iii)(I), (iv), (v), (vi), (vii), and (xi) (several report card requirements, but not high school graduation rate, professional qualifications, NAEP scores, or per-pupil expenditures)
 - ESEA Section 1111(h)(2)(C)(i) and (ii) (disaggregated data re: student achievement)
 - Section 421(b) of GEPA (NEW!) (carryover)
 - Additional waivers: Secretary may waive statutory and regulatory provisions for additional sections
 - Waivers can include
 - ESEA Section 1114(a)(1) (schoolwide requirements)
 - ESEA Sections 1118(a) and Sec. 8521 (MOE)
 - ESEA Section 1127 (carryover)
 - ESEA Section 4106(d) (IVA needs assessment)
 - ESEA Sections 4106(e)(2)(C) (D) and (E) (IVA buckets of funds)
 - 4109 (b) (Title IVA 15% limitation on technology purchases)
 - Definition in 8101(42) (professional development)
 - Waivers must be applicable to charter schools “within the boundaries of the recipient of the waiver”
 - Secretary cannot waive any civil rights requirements
 - States must maintain CSI and TSI identification and support during 2020-21 school year
 - Waiver applications must:
 - Describe programs to be waived;
 - How will emergency will impact ability to comply with provisions to be waived; and
 - Provide assurance that schools will mitigate any “negative affects” of waiver

- Waiver can only be for 2019-20 school year (and implementation of MOE waivers)
- States must provide notice and opportunity to comment by posting on State website
- Secretary must respond within 30 days unless the request is not permitted or doesn't meet requirements, Secretary must notify Congress within 7 days
- Secretary must report within 30 days of bill's enactment to House Ed and Labor and Senate HELP Committees and House and Senate appropriations committees with recommendations on additional waiver authority needed for:
 - IDEA
 - Rehabilitation Act (504)
 - ESEA
 - Perkins

Division B

- **Department of Education funding**
 - \$30.75 billion for an Education Stabilization Fund for PreK-12 and higher education (Division B, Title VIII of the legislative text) which includes:
 - Section 18001: 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%).
 - For 1% high-need, Secretary must issue application within 30 days, allocation at her discretion
 - Section 18002: 9.8%, or about \$3 billion Emergency Relief Fund
 - The Secretary of Education must issue applications within 30 days of passage, and will approve or deny applications within 30 days of receipt
 - Allocated to States by:
 - Population ages 5-24 (60%)
 - Children in poverty as defined under ESEA (40%)
 - Governors get to decide how much goes to each of 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
 - Section 18003: 43.9%, or about \$13.5 billion for an ESEA Relief Fund
 - The Secretary of Education must issue applications within 30 days of passage, and will approve or deny applications within 30 days of receipt
 - Allocated to States by proportion to Title I
 - 10% state level (inclusive of 0.5% for administrative costs)
 - Then allocated to LEAs by share of Title I
 - Funds can be used at LEA discretion for any purpose under:
 - ESEA (including Native Hawaiian/Alaskan programs)
 - IDEA
 - AEFLA
 - Perkins
 - McKinney-Vento Title VIIB
 - And for other purposes related to coordination, PD, training, purchase of technology, planning, supplies and sanitization, etc..
 - Requirement to provide equitable services as under Sec. 1117 of ESEA

- Should try to pay employees and contractors during period of disruption to the greatest extent possible
- 46.3% or about \$14.25 billion for higher education emergency relief for institutions, of which at least 50% must go to emergency financial aid to students for expenses related to the pandemic.
 - 90% must go to institutions
 - Allocation based 75% on full-time Pell recipients, 25% based on total student enrollment.
 - 50% to emergency financial aid grants
 - 50% can be used flexibly to cover costs associated with changes to delivery of instruction.
- Maintenance of Effort Requirement for State to meet MOE for 2020 and 2021 at the same levels of at least the three previous fiscal years
 - Unless waived by the Secretary per a “precipitous decline in financial resources.”
- Additional funds:
 - \$100 million for Project SERV.
 - \$7 million for Gallaudet University.
 - \$40 million for student aid administration.
 - \$8 million for Departmental Management.
 - \$7 million for the ED 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.