

Emergency Cash Grants for College Students Impacted by Coronavirus Outbreak

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U.S. Secretary of Education Betsy DeVos has announced that more than \$6 billion will be distributed immediately to colleges and universities to provide direct emergency cash grants to college students whose lives and educations have been disrupted by the coronavirus outbreak. The funding is available through the Higher Education Emergency Relief Fund authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

“What’s best for students is at the center of every decision we make,” said Secretary DeVos. “That’s why we prioritized getting funding out the door quickly to college students who need it most. We don’t want unmet financial needs due to the coronavirus to derail their learning.”

The CARES Act provides nearly \$14 billion to support postsecondary education students and institutions. Colleges and universities are required to utilize the \$6.28 billion made available today to provide cash grants to students for expenses related to disruptions to their educations due to the COVID-19 outbreak, including things like course materials and technology as well as food, housing, health care, and childcare. In order to access the funds, the Department must receive a signed certification from the higher education institution affirming they will distribute the funds in accordance with applicable law. The college or university will then determine which students will receive the cash grants.

School allocations are set by formula prescribed in the CARES Act that is weighted significantly by the number of full-time students who are Pell-eligible but also takes into consideration the total population of the school and the number of students who were not enrolled full-time online before the coronavirus outbreak. The Department is utilizing the most recent data available from the Integrated Postsecondary Education Data System (IPEDS) and Federal Student Aid (FSA) for this calculation.

Institutions will receive allocations and guidance for the institutional share of the Higher Education Emergency Relief Fund in the coming weeks. Institutions will be able to use these funds to cover costs associated with significant changes to the delivery of instruction due to the coronavirus.

The funding allocations are part of the nearly \$31 billion Congress allocated to the Department to distribute to students, K-12 schools, and higher education institutions under the CARES Act. The Department, at the Secretary’s urging, is working to make funds available as quickly as possible.

Under the Secretary's leadership, the Department has taken quick action to support higher education students from the start of the coronavirus outbreak. Colleges and universities were given immediate regulatory flexibility so students' educations could continue online. The Secretary also provided student loan relief to tens of millions of borrowers by setting all federally held student loan interest rates to zero percent and allowing borrowers to defer payments for 60 days without interest. The CARES Act extends those benefits to six months. The Department also stopped all federal wage garnishments and collections actions for borrowers with federally held loans in default.