



# SHEEO

STATE HIGHER EDUCATION EXECUTIVE OFFICERS ASSOCIATION

## MHEC Higher Education Policy Update

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SHEEO

## About SHEEO

- **SHEEO is a national organization based in Boulder, CO and Washington DC serving chief executives of statewide governing, policy, and coordinating boards of postsecondary education and their staffs**
- **SHEEO has been a presence in American higher education for 66 years**
- **Committed ensuring the equitable education of all Americans, regardless of race/ethnicity, gender, or socioeconomic factors.**

## Higher Education and COVID-19

- **Losses in tuition and fee revenue**
- **Losses in campus auxiliary revenue (housing refunds, refunds of dining fees, lost parking revenue, cancelled events, etc.)**
- **Increased costs due to the transition to online instruction (costs to move employees to remote access, consultants, purchase of laptops, webcams, etc.)**
- **Drops in research revenue**
- **Cleaning and sanitation costs and employee overtime**
- **Others (Repatriation costs for study abroad students, lost fundraising revenue, etc.)**



## Third Stimulus Proposal

- **SHEEO joined the Six presidential associations (APLU, AASCU, AACCC, AAU, NAICU, and ACE) and numerous other higher education in support of a [unified plan](#) to provide emergency aid and flexibility to colleges and universities.**
- **Four pillars**
  - **Emergency aid to students and institutions**
  - **Access to low-cost capital**
  - **Technology Implementation Fund**
  - **Temporary Regulatory Flexibility**



## CARES Act

- **SHEEO joined the Six presidential associations (APLU, AASCU, AACCC, AAU, NAICU, and ACE) and numerous other higher education in support of a unified plan to provide emergency aid and flexibility to colleges and universities.**
- **Four pillars**
  - **Emergency aid to students and institutions-YES  
BUT NOT ENOUGH**
  - **Access to low-cost capital-KIND OF**
  - **Technology Implementation Fund-NO**
  - **Temporary Regulatory Flexibility-YES**



## CARES Act-Funding

- **Signed into law by President Trump on 3/27**
- **Includes \$30.75 billion state stabilization package**
  - **9.8% to governors/43.9% to K-12/46.3% to higher education**
  - **90% of the aid to higher education is based on a formula: 75% to relative share of Pell FTE and 25% to non-Pell FTE share. At least 50% of this aid must be spent on students**
  - **Remaining 10% to institutions under Title III, V, and VII of the Higher Education Act.**
- **Includes an “maintenance of effort” for FY 20 and 21. Higher ed will receive funding regardless of state funding levels, but not for the K-12 and governor’s fund.**



# CARES Act Funding

<b>Education Stabilization Fund</b>	<b>\$30,750,000,000</b>
2% to Secretary to Indian Education/Outlying Areas/Areas of Most Need	\$615,000,000
<b>Total</b>	<b>\$30,135,000,000</b>
<b>Education Distribution</b>	<b>\$30,135,000,000</b>
9.8% to Governor's Emergency Education Relief Fund	\$2,953,230,000
43.9% to K-12 Education	\$13,229,265,000
<b>46.3% to Higher Education</b>	<b>\$13,952,505,000</b>
<b>Higher Education Allocation</b>	<b>\$13,952,505,000</b>
<b>90% to all Qualifying Institutions (with 75% based on Pell FTE and 25% on non-Pell FTE)</b>	<b>\$12,557,254,500</b>
At least 50% to students	\$6,278,627,250
<b>Maximum Funds for institutions</b>	<b>\$6,278,627,250</b>
<b>10% to MSIs and Title VII</b>	<b>\$1,395,250,500</b>
7.5% to MSIs	\$1,046,437,875
2.5% to Title VII FIPSE	\$348,812,625



## **CARES Act**

- **No tax relief for public universities for paid sick and family leave**
- **Student loan suspension until 9/30/20. No garnishment of wages until then. No student loan relief.**
- **A variety of flexibilities on laws re: federal Title IV financial aid**
- **Employers including universities can delay FICA payments until January 1, 2021**
- **Expanded opportunities for loans through the Small Business Administration (SBA) for organizations with under 500 employee.**
- **New opportunities for charitable contributions:**
  - **Non-itemizing taxpayers can deduct up to \$300 in charitable gifts for 2020**
  - **Suspension of AGI limitations to 100% for 2020, up from 60%**

## ***CARES Act-Governor's Emergency Education Relief (GEER) Fund***

- **Nearly \$3 billion to governors to use on their choice of K-12 and/or higher ed priorities**
- **Governors have broad latitude on the use of the funds**
- **Subject to a “maintenance of effort” requirement**
- **Governors have 1 year to use the funds.**
- **Program opened by Department of Education on 4/13**



## ***CARES Act-GEER***

**As part of its continued effort to share information and best practices, SHEEO is requesting information on how states plan to use and distribute these funds.**

**Please send this information to David Tandberg, vice president for policy research and strategic initiatives, at [dtandberg@sheeo.org](mailto:dtandberg@sheeo.org).**

## ***CARES Act-Higher Education Emergency Relief (HEER) Funds***

- **Nearly \$14 billion directly to institutions**
- **Not subject to the “maintenance of effort”**
- **90% distributed to public/private/for-profit colleges on a formula (75% based Pell student FTE, 25% on non-Pell FTE)**
- **Remaining 10% distributed under Title III, V, VII of HEA**
- **At least 50% of the aid must be spent on students through emergency grants**

## ***CARES Act-Higher Education Emergency Relief (HEER) Funds-Student Emergency Grant Aid***

- **\$6.28 billion to public, private, and for-profit institutions**
- **Emergency grant aid to students through checks or debit cards. Cannot be posted to student accounts.**
- **Institutions cannot use this money to reimburse themselves for refunds for housing & meal plans. They can only reimburse themselves for emergency aid given to students after March 27<sup>th</sup>.**
- **Students must be Title IV participants or Title IV eligible to receive aid. Undocumented, DACA, and international students are ineligible.**
- **Students already in the system will likely have a natural advantage, as they have checked all the boxes for eligibility.**

## ***CARES Act-Higher Education Emergency Relief (HEER) Funds- Institutional Emergency Grant Aid***

- **\$6.28 billion to public, private, and for-profit institutions**
- **Secretary DeVos states that these funds cover any costs associated with significant changes to the delivery of instruction due to the coronavirus.**
- **DeVos encourages institutions to use the funds to expand remote learning programs, strengthen IT capacity, and train faculty and staff for remote learning.**
- **Can also be used for student emergency grant aid**

## **Stimulus IV**

- **Interim stimulus package expected to pass soon directed at small business**
- **Congress is expected to take up another major stimulus package in May**
- **Bipartisan support for a rescue package to states.**

## **SHEEO Advocacy**

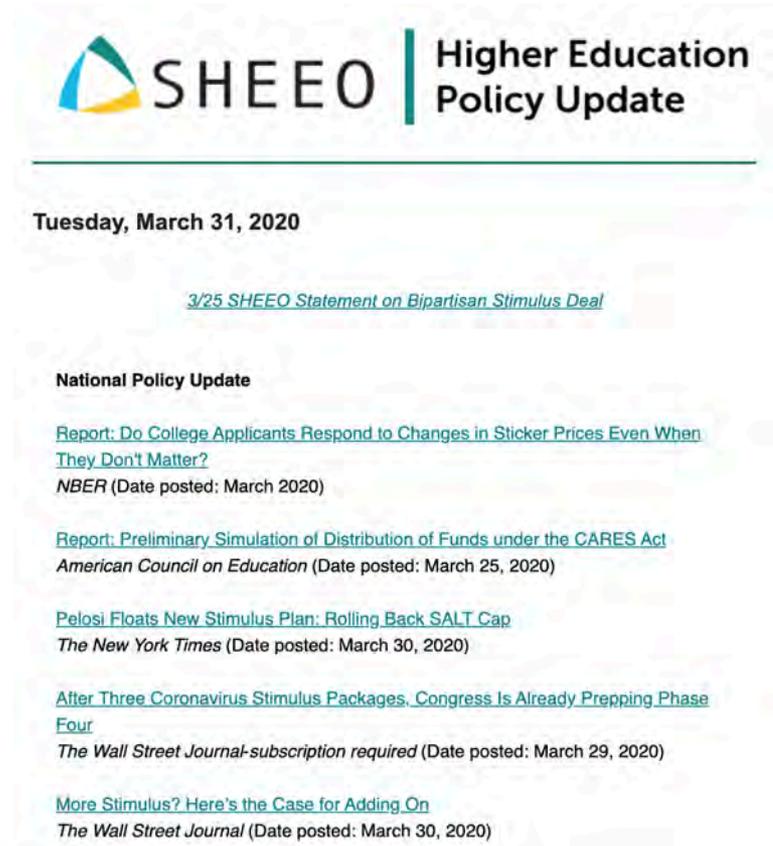
- **SHEEO has [asked for](#) \$31.2 billion in economic assistance to states for higher education.**
- **We urged the Federal Reserve to extend the Main Street Lending Program to nonprofits/public institutions**
- **Endorsement of extended tax credits to public entities for extension of employee benefits**
- **Endorsement of aid for broadband extension**

## Other issues

- Higher Ed Act discussions on pause
- Visas suspended as of March 20<sup>th</sup>
- New Title IX rules could be released at any day

# SHEEO Emails

- We have a daily higher education policy email
- The latest reports, government documents, and news clippings
- Both state and federal policy
- Available at <https://sheeo.org/sheeo-newsletter-signups/>



# Questions?

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