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Colleges and Universities Will Immediately Receive More Than $6 Billion in Emergency Cash Grants for Students

April 9, 2020

Earlier today, U.S. Secretary of Education Betsy DeVos announced that colleges and universities will immediately receive part of the funding from the Higher Education Emergency Relief Fund authorized by the CARES Act. Secretary DeVos announced that the Department of Education will provide $6.28 billion in emergency cash grants for students directly to higher education institutions.

The emergency cash grants are to be distributed to students whose lives and educations have been disrupted by the COVID-19 pandemic. According to Secretary DeVos, colleges and universities must utilize the funds "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."

To access the funds, which are available today, colleges and universities must provide the Department of Education with a signed certification affirming that the institution will distribute the funds in accordance with applicable law. However, the institutions have the discretion to determine which students will receive the cash grants.

The Department has already created a list of the total allocations to be awarded to each college and university determined using a formula developed by the Department. Secretary DeVos also wrote a letter to college and university presidents with additional information on the funding.

Though the institutional share of the Higher Education Emergency Relief Fund has not been provided to colleges and universities yet, the Secretary indicated that colleges and universities will receive allocations and guidance for said share of the Fund in the coming weeks. The institutional share will be provided to colleges and universities to cover costs associated with significant changes to the delivery of instruction due to the coronavirus. However, the institutional share cannot be used to cover costs such as payment to contractors for the provision of pre-enrollment recruitment activities, endowments, or capital outlays associated with facilities related to athletics, sectarian instruction, or religious worship.

If you have questions regarding any aspects of higher education law and any implications the CARES Act will have on your college or university, feel free to contact Kevin P. McDonough at (516) 357-3787 or via email at kmcdonough@cullenllp.com, James G. Ryan at (516) 357-3750 or via email at jryan@cullenllp.com, Dina L. Vespia

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Practices

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