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|   | **Memo**  |
| **To:**  | President and Cabinet  |
| **From:**  | Emergency Financial Aid Work Group |
| **Date:**  | 2/5/2021 |
| **Title:**  | Cares Act Sub Committee- Student Disbursements  |
| **Purpose:**  | To provide the EFAWG's recommendation for HEERF II disbursement to students  |

# Background

Under the CARES ACT, section 18004(a)(1) authorized the Secretary of Education to allocate funds amounting to $550,694 to Central Penn College. Under section 18004(c) Central Penn must use no less than 50% ($275,347) of the funds to provide emergency financial aid grants to students for expenses related to the disruption of campus operations due to coronavirus (including eligible expenses under a student's cost of attendance such as food, housing, course materials, technology, health care, and child care). To date, the College disbursed 100% of the student portion and has $49,678 remaining in institutional aid.

The second round of HEERF funding (HEERF II) includes $417,567 in student grant funds and $0 in institutional aid. This round of funding does not have the same restrictions as the initial disbursement in that online students may also qualify and students may apply eligible funds directly to tuition. The Emergency Financial Aid Work Group (EFAWG) met to discuss an appropriate approach to ensuring that the College disburses these funds equitably to students based on need.

To address this charge, the EFAWG focused on the following areas:

* Establish specific criteria for student eligibility and eligible expenses.
* Recognizing the limited amount of funds available for the program ($417,567), establish a maximum award under the program that allows for the participation of a substantial number of students.
* Establish student cohorts with maximum disbursement amounts based on the student's Pell eligibility and registered credit load.
* Establish an application process for students who express an additional need.
* Establish a back-end reporting system to meet the reporting requirements of the government.

The next section provides an overview of the work group's focus areas.

# Establish Specific Criteria for Student Eligibility

The department of education (DOE) released guidance on student eligibility (Appendix A).

Students enrolled exclusively in distance education are now eligible, as are students whose Title IV eligibility is unknown. The DOE also relaxed the regulation on eligible expenses and now allows these funds to be used on tuition directly. The EFAWG recommends creating cohorts of students based on pell eligibility and credit load. For example, students who are eligible for pell and carry a full-time credit load receive the highest amount of aid. Like the first round of CARES Act funding, the group created three buckets\*. Bucket One: Pell-eligible students

* Result: 437 students (Winter)

Bucket Two: Non-Pell-eligible students

* Result 471 students (Winter) Bucket Three: Emergency Aid
* The EFAWG recognized that students in SG, AI, or LOA categories might be in their respective status due to COVID-19. The EFAWG also recognized that some students might have a higher need than others. These students may complete an application for emergency aid on a case-by-case basis.

# Disbursement Options

The EFAWG remained cognizant of the limited funding available while determining the fairest and most equitable emergency aid disbursement amount and process. After several discussions, the EFAWG recommends the following:

Disbursement process recommendation:

* Award each student emergency aid based on their disbursement eligibility amount.
* Require all eligible students to submit an acknowledgment form.

Disbursement amounts for Bucket 1 (Pell-eligible):

Pell-eligible students by credit load

Number of Students by Credit Load Award Amount Total

|  |  |  |
| --- | --- | --- |
| 8 (less than half-time)  | $300  | $2,400  |
| 175 (half-time)  | $500  | $87,500  |
| 157 (three-quarter time)  | $700  | $109,900  |
| 97 (full-time)  | $900  | $87,300  |
| 437 (total students)  |   | $287,100  |

Disbursement amounts for Bucket 2 (Non-pell-eligible):

Non-pell-eligible students by credit load

Number of Students by Credit Load Award Amount Total

|  |  |  |
| --- | --- | --- |
| 53 (less than half-time)  | $100  | $5,300  |
| 221 (half-time)  | $200  | $44,200  |
| 108 (three-quarter time)  | $300  | $32,400  |
| 89 (full-time)  | $400  | $35,600  |
| Total students: 471  |   | $117,500  |

Disbursement amount for Bucket 3:

* Approximately $13,000 remaining after the initial disbursement
* Disbursed upon application approval and amount Application Process for Bucket 3:

The EFAWG created the following proposed application process for students wishing to receive grant money. This application process is independent of the initial disbursement made to students.

First steps:

* Create an application in WuFoo
* Determine a dollar amount for each category (food, rent, technology, etc.)
* Send a communication to students, faculty, and staff announcing the availability of the funds o Include in the communication that applications are processed on a first-come, first served basis.

Process:

1. Applications route to the financial aid office for verification of eligibility
2. The financial aid office sends approved forms to the business office
3. Business office issues the check to the student

# Documenting Student Compliance

The College used the acknowledgment form process to document that it made students aware of the purpose of the funding and intends to follow the same process for HEERF II. This process follows the CECU recommendation that institutions create a form of attestation or award that explains the funding to the students (e.g., why the funds are available, how we determined eligibility, and what the funds are for). Having documentation that we made the student aware of the funds and what they can use the funds for help to protect the institution against inappropriate use of the funds on the student's part.

As part of the verification of compliance with accreditation related federal regulations, the

College has a policy surrounding identity verification. Since the Acknowledgement form links to the student's account in NEXUS, the College can ensure the students themselves made the acknowledgment using their secure login information. Once the student completes the task, the College releases the funds directly via a check cut from their student account (or applies them to the student's account for tuition, if selected). The student using their password-protected login information also substitutes the need for a wet signature.

Students who apply also attest that they understand the program via the application.

# Establish a Reporting System

The financial aid director continues to serve as the point person for reporting and intends to use the same system as the first round of CARES Act funding.

\*Note: The numbers provided in this memo represent the Winter 2021 term. The disbursement amounts and bucket sizes will change based on Spring registration.