

# Understanding Direct Student Emergency Aid Under the Coronavirus Response and Relief Supplemental Appropriations Act



Edquity is the first-ever emergency aid platform for colleges, aimed at helping to improve students' basic needs and financial security. To support students, including the 3 million who drop out every year due to a time-sensitive financial crisis, Edquity provides partner colleges with a branded mobile app and web platform where students can apply for and receive emergency cash grants in as little as 24 hours.

On January 14, 2021, the Department of Education released guidance to govern how institutions may access and deploy the approximately \$22 billion in emergency relief funding that has been made available through the Higher Education Emergency Relief Fund under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA).

Building on the \$6 billion in funding made available for direct student aid under the CARES Act, CRRSAA offers another major investment in student emergency aid -- one that presents a meaningful opportunity for institutions to support students who are struggling with basic needs challenges due to the pandemic, including the Black, Latinx, and Indigenous students who have been disproportionately affected, and help them avoid dropping out.

While there are many similarities under CRRSAA to how emergency aid was treated under the CARES Act, there are some slight, meaningful differences. To help institutions move quickly, equitably, and effectively to support students, Edquity has summarized some of these key considerations on the subsequent pages:

## CARES (HEERF I)

## CRRSAA (HEERF II)

### Required Spending

Institutions were required to spend 50% of their provided allocation on direct emergency aid to students. Available amounts are reported [here](#).

Institutions will receive more aggregate funding under HEERF II and are required to spend the same amount as they received under HEERF I on student expenses. This means that an institution that was required to spend \$3 million in direct student emergency aid under CARES must spend at least \$3 million under CRRSAA. While this treatment will make student allocation minimums less from a percentage standpoint in relation to CARES, institutions must still spend no less than previously mandated and can elect to direct additional funding towards student support.

### Allowable Expenses

Under CARES, allowable expenses included those "related to the disruption of campus operations due to coronavirus, such as food, housing, course materials, technology, health care, and child-care expenses."

Under CRRSAA, allowable expenses have been expanded to include those "for any component of the student's cost of attendance or for emergency costs that arise due to coronavirus, such as tuition, food, housing, health care (including mental health care) or child care." This characterization, while similar, would appear to offer far more flexibility in what expenses may be covered.

### Prioritization

Under CARES, there was a direction that "the Recipient...be mindful of each student's particular socioeconomic circumstances in the staging and administration of these grants"

The framing has changed slightly such that the recipient "must prioritize grants to students with exceptional need, such as students who receive Pell Grants. However, students do not need to be Pell recipients or students who are eligible for Pell grants in order to receive a financial aid grant."

### EFC Application

ED recommends utilization of Professional Judgement to exclude from EFC calculation  
"The Secretary does not consider these individual financial aid grants to constitute Federal financial aid under Title IV of the HEA."

No change



	CARES (HEERF I)	CRRSAA (HEERF II)
<b>Exclusively Distance Education Students</b>	Not eligible	Aid is included exclusively for these students and must be utilized for student expenses.
<b>Amount</b>	Maximum Pell Grant Award	No change
<b>Applied to Student Account</b>	No	No change
<b>Conditional on Future Enrollment</b>	No	No
<b>Funding Application Process</b>	Archived participation agreement is available <a href="#">here</a>	<p><a href="#">Grants.gov</a> (G5) will be utilized for distribution. Institutions that received HEERF I will complete a supplemental agreement. Institutions not receiving HEERF I will have to complete a full agreement.</p> <p><a href="#">Supplemental Agreement (Institutions that received HEERF I)</a></p> <p><a href="#">Agreement for Institutions not receiving HEERF I</a></p>
<b>Reporting</b>	“Recipient shall promptly comply with Section 18004(e) of the CARES Act and (i) report to the Secretary thirty (30) days from the date of this Certification and Agreement and every fortyfive (45) days thereafter”	Reports will be due no later than 6 months following the award. ED reserves the right to require additional or supplemental reporting.
<b>Institutional Portion</b>	<a href="#">See here</a>	<a href="#">See here</a>



## Looking ahead to distributing HEERF II

CRRSAA appears to offer greater flexibility to institutions relative to CARES in how this money can be allocated to students. With this in mind, institutions should prioritize equity and speed in how these dollars are ultimately distributed to students. Institutions should be mindful of the new requirement, however, to prioritize grants to students with exceptional need; many institutions made decisions around the CARES Act to offer uniform awards to all students, and such an approach would appear to run afoul of this new requirement.

As institutions look ahead to distributing their HEERF II emergency aid to students, Edquity stands ready to help. Edquity has proven itself a best-in-class solution to help institutional partners deliver federal funding fast and equitably to students, with an application, decisioning, and payments solution that allows students to access funding in as little as 24 hours. Moreover, as Edquity uses an evidence-based approach to assess “exceptional need,” Edquity is well positioned to help institutions optimize their dollars to prioritize equity and impact while also satisfying federal reporting requirements.

Read more about Edquity and how [we helped Dallas College get \\$5MM in CARES funding](#) to students in a way that otherwise would have required “30 staff members.”

*If your institution has unexpended HEERF I funding, this funding would now be subject to HEERF II regulations; however at least 50% of the HEERF I funding would still need to be utilized for student awards.*