

## SUMMARY OF CARES ACT FUNDING AND GUIDING PRINCIPLES

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted by Congress and signed by President Trump on March 27, 2020 to provide the much-needed funding to the nation as a result of the COVID-19 disruption. Approximately \$12.6 billion was designated for higher education institutions and of this amount, UCR was allocated \$29.7 million. This allocation was based on the number of Pell Grant students enrolled at the university. The CARES Act requires that at least 50% of this amount goes directly to students impacted by COVID-19.

Below are the final allocation amounts for all UC campuses that includes that minimum amount that should be used for emergency grants to go directly to students per the U.S. Department of Education [website](#). The entire list can be found at this [link](#).

University	Allocation	Min. Fin Aid
University Of California, Berkeley	\$30,440,627	\$15,220,314
University Of California, Davis	\$33,871,763	\$16,935,882
University Of California, Irvine	\$36,731,629	\$18,365,815
University Of California, Los Angeles	\$35,906,870	\$17,953,435
University Of California, Merced	\$13,037,897	\$6,518,949
University Of California, Riverside	\$29,734,626	\$14,867,313
University Of California, San Diego	\$34,889,769	\$17,444,885
University Of California, San Francisco	\$867,955	\$433,978
University Of California, Santa Barbara	\$25,204,196	\$12,602,098
University Of California, Santa Cruz	\$19,327,201	\$9,663,601
<b>TOTAL</b>	<b>\$260,012,533</b>	<b>\$130,006,270</b>

Using the guidance from the Department of Education (Dept. of Ed), the letter from Secretary DeVos, and guidance from UCOP (see Attachment A at the end of this document), here is UCR's proposal:

**University of California, Riverside**  
**CORONAVIRUS AID, RELIEF, and ECONOMIC SECURITY (CARES) ACT**  
**Proposed Planned Uses**

Total Non-Grants - Institutional Expenditures \$ 14,867,313

Unit	Description	Total	Projected Lost Revenues*	% of Lost Revenues
Parking	Lost Revenue - refunds to students	\$ 183,940	\$ 3,381,000	5.44%
Housing and Dining	Lost Revenue - refunds to students	\$ 14,683,373	\$ 23,000,000	63.84%
<b>TOTAL PROPOSED USES</b>		<b>\$ 14,867,313</b>	<b>\$ 26,381,000</b>	

\*This represents the lost revenue directly related to student refunds due to COVID-19 campus closures.

## CARES Act Guidance for the Institutional Portion of the Higher Education Emergency Relief Fund

*Note: This guidance from the UC Office of the President (UCOP) is dated June 5, 2020, and may be updated as additional guidelines or regulations are forthcoming from the Department of Education.*

### Background

The purpose of this document is to describe a subset of the higher education emergency fund options made possible by the recently enacted Coronavirus Aid, Relief, and Economic Security (CARES) Act. Specifically, this document describes funds authorized by [CARES Act](#) Section 18004(a)(1).

### Section 18004(a)(1): Higher Education Emergency Relief Fund - Institutional Portion

The CARES Act provides \$13.95 billion for the Higher Education Emergency Relief Fund (HEERF) under Section 18004. This Relief Fund is intended to address higher education challenges created by the COVID-19 pandemic.

Section 18004(a)(1) directly allocates 90 percent of this Relief Fund, or \$12.6 billion, to colleges and universities using an enrollment-based formula that favors institutions enrolling higher numbers of Pell Grant recipients. No less than 50 percent of the funds received under this section must be used to provide emergency financial aid grants to students. The U.S. Department of Education (DoED) prioritized this funding stream, and UC campuses submitted claims for this portion of their allocations in April 2020.

The remaining amount received by each campus under this section is referred to as the “Institutional Portion.” This portion may be used to defray institutional expenses, such as lost revenue and technology costs associated with the transition to distance education. Institutions must enter into the [Funding Certification and Agreement](#) for the student financial aid portion of this section before submitting the [Funding Certification and Agreement](#) for the Institutional Portion. The institutional costs covered by this funding must have been incurred on or after March 13, 2020, the date of the Proclamation of National Emergency.

Below are the UC campus shares of funds authorized by Section 18004(a)(1) of the CARES Act.

University	Allocation	Max. Inst. Aid
University of California, Berkeley	\$30,440,627	\$15,220,313
University of California, Davis	\$33,871,763	\$16,935,882
University of California, Irvine	\$36,731,629	\$18,365,815
University of California, Los Angeles	\$35,906,870	\$17,953,435
University of California, Merced	\$13,037,897	\$6,518,949
University of California, Riverside	\$29,734,626	\$14,867,313
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<b>TOTAL</b>	<b>\$260,012,533</b>	<b>\$130,006,269</b>

## University of California Guidance for Institutional Portion

Section 18004(c) of the CARES Act allows campuses to use up to one-half of the total funds received under Section 18004(a)(1) to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus.

DoED's guidance for the use of these funds is broad, providing campuses substantial discretion in determining how the institutional portion is to be spent. A [letter](#) from the Secretary of Education offers examples of how a campus might use these funds to continue providing instruction during the pandemic and to improve its position for continued learning in the future, including:

- expansion of remote learning programs,
- investment in IT capacity needs related to remote learning, and
- training for faculty and staff to operate effectively in a remote learning environment.

In addition, the letter confirms that campuses may use the Institutional Portion to reimburse themselves for refunds made to students on or after March 13, 2020, and to make additional emergency financial aid grants to students, provided that such grants are for expenses related to the disruption of campus operations due to the coronavirus. It is permissible for a campus to use the funds for institutional costs to reimburse itself for costs related to refunds made to students for housing, food, or other services that the campus could no longer provide, or for hardware, software, or internet connectivity that campuses may have purchased on behalf of students or provided to students.

### Funding Principles

*The following principles should underpin campus spending plans for funds from Section 18004(a)(1) of the CARES Act.*

- **Accessibility** – Campus plans should ensure that students can continue to make progress towards graduation despite the financial and other challenges created by the COVID-19 pandemic.
- **Transparency** – Campus plans should be made available to the campus community.
- **Consultation** – To the extent possible, Campus Budget Offices are requested to consult with other key leaders on campus, including campus Associated Students, as they develop their process and plans for allocating funds.
- **Inclusion of Off-Campus Programs** – Campus plans should consider providing support for systemwide off-campus programs, including the Education Abroad Program, UCDC, and UC Sacramento.

UCOP will help coordinate the sharing of information between campuses and with outside stakeholders. A [Box folder](#) has been created where campuses can share and view plans for the use of CARES Act funding.

## Accountability for Use of Funds

DoED encourages institutions to keep detailed records of how they are expending all funds received under the HEERF.<sup>1</sup> Though DoED is expected to provide further reporting instructions in the near future, campuses should be prepared to report the use of funds for institutional costs, accounting for the amount of reimbursements related to refunds made to students for housing, food, or other services that they could no longer provide, and describing any internal controls set in place to ensure that funds were used for allowable purposes and in accordance with cash management principles. To the greatest extent practicable, campuses should use the funds provided from the Institutional Portion of the HEERF by one year from the date of signing [the Funding Certification and Agreement](#).<sup>2</sup>

The Funding Certification and Agreement also requires campuses to comply with the reporting requirements under Section 15011(b)(2), which states that within 10 days of the end of each calendar quarter, each campus must submit a report to the Pandemic Response Accountability Committee<sup>3</sup> that contains the following:

- The total amount of funds received,
- the amount of funds received that were expended or obligated for each project or activity,
- a detailed list of all projects or activities that the funds were used for (including project name, description, and estimated number of jobs created or retained, where applicable), and
- detailed information on any level of subcontracts or subgrants awarded by the campus.

In addition, under Section 15011(b)(2), campuses must make the information listed above publicly available by posting the information on their primary website within 30 days of each calendar quarter.

The majority of funds will likely be used to supplement lost revenues associated with the COVID-19 pandemic. As such, the Vice Chancellor for Planning and Budget at each campus will be in the best position to administer funding in compliance with existing and forthcoming regulations.

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<sup>1</sup> “Frequently Asked Questions about the Institutional Portion of the Higher Education Emergency Relief Fund under Section 18004(a)(1) and 18004(c) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act,” U.S. Department of Education, available at <https://www2.ed.gov/about/offices/list/ope/caresact.html#ins>.

<sup>2</sup> “Recipient’s Funding Certification and Agreement for the Institutional Portion of the Higher Education Emergency Relief Fund Formula Grants Authorized by Section 18004(a)(1) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act,” U.S. Department of Education, available at <https://www2.ed.gov/about/offices/list/ope/heerfInstitutionalcertificationagreement42020v2.pdf>.

<sup>3</sup> Created by the CARES Act, the Pandemic Response Accountability Committee (PRAC) is composed of federal Offices of Inspector General. The PRAC will lead the efforts of the Committee of the Council of the Inspectors General on Integrity and Efficiency (CIGIE) to promote transparency and support and conduct oversight of the funds provided to address the pandemic response by the CARES Act and other related Acts. More information is available at <https://pandemic.oversight.gov/about>.