

## The CARES Act: What California Community Colleges Need to Know

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Last week Congress passed, and President Trump signed into law, the [Coronavirus Aid, Relief and Economic Security \(CARES\) Act](#), a \$2.2 trillion stimulus package intended to alleviate economic distress during the current Coronavirus pandemic and economic downturn. It is the largest stimulus package ever passed and it is worth roughly 10% of the United State's GDP.

The stimulus package primarily focuses on increasing unemployment benefits, providing direct aid to individuals and granting loans to distressed businesses. The appropriation touches on nearly every sector of the economy, including higher education. The legislation will provide **roughly \$14 billion for colleges and our students**, and provides some regulatory relief.

It should be noted that higher education advocates do not believe that this level of funding will be enough to adequately support our institutions and students during this time of crisis. **Community college advocates should expect to be ready to advocate for a fourth round of a stimulus package that will include an increased level of funding so our colleges can continue to educate our students.**

Below is a breakdown of parts of the federal stimulus package that are of interest to California Community Colleges. For questions, please do not hesitate to contact the League's Acting Director of Government Relations, Ryan McElhinney, at [ryan@ccleague.org](mailto:ryan@ccleague.org).

### Major Items: \$2.2 Trillion in Overall Funding

- \$500 billion in direct payments to individuals, up to \$1,200 for persons making less than \$75, 000. Will provide an additional \$500 per child.
- \$367 billion in forgivable bridge loans to small businesses.

- \$250 billion expansion of Unemployment Insurance:
  - Expands maximum unemployment benefit by \$600 a week for four months.
  - Extends the ability to qualify for unemployment benefits for gig workers, freelancers and furloughed workers.
  - Extend benefits by 13 weeks.
- \$150 billion to hospitals.
- \$150 billion for state and local governments.
- \$500 billion in loans to distressed companies

### **Education Funding: \$30 Billion Overall for Education**

- \$13.5 billion for K-12.
- \$3 billion for Governors to distribute with wide latitude on how they can use these funds.
- \$14.25 billion for Higher Education.

### **Higher Education Funding: Breakdown of \$14.25 Billion**

- Funding would go out to colleges based on a formula consisting of 75% number of Pell FTES and 25% FTES.
- Minority Serving Institutions will have \$1 billion reserved for them.
  - Will likely result in larger grants for those colleges.
- At least half of the funding would be required to be spent on direct emergency aid to students.
- Roughly \$7 billion for students, \$7 billion for institutions.
- \$300 million would go out in grants to colleges deeply impacted by the Coronavirus.

### **Regulatory Relief: More Flexibility When Delivering Financial Aid**

- Waiving institutional match requirements for Federal Work Study (FWS) and Supplemental Education Opportunity Grants (SEOG)
- Allows colleges to pay students via federal work study who are unable to attend school.
- Permits colleges to transfer FWS funds to SEOG.
- Colleges and students will not be liable for financial aid dollars under Return of Title IV provisions if a student is forced to withdraw due Coronavirus.