



Tuesday, May 12, 2020

I. The HEROES Act (Health and Economic Recovery Omnibus Emergency Solutions Act)

- **House Democrats introduce HEROES Act** – Today House Democrats unveiled a huge coronavirus relief bill, the Health and Economic Recovery Omnibus Emergency Solutions Act (HEROES Act), which includes funding and other policy provisions to help support education, among many other aspects of the response to the pandemic.
- **Links -**
 - [Text of H.R. 6800, The HEROES Act](#) (Health and Economic Recovery Omnibus Emergency Solutions Act)
 - A one-pager on the legislation is [here](#).
 - A section-by-section summary is [here](#) (this is 71 pages, and is incomplete).
 - A resource on the state and local relief provisions is [here](#).
- **Summary of key education-related provisions** – Following is my first take on the major education-related provisions of the bill, which is 1815 pages long. There are additional funds and provisions that would impact students and families, including for child nutrition, family and medical leave, and additional economic impact payments, among others. The bill includes \$915 billion in relief for states, localities, territories, and tribes that could go be used to support education. It provides another \$100.15 billion in direct funding for the Department of Education to give out as grants to states and specific institutions of higher education, with about \$58 billion for K-12 education and \$42 billion for higher education. There are additional specific allocations for child care and for museums and libraries, but nothing for Head Start (I find that omission surprising).

DIVISION A—CORONAVIRUS RECOVERY SUPPLEMENTAL APPROPRIATIONS ACT, 2020

Title III - Fiscal Relief for States, Localities, Territories, and Tribes, page 22

\$500 billion for states and the District of Columbia, with each state and DC getting \$2 billion (total of \$102 billion), \$150 billion allocated proportionately by population, \$49 billion allocated based on the relative prevalence of COVID-19, and \$199 billion based on the number of unemployed workers. Funds may be used to respond to the pandemic or to replace forgone revenue. These dollars -and the other fiscal relief funding in this section – could be used to support public education.

\$20 billion for territories

\$20 billion for tribal governments

\$375 billion for a Local Fiscal Relief Fund (page 27)

Department of Education

State Fiscal Stabilization Fund, page 88 –

\$90 billion available until September 30, 2022, to prevent, prepare for, and response to the virus. After some set asides, 65% of the remainder (about \$58 billion) would be distributed for K-12 education based on the Title I formula, and 30% of the remainder (about \$27 billion) would be used for public postsecondary education, with 75% of the higher education funding based on the number of Pell grant recipients not previously enrolled solely in distance education.

- **K-12** - State grants are to be used “to maintain or restore State and local fiscal support for elementary, secondary and postsecondary education” and for a variety of public health and education purposes (see pages 91 and 92).
- **Higher education** - Public institutions of higher education can use the funds to defray lost revenue, payroll costs, paying students’ costs associated with the pandemic, among other uses (see page 92), with a priority given to under-resourced institutions and those with a high burden due to the pandemic. Funds cannot be used to increase an institution’s endowment or for capital costs of facilities for athletics or religious worship.
- **Maintenance of effort** – States that apply for and receive this funding have to maintain their fiscal year 2019 percent of total spending on elementary, secondary, and postsecondary education for fiscal years 2020, 2021, and 2022 (page 93). State have to maintain K-12 spending at least at the average of the three previous years, with the same proviso for higher education except excluding capital projects, R&D, and student-paid tuition and fees.

Higher education, page 96 –

\$10.15 billion in addition to the \$27 billion from the State Fiscal Stabilization Fund is available through September 30, 2021 (one year less than the stabilization fund), with similar allowable uses as the higher education stabilization fund described above. The total includes:

- \$8.4 billion for institutions of higher education (page 100), with \$7 billion for private, non-profits and \$1.4 billion for institutions with unmet need relating to the coronavirus, including
- \$1.7 billion for HBCUs and Minority-Serving Institutions;
- \$11 million for the National Institute for the Deaf;
- \$20 million for Howard University; and
- \$11 million for Gallaudet University.

Clarification and amendments to the CARES Act on allowable uses of funds (page 103).

Child Care and Development Block Grant, page 75

\$7 billion to supplement, not supplant, other general revenue for child care assistance to low-income families.

Institute of Museum and Library Sciences, page 109

\$5 million available through September 30, 2021, for the office of museum and library services to prevent, prepare for, and respond to coronavirus, including grants to States, territories, tribes, museums, and libraries, to expand digital network access, purchase internet accessible devices, provide technical support services, and for operational expenses.

DIVISION K—COVID—19 HERO ACT

Title V—Forgiving Student Loan Debt and Protecting Student Borrowers, page 1045

Private student loan relief – Extends the CARES Act loan relief (no payments due, interest accruing, or collections through September 2021) to borrowers of private loans, with Treasury making up to \$10,000 in payments on behalf of each borrower, or, if the payments don't total \$10,000, paying the remainder up to \$10,000 (or the amount of total debt, if it is less) of the debt after September 2021, when payments resume.

Private loan holders that are paid through this section will provide the same income-based repayments as are available through the federal student loan program. (Division O, Title I, Subtitle C described below has federal loan relief provisions.)

DIVISION M – CONSUMER PROTECTION AND TELECOMMUNICATIONS PROVISIONS

TITLE II—E-rate Support for WI-FI Hotspots, other Equipment, and Connected Devices

During Emergency Periods Related to COVID-19, page 1177

\$5 billion for the Federal Communications Commission's (FCC) E-rate Program for schools and libraries to provide internet service in to students and teachers, prioritizing those without internet access at home.

DIVISION O – EDUCATION PROVISIONS AND OTHER PROGRAMS

Title I – Higher Education, page 1344

CARES Act amendments – clarifies some policy provisions in the CARES Act, and extends the Work-Study flexibility to pay student workers if they are not able to work this fall.

Subtitle B - Clarifies that aid emergency financial aid for pandemic relief is not counted as income, so does not affect eligibility for financial aid (page 1350). Students applying for or receiving unemployment insurance when they submit the FAFSA are treated as dislocated workers, with a simplified needs test or zero expected financial contribution (page 1352).

Institutional Stabilization Program – creates a new program with a variety of requirements for institutions with low liquidity to create teach-out programs to cover their students in case they close. Authorizes (but does not automatically provide) \$300 million for this section (page 1360).

Subtitle C—Federal Student Loan Relief. Expands CARES Act relief to all federal student loan borrowers, not just those in the Direct Loan program. Extends relief of payments, interest accrual, and collections through September 2021. Provides up to \$10,000 of debt relief, with no taxes due on the relief amount. Expands certain qualifications for public service loan forgiveness (starting on page 1383). Provides full student loan relief for defrauded borrowers whose institutions of higher education are found by the Department of Education to have false or misleading statements about credit transfers or guaranteed job placement (page 1418).

Title II – Other Programs, page 1442

Career Technical Education and Adult Education Flexibility – Provides legislative flexibility to allow some unspent funds to be maintained and to use funds for online adult learning, and allows entities to apply for some waivers.

Corporation for National and Community Service – technical correction to the CARES Act dealing with volunteers' stipends, and sets up a study on the feasibility of expanding the national service programs (page 1447).