



June 24, 2020

TO: THE DISTRICT BOARD OF TRUSTEES
OF VALENCIA COLLEGE

FROM: SANFORD C. SHUGART
President

RE: CARES ACT INSTITUTIONAL STABILITY FUNDS AND MINORITY SERVING
INSTITUTION FUNDS

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is recently enacted federal legislation which provides a variety of financial support opportunities to eligible individuals and businesses affected by the COVID-19 pandemic. The CARES Act established and funded the Higher Education Emergency Relief Fund (HEERF) to provide emergency funding to higher education institutions. A portion of each institution's HEERF allocation can be used for funding supporting efforts to institutional costs to help cover expenses related to the disruption of campus operations due to the COVID-19 crisis.

Valencia College will receive 3 grants totaling \$29.3 million from the U.S. Department of Education, provided under Sections 18004(a)(1), 18004 (a)(2) and 18004 (a)(3) of the CARES Act. Valencia has followed, and will follow, the requirements of the CARES Act, and the effective regulations, requirements, instructions and the evolving guidance provided by the U.S. Department of Education (ED), Federal Student Aid, the Certification and Agreement completed by Valencia, the April 21, 2020 letter of Secretary DeVos and related frequently asked questions. The law and remaining valid guidance provide institutions with significant discretion to develop their own systems and processes for determining how to allocate these funds.

Section 18004(a)(2) of the CARES Act (Institutional Stability Funds) allows Valencia College to use up to \$13.8M to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus. As prescribed in Secretary DeVos's letter, these grants should expand remote learning programs, build information technology capacity to support such programs, and train faculty and staff to operate effectively in a remote learning environment. Section 18004(a)(3) (Minority Serving Institution Funds) allows the use up to \$1.7M to defray prior expenses and lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff trainings, payroll. Ultimately, both grants should help ensure that learning continues for students during the recovery from the coronavirus pandemic, and strengthen support of continued and varied learning modalities in the future. The grant also provides opportunities to expand support to students as prescribed in Section 18004(a)(1) and the

College intends to use funds to support that aid. Any use of funds in these grants will follow the guidelines as outlined in the Valencia College Board of Trustees meeting on May 20, 2020 and attached to this transmittal memorandum.

All financial activities will utilize traditional transaction monitoring and financial reporting, and all expenditures will follow the customary and established procurement policies and procedures utilized by Valencia College. Valencia College's internal auditor can provide control assessments as directed by the Valencia College Board of Trustees and the college has and will be in consultation with outside counsel who are experts in federal funding matters such as presented here for informal and if necessary formal guidance. If formal guidance is deemed necessary and appropriate, the College will obtain a formal written legal opinion expressing counsel's determination of the College's compliance with the requirements of the law and related official guidance. Finally, CARES Act updates will be provided throughout the year to the District Board of Trustees.

RECOMMENDED ACTION:

The President recommends that the District Board of Trustees of Valencia College authorize the College to disburse CARES Act 18004(a)(2) institutional stability funds and 18004(a)(3) minority serving institution funds in accordance with the funds disbursement plan as presented, and that the Board further authorize the College to adjust the funds disbursement plan in a compliant manner as necessary or appropriate in the event new regulations or official guidance is issued with respect to CARES Act disbursements or to fulfill complete utilization of allowed funding in a compliant manner.



President



CARES Act

Board of Trustees – June 24, 2020

CARES Act

Section 18004 (a)(2)

Institutional Stability - \$13.8M

- a. Promote remote learning environment
- b. Information technology capacity
- c. Training of faculty and staff
- d. Grants to students under same rules as First Tranche (course materials, technology, health care, childcare, food and housing).

May use the funds received to cover any costs associated with significant changes to the delivery of instruction due to coronavirus

CARES Act

Section 18004 (a)(3)

Hispanic Serving Institution - \$1.7M

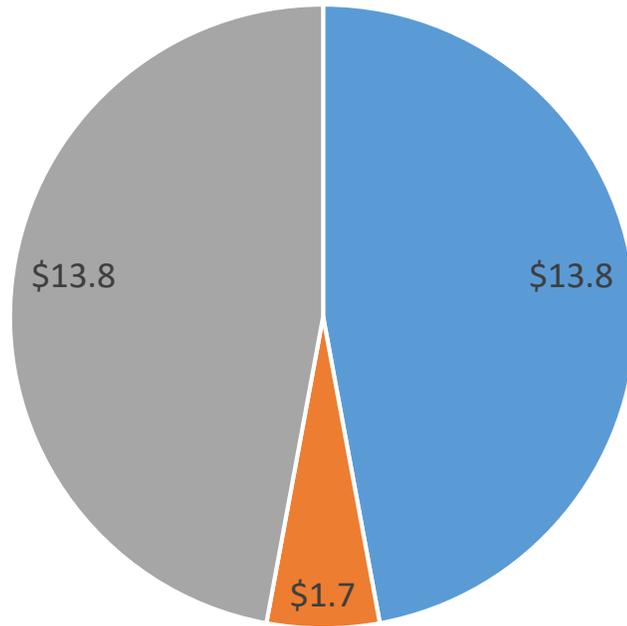
- a. Promotion of remote learning environment
- b. Revenue replacement
- c. Recovery of costs
- d. Student Grant options

Most flexible funding source

*May be used to **defray expenses** (including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff trainings, payroll)"*

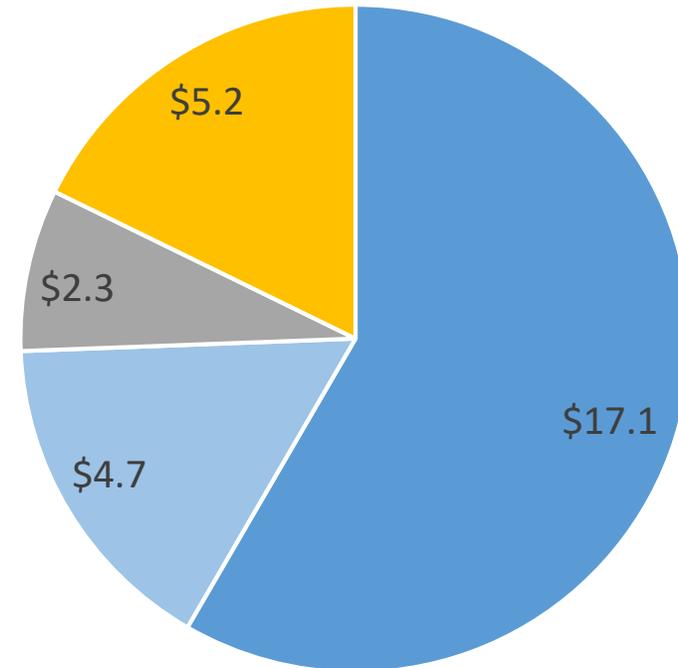
CARES Act Allocation and budget

CARES Allocation



- Tranche 1 - HEEFR - Student Aid
- Tranche 2 - HEERF - Institutional
- Tranche 3 - HIS

Budget



- Financial Aid
- Cost Recovery
- Revenue Recovery
- Improvements

CARES Act

Tentative Budget

Student Financial Aid \$17.1M

Revenue recovery / R20 \$2.3M

Cost Recovery

- a. Distance Learning Fee \$3.1M
- b. Computers for students \$0.6M
- c. Digital Professor \$0.4M
- d. Campus Stores \$0.2M
- e. Misc. \$0.2M
- f. Study Abroad Costs \$0.1M
- g. Zoom \$0.1M

Total Cost Recovery \$4.7M

Upgrades

- a. WI FI \$1.5M
- b. Move to Cloud \$2.0M
- c. Banner Upgrades \$1.4M
- d. Security \$0.3M

Total Upgrades \$5.2M

Total of the Grant \$29.3M

Amount Submitted to date: \$13.1M

Detail of total submitted

Student Financial Aid \$12.8M

Computers for students \$.3M



May 27, 2020

TO: THE DISTRICT BOARD OF TRUSTEES
OF VALENCIA COLLEGE

FROM: SANFORD C. SHUGART
President

RE: CARES ACT EMERGENCY STUDENT AID DISBURSEMENT PLAN

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is recently enacted federal legislation which provides a variety of financial support opportunities to eligible individuals and businesses affected by the COVID-19 pandemic. The CARES Act established and funded the Higher Education Emergency Relief Fund (HEERF) to provide emergency funding to higher education institutions. A portion of each institution's HEERF allocation must be directly awarded to students in the form of emergency financial aid grants to help cover expenses incurred that were related to the disruption of campus operations due to the COVID-19 crisis. Valencia College will receive a total of \$27.6 million from the U.S. Department of Education, provided under Section 18004(a)(1) of the CARES Act. Of that amount, at least 50% (or \$13.8 million) will be used for emergency student aid.

In designing the disbursement plan and in actually distributing these funds, Valencia has followed, and will follow, the requirements of the CARES Act, and the requirements, instructions and the evolving guidance provided by the U.S. Department of Education (ED), Federal Student Aid, the Certification and Agreement completed by Valencia, the April 9, 2020 letter of Secretary DeVos, and ED's April 21, 2020 Frequently Asked Questions document. Please note that ED's guidance shifted on May 21, when it suddenly and unexpectedly announced that its prior "[g]uidance documents represent the ED's current thinking on a topic. They do not create or confer any rights for or on any person and do not impose any requirements beyond those required under applicable law and regulations. Guidance documents lack the force and effect of law." The College adjusted its disbursement plan accordingly. The law and remaining valid guidance provide institutions with significant discretion to develop their own systems and processes for determining how to allocate these funds to students, subject to certain limitations on student eligibility and expense eligibility.

Accordingly, Valencia College presents its plan to distribute CARES Act emergency student aid funds for consideration by and approval of the District Board of Trustees:

Round One

On June 1, 2020, pending Board approval, the college will identify students who were registered in at least one course in Spring 2020 and/or are registered in at least one full-term, H1, or TWJ course in Summer 2020 (courses that started on May 4, 2020), who are classified as degree- or certificate-seeking, who have a valid 2019-20 FAFSA on file that successfully matches against citizenship databases, and who are not enrolled in an exclusively online program, as being eligible for CARES Act emergency student aid funds in Round One.

The college will send an email to such eligible students with information about how to access a CARES Act emergency grant aid application. The application will only be available to students eligible to receive CARES Act emergency aid, and will only be visible to students after they have logged into Atlas.

The CARES Act emergency aid application will ask such students to certify that they incurred expenses directly related to the disruption of campus operations related to COVID-19 and have need in at least one of the areas outlined in the CARES Act (food, housing, technology, health care, course materials, or childcare).

The due date for Round One applications is June 15, 2020. Disbursements of up to \$750 of emergency aid will be processed to students who submit a CARES Act emergency aid application. Aid will be delivered to students via the preferred method identified by students through BankMobile, Valencia's third-party provider used to process student disbursements.

Round Two

On July 1, 2020, the college will identify students who were registered in at least one course in Spring 2020 and/or are registered in at least one Summer 2020 course (any part of term), are classified as degree- or certificate-seeking, who have a valid 2019-20 FAFSA on file that successfully matches against citizenship databases, who are not enrolled in an exclusively online program, and who did not receive emergency grant aid in Round One, as being eligible for CARES Act emergency student aid in Round Two.

The college will send an email to such eligible students with information about how to access the CARES Act emergency aid application. The application will only be available to students eligible to receive CARES Act emergency aid in Round Two, and will only be visible to students after they have logged into Atlas.

The CARES Act emergency aid application will ask such students to certify that they incurred expenses directly related to the disruption of campus operations related to COVID-19 and have need in at least one of the areas outlined in the CARES Act (food, housing, technology, health care, course materials, or childcare).

The due date for Round Two applications is July 15, 2020. Disbursements of up to \$750 of emergency grant aid will be processed to students who submit a CARES Act emergency aid application. Aid will be delivered to students via the preferred method identified by students through BankMobile, Valencia's third-party provider used to process student disbursements.

Round Three

If CARES Act emergency student aid remains after Rounds One and Two, the college will implement a similar process for Round Three in Fall. Depending on funds available, the college may further restrict the eligible population of students (to those students who are enrolled in Fall 2020 but also were enrolled in Spring 2020, for example) or reduce the award amount.

Students Ineligible for CARES Act Aid

Degree-seeking students with emergency financial need who are not eligible for CARES Act emergency aid will be notified about the limited availability of local emergency aid from the Valencia Foundation and Financial Aid Fee scholarships.

The College’s plan as presented has been drafted in consultation with outside counsel, expert in federal funding matters such as presented here. The consulting attorneys will be providing Valencia with a formal written legal opinion expressing their agreement that the College’s plan is compliant with the requirements of the law and related official guidance.

RECOMMENDED ACTION:

The President recommends that the District Board of Trustees of Valencia College authorize the College to disburse CARES Act emergency student aid funds in accordance with the plan as presented, and that the Board further authorize the College to adjust the disbursement plan in a compliant manner as necessary or appropriate in the event new official guidance is issued with respect to CARES Act emergency student aid disbursements.



President