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DEPARTMENT OF EDUCATION
Technical Education Program

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EDUCATION STABILIZATION UNDER THE CARES ACT OF 2020: HIGHER EDUCATION EMERGENCY RELIEF FUND (HEERF) - EMERGENCY FINANCIAL AID GRANTS TO STUDENTS & PORTION OF FUNDS FOR INSTITUTIONS REPORTING REQUIREMENT – 4th UPDATE REPORT

Emergency Financial Aid Grants to Students

The Puerto Rico Department of Education (PRDE) received an award for Education Stabilization under the Coronavirus Aid, Relief and Economic Security Act of 2020 (CARES Act): Higher Education Emergency Relief Fund - Emergency Financial Aid Grants to Students on May 3rd, 2020 in the amount of **\$1,657,969.00**. This amount represents the 50% of the total amount of the authorized award that PRDE received for institutions of higher education under Section 18004(a)(1) of the CARES Act. These specific funds were awarded exclusively to provide Emergency Financial Aid Grants students for expenses related to the disruption of campus operations due to coronavirus.

On April 16, 2020, the PRDE signed and returned to the USDE the required Funding Certification and Agreement. In this document the PRDE assured the intention to use no less than 50 percent of the funds received under Section 18004(a)(1) of the CARES Act to provide Emergency Financial Aid Grants to students. Accordingly, all of the funds received under the *CARES ACT: Higher Education Emergency Relief Fund - Emergency Financial Aid Grants to Students* will be used for emergency financial aid grants to students (\$1,657,969.00). In addition, the agreement required the PRDE to comply with Section 18004(e) of the CARES Act by submitting an initial report (the “30-day Fund Report”) to the Secretary, thirty (30) days from the date of the institution’s Certification and Agreement to the Department. This report was updated by the PRDE every forty-five (45) days, as required also by Section 18004(e) of the CARES Act. However, the USDE recently published the new reporting requirements related to the CARES funds and established that reports from this program will be required on a quarterly basis. These must be published no later than 10 days after the end of a quarter and the next report is due on or before January 10, 2021 (which must include the expenses of the quarter from October 1 to December 31, 2020). Similarly, the USDE in its publication indicated that the previous published reports (30 and 45 days) must have included the expenses from the date the grant award was received until September 30, 2020.

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Since the previous report published by the PRDE covered the period from the date the grant award was received until September 23, 2020, the PRDE has made available the following information to update this report as of September 30, 2020, to comply with the requirements of the HEERF reporting and for the purpose of providing the fourth update to the first report prepared and published on May 15, 2020. The first update to this report was prepared and published on June 26, 2020. The second update to this report was prepared and published on August 10, 2020. The third update to this report was prepared and published on September 23, 2020.

Initially, the PRDE identified one thousand three hundred nineteen (1,319) students eligible to participate in programs under Section 484 of the Title IV of the Higher Education Act of 1965 and thus eligible to receive Emergency Financial Aid Grants to students under Section 18004(a)(1) of the CARES Act, following the eligibility specifications that govern this statute. However, the PRDE identified sixty-two (62) additional students for a total of one thousand three hundred eighty-one (1,381) eligible students.

The PRDE continued its efforts to identify students who may be eligible to participate in the program and two (2) additional students were identified, for a total of one thousand three hundred and eighty-three (1,383) eligible students. Since most of the funds from this grant had already been distributed among the 1,381 previously identified students, in order to make the payment to these 2 additional students for the same amount as the payments made to the other students, PRDE used an amount of \$1,631.00 from the second portion of the federal grant received (known as the Portion of Funds for Institutions), which is explained later in this report. The institutions provided to all eligible students the list of eligible expenses under a student's cost of attendance such as food, housing, course materials, technology, health care and childcare to provide guidance to students on the allowable uses of these funds.

Grants to students were issued in various rounds to the eligible participants. As of the date of this report, PRDE issued grant payments to one thousand three hundred and eighty-two (1,382) eligible students for a total disbursement amount of **\$1,658,400** (\$1,656,769 from this grant + \$1,631 from the institutional portion). These payments were issued through electronic transfers and checks through the PRDE Financial System.

At the moment, the PRDE continues in the process of issuing the last one (1) outstanding grant payment of this grant.

Under the payments that were made of this emergency financial aid (and the pending payment), each student received/will receive \$1,200 dollars. The criteria used to process eligible students' payments were the following:

1. Students should be eligible for the Pell Grant, regardless of whether they are using their scholarship.
2. Grant payments were distributed to students affected by the coronavirus COVID-19 emergency, and who were not exclusively enrolled in distance education courses prior to the emergency.
3. Students must have been active in any of the post-secondary institutes ascribed to the PRDE and comply with the following:

- a. Students are enrolled in one of PRDE’s institutions that have federal accreditation according to the Program Participation Agreement. Currently, only five (5) post-secondary institutes ascribed to the PRDE have the federal accreditation: four campuses of the Instituto Tecnológico de Puerto Rico (Guayama, Manatí, Ponce and San Juan campuses) and the Escuela de Troquelaría y Herramientaje.
 - b. An active student is defined as anyone who had an active enrollment at the time the COVID19 emergency was declared.
 - c. The student has complied with the distance education alternative established by the PRDE and with the public policy related to attendance.
 - d. The student is not a candidate for a total administrative withdrawal.
4. Other eligibility criteria that were considered to exclude students from receiving the award were:
- a. Student that have some debt with the USDE in Pell Grant, unpaid student loans, overpayment, among others (Default Codes: 2 – 8).
 - b. Students not registered with the selective military service.
 - c. Students that have not responded to V4 and V5 of the Verification audit.
5. One hundred ten (110) were excluded since they were ineligible to receive Pell Grant.

Portion of Funds for Institutions

The PRDE received the second portion (Portion of Funds for Institutions) of the federal award for Educational Stabilization under the Coronavirus Aid, Relief and Economic Security Act (CARES Act): Higher Education Emergency Relief Fund - Portion of Funds for Institutions in the amount of **\$1,657,968.00**. This amount represents the remaining 50% of the total award that PRDE received for institutions of higher education under Section 18004(a)(1) of the CARES Act. These specific funds were awarded to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus so long as such costs do not include payment to contractors for the provision of preenrollment recruitment activities, including marketing and advertising; endowments; or capital outlays associated with facilities related to athletics, sectarian instruction, or religious worship (collectively referred to as “Recipient’s Institutional Costs”). However, these funds may also be used to provide additional Emergency Financial Aid Grants to students for expenses related to the disruption of campus operations due to coronavirus (including eligible expenses under a student’s cost of attendance such as food, housing, course materials, technology, health care and childcare).

On May 7, 2020, the PRDE signed and submitted to the USDE the required Funding Certification and Agreement for this portion of the federal award. In this document the PRDE assured the intention to use up to 50 percent of the funds received under Section 18004(a)(1) of the CARES Act to cover any costs associated with institutional costs. However, as allowed by the CARES Act, the PRDE has determined to use all of the funds received under the **Portion of Funds for Institutions** award to provide additional emergency financial aid grants to students. These additional grants will be awarded to the students who were found eligible under the first portion of the Program (Emergency Financial Aid Grants to Students). Therefore, the PRDE will use the

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100% of the funds received under section 18004(a)(1) of the CARES Act will be used to provide emergency financial aid grants to students.

As mentioned above, a total of **\$1,631.00** was used from this portion to complete outstanding payments to the two (2) additional students identified as eligible to receive emergency financial aid grants. The remainder of the funds from this portion (**\$1,656,337.00**) were distributed equally among the total previously identified eligible students (1,383) for an approximate total per student of \$1,197.64. As of the date of this report, all of these payments were issued successfully for a total amount disbursed of **\$1,657,967.12** ($\$1,197.64 \times 1,383 \text{ students} + \$1,631.00$). After these disbursements were issued, this portion of the grant reflects a remaining balance of \$0.88.

In addition, the institutions provided to all eligible students the list of eligible expenses under a student's cost of attendance such as food, housing, course materials, technology, health care and childcare to provide guidance to students on the allowable uses of these funds. At the moment, the PRDE is in the process of issuing the grant payments corresponding to this portion.

The same criteria used to process payments for students eligible to receive the first portion of the federal award were used to distribute this portion.

The USDE recently published the new reporting requirements related to the CARES funds and established that reports from this program will be required on a quarterly basis. These must be published no later than 10 days after the end of a quarter and the next report is due on or before October 30, 2020 (which must cover expenses from the date the grant award was received until September 30, 2020). PRDE prepared and published this report on October 21, 2020. Since PRDE expended all of the funds received from this program, the "Final Report?" box was marked in the report and according to the reporting requirements established by the USDE, no additional reports will be required from this grant.

For questions or concerns, please send us an email to incentivocares@itec.pr. These will be answered as soon as possible.