

Coronavirus Aid, Relief, and Economic Security (CARES) Act

Higher Education Emergency Relief Fund (HEERF)

Fast Facts:

- **Not Title IV Aid, but Title IV Eligibility is Required:** While HEERF-student share dollars are not considered part of a student's Title IV financial aid, the U.S. Department of Education's (ED) final rule (published June 17) states that students must meet Title IV eligibility requirements in order to receive HEERF emergency grants.
- **Expense v. Need:** The guidance from the U.S. Department of Education states that HEERF-student share dollars are to aid students for *expenses* related to the disruption of campus operations due to the coronavirus; this is different than a change in a student's *financial need* due to COVID-19, which could be a result of a loss of income rather than new or continuing expenses.
- **Direct to Students:** Institutions must pay HEERF-student share emergency grants directly to students and may not apply the grants toward outstanding institutional charges.

Title IV Eligibility:

What eligibility criteria are in section 484 of the Higher Education Act (HEA)?

A: Section 484 of the HEA states that Title IV eligible students must:

- Be enrolled or accepted for enrollment in a degree or certificate program.
- Not be enrolled in elementary or secondary school.
- For currently enrolled students, be making satisfactory academic progress.
- Not owe an overpayment on Title IV grants or loans.
- Not be in default on a Title IV loan.
- File "as part of the original financial aid application process" a certification that includes:
 - a. A statement of educational purpose.
 - b. Student's SSN.
- Be a U.S. citizen or national, permanent resident, or other eligible noncitizen.
- Have returned fraudulently obtained Title IV funds if convicted of or pled guilty or no contest to charges.
- Not have fraudulently received Title IV loans in excess of annual or aggregate limits.
- Have repaid Title IV loan amounts in excess of annual or aggregate limits if obtained inadvertently.
- Have Selective Service registration verified.
- Have Social Security Number verified.
- Not have a federal or state conviction for drug possession or sale, with certain time limitations.

Determining Title IV Eligibility:

Does an institution have to have a student's Free Application for Federal Student Aid (FAFSA) on file in order to disburse HEERF-student allocated funds to students?

While ED's guidance does not require a FAFSA, having one on file would be the only practicable way for an institution to determine that a student is eligible to participate in the Title IV programs and meet all of applicable student eligibility requirements. Without having a FAFSA on file, schools would need to verify that a student meets the Title IV eligibility criteria. In its [HEERF FAQ document](#), ED states the following: "The criteria to participate in programs under Section 484 of the [Higher Education Act (HEA)] include but are not limited to the following - U.S. citizenship or eligible noncitizen; a valid Social Security number; registration with Selective Service (if the student is male); and a high school diploma, GED, or completion of high school in an approved homeschool setting." Beyond this guidance, a school will need to make its own decisions on how to document if a student is or could be Title IV-eligible when awarding HEERF grants to students.

The University of Texas Health Science Center – Houston (UTHealth) – Statement of policies and procedures adopted for the distribution of CARES Act (HEERF) student allocated funds:

The Secretary of Education's CARES Act letter dated April 9, 2020 states "of the amount allocated to each institution under this formula, at least 50 percent must be reserved to provide students with emergency financial aid grants to help cover expenses related to the disruption of campus operations due to coronavirus. We are prioritizing this funding stream in order to get money in the hands of students in need as quickly as possible." The Secretary of Education also stated, "I would like to encourage the leadership of each institution to prioritize your students with the greatest need, but at the same time consider establishing a maximum funding threshold for each student to ensure that these funds are distributed as widely as possible."

The letter further asserts, "the CARES Act provides institutions with significant discretion on how to award this emergency assistance to students. This means that each institution may develop its own system and process for determining how to allocate these funds, which may include distributing the funds to all students or only to students who demonstrate significant need."

UTHealth took the aforementioned guidelines as suggested by the U.S. Department of Education, and with input and consideration from each of our six schools and UTHealth's executive leadership, adopted the following Phases and conditions when distributing CARES ACT HEERF student allocated funds:

Phase I:

CARES Act HEERF emergency financial aid grants were distributed to a specific cohort of students who were immediately impacted by the disruption of campus operations:

- a. During phase I, HEERF funded emergency financial aid grants were awarded to students enrolled in and scheduled to graduate in the Spring 2020 term and whose graduation was delayed due to the postponement of required clinical rotations and/or practicum experiences as a result of the disruption to University operations due to coronavirus.
- b. Students that received the HEERF funded emergency financial aid grants in Phase I were required to complete an application in which each respective school reviewed and verified the accuracy of each student's conditionally required graduation and clinical/practicum completion status. Upon validation and approval of the applications by the various schools, the office of Student Financial Services released the awards for disbursement.
- c. If not already on file with the University, students were also required to complete a Free Application for Federal Student Aid (FAFSA) to determine Title IV eligibility.
- d. HEERF funded financial aid emergency grants during Phase I were paid directly to students via direct deposit (*students must register for direct deposit*) or check.

Phase II:

Phase II of the CARES Act (HEERF) funded student allocated funds distribution is presently active and emergency financial aid grants are being distributed to all currently enrolled students who meet the criteria of demonstrating “significant need”, as determined by the Department of Education’s federal need analysis formula (Note - the current continuance of the distribution of funds is solely based upon funds availability):

- a. Phase II of UTHSC-H’s distribution of HEERF student allocated funds is being awarded to all PELL grant recipients and currently enrolled students who have a FAFSA on file with the institution, are Title IV eligible, and have an **“effective family contribution”** (EFC) of **zero**. No additional application process is required for students to qualify for the Phase II distributions of the CARES Act (HEERF) student allocated funds.
- b. HEERF funded financial aid emergency grants during Phase II are being paid directly to students via direct deposit (*students must register for direct deposit*) or check.

Impact at UTHealth

As required by the U.S. Department of Education, this section will be updated periodically as disbursements are made to support students at UTHealth.

The total amount of emergency grants distributed to students under section 18004(a)(1) of the CARES Act is \$997,852* in CARES Act (HEERF) emergency financial aid grants to 1,413* students enrolled across UTHealth’s six schools.

**Updated as of October 29, 2020*