



BEYOND THE FOOD PANTRY:

Maximizing the Impact of CARES Emergency Aid Funds for Students

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Through the Higher Education Emergency Relief Fund created in the [CARES Act](#), the federal government is providing \$6.28 billion of aid to institutions of higher education in order to provide direct, emergency aid grants to students impacted by the COVID-19 pandemic. According to an April 9th, 2020 [press release](#) from the Department of Education:

“Colleges and universities are required to utilize the \$6.28 billion made available today to provide cash grants to students for expenses related to disruptions to their educations due to the COVID-19 outbreak, including things like course materials and technology as well as food, housing, health care, and childcare. In order to access the funds, the Department must receive a signed certification from the higher education institution affirming they will distribute the funds in accordance with applicable law. The college or university will then determine which students will receive the cash grants.”

Institutions of higher education, therefore, have a great deal of leeway and flexibility to allocate these funds. While many institutions already maintain and operate emergency grant programs, this large influx of one-time federal funding and the magnitude of the pandemic mean many institutions will find themselves in uncharted territory. Tough choices will need to be made as students’ financial needs will exceed available funds. Adjustments will have to be made to process the dollars efficiently and effectively. Institutional leaders will need to rely on their expertise and sound judgement to determine how best to make these awards.

Earlier this month we issued recommendations for [emergency grant programs](#) that use philanthropic and/or institutional dollars, however we believe distributing the CARES dollars effectively requires some additional considerations.

The Need is Substantial and Ongoing

Most importantly, institutions must consider that the CARES dollars for emergency assistance are limited and the pandemic is ongoing. They should be used to address students’ critical needs, but those needs may not be evidenced merely in the short-term. Thus, while it might be easiest to simply cut checks to all students in universal fashion, it is not likely that this approach will maximize the impact of the dollars. Nor will it enhance equity; a student identified as qualified for support in late May is not necessarily facing more need than one identified as qualified in August. In fact, students who apply for support earlier are often those already-advantaged by [“college knowledge.”](#)

Rationing is Unfortunate but Required

It is therefore important to use some sort of assessment and rationing mechanism to spread the dollars across time and target them to students who will most benefit from them. But the standard approach to means-testing in higher education, using FAFSA data, is unlikely to work. Given widespread job losses, and differential access to public benefits programs not considered by the FAFSA, the data on a student's current FAFSA may not be useful for assessing their needs at this point. For example, a Pell-eligible student may face fewer financial challenges right now because they were also using SNAP before the pandemic hit, giving them access to off-campus food, whereas a non-Pell eligible student reliant on the campus cafeteria may be dealing with a family financial crisis and have no knowledge of how to connect to SNAP.

Critically, the CARES Act clarifies that **students are not required to file a FAFSA** to receive support. These funds are not Title IV financial aid. They do not have to be distributed by a financial aid office but could be distributed by another part of the institution.

Hardships and Basic Needs Insecurity Must Be Assessed

However, the funds are explicitly meant to address financial needs. These include everything in the full cost of attendance. Food, housing, course materials, technology, health care, and child-care expenses are all named in the guidance. In addition, the funds are meant to be “used to cover expenses related to the disruption of campus operations due to coronavirus.” While this clearly means that they are not meant to address expenses that existed before the pandemic, it does appear they can be used to address expenses *exacerbated* by the pandemic.

This leaves institutions with several options for deciding which students to prioritize for support:

- An independent complex application process to gather students' current financial circumstances. This is inadvisable, as it will create administrative hassles that keep many students from the support they badly need.
- An application asking students to check off the problems they have faced due to the pandemic. This may be a common approach but it is likely that some students will be unsure whether or not their problem was caused by the pandemic, and miss out on support (consider whether a student who was homeless before the pandemic would say he was affected by the campus closure). Others may be inclined to indicate problems they do not have in order to qualify for support.
- An application that assesses whether the student is facing conditions or circumstances that make campus supports important and closures due to the pandemic especially problematic. This is our preferred option. [#RealCollege surveys](#) and a wide body of research provide insights into what could be assessed and prioritized. Consider which students are enduring food or housing insecurity, or have children, are from minoritized communities, or are LGBTQIA or system-impacted. The application used by [Edquity](#) is an excellent example.

Optimize for Equity and Fairness

Even after prioritization occurs, institutions will likely need to ration the funds to ensure that they do not run out too quickly. Institutions must use the CARE funds “promptly.” But this does not mean they must be used immediately. Rather, the funds must be fully disbursed **and** reported on within one year of receipt from ED. Here are ways to maximize the impact of the funds while optimizing for equity and fairness:

- Distribute different amounts of funds to different students based on their conditions or circumstances. This is allowed but there is some suggestion in ED’s guidance that no individual award should exceed the maximum Pell Grant (\$6,195 for 2019-20).
- Divide the pool of funds across a designated period of time (say, 3/6/9 months).
- Prioritize and randomize when the supply of funds is inadequate to serve all similarly prioritized people. In recommendations for the treatment of Covid-19 patients, the [New England Journal of Medicine](#) states “In the face of time pressure and limited information, random selection is preferable to trying to make finer-grained prognostic judgments within a group of roughly similar patients.” Do not rely on first-come, first-served as a proxy for randomization, since it will likely exacerbate existing financial and educational inequities.

Collaborate and Advocate

The clear need for additional funds at some of the most critical institutions should be recognized. The formula in the CARES Act used to determine the amount of support an IHE receives is primarily based on full-time equivalent (FTE) Pell and non-Pell enrollment. The use of [FTE rather than headcount](#) disadvantages institutions with larger numbers of part-time students, and hits community colleges especially hard given that they were already inadequately funded. While part-time students engage in fewer hours of instruction, they use campus services (i.e. access to computers, advising, campus food pantries, etc.) just as full-time students do. They also [face similar living expenses](#), and while they may in theory have more time to work, during the pandemic they are just as likely to face job losses.

For this and other reasons, many institutions may find their students’ needs outstrip the CARES funding. However, other institutions may find that they have more than sufficient funds. Per ED’s guidance, IHEs should “provide funds to other institution(s) within their state (or region) if their allocated funds exceed their students’ needs.” We urge four-year colleges and universities to support their transfer partners to create greater stabilization impacts for students.

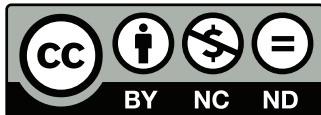
The impact of these dollars should be assessed and widely reported. Institutions should engage partners to help evaluate and document the effects on students, and use the results to push Congress for additional support.

Notes

¹ Financial disclosure: In addition to serving as Founding Director of the Hope Center, Dr. Goldrick-Rab also created the FAST Fund, a faculty-run emergency aid program operated by the nonprofit Believe in Students, and she is Chief Strategy Officer at Edquity, a private company also distributing emergency aid. Edquity's approach to emergency aid uses an algorithm that Dr. Goldrick-Rab developed based on her research. She is a paid consultant and holds stock in the company.

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