

Under the current unprecedented national health emergency, Congress and the President have come together to offer relief to those individuals and industries affected by the COVID-19 virus under the Coronavirus Aid, Relief, and Economic Security Act or the CARES Act, Pub. L. No. 116-136 (March 27, 2020) .

Section 18004 of the Act authorizes the Secretary of Education (“Secretary”) to allocate grant funds to institutions of higher education (IHEs). It requires the IHEs to use no less than fifty percent of the funds received to provide 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 child care

While the CARES Act does not provide a definition of the term “student,” we have interpreted the term “student” in the context of “grants to students” in section 18004 of the CARES Act to be limited to those individuals who are or could be eligible under Section 484 of the Higher Education Act of 1965, as amended (HEA). By applying this definition, IHEs will be required to establish or modify processes to ensure student eligibility for the funds allotted to them under the CARES Act. Additionally, there will be burden to students who wish to apply for the funds being made available, if they have not already established title IV eligibility (which is typically established by submitting the FAFSA® and receiving a valid SAR.

This is a new information collection. There is no form. While some institutions will request a student file the FAFSA®, we believe some institutions will establish an automated institutional application requesting information from students for whom it does not already have evidence of title IV eligibility with the required statement of information to determine eligibility for COVID-19 assistance. For students who knowingly misrepresent the truth in their attestation, the institution may take disciplinary action against the student or require repayment of the emergency grant.

We estimate that each institution that received an allocation would require five hours to set up any new institutional application or other process, to review students requests, and establish review and recordkeeping procedures to be able to comply with the separate reporting requirements in the Certification and Agreement between the institutions and the Secretary. The total burden to all institutions receiving an allocation of funds is 25,680 hours (5,136 institutions x 5 hours).

Using the unique number of title IV aid recipients 10,319,154 (both Federal grant and Federal student loan) for the Award Year 2019-2020 we estimate that 15 percent, or 1,547,873, of those recipients will request additional aid from their institution based on changed circumstances due to the coronavirus. We estimate approximately 20 minutes per student to complete the institutional application request for additional aid to be submitted to their institution for a total of 510,798 hours (.3317 hours x 1,547,873 students).

Estimated Annual Burden and Respondent Costs Table

| Information Activity or IC (with type of respondent) | Number of Respondents | Number of Responses | Average Burden Hours per Response | Total Annual Burden Hours | Estimated Respondent Average Hourly Wage | Total Annual Costs (hourly wage x total burden hours) |
|---|--------------------------|------------------------|--|------------------------------------|--|--|
| Individual | 1,547,873 | 1,547,873 | .33 hours | 510,798 | \$17.89 | \$9,138,176 |
| For-Profit Institution | 1,641 | 1,641 | 5 hours | 8,205 | \$45.87 | \$378,657 |
| Private Institution | 1,651 | 1,651 | 5 hours | 8,255 | \$45.87 | \$376,363 |
| Public Institution | 1,844 | 1,844 | 5 hours | 9,220 | \$45.87 | \$422,921 |
| Annualized Totals | 1,553,009 | 1,553,009 | | 536,478 | | \$10,316,117 |