

President's Budget Advisory Committee

Meeting Agenda

May 21, 2020

Via Zoom Call

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I. Call to order

- Call for amendments to agenda

II. Information Item

- 2020/21 Budget Update – [May Revise](#)
- 2020/21 PBAC Proposals
- Enrollment Update
- CARES Act Funding (Attachment 1)
 - [CARES Act CSU Guidance – Institutional Portion](#)

III. Reports

- None

IV. Watch List

- COVID-19
- Graduation Initiative 2025
- IT Governance
- Infrastructure (electrical/steam)
- Mission Valley

V. New Business

VI. Reminder

- **Next Meeting Date – May 28, 2020 at 2:00 p.m. via Zoom call**



Current Status: *Active*

PolicyStat ID: 7994932



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Last Revised: 4/30/2020
Owner: *Mary Ek: Asst VC/Controller*
Area: *Business and Finance*
Codes: *COVID-19*

CARES Act Higher Education Emergency Relief Fund-Institutional Portion

Summary

This document provides guidance to campuses on use of federal funds under the CARES Act, Higher Education Emergency Relief Fund - Institutional Portion.

Allowable Uses

Pursuant to H.R. 748 (CARES Act), section 18004(c), CSU campuses may use monies to cover costs incurred associated with significant changes to the delivery of instruction due to the coronavirus. Costs must be incurred on or after March 13, 2020 to be eligible.

Examples of allowable uses permitted under the broad institutional authority granted by the CARES Act include lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff trainings, payroll costs, and emergency financial aid grants to students for their expenses.

Section 18006 of the CARES Act provides further guidance regarding the use of monies provided under by act, stating that institutions of higher education shall to the greatest extent practicable continue to pay its employees and contractors (e.g. auxiliary organizations) during the period of any disruptions or closures related to coronavirus.

Non-Allowable Uses

Costs incurred by separate 501(c)(3) CSU auxiliary organizations may not be paid with Higher Education Emergency Relief Funds except in connection with a contract for services or other agreement with the university, such as a lease. In these cases, the cost incurred by the university to pay the auxiliary organization pursuant to a contract or other agreement may be allowable if it arises from significant changes to the delivery of instruction due to the coronavirus. Please review the attached examples for additional information.

Section 18004(c) also specifically prohibit the use of Higher Education Emergency Relief Funds to pay costs for:

- a. payments to contractors for the provision of pre-enrollment recruitment activities;
- b. endowments; or
- c. capital outlays associated with facilities related to athletics, sectarian instruction, or religious worship.

Additionally, Department of Education guidance does not allow expenditures from the Higher Education Emergency Relief Fund for "senior administrator and/or executive salaries, benefits, bonuses, contracts, incentives; stock buybacks, shareholder dividends, capital distributions, and stock options; and any other cash or other benefit for a senior administrator or executive."

Applying for CARES Act Funding

Institutions of Higher Education are eligible to apply for and receive funding under the CARES Act Higher Education Emergency Relief Fund. The CARES Act defines an Institution of Higher Education as an "educational institution in any State that--

- A. admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate;
- B. is legally authorized within such State to provide a program of education beyond secondary education;
- C. provides an educational program for which the institution awards a bachelor's degree or provides not less than a 2-year program that is acceptable for full credit toward such a degree;
- D. is a public or other nonprofit institution; and
- E. is accredited by a nationally recognized accrediting agency or association, or if not so accredited, is an institution that has been granted preaccreditation status by such an agency or association that has been recognized by the Secretary for the granting of preaccreditation status, and the Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time."

For purposes of the CARES Act, each campus of the California State University is an "Institution of Higher Education" and applications for CARES Act funding should be made on behalf of the campus.

Grants.gov is the mechanism used by the federal government to receive applications and related documentation, and disburse funds provided by the CARES Act to eligible institutions. All campuses, either through an auxiliary or as the campus, have established Grants.gov accounts in the past and used this mechanism to manage other federal grants unrelated to the CARES Act. Each Grants.gov account can have multiple profiles and most often, one profile is created for the auxiliary organization and one for the campus. Each Grants.gov profile is associated with a unique Dun & Bradstreet "DUNS" identification number.

Campus must apply for CARES Act Higher Education Emergency Relief Fund - Institutional Portion using the correct Grants.gov profile and associated campus DUNS identification number used to apply for CARES Act Higher Education Emergency Relief Fund - Student Aid funding. Campuses must verify that the application for CARES Act Student Aid funding was made using the correct campus profile and campus DUNS number prior to completing the second application for CARES Act Higher Education Emergency Relief Fund - Institutional Portion.

Reporting the Use of CARES Act Funding

Section 18004(e) of the Cares Act requires that institutions receiving funds "shall submit a report to the Secretary, at such time and in such manner as the Secretary may require, that describes the use of funds provided under this section."

Given that the reporting requirements have not yet been established, campuses should carefully and thoroughly document the use of these funds to ensure that the use is allowable under provisions of the Cares Act.

Additionally, because Higher Education Emergency Relief Fund monies will very likely be audited and reported under the Single Audit Act and according to Office of Management and Budget Uniform Guidance (2 CFR 200), detailed documentation will be required and should be prepared by each campus in advance of use.

The attached examples are provided to assist campuses in the preparation of documentation to substantiate the use of Higher Education Emergency Relief Fund monies. Specific information applicable to each campus use should be documented at the time the monies are used.

Authority

This document is issued pursuant to [Section II of the Standing Orders of the Board of Trustees of the California State University](#), and as further delegated by the [Standing Delegations of Administrative Authority](#). This document provides guidance regarding the implementation of [H.R.748](#) the Coronavirus Aid, Relief, and Economic Security Act and the related [Frequently Asked Questions](#) published by the U.S. Department of Education Office of Postsecondary Education.

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Example 1

Date:	[Date of use but not earlier than March 13, 2020]
Use:	Pay salaries of employees supporting on-campus, state-operated student housing programs.
Rationale:	<p>[CAMPUS NAME] implemented significant changes to the delivery of instruction due to the coronavirus and as part of these changes, on-campus student housing was vacated. This action was taken in response to the following: On March 13, 2020 the President issued the Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak declared a national emergency effective March 1, 2020.</p> <ul style="list-style-type: none"> • On March 2, 2020, the Governor of California issued Executive Order N-27-20 dated, resulting in statewide guidelines from the California Department of Public Health. • On March 4, 2020 the Governor of California issued Executive Order N-33-20 declaring a state of emergency and ordering all individuals to stay home or at their place of residence to protect the public health. • The President of [CAMPUS] issued [CAMPUS POLICY, DIRECTIVE, GUIDANCE].
Costs:	<p>XX individuals vacated on-campus student housing as of XX date which was prior to the end of their license period, resulting in lost revenue totaling \$X,XXX,XXX. Of this amount, \$X,XXX,XXX was reimbursed from Higher Education Emergency Relief Funds and used to pay XX employees during the period of disruption related to coronavirus.</p>
Document:	Copies of terminated license agreements, records of refund reimbursements, system and campus policies regarding refunds or early termination of license agreements and procedures for payment of refunds, campus directives regarding vacating student housing.

Example 2

Date:	[Date of use but not earlier than March 13, 2020]
Use:	Purchase technology equipment for use by enrolled students.
Rationale:	<p>[CAMPUS NAME] implemented significant changes to the delivery of instruction due to the coronavirus and as part of these changes, XX% of courses taught in-person were transitioned to on-line modalities, which required significant additional investment investments in equipment, software, licensing fees, and Internet service. This action was taken in response to the following:</p> <ul style="list-style-type: none"> • On March 13, 2020 the President issued the Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak declared a national emergency effective March 1, 2020. • On March 2, 2020, the Governor of California issued Executive Order N-27-20 dated, resulting in statewide guidelines from the California Department of Public Health. • On March 4, 2020 the Governor of California issued Executive Order N-33-20 declaring a state of emergency and ordering all individuals to stay home or at their place of residence to protect the public health. • The President of [CAMPUS] issued [CAMPUS POLICY, DIRECTIVE, GUIDANCE].
Costs:	[CAMPUS NAME] distributed X,XXX computers previously acquired for use on campus to students for use at home to enable participation in remote learning courses, which began on [ENTER DATE ON OR AFTER MARCH 13, 2020]. The cost of these computers was \$XX,XXX when purchased on [ENTER DATE ON OR AFTER MARCH 13, 2020] and \$XX,XXX of the Higher Education Emergency Relief Funds was used to reimburse the campus for the acquisition cost.
Document:	Purchase orders and contracts documenting the cost of equipment, invoices paid, student use agreements, and property inventory records.

Example 3

Date:	[Date of use but not earlier than March 13, 2020]
Use:	Pay costs pursuant to an agreement with [CAMPUS AUXILIARY.]
Rationale:	<p>[CAMPUS NAME] implemented significant changes to the delivery of instruction due to the coronavirus and as part of these changes, XX% of courses taught in-person were transitioned to on-line modalities and non-essential campus buildings, including the student recreation center, were closed. This action was taken in response to the following:</p> <ul style="list-style-type: none"> • On March 13, 2020 the President issued the Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak declared a national emergency effective March 1, 2020. • On March 2, 2020, the Governor of California issued Executive Order N-27-20 dated, resulting in statewide guidelines from the California Department of Public Health. • On March 4, 2020 the Governor of California issued Executive Order N-33-20 declaring a state of emergency and ordering all individuals to stay home or at their place of residence to protect the public health. • The President of [CAMPUS] issued [CAMPUS POLICY, DIRECTIVE, GUIDANCE].
Costs:	[CAMPUS NAME] contracts with [CAMPUS AUXILIARY] to operate the student recreation center and [CAMPUS NAME] pays costs associated with operating the facility pursuant to an operating agreement, including salaries for XX employees. As a result of the decline in on-campus attendance, user fee revenue derived from operating the student recreation center have declined by \$XX,XXX. Higher Education Emergency Relief Funds were used by [CAMPUS NAME] to pay for the revenue lost as a result.
Document:	Agreement between [CAMPUS NAME] and [CAMPUS AUXILIARY], invoice from [CAMPUS AUXILIARY].

Example 4

Date:	[Date of use but not earlier than March 13, 2020]
Use:	Pay costs pursuant to an agreement with [CAMPUS AUXILIARY.]
Rationale:	<p>[CAMPUS NAME] implemented significant changes to the delivery of instruction due to the coronavirus and as part of these changes, XX% of courses taught in-person were transitioned to on-line modalities and most students were required to vacate on-campus student housing to meet physical distancing requirements. This action was taken in response to the following:</p> <ul style="list-style-type: none"> • On March 13, 2020 the President issued the Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak declared a national emergency effective March 1, 2020. • On March 2, 2020, the Governor of California issued Executive Order N-27-20 dated, resulting in statewide guidelines from the California Department of Public Health. • On March 4, 2020 the Governor of California issued Executive Order N-33-20 declaring a state of emergency and ordering all individuals to stay home or at their place of residence to protect the public health. • The President of [CAMPUS] issued [CAMPUS POLICY, DIRECTIVE, GUIDANCE].
Costs:	[CAMPUS NAME] contracts with [CAMPUS AUXILIARY] to operate a portion of student housing and pays for costs associated with operating the facility, including salaries for XX employees, pursuant to an agreement between [CAMPUS NAME] and [CAMPUS AUXILIARY]. As a result of the campus decision to vacate student-housing, revenue collected by [CAMPUS AUXILIARY] pursuant to the agreement with [CAMPUS NAME] declined by \$X,XXX,XXX after March 13, 2020. Higher Education Emergency Relief Funds were used by [CAMPUS NAME] to pay for the lost revenue associated with the agreement.
Document:	Agreement between [CAMPUS NAME] and [CAMPUS AUXILIARY], invoice from [CAMPUS AUXILIARY], copies of terminated license agreements, records of refund reimbursements, system and campus policies regarding refunds or early termination of license agreements and procedures for payment of refunds, campus directives regarding vacating student housing.

All revision dates:

4/30/2020

Attachments

[CARES Act Institutional Portion.pdf](#)

Approval Signatures

Approver	Date
Steven Relyea: Executive Vice Chan & CFO	4/30/2020

Approver	Date
Mary Ek: Asst VC/Controller	4/30/2020
Mary Ek: Asst VC/Controller	4/30/2020
Bradley Wells: Assoc VC, Business & Finance	4/30/2020

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