



**TO:** Chancellor Eloy Ortiz Oakley  
Chief Executive Officers  
Chief Business Officers  
Chief Student Services Officers  
Chief Instructional Officers

**FROM:** Lizette Navarette, Vice Chancellor, College Finance and Facilities Planning  
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**RE:** Analysis of the America Rescue Plan Federal Stimulus

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### Summary

On Thursday, March 11, 2021, President Joe Biden signed the \$1.9 trillion *American Rescue Plan* into law. The new federal stimulus includes a robust investment in higher education with resources available for a longer period of time. Half of the resources each colleges receives will go to support direct emergency grants to students.

### Bill Details

The new federal Coronavirus stimulus bill earmarks nearly \$170 billion for education, including \$39.6 billion for a third round of funding into the Higher Education Emergency Relief (HEER) Fund. The HEER III dollars will be allocated using the same methodology as the previous two iterations (with some slight modifications) and requires institutions that receive this funding to allocate at least 50% of those dollars to students in the form of emergency grants. One welcome distinction over previous stimulus bills is that the American Rescue Plan specifies funds will be available for use by institutions through September 30, 2023.

Specifically, the \$39 billion investment in the **Higher Education Emergency Relief Fund** will be distributed as follows:

- 37.5 percent based on FTE Pell recipients, not exclusively enrolled in distance education courses prior to the emergency;
- 37.5 percent based on headcount Pell recipients;
- 11.5 percent based on overall FTE students;
- 11.5 percent based on overall headcount of students;
- 1 percent based on FTE Pell exclusively online recipients (may only be used for student grants); and
- 1 percent based on headcount Pell exclusively online recipients (may only be used for student grants). Institutions must provide at least half of funding in emergency financial aid grants to students, as was required under CARES. Further, all funds allocated for exclusively online students must be allocated for emergency financial aid grants.

### **Emergency Financial Aid to Students**

The American Rescue Plan requires higher education institutions to **spend at least 50% of the HEER III funds on emergency grants to students.**

In addition to requiring colleges to use at least half of the HEERF for emergency financial aid grants to students, colleges are required to conduct outreach to students about the opportunity to appeal for more financial aid due to the recent unemployment of a family member or other special circumstance.

The stimulus provides institutions with significant discretion on how to award emergency assistance to students. Each institution may develop its own system and process for determining how to allocate these funds. In making financial aid grants to students, an institution of higher education shall prioritize grants to students with exceptional need. Estimates of college specific allocations are attached. *Like the CARES Act, the provisions of this stimulus bill do not appear to restrict colleges' ability to provide aid to students based on their immigration status.*

### **Allowable Uses**

The third Higher Education Emergency Relief Fund includes flexible funding to be distributed directly to institutions of higher education to help with immediate needs related to coronavirus, including:

1. Defraying expenses associated with coronavirus (including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff trainings, and payroll);
2. Increased costs from declining enrollment and efforts to mitigate declines;
3. Student support activities authorized by HEA that address needs related to COVID-19;
4. Closures of revenue-producing services and facilities;
5. COVID-19 testing, vaccination, PPE, and classroom retrofits;
6. Recipient may charge indirect costs consistent with its negotiated indirect cost rate agreement and a reasonable direct administrative costs to funds made available under this award;
7. Providing financial aid grants to students (including students exclusively enrolled in distance education), which may be used for any component of the student's cost of attendance or for emergency costs that arise due to coronavirus, such as tuition, food, housing, health care (including mental health care), or child care.

### **HEER Fund Provisions**

Another key difference from the previous relief measure is that the American Rescue Plan requires colleges to spend a portion of their HEER III dollars implementing evidence-based practices to monitor and suppress the coronavirus in accordance with public health guidelines. The bill is silent on the amount that needs to be set aside for this purpose, leaving discretion to the institutions on how much to reserve to meet this requirement.

The bill retains the maintenance of effort requirement that stipulates states must maintain at least as much funding for education in fiscal years 2022 and 2023 as a proportion of the state's overall spending.

Colleges are encouraged to coordinate use of stimulus funds for grants and assistance to students with existing resources including categorical programs, to maximize the number of students supported with one-time resources.

**Other Education Investments**

Some of the other significant investments from the American Rescue Plan that have implications for education funding include:

- \$362 billion in relief for state and local governments
- \$39 billion for early childhood programs, including Child Care and Development Block Grants and a stabilization fund for child care providers
- \$122.8 billion for the Elementary and Secondary School Emergency Relief Fund

**Estimated Statewide Allocation**

The California Community Colleges are *estimated* to receive about 6.3% of the total \$39.58 billion or about \$2.3 billion of the Higher Education Emergency Relief Fund distributed to institutions. This analysis does not include additional allocations for minority serving institutions.

<b>ESTIMATED Funding Allocations based on \$39.58 billion (dollars in millions)*</b>			
	<b>Total Stimulus</b>		
	<b>Emergency Grants</b>	<b>Institutional Support</b>	<b>Total</b>
<b>Total Degree-Granting Institutions</b>	-	-	<b>\$39,580</b>
<b>California Community Colleges</b>	<b>\$1,151</b>	<b>\$1,151</b>	<b>\$2,302</b>
<i>*Both FTE and student counts exclude students who were enrolled exclusively online except where noted. Counts are for 2017-18.</i>			
<i>All funds are one-time only. Colleges have through September 30, 2023 to use the funds.</i>			

The Chancellor’s Office will continue its federal advocacy and Congressional engagement as Congress considers future Coronavirus response appropriations.

If you have any questions, please don’t hesitate to contact Vice Chancellor Lizette Navarette at [lnavarette@cccco.edu](mailto:lnavarette@cccco.edu).

<b>California Community Colleges</b>		
<b>Institution</b>	<b>ESTIMATED Total Allocation</b>	<b>ESTIMATED Minimum Amount for Student Grants</b>
Allan Hancock College	15,766,000	7,883,000
American River College	46,362,000	23,181,000
Antelope Valley College	37,647,000	18,823,500
Bakersfield College	50,541,000	25,270,500
Barstow Community College	6,639,000	3,319,500
Berkeley City College	8,362,000	4,181,000
Butte College	24,730,000	12,365,000
Cabrillo College	15,729,000	7,864,500
Canada College	5,275,000	2,637,500
Cerritos Community College	45,394,000	22,697,000
Cerro Coso Community College	5,069,000	2,534,500
Chabot College	16,689,000	8,344,500
Chaffey Community College	47,539,000	23,769,500
Citrus College	25,731,000	12,865,500
City College of San Francisco	28,984,000	14,492,000
Clovis Community College	12,276,000	6,138,000
Coastline Community College	4,249,000	2,124,500
College of Alameda	5,642,000	2,821,000
College of Marin	6,281,000	3,140,500

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College of San Mateo	8,217,000	4,108,500
College of the Canyons	25,722,000	12,861,000
College of the Desert	25,357,000	12,678,500
College of the Redwoods	9,784,000	4,892,000
College of the Sequoias	30,894,000	15,447,000
College of the Siskiyous	3,349,000	1,674,500
Columbia College	4,172,000	2,086,000
Contra Costa College	10,939,000	5,469,500
Copper Mountain College	5,176,000	2,588,000
Cosumnes River College	23,910,000	11,955,000
Crafton Hills College	7,390,000	3,695,000
Cuesta College	14,604,000	7,302,000
Cuyamaca College	12,907,000	6,453,500
Cypress College	27,506,000	13,753,000
De Anza Community College	25,192,000	12,596,000
Diablo Valley College	24,804,000	12,402,000
East Los Angeles College	49,235,000	24,617,500
El Camino College	44,176,000	22,088,000
Evergreen Valley College	16,388,000	8,194,000
Feather River College	2,666,000	1,333,000
Folsom Lake College	12,555,000	6,277,500
Foothill College	10,790,000	5,395,000

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Fresno City College	46,894,000	23,447,000
Fullerton College	35,604,000	17,802,000
Gavilan College	9,285,000	4,642,500
Glendale Community College	33,367,000	16,683,500
Golden West College	17,502,000	8,751,000
Grossmont College	27,833,000	13,916,500
Hartnell Community College	16,836,000	8,418,000
Imperial Valley College	28,275,000	14,137,500
Irvine Valley College	16,692,000	8,346,000
Lake Tahoe Community College	2,322,000	1,161,000
Laney College	15,664,000	7,832,000
Las Positas College	10,643,000	5,321,500
Lassen College	1,733,000	866,500
Long Beach City College	52,555,000	26,277,500
Los Angeles City College	22,846,000	11,423,000
Los Angeles Harbor College	11,668,000	5,834,000
Los Angeles Mission College	13,292,000	6,646,000
Los Angeles Pierce College	30,374,000	15,187,000
Los Angeles Southwest College	9,755,000	4,877,500
Los Angeles Trade-Technical College	24,378,000	12,189,000
Los Angeles Valley College	26,161,000	13,080,500
Los Medanos College	15,148,000	7,574,000

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Mendocino College	6,073,000	3,036,500
Merced Community College	24,120,000	12,060,000
Merritt College	7,541,000	3,770,500
MiraCosta College	22,777,000	11,388,500
Mission College	9,064,000	4,532,000
Modesto Junior College	36,120,000	18,060,000
Monterey Peninsula College	10,372,000	5,186,000
Moorpark College	18,699,000	9,349,500
Moreno Valley College	16,674,000	8,337,000
Mount San Antonio College	60,168,000	30,084,000
Mt. San Jacinto College	35,128,000	17,564,000
Napa Valley College	7,585,000	3,792,500
Norco College	14,892,000	7,446,000
Ohlone College	10,123,000	5,061,500
Orange Coast College	31,971,000	15,985,500
Oxnard College	13,663,000	6,831,500
Palo Verde College	1,910,000	955,000
Palomar College	30,395,000	15,197,500
Pasadena City College	52,854,000	26,427,000
Porterville College	11,032,000	5,516,000
Reedley College	18,560,000	9,280,000
Rio Hondo Community College	28,860,000	14,430,000

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Riverside City College	43,151,000	21,575,500
Sacramento City College	34,491,000	17,245,500
Saddleback College	17,348,000	8,674,000
San Bernardino Valley College	25,044,000	12,522,000
San Diego City College	21,094,000	10,547,000
San Diego Mesa College	24,888,000	12,444,000
San Diego Miramar College	16,296,000	8,148,000
San Joaquin Delta College	29,616,000	14,808,000
San Jose City College	10,144,000	5,072,000
Santa Ana College	28,797,000	14,398,500
Santa Barbara City College	20,856,000	10,428,000
Santa Monica College	43,542,000	21,771,000
Santa Rosa Junior College	23,333,000	11,666,500
Santiago Canyon College	12,250,000	6,125,000
Shasta College	15,977,000	7,988,500
Sierra College	28,802,000	14,401,000
Skyline College	10,457,000	5,228,500
Solano Community College	11,978,000	5,989,000
Southwestern Community College District	34,712,000	17,356,000
Taft College	7,421,000	3,710,500
Ventura College	18,419,000	9,209,500
Victor Valley Community College	30,171,000	15,085,500



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West Hills College Lemoore	9,204,000	4,602,000
West Hills Community College	3,224,000	1,612,000
West Los Angeles College	10,784,000	5,392,000
West Valley College	8,107,000	4,053,500
Woodland Community College	6,640,000	3,320,000
Yuba College	13,399,000	6,699,500
<b>Total</b>	<b>2,302,191,000</b>	<b>1,151,095,500</b>