



April 28, 2021

TO: THE DISTRICT BOARD OF TRUSTEES
OF VALENCIA COLLEGE

FROM: SANFORD C. SHUGART
President

RE: USE OF INSTITUTIONAL FUNDS UNDER THE HIGHER EDUCATION
EMERGENCY RELIEF FUNDS II (HEERF II) AUTHORIZED BY THE
CORONAVIRUS RESPONSE AND RELIEF SUPPLEMENTAL
APPROPRIATIONS ACT (CRRSAA)

On December 27, 2020, the President signed into law the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). In total, the CRRSAA authorizes \$81.88 billion in support for education. More specifically, the CRRSAA allocates \$21.2 billion to higher education institutions through the Higher Education Emergency Relief Fund (HEERF II) and has awarded \$62.7 million to Valencia College.

A portion of each institution's HEERF II funds can be used to cover institutional costs related to the disruption of campus operations due to the COVID-19 pandemic. Allowable uses under the HEERF II institutional portion include:

- 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).
- Carrying out student support activities such as transitions to a virtual environment, purchase of PPE and the support of innovative learning methods that allow an institution to engage in student support activities authorized under the HEA during the COVID-19 pandemic.
- Providing additional financial aid grants to students.

In the planning, allocation, and distribution of HEERF II funds available through the CRRSAA, Valencia College will follow the requirements and guidance provided by the U.S. Department of Education, as it has previously done with the HEERF I funds through the CARES Act.

All financial activities will utilize customary and required transaction monitoring and financial reporting, and will adhere to federal procurement requirements as well as established internal procurement policies and procedures. Procurement transactions that are normally brought to the Valencia College Board of Trustees (category 5, greater than \$325,000, multiyear, etc.) will continue to follow our normal protocol. Valencia College's internal auditor will provide control assessments. The College will continue consulting with outside counsel with expertise in federal funding matters as

deemed necessary and appropriate. In addition, the College will obtain a formal written legal opinion from outside counsel affirming the College's compliance with the requirements of the law and related official guidance. Finally, similar to CARES, CRRSAA expenditure updates will be provided throughout the year to the District Board of Trustees.

RECOMMENDED ACTION:

The President recommends that the District Board of Trustees of Valencia College authorize the College to disburse CRRSAA institutional funds in accordance with the funds disbursement plan as presented, and that the Board further authorize the College to adjust the funds disbursement plan in a compliant manner as necessary or appropriate in the event new regulations or official guidance is issued with respect to CRRSAA disbursements or to fulfill complete utilization of allowed funding in a compliant manner.

A handwritten signature in black ink, appearing to read "Samuel C. Stewart". The signature is written in a cursive style with a large, stylized initial 'S'.

President



HEERF

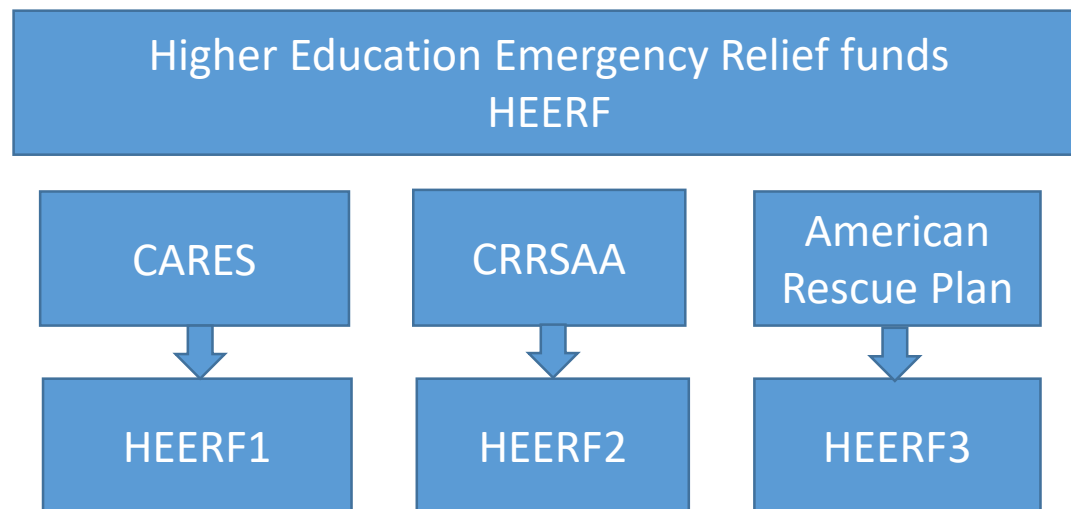
Higher Education Emergency Relief Funds Overview

The District Board of Trustees of Valencia College

April 28, 2021

The HEERF Programs

- **CARES Act : HEERF 1** - The Coronavirus Aid, Relief, and Economic Security Act
- **CRRSAA: HEERF 2** - The Coronavirus Response and Relief Supplemental Appropriations Act
- **ARP : HEERF 3** - The American Rescue Plan



Valencia College CARES (HEERF1) - \$29.3M

Student Financial Aid (\$13.8M)

- a. Disbursements made directly to students
- b. Title IV eligibility

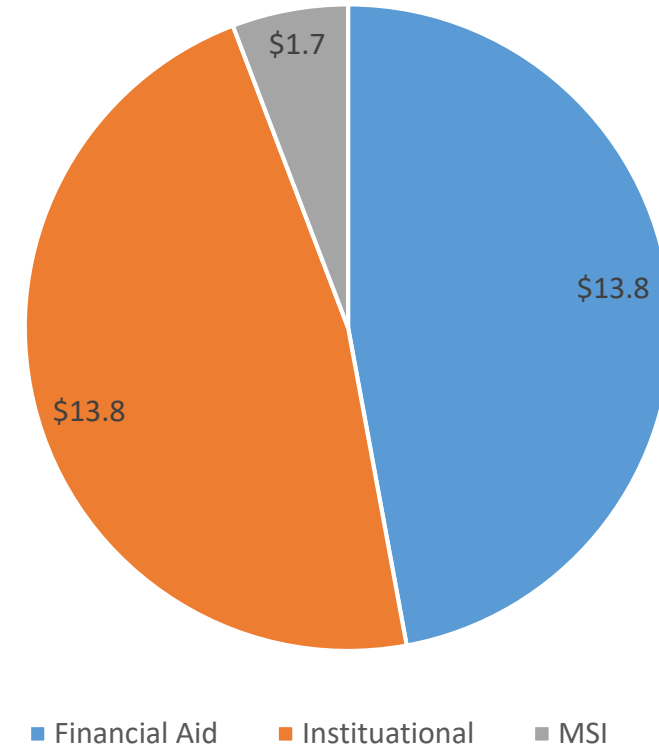
Institutional Stabilization (\$13.8)

- a. Grants to students (cost of attendance, course materials, technology, health care, childcare, food and housing).
- b. Promote remote learning environment (**clear nexus**) with IT Capacity, training of faculty and staff

Minority Service Institution (\$1.7M)

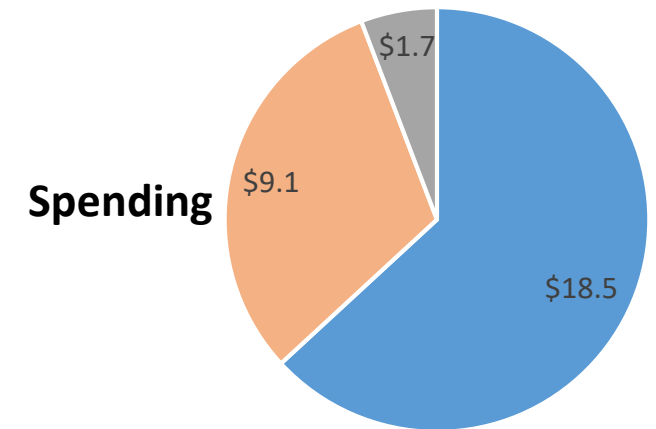
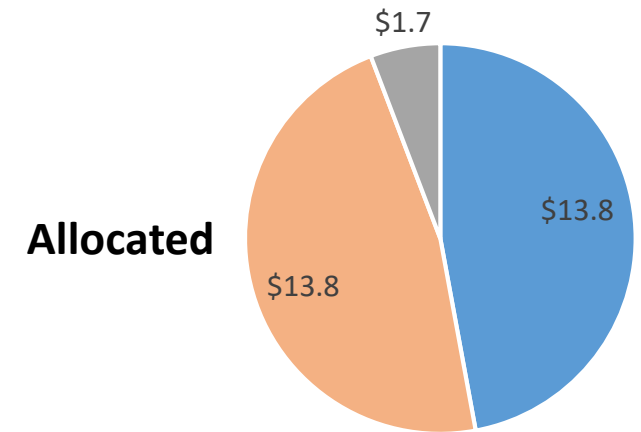
- a. Grants for students
- b. Promotion of remote learning environment
- c. Revenue replacement

CARES – Authorized Funds



Valencia Top Uses for Institutional/MSI CARE's Funds

- \$ 4.7M Student Financial Aid (\$18.5M in total)
- \$ 2.8M ERP (Banner) to the Cloud
- \$ 2.6M R20 grades
- \$ 1.8M WIFI upgrades
- \$ 1.7M Lost Revenue
- \$ 1.9M Student computers, training, misc.



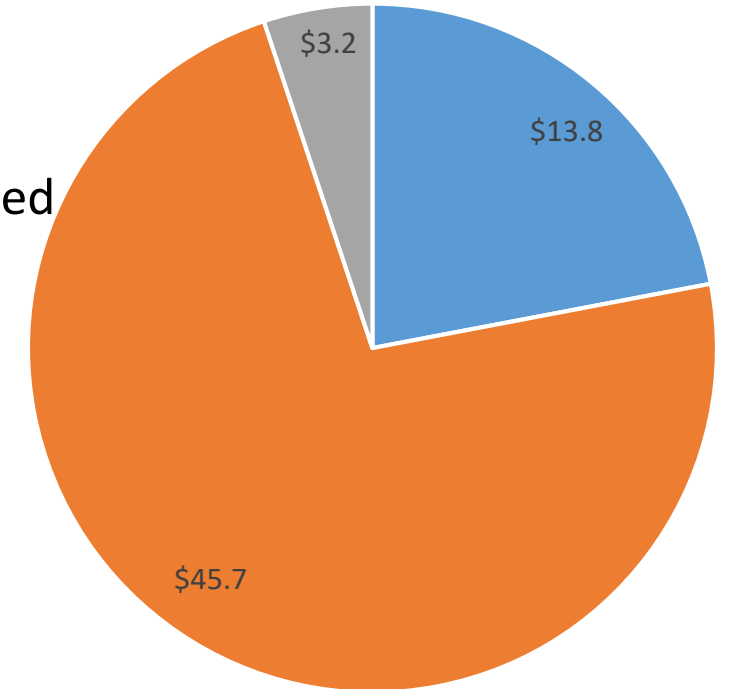
HEERF II - CRRSAA \$62.7M

Financial Aid (\$13.8M)

- Students with exceptional need are prioritized
- Provides relief for students exclusively enrolled in distance learning
- Account options with approval are allowed
- Non-degree seeking, dual enrollment and non-credit students included

Institutional (\$45.7M) / Minority Serving Institute (\$3.2M)

- Provide additional student financial aid
- Recover lost revenue
- Defray expenses associated with coronavirus
- Indirect / Overhead allowed
- Support student transition to a new environment



The CRRSAA Approach

- Determine lost revenue as a base line
- Review ideas for funding options within collaboration team
 - Determine compliance with the Act
 - Assess costs to complete the work, sustaining impacts and ability to complete the work within the funding timeframe
 - Prioritize projects using collaboration teams
- Establish estimates for issuance of student financial aid
- Determine timing of student financial aid grants

Revenue Recovery

Academic sources

- Tuition, fees, and institutional charges (including unpaid student accounts receivable or other student account debts)
- Room and board
- Enrollment declines, including reduced tuition, fees, and institutional charges
- Supported research
- Summer terms and camps

Auxiliary services sources

- Cancelled ancillary events
- Disruption of food service
- Dormitory services
- Use of facilities
- Bookstore revenue
- Parking revenue
- Lease revenue
- Other operating revenue

Institutional and MSI Funds

Guidance

- Defray expenses associated with Coronavirus
 - Expenses already incurred
 - Technology costs associated with the transition to distance education
 - Faculty and staff training
 - Payroll
- Additional financial aid grants to students
- 12 months to disburse

Valencia ideas

- Additional financial aid
- Visiting professors
- Air quality in buildings
- Information Technology upgrades
- Business Process Redesign
- Training
- Educational Materials
- PPE
- Student technology support

HEERF Decision Teams

Sandy Shugart

Project Co-Chairs
Kathleen Plinske and Loren Bender

Collaboration		Lost Revenue	Compliance
Isis Artze-Vega	Patrick Bartee	Oscar Cristancho (Chair)	Jackie Lasch (Co-Chair)
Joe Battista	Daniel Barkowitz	Loren Bender	Kris Gammon (Co-Chair)
Amy Bosley	Shaun Andrews	Kathleen Plinske	Diane Fahr
Jay Galbraith	Oscar Cristancho	Bill Mallowney	Lashon Henderson
Terri Graham	Michael Robbins	Jackie Lasch	Sue Fagan
Wendy Givoglu	Paul Rooney	Stanton Reed	Cynthia Santiago
Geraldine Gallagher	Patti Smith	Brandon McKelvey	Bill Mallowney
Brandon McKelvey	Sonya Joseph		Yaremis Fullana
Joe Richardson			

All Actions taken supported by Design Principles

Expertise Development

How do we determine compliance with the Acts?

- Government Web sites that provide high level rules and FAQ's
- Federal Register Notice of Interpretations (NOI)
- Organizations (NACUBO, NASFAA, SACUBO, COBA)
- Experts
 - Webinars (plenty)
 - Outside Counsel – Saul, Ewing, Arnstein & Lehr
 - Outside Services support – CFO Strategic Partners, Campus Works, SIG
 - Internal RDO and Grants team
- Quarterly reports (Web site)

Board of Trustees

- Board of Trustees business Items
 - Approval to spend funds within guidelines
 - Continue to request approval of Category 5 procurement related items
 - Multi year contracts or leases
 - Vendor commitments in excess of \$325K
 - Ensure that internal audit is engaged in compliance
- Regular updates on spending and financial aid distribution