
FEDERAL AFFAIRS

Supplemental Funding for Coronavirus Pandemic

On March 3, 2020, Speaker Nancy Pelosi shut down the U.S. Capitol because of the coronavirus (COVID-19) infection spreading throughout the world. The members and staff of the Michigan delegation are all working remotely, and the House and Senate are voting only on vital, important legislation. The House Majority Leader put out a memo telling Members of Congress not to expect votes before April 20, 2020. I have, however, been in daily contact with the entire staff of the Michigan delegation, especially regarding the third funding supplemental, in which, along with my colleagues of the URC, we were able to get significant wins for our universities (and all universities as well). We are still working with staff on yet a fourth (and probably a fifth) supplemental to ensure the needs of research universities are addressed.

Working with our vice presidents and deans, Wayne State University was able to have a seat at the table during the discussions with the Senate Majority and Minority Leader, and the Speaker of the House. Our vice presidents and deans were able to quickly determine a concise set of requests. Sen. Gary Peters and his excellent staff combined the requirements for the URC universities and personally put them in the hands of the Senate and House leadership for consideration.

The biggest win was that of overall funding. The original legislation in the third funding supplemental – the first two bills did not significantly consider universities at all -- allotted \$14B to be divided among K-universities. URC schools sought \$50B solely for universities and colleges. We ended up with \$30B for universities and colleges, and will continue the fight in subsequent supplementals. Some of the important aspects affecting higher education are below.

Third Funding Supplemental: The Coronavirus Aid, Relief and Economic Security (CARES) Act

The Senate and House, in that order, voted on the largest economic stimulus package in the history of the United States, totaling over \$2 trillion. To put this into better perspective, the entire budget of the United States is typically a little more than \$3 trillion. All of these funds were done on an emergency basis, meaning they are off-budget and do not have to immediately be offset.

The stimulus bill was preceded by two other bills addressing the virus crisis. The first bill provides \$8.3 billion in emergency funding for federal agencies to respond to the coronavirus outbreak. House Democrats attempted unsuccessfully to negotiate with the White House for approval proposing funding for access to free tests, expand paid sick leave and provide food assistance to needy families. The second bill, the Families First Coronavirus Defense Act, expanded such programs as food stamps and other aid to the poor, such as providing paid sick leave and free coronavirus testing, expanding food

assistance and unemployment benefits, and requiring employers to provide additional protections for health care workers. Additional funds were provided for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); the Emergency Food Assistance Program (TEFAP); nutrition assistance grants for U.S. territories, and food for the elderly such as Meals on Wheels.

The Coronavirus Aid, Relief and Economic Security (CARES) Act, which was approved by the Senate on a 90 to 8 vote, and by voice vote in the House, provides checks for about \$2400 a family, \$1200 to an individual earning less than \$75,000 yearly. This third level of funding will be followed by a fourth, and perhaps fifth, level. Congress is in recess until at least the end of April, so there is no estimate on when this may take place. For the Higher Education Community, the legislation was significantly improved from the original Republican version offered in the Senate. In some cases, the statutory language contemplates extraordinary waivers, assistance, and accommodations, with very little detail regarding when and how such relief will become available.

As a threshold matter, we emphasize that the Act makes no distinction between private, non-profit institutions and private, proprietary institutions in the provisions discuss below.

Regulatory Relief (Section 3501)

- *Title IV Withdrawals:* An institution's obligations to return Title IV funds, other than assistance received as part of Federal Work Study programs, is waived if a student withdraws during a payment period or period of enrollment due to COVID-19. Institutions using the waiver must report the number of withdrawn Title IV recipients, the amount of grant or loan assistance (other than assistance received as a part of a Federal Work Study Program), and the total amount of grant or loan assistance not returned to the U.S. Department of Education (the "Department").
 - A student's obligation to return Title IV aid is waived if the student withdraws due to COVID-19.
 - A student's obligation to repay loans is cancelled if the student withdraws due to COVID-19.
 - Institutions may, as a result of COVID-19, provide a student with an approved leave of absence that does not require the student to return at the same point in the academic program that the student began the leave of absence if the student returns within the same semester.
- *Time Limits:* Any semester that a student does not complete due to COVID-19 does not count toward the time limits prescribed for federal subsidized loans and federal Pell Grants.

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- *Satisfactory Academic Progress*: Institutions may exclude any attempted credits not completed as a result of COVID-19 from the quantitative component of the satisfactory academic progress calculation without requiring an appeal by the student.
 - *Campus Aid Waivers*: For award years 2019-2020 and 2020-2021, the institutional matching requirement for the Federal Work Study (“FWS”) and Federal Supplemental Educational Opportunity Grant (“FSEOG”) programs is waived.
 - *Federal Supplemental Educational Opportunity Grant Funds*: Institutions can transfer any unexpended FWS allotment to the institution’s FSEOG allotment. FSEOG allocations can be used to award emergency financial aid to undergraduate or graduate students.
 - *Federal Work Study during a Qualifying Emergency*: If a student cannot fulfill his or her federal work study obligations because of COVID-19, institutions can continue to make FWS payments for up to one academic year. The institution must meet its matching share, unless the matching requirement is waived by the Department.
 - *Historically Black Colleges and Universities*: For the duration of any emergency due to COVID-19, the Department may grant a deferment to an institution that has received a loan for capital financing. During the deferment period, the Department shall make principal and interest payments, and at the closing of such a loan the institution shall be required to repay the Department for payment on principal and interest made by the Department.
 - *Reporting Requirements for Historically Black Colleges and Universities and Minority Serving Institutions*: The Department may waive certain reporting requirements for Historically Black Colleges and Universities and Minority Serving Institutions.
 - *Grant Modification*: The Department may waive or modify allowable uses of funds and matching requirements for grants awarded under the Federal TRIO and GEAR-UP programs as a result of the COVID-19 pandemic.
 - *Distance Learning at Foreign Institutions*: The Department may permit a foreign institution facing an emergency or major disaster to use distance learning for the duration of the emergency or disaster and the following payment period.

The CARES Act does **not** give the Department of Education broad authority to grant statutory or regulatory waivers to institutions of higher education. Early drafts of the legislation included language granting the Department the authority to “waive any statutory or regulatory requirement (such as those requirements related to assessments, accountability, allocation of funds, and reporting)... if the Department determines that such a waiver is necessary and appropriate.” This language, however, did not make it into the

final bill. This means, absent further legislation, statutory and regulatory deadlines remain unchanged.

Education Stabilization Fund (Section 18001)

Of the \$2 trillion available, the CARES Act creates a \$30.75 billion Education Stabilization Fund. About \$14.23 billion of the Education Stabilization Fund, roughly 46%, is allocated to the Higher Education Emergency Relief Fund. The Higher Education Emergency Relief Fund, in turn, is apportioned as follows:

- \$12.81 billion (90%) directly to institutions to prevent, prepare for, and respond to COVID-19.
 - In allocating these funds, 75% of what each institution receives would be based on its relative share of full time equivalent students who are federal Pell Grant recipients, and 25% of its relative share of full-time equivalent student who are not federal Pell Grant recipients. Students enrolled exclusively in distance education courses are excluded from this calculation.
- \$1.067 billion (7.5%) for minority-serving institutions.
- \$355 million (2.5%) for grants to institutions particularly impacted by coronavirus.

Institutions may use the funds received “to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus, so long as such costs do not include payment to contractors for the provision of pre-enrollment recruitment activities; endowments; or capital outlays associated with facilities related to athletics, sectarian instruction, or religious worship.” At least 50% of the funds awarded must be used for emergency financial aid grants to students. Institutions receiving funds must submit a report to the Department that describes the use of the funds.

Temporary Relief for Federal Student Loan Borrowers (Section 3513)

Payments on federal student loans that are held by the Department of Education are suspended through September 30, 2020.

- Interest is waived for the duration of the suspension.
- The suspended payments count as if the borrower had made a payment for the purpose or any loan forgiveness or loan rehabilitation program.
- For the purpose of reporting information about a loan to a consumer reporting agency, any payment that has been suspended is treated as if it were a regularly scheduled payment made by the borrower.

During the duration of the suspension, the Department shall suspend all involuntary collection on loans. We emphasize that the Department can only suspend collection on loans owned by the U.S. Department of Education, which include Direct Loans and loans made under the Federal Family Education Loans Program (FFELP) that were transferred to the Department. Perkins Loans, FFELP loans held by a bank or other financial institution, and private education loans are not covered by the suspension.

Employer Payment of Student Loans (Section 2206)

From the date of enactment of the CARES Act through January 1, 2021, an employer can make tax-free payments up to \$5,250 per year for an employee's "Educational Assistance." The employer's payment may be made to the employee or to a lender. Educational Assistance means "expenses incurred by or on behalf of an employee for education of the employee (including, but not limited to, tuition, fees, and similar payments, books, supplies, and equipment)." 26 U.S.C. § 117. This payment is not taxable to the employee. Employers can exclude up to \$5,250 annually paid to an employee under an educational assistance program from the employee's wages each year.

Service Obligations for Teachers (Section 3519)

Under the TEACH Grant program, the Department may modify the categories of extenuating circumstances under which a grant recipient is unable to fulfill his or her service obligation, and shall consider part-time service interrupted by COVID-19 to be full-time service. The Department will also waive the requirement that teaching service be consecutive if the student resumes teaching after an interruption due to COVID-19.

The Second Supplemental: The Families First Coronavirus Response Act

This legislation passed in the House 363-40-1. The Senate passed the bill on March 18, 2020, again with overwhelming bipartisan support, 90-8. It was signed into law immediately upon receiving it on March 18, 2020 and went into effect 15 days later. Among other things, this bill will provide paid sick and family leave, free COVID-19 testing, expanded food assistance and unemployment benefits, and additional protections for health care workers. It modifies USDA food assistance and nutrition programs to allow certain waivers to requirements for the school and adult-care food programs. It also allow states to request waivers to provide certain emergency SNAP benefits. It establishes a federal emergency paid leave benefits program to provide payments to employees taking leave due to the coronavirus outbreak; expands unemployment benefits and provide grants to states for processing and paying claims; requires employers to provide Emergency Paid Sick leave to employees; and establishes requirements for providing coronavirus diagnostic testing and related visits at no cost to consumers, including full coverage for COVID-19 testing visits by private healthcare plans.

The House passed Emergency Supplemental Appropriations in response to the coronavirus outbreak. Such emergency spending is off-budget and provides funds mostly

for the Food and Drug Administration, the Centers for Diseases Control and Prevention, the National Institutes of Health, and the Public Health and Social Services Emergency Fund. Some specific programs funded are for developing, manufacturing, and procuring vaccines and other medical supplies; grants for state, local, and tribal public health agencies and organizations; No interest loans for affected small businesses; evacuations and emergency preparedness activities at U.S. embassies and other State Department facilities; and humanitarian assistance and support for health systems in the affected countries. It also allows HHS to temporarily waive certain Medicare restrictions and requirements regarding telehealth services during the coronavirus public health emergency. The bill passed with all but two votes in the House; it was passed by unanimous consent in the Senate and signed into law last week.

The First Supplemental: The Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020

This bill was signed into law March 6, 2020 and provides \$8.3 billion in emergency funding for federal agencies to respond to the coronavirus outbreak. Of the \$8.3 billion, \$6.7 billion (81%) is designated for the domestic response and \$1.6 billion (19%) for the international response. Of the \$6.7 billion designated for the domestic response, the majority (\$6.2 billion) is for the Department of Health and Human Services (HHS); \$20 million is for the Small Business Administration (SBA) disaster loans program to support SBA's administration of loan subsidies that will be made available to entities financially impacted as a result of the coronavirus. The bill also includes a waiver removing restrictions on Medicare providers allowing them to offer telehealth services to beneficiaries regardless of whether the beneficiary is in a rural community, at an estimated cost of \$500 million. The balance, \$1.6B, is designated for a coordinated international response to COVID-19.

STATE AFFAIRS

Fiscal Impact of Coronavirus on State Budget

The coronavirus pandemic has severely impacted state revenues and will likely affect current and future state budgets. While the extent of the impact remains unclear, most believe that the reduction will be significant. Early estimates project a \$1.3 billion impact on the general fund for FY21 and \$2.4 billion hit in FY22.

Michigan Association of State Universities (MASU) issued a letter to the Governor to outline many challenges that the state universities are facing and the subsequent actions and contributions these institutions are undertaking during this COVID-19 pandemic emergency. The letter further requests that the state maintains its support and does not cut funding to Michigan's public universities. Due to the disinvestment in higher education that has already occurred in Michigan, maintaining current levels of state support is critical to ensuring college affordability for students and families, producing a strong workforce, and harnessing the institutions' full capacity to serve as regional economic engines.

Capital Outlay Update

The current coronavirus pandemic and its devastating negative impact on current and future state revenues has jeopardized the funding for current and future capital outlay projects. WSU's current submission for capital outlay consideration is the \$85 million renovation of State Hall.

Last week, Governor Whitmer vetoed five construction authorizations that had been included in ESB 151 (now PA 66 of 2020). While the administration remains supportive of these projects, the current COVID-19 situation and its anticipated budgetary impacts provide that the state not take on any additional new financial obligations. The May Revenue Estimating Conference will outline the revenue challenges, but it will likely require major budgetary adjustments in the current fiscal year and in the proposed FY 2021 budget. How this will affect future capital outlay considerations is unknown at this time.

President Wilson Named to Advisory Group Addressing Michigan's Economic Recovery

Wayne State University President M. Roy Wilson has been asked to join a group of corporate executives from across multiple sectors in Michigan that will advise Gov. Gretchen Whitmer on reopening the state's economy that has been ground to a halt for two weeks because of the deadly coronavirus outbreak.

DTE Energy Co. Executive Chairman Gerry Anderson and former Henry Ford Health System CEO Nancy Schlichting are co-chairing this group that includes executives from the automotive, banking, construction, health care, higher education and furniture industries, as well as experts in public health and infectious disease.

The group, called the Michigan Economic Recovery Council, plans to make recommendations to Gov. Whitmer on changes in worker safety practices once public health experts say it is safe to return to work. The advisory council will develop a set of recommendations for how the governor can stage and sequence a return to normal operations for various industries when she lifts her stay-at-home order for nonessential workers.

GOVERNMENT HEALTH AFFAIRS

Graduate Medical Education (GME) Reform – MIDOCs

WSU and other members of the MIDOCs consortium have the first cohort of residents in the program. As a reminder, this program is funded through direct state appropriations, which are then leveraged to receive federal dollars. The federal government approved the state's plan of how it will use those funds and how we will flow the money to the residency programs. For FY20, the legislature passed \$3.75 million through supplemental funding.

National Match Day for residency was on March 20 and WSU matched a resident for all open positions in the program. This new cohort of residents will start on July 1.

The Governor has proposed a GF appropriation of \$21.6 million for the program for FY21. This would allow consistent funding for next 4 years and guarantee growth in the program. The state budget office indicated that the MIDOCs residents they have met (from a previous MIDOCs advocacy day we did) left an incredible impression on their office and they want to make sure the program continues in its success. With the onset of the COVID-19 pandemic, we may see changes in the GF amount available for future years. We will be working with the legislature to come up with a plan for the needed the funding for the program.

The Michigan Poison Center

The Poison Center (PC) has had a successful first year after transitioning to WSU from Children's. Dr. Aaron, the director of the Poison Center, testified at a HHS subcommittee hearing in early March. Dr. Aaron focused on the work that the PC does, the number of Michigan residents it serves, and the funding needs for future years. The testimony went well received.

The PC has done outreach during the COVID-19 pandemic regarding the use of Chloroquine and Hydroxychloroquine to treat the virus. There has been an increase in overdoses tied to use of these drugs according to the PC. Dr. Aaron has sent out media notices and was interviewed by Fox2 News on the issue.

COMMUNITY AFFAIRS

All April-May community programming and events, including sponsorships, volunteer opportunities and fundraising walks, have been postponed because of the COVID-19 crisis. Government and Community Affairs will communicate with locate municipalities and external organizations to see how WSU can continue to collaborate during these challenging times.

OUTREACH AND ADVOCACY

Spirit of Community Awards

The 2020 Spirit of Community Awards program was cancelled due to the University's policy prohibiting large gatherings on campus in response to the coronavirus pandemic. While we cancelled the awards celebration, we are still widely recognizing the winners and honorable mentions in the various categories through both internal and external media channels. A list of the honorees is below.

Inspire From Within Award

Deborah Habel, Lecturer of Accounting, Mike Ilitch School of Business

Champions of Diversity and Inclusion Awards

Faculty Award

Jannell White, Ph.D., Assistant Professor (Research), Departments of
Pharmacology/Pediatrics

Staff Award

Harman Singh, Academic Advisor, Department of Psychology

Project Award

Internationals@Wayne - Internationals @ Wayne State student organization is a platform for students who want to create lasting friendships with people from different cultures and backgrounds, build a global community, and explore the great city of Detroit together.

Student Award

Laial Beidoun, Political Science '19

Spirit of Community Awards

Faculty Award

Winner: Diane Cress, Associate Professor, Department of Nutrition and Food Science; Graduate Director, Nutrition and Food Science

Honorable Mention: Rachael Dombrowski, Assistant Professor - Community Health Education, College of Education

Honorable Mention: Sabrina Balamwalla, Assistant Professor (Clinical), Wayne Law; Director of the Asylum and Immigration Law Clinic

Staff Award

Winner: Dawn Medley, Associate Vice President, Enrollment Management

Honorable Mention: Knoll Larkin, Director, Office of Cancer Health Equity and Community Engagement, Karmanos Cancer Institute; Research Manager, Wayne State University

Honorable Mention: Jill Wurm, Associate Director, Marketing & Communications, Wayne State Library System

Project Award

Winner: S.A.V.E.T.H.E.M.'s Stomping Out Program - An annual high school health fair and step show competition that supports high school students as they creatively express themselves while teaching their peers about health promotion and disease prevention specific to health issues affecting their age group

Honorable Mention: Warrior Way Back - This initiative is a first of its kind, innovative debt-forgiveness program that allows students the opportunity to earn their way out of an outstanding balance owed to WSU

Honorable Mention: The D and the Leader in Me - A collaboration between the Institute for Leadership and Diversity at the Mike Ilitch School of Business and the Detroit Police Department which introduced 30 Detroit high school students to city business, government and non-profit leaders and entrepreneurs active in the revitalization of the city

Student Awards

Warrior Spirit & Pride

Winner: Bailee Soper, Senior, Psychology

Honorable Mention: Mister Whitfield, Senior, Criminal Justice

Honorable Mention: Mazen Zamzam, Senior, Biology and Public Health

Campus Engagement & Community Involvement

Winner: Shanmin Sultana, Sophomore, Sociology

Honorable Mention: Waleed Eliwat, Senior, Biochemistry and Chemical Biology

Honorable Mention: Sarosh Irani, Senior, Public Health and Public Affairs

Student Wellness & Well-Being

Winner: Nadir Fouani, Senior, Psychology (w/ minors in Sociology & Public Health)

Honorable Mention: Pheven Dereje, Junior, Kinesiology

Honorable Mention: Kamali Clora, Junior, Public Health (Honors)