

## **Coronavirus Aid, Relief, and Economic Security (“CARES”) Act Update July 3, 2020: Department of Education Announces Interim Final Rule Regarding Student Eligibility for the CARES Act Grant Effective June 17, 2020**

Effective June 17, 2020, the Department of Education issued an interim-final-rule clarifying student eligibility requirements for the CARES Act grant. In addition to the eligibility requirements outlined in our disclosure dated June 3, 2020, students must meet the following additional eligibility requirements.

- Successfully complete a FAFSA and receive a valid student aid report (SAR) or institutional student information record (ISIR) for the 2019-2020 or 2020-2021 award years.
- Be meeting Satisfactory Academic Progress (SAP) requirements at the time of coronavirus-related disruptions to campus operations.
- If students were not meeting SAP requirements at the time of coronavirus-related disruptions, then students will receive their next grant installment once they achieve minimum SAP requirements.
- Students who were not meeting SAP requirements at the time of coronavirus-related disruptions and who do not subsequently achieve SAP requirements and withdraw from the program, will not be eligible for their next grant disbursement.

The interim-final-rule acknowledges that not all students in a Title IV eligible program may choose to complete a FAFSA and in some cases students may have barriers to completing a FAFSA. For students who choose not to fill out a FAFSA but otherwise meet Title IV eligibility criteria, they may verify their eligibility by completing an attestation in which the student attests under the penalty of perjury to meeting the requirements of section 484 of the HEA. The attestation is attached below.

Arclabs Welding School will disburse the next installment of the CARES Act grant to students as soon as possible following the application of the rules clarifying eligibility to the student population.



## **CARES Act Grant Student Attestation**

**Under Penalty of Perjury, I attest that the following statements are true and accurate:**

**I am enrolled in the Arclabs Welding School 900 Hour Advanced Welding program and am not dually enrolled in a secondary school.**

**I am meeting satisfactory academic progress standards.**

**I have a valid Social Security Number.**

**I am a U.S. Citizen, National, or Eligible Noncitizen. I am not an undocumented student.**

**I have a high school diploma or its equivalent.**

**I have registered with the Selective Service.**

**I have Not been convicted of any offense under federal or state law involving the possession or sale of a controlled substance during any period I was receiving Federal Student aid.**

**I have Not been convicted of, or pled no contest or pled guilty to a crime involving fraud in obtaining federal student aid.**

**I do Not owe an overpayment or refund on Title IV grants.**

**I do Not owe an overpayment or refund on Title IV loans.**

**I am Not in default on a Title IV loan.**

**Any Federal Financial Assistance received from Arclabs Welding School was only used for educational purposes.**

**I certify that the above statements are true and I understand that misrepresentation of the above will result in disciplinary action including repayment of the emergency grant.**

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**Student Signature**

**Printed Name**

**Date**

## **Coronavirus Aid, Relief, and Economic Security (“CARES”) Act**

Arclabs Welding School applied for a grant from the federal government under the CARES Act to assist students in need during the Covid -19 pandemic. To offer transparency and comply with reporting requirements, we are providing the following public disclosure about the use of the grant funds we received.

Section 18004(e) of the CARES Act, Pub. L. No. 116-136, 134 Stat. 281 (March 27, 2020), directs institutions receiving funds under Section 18004 of the Act to submit (in a time and manner required by the Secretary) a report to the Secretary describing the use of funds distributed from the Higher Education Emergency Relief Fund (“HEERF”). Section 18004(c) of the CARES Act requires institutions to use no less than 50 percent of the funds received from Section 18004(a)(1) of the CARES Act 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, transportation costs, utilities and course materials.)

The Certification and Agreement signed by each institution applying for HEERF funds directs the institution to comply with Section 18004(e) of the CARES Act and submit an initial report (the “30-day Fund Report”) to the Secretary thirty (30) days from the date of the institution’s Certification and Agreement to the Department. The Department will provide instructions for providing the required information to the Secretary in the near future. In the meantime, required reporting requirements are posted on the Arclabs Welding School Website.

- Arclabs Welding School signed and returned to the Department the Certification and Agreement and the assurance that the institution has used, or intends to use, no less than 50 percent of the funds received under Section 18004(a)(1) of the CARES Act to provide Emergency Financial Aid Grants to students.
- Arclabs Welding School received \$356,386 from the Department for Emergency Financial Aid Grants to students.
- Grant funds are being distributed by check to eligible students. As of June 3, 2020, Arclabs Welding School has written \$142,735 in checks to be distributed to students.
- Arclabs Welding School estimates that approximately 245 students are/will be eligible to receive the Emergency Financial Aid Grant. See the below Policy for Disbursing CARES Act Emergency Financial Aid Grants to Students for eligibility requirements.
- As of June 3, 2020, 240 checks have been written to students from the Emergency Financial Aid Grant Fund.
- The Guidance provided by Arclabs Welding School to students concerning the Emergency Financial Aid Grants is discussed in the below Policy for Disbursing CARES Act Emergency Financial Aid Grants to Students.

# **Policy for Disbursing CARES Act Emergency Financial Aid Grants to Students**

## **Intent of Emergency Grant**

Arclabs applied to receive grant funds under Section 18004 of the CARES Act and received those funds on May 11, 2020. The CARES Act Grant funds received by Arclabs Welding School provides one-time emergency financial assistance to students whose lives and education were disrupted by the Covid-19 pandemic.

This financial assistance is a grant and does not have to be repaid by the student.

Grant funds must be used by students to cover expenses related to the disruption of campus operations that resulted from Covid-19.

Acceptable uses of the grant funds include food, housing, transportation costs, utilities and course materials.

Arclabs will disburse approximately 90% of the CARES Act Grant funds to eligible participants as outlined in the below policy.

Arclabs will hold back 10% of the grant funds ("holdback funds") to offer additional assistance to students who experience extreme financial hardships or to students who are found to be in greater need than the general population. Funds remaining after disbursing holdback funds will be split equally among eligible participants.

## **Eligibility Criteria**

Only students enrolled in our 900-Hour Advanced Welding Program are eligible. The 900-Hour Advanced Welding Program is the only Arclabs program eligible to receive Title IV funding.

Students enrolled in the 900-Hour Advanced Welding Program at the time Arclabs transitioned to distance learning will be considered for the grant. Students enrolled during the week of March 16, 2020 will be considered for the grant.

Students who received aid under Title IV will be eligible.

And/Or

Students received aid from the Veterans Administration (VA Students) will be eligible.

And/Or

Students who received a Tuition Discount from Arclabs will be eligible.

## **Cash Pay Exclusion**

Arclabs excluded Cash Pay students because we did not determine registration with the selective service for these students. Also, for Cash Pay Students, Arclabs did not verify that their name, date of birth and social security number matched with records from the Social Security Administration.

Additionally, by virtue of the fact that Cash Pay students required no financial aid, it seems less likely that these students need emergency aid. Exceptions to this exclusion can be made if a Cash Pay student displays financial need as a result of the Covid-19 disruption, has registered with Selective Service and has a valid social security number.

## **Eligibility for Students who have Withdrawn**

Arclabs excluded students who dropped with a Last Day of Attendance before March 16. The education of these students was not disrupted by Covid-19.

For students who dropped with a Last Day of Attendance after March 16, those who dropped for financial reasons or Covid-19 reasons will be included. These students were deemed to be affected by the disruption of campus operations due to Covid-19.

For students who dropped with a Last Day of Attendance after March 16, those who dropped for reasons other than financial or Covid-19 will be excluded. This exclusion includes students who dropped because they violated the consecutive days absent policy. The withdrawal of these students was deemed not to be related to the disruption of campus operations due to Covid-19.

## **Calculation of Disbursement and Timing of Payment**

Amounts paid to eligible participants will be the same. The amount will be determined by taking the total eligible aid and dividing it by the total number of participants. Each eligible participant will receive \$1,265.00.

For currently attending students, the aid will be distributed in 3 equal installments. The first installment will be paid soon after the grant is received (Grant Receipt Date). The second installment will be paid approximately 30 days from the date of the first installment. The third installment will be paid approximately 30 days following the date of the second installment. Exceptions to the installment method of payment can be made for students who experience severe economic distress.

Students who graduated before the date that the first installment is due will receive 100% of their grant amount on the date the first installment is paid.

Students who graduate during the installment payment period will receive the balance of their grant on the next installment date.

Students who drop during the installment payment period for Covid-19 or financial reasons will receive the balance of their grant on the next installment date.

Students who drop during the installment payment period for any other reason will not be eligible for the balance of their grant.

## **Student Acknowledgment**

With each payment the student will receive an explanatory document stating that this payment represents an emergency financial grant to help the student cover expenses related to the disruption of campus operations due to coronavirus. This emergency financial grant will not have to be paid back. The document will state that the grant funds are to be used to cover 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, transportation, and utilities. The document is attached.

Students will sign this document stating that they understand why they are receiving the grant and that they understand the expenses that the grant should be used to cover. Additionally, the student will acknowledge receipt of the funds through this document.

## **Separate Bank Account and Payment by Check**

A separate bank account will be established for CARES Act grant funds.

The funds will be disbursed to students by check. Checks will be written from the CARES Act grant fund bank account.

## **CARES Act Grant at Arclabs Welding School**

**The CARES Act Grant at Arclabs Welding School provides one-time emergency financial assistance to students whose lives and education were disrupted by the Covid-19 pandemic.**

**This financial assistance is a grant and does not have to be repaid by the student.**

**Grant funds must be used by students to cover expenses related to the disruption of campus operations that resulted from Covid-19.**

**Acceptable uses of the grant funds include food, housing, transportation costs, utilities and course materials.**

### **Student Acknowledgment**

**I, \_\_\_\_\_ (print first and last name) acknowledge that I received \$\_\_\_\_\_ in financial assistance on \_\_\_\_\_ (enter date) under the CARES Act Grant at Arclabs Welding School.**

**I further acknowledge that I am receiving this grant to cover expenses related to the disruption of campus operations that resulted from Covid-19 and agree to use the financial assistance for acceptable uses intended under CARES Act, which are food, housing, transportation costs, utilities and course materials.**

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**Student Signature**