

HEALS Act Key Elements for Graduate Education

July 29, 2020

On July 27, Senate Republican lawmakers introduced a series of supplemental spending packages addressing COVID-19 known collectively as the Health, Economic Assistance, Liability Protection and Schools (HEALS) Act. In total, the HEALS Act provides \$1 trillion in economic relief, compared to \$3.5 trillion in the HEROES Act ([H.R. 6800](#)), which passed the House of Representatives in May and is considered the bicameral counterpart to the HEALS Act. These two proposals follow the passage of the CARES Act ([P.L. 116-136](#)) in late March.

Higher Education Funding	
What funding is included in the HEALS Act?	
<p>The HEALS Act provides \$105 billion for the existing Education Stabilization Fund, with \$29 billion (28%) reserved for the Higher Education Emergency Relief Fund (HEERF). The HEALS Act does not restrict what portion of an IHE’s allocations must be spent on student financial support as compared to institutional support, nor does it require IHEs to provide in-person instruction to receive funds.</p> <p>The formula for allocations for each IHE proportions the amount by:</p> <ul style="list-style-type: none"> • 90% FTE Pell Grant recipients not exclusively enrolled in online courses • 10% FTE non-Pell Grant recipients <p>The HEALS Act reserves \$2.9 billion for HBCUs and MSIs.</p>	
How does this compare with CARES and HEROES?	
CARES Act	HEROES Act
<p>The CARES Act established the Education Stabilization Fund totaling \$30.75 billion for education and allocating \$13.9 billion (46%) to HEERF.</p> <p>The funding required at least 50% of each IHEs funds to go toward direct student financial support.</p> <p><u>Formula:</u></p> <ul style="list-style-type: none"> • 75% based on FTE Pell grant recipients not enrolled exclusively online • 25% based on FTE non-Pell Grant recipients not enrolled exclusively online <p>The CARES Act reserved \$1.05 billion for HBCUs and MSIs.</p>	<p>The HEROES Act created the State Fiscal Stabilization Fund providing \$90 billion for education and allocating \$36.7 billion (30%) for higher education.</p> <p>The funding does not restrict what portions of allocations must be spent on student financial support as compared to institutional support.</p> <p><u>Formula:</u> Based on headcount rather than FTE of both Pell Grant and non-Pell Grant recipients.</p> <p>Includes provisions restricting Dept. of Ed. from limiting student access to emergency grant aid</p> <p>The HEROES Act reserves \$1.07 billion for HBCUs and MSIs.</p>

What has CGS requested?

Most recently, CGS has joined the higher education community in demonstrating a need of at least [\\$74 billion for colleges and universities](#) to prepare for the fall semester and to assist in safely reopening. This request reflects a recent survey by the American Council on Education highlighting the multi-faceted plans for returning in the fall, whether it be virtual, in person, or through a hybrid model.

Previously, CGS has requested¹ at least **\$46.6 billion in funding to assist students and institutions**. These requests included additional funding for federal research grants and extensions, suspending taxation on student grant aid and scholarship, making federal student loan and repayment terms more feasible, and outlining concerns related to the international graduate student community.

Student Loan Provisions

What provisions are included in the HEALS Act?

The student loan measures included in the HEALS Act propose significant changes from those in the CARES Act and HEROES Act. The HEALS Act streamlines student loan repayment into two plan options: (1) a standard 10-year plan and (2) an Income Driven Repayment Plan (IDR).

The new IDR plan limits repayment to 10% of discretionary income above 150% of the federal poverty level. If earnings less than 150% and no income, then there would be no payment necessary.

Complications for PSLF:

Under these provisions, borrowers may **not remain eligible** for PSLF if they switch from the new IDR to the standard repayment plan, and any monthly payments made prior to switching would **not** qualify towards 120 monthly payments.

The HEALS ACT does not extend suspension of loan repayment and interest accrual included in the CARES Act.

How does this compare with CARES and HEROES?

CARES Act

The CARES Act established a suspension on borrower payments on Federal Direct Loans through September 30, 2020.

The CARES Act also suspended interest accrual on federal loans through September 30, 2020.

HEROES Act

The HEROES Act extends suspension of federal loan repayment in CARES Act through September 30, 2021.

The HEROES Act also extends suspension of repayment and interest accrual on FEEL-program federal loans and Perkins Loans retroactively to

¹ April 9th request to [House](#) and [Senate](#). May 29th [request](#) to Senate emphasizing \$46.6 billion request.

<p><u>PSLF:</u> The CARES Act included the temporary suspension of federal student loan repayment would still allow for non-payments through September 30, 2020, to count as qualifying payments for PSLF.</p>	<p>give them the same considerations as federal loans in CARES Act</p> <p><u>PSLF:</u> Under the HEROES Act, borrowers may consolidate loans while maintaining previous payments towards 120 threshold.</p> <p>The HEROES Act also provides up to \$10,000 in federal and private student loan debt relief for “economically distressed” borrowers.</p>
<p>What has CGS requested?</p>	
<p>CGS has requested continuation of the zero-interest deferred payments for borrowers and the suspension of collection activities for borrowers who have defaulted on any type of federal loan provided under the CARES Act. The request includes relief for borrowers until June 30, 2021, or until the unemployment rates remain below 8 percent for three consecutive months.</p> <p>CGS is also concerned with the PSLF provisions in the HEALS Act, which eliminates PSLF eligibility for a group of borrowers and creates additional hurdles for borrowers on the path to forgiveness.</p>	

<p>Immigration and International Students</p>
<p>What has been included in the HEALS Act?</p>
<p>The HEALS Act includes provisions from the Safeguarding American Innovation Act (S.3997). The Safeguarding American Innovation Act is a measure aimed at protecting intellectual property at federally funded institutions and universities by China and other global competitors. However, the details of these provisions raise significant questions by the higher education community.</p>
<p>What are the concerns? How has CGS weighed in?</p>
<p>CGS and the broader higher education community are concerned the provisions could impede international partnerships, discourage international students from attending U.S. institutions, and complicate efforts to encourage transparency.</p> <p>CGS joined the higher education community expressing these hesitations in a letter on July 21. The letter provides additional context to why these provisions raise these questions.</p>

Research Provisions

What provisions are included in the HEALS Act?

The HEALS Act provides \$15.5 billion for the National Institutes of Health (NIH), \$4.5 billion for NASA, and \$306 million for the Department of Energy Office of Science.

Specifically for NIH, the funding includes **\$240 million in cost-extensions to support for existing research awards**. This includes resources targeting young researchers who need additional research time as post-doctoral candidates because of lost research/training due to COVID-19.

However, **the HEALS Act neglects to include other science agencies**, including the National Science Foundation, and other such as the National Endowment for the Arts (NEA) and the National Endowment for the Humanities (NEH).

How does this compare with CARES and HEROES?

CARES Act Funding Levels

NIH: \$945.5 million
National Science Foundation: \$76 million
NEA: \$75 million
NEH: \$75 million

NASA: \$60 million
Department of Energy, Office of Science: \$99.5 million

HEROES Act Funding Levels

NIH: \$4.745 billion
National Science Foundation: \$125 million
NEA: \$10 million
NEH: \$10 million

What has CGS requested?

CGS's [requests](#) for future COVID-19 legislation in April included additional support for the federal research enterprise. **CGS requested additional funding for research agencies to provide cost-extensions and for more fellowship and traineeship slots be supported with additional funding to assist graduate students and postdocs.**

CGS has [endorsed](#) the Research Investment to Spark the Economy (RISE) Act, H.R. 7308, which would provide **\$26 billion in additional support for federal research**. The funding support is accompanied by additional flexibilities provided to extend training programs or employment for researchers.

As a member of the Ad Hoc Group for Medical Research Coalition, CGS has also [requested \\$31 billion](#) for the National Institutes of Health.