



TO: Chief Executive Officers
Chief Business Officers
Chief Student Services Officers
Financial Aid Officers

FROM: Wrenna Finche, Assistant Vice Chancellor
College Finance and Facilities Planning

RE: Changes to 2021 Early Action Emergency Financial Assistance Grants Student Eligibility and Reporting Requirements

This memo provides an update on the March 2021 allocation of \$100 million for emergency financial assistance grants.

ACTION REQUIRED: Identify the amount awarded to students exempt from paying nonresident tuition and transfer the expenditure to another available fund source.

Background

The 2021 Immediate Action Budget Package included \$100 million for emergency financial assistance grants to low-income community college students. At the time the funds were allocated to community college districts, March 2021, the funds were attributed to a state source and the [2021 Immediate Action Budget Package Allocation Memo](#) described that eligible students included those exempt from paying nonresident tuition under [California Education Code section 68130.5](#). The FAQ shared in March 2021 also stated that students exempt from paying nonresident tuition were eligible to receive a grant from the early action emergency financial assistance fund. However, when the final 2021 Budget Act became law, the source for the \$100 million for emergency financial assistance grants was swapped to the federal State Fiscal Recovery Fund provided by the American Rescue Plan Act of 2021. Because the funds are now federally sourced, they are subject to additional reporting requirements. Most importantly, undocumented students who are exempt from paying nonresident tuition are no longer eligible to receive financial assistance grants from this source.

General Ledger Adjusting Entries

Any grants provided to students exempt from nonresident tuition must be transferred to an alternate fund source, such as the Higher Education Emergency Relief Funds or another federal, state, or local source under which the student has eligibility. If a prior year adjustment is needed, please discuss the transaction with your audit team to determine the appropriate adjusting entry.

Reporting Requirements

For all State Fiscal Recovery Fund programs, the Department of Finance requires quarterly reporting of expenditures and annual reporting on program outcomes. The community college district expenditure reports should not include any grants provided to students exempt from

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paying nonresident tuition. Quarterly expenditures will be collected through a Chancellor's Office survey and provided to districts two weeks prior to the due date.

The Department of Finance has established the following 2022 due dates for districts to provide quarterly expenditure reports to the Chancellor's Office:

- April 8, 2022
- July 8, 2022
- October 7, 2022

In addition to the \$100 million early action funds, which were swapped to State Fiscal Recovery Funds, the 2021 Budget Act included \$150 million from the State Fiscal Recovery Fund for a total of \$250 million in emergency financial assistance grants. The additional \$150 million will be allocated in July 2022, along with expanded guidance on student eligibility and further details on required annual reporting.

Governor's Proposed Budget – Investments in AB 540 Students

As a reminder, the Governor's proposed 2022-23 Budget includes \$20 million one-time funds to provide emergency financial assistance grants specifically to AB 540 students. If this proposal is included in the final 2022 Budget Act, the \$20 million for AB 540 students would be available in early 2022-23. The [2022 Joint Analysis of the Governor's January Budget](#) includes more information on the Governor's proposed budget.

Contact

If you have questions regarding the State Fiscal Recovery Fund or emergency financial assistance grants, please contact Gina Browne at gbrowne@cccco.edu.

Attachment: Emergency Financial Assistance District Allocations

cc: Rebecca Ruan-O'Shaughnessy, Vice Chancellor, Educational Services, Chancellor's Office
Gina Browne, Dean of Educational Services, Chancellor's Office
Lizette Navarette, Executive Vice Chancellor, Institutional Supports and Success
Marty Alvarado, Executive Vice Chancellor, Educational Services and Supports
Marc LeForestier, General Counsel