

**State of New Jersey
Governor's Education Emergency Relief Fund
GAN #S425C200007
45-day Initial Report
July 1, 2020**

- 1. Please describe the State's process for awarding GEER funds to LEAs, IHEs, and/or other education-related entities, including:**
 - a. Timeline(s) for awarding GEER funds to LEAs, IHEs, and/or other education-related entities;**
 - b. The criteria, process and deliberations you use to determine which LEAs, IHEs, and/or other education-related agencies are:**
 - i. "Most significantly impacted by coronavirus;" and/or**
 - ii. "Essential" for carrying out emergency educational service;**
 - c. The funding mechanisms (e.g., grants, contracts) the State will use to provide GEER funds to LEAs, IHEs, and/or other education-related entities; and**
 - d. Any specific funding conditions or requirements the State will place on awards to ensure the funds are spent for specific purposes or activities.**

Given the significant financial burdens that New Jersey institutions of higher education are facing due to the unprecedented public health emergency, New Jersey is focusing its GEER funds on New Jersey's public postsecondary institutions. The Office of the Secretary of Higher Education (OSHE) requested data from colleges in the state on the financial impact of COVID-19. This data included the impact of loss of funds through refunds (e.g. campus housing, dining, etc.), loss of revenue from cancelled facility rentals and auxiliary services, added costs for special purchases (e.g. transition to online learning, personal protective equipment costs), and even cost savings, if applicable. This data collection, which includes financial information from institutions through May 30, 2020, uncovered over \$342.5 million of costs incurred (both expenses and revenue losses) by institutions of higher education due to the impact of COVID-19. In reviewing this information in comparison to other educational sectors at the time, it became clear that our public institutions of higher education needed immediate support due to their funding model, which is reliant upon tuition, room and board, and auxiliary revenue in addition to state funding.

New Jersey is moving quickly to disburse GEER funds in an equitable manner. To that end, on June 3, 2020, the state released a "State of New Jersey GEER Fund Application" on the OSHE website and public institutions of higher education were eligible to apply by Monday, June 15, 2020.

The application required institutions of higher education to detail financial hardships that they experienced due to the COVID-19 pandemic between March 13, 2020 and May 30, 2020. The [application](#) included both a narrative portion, which asked institutions to share how they would use the GEER funds and requested institutions to provide any additional information they would like to share. The application further required institutions to provide a financial impact statement, disaggregated into categories such as refunds and expenditures that institutions incurred as a result of the transition to remote learning, maintenance costs for cleaning/disinfection, among other items. All eligible institutions applied for the funding, demonstrating an urgent need for this financial assistance.

To review applications, the OSHE established an internal review team. Each member of the internal review team received training on acceptable and prohibited use of funds and was provided with a

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checklist for consistency in reviewing. Two members of the review team reviewed each application, which enabled OSHE to catch any inconsistencies in reviewing. The review teams anticipate completing reviews in late June/early July 2020, so that the funds can be disbursed to institutions in early July 2020. Funds will be made available through emergency assistance formula grants to the institution based on an OSHE-developed allocation that considers, among other things, institutional expenses incurred as a result of the pandemic. The OSHE-developed allocation also incorporates priority populations from the New Jersey State Higher Education Plan, "[Where Opportunity Meets Innovation: A Student-Centered Vision for New Jersey Higher Education](#)," which includes share of Pell-recipient enrollment, overall enrollment, and underrepresented minority enrollment at the institution. The funding will be split between senior public institutions and county colleges based on proportion of typical State funding. As long as each institution properly completed the application, the eligible institution will receive funding. The OSHE will reserve a small amount of the funds for administering the grant.

As described more fully below in OSHE's response to #2, the Office of the New Jersey State Comptroller is in the process of providing technical assistance, guidance, and training to OSHE staff and other appropriate State employees regarding their compliance responsibility as they related to the administration of CARES Act funding.

Institutions will be required to expend their GEER funds within one year of receipt and OSHE would continue to work with institutions to answer any questions and concerns the institutions have regarding the eligible use of funds. In particular, OSHE has already been communicating with the institutions via an online webinar briefing, as well as individual stakeholder calls as needed, to discuss the use of GEER funds and the need to track expenses in order to avoid 'double-dipping' in utilizing other funding that might be available to them, such as the Higher Education Emergency Relief Funds. The OSHE released a series of frequently asked questions to provide additional clarification regarding the use of GEER funds, which includes costs incurred due to the pandemic (e.g. supporting students and faculty for continuity of operations during the period of disruption).

2. Describe the system of internal controls the State will use to ensure that GEER funds are expended for allowable purposes and in accordance with cash management principles and the Uniform Guidance. See 2 CFR §200.313.

The State of New Jersey, through its state agencies, adheres to the guidance of the Federal Super Circular for any Federal grant compliance. The GEER funds will be administered by the Governor's Office in coordination with OSHE, which will be making awards to sub-recipients that are public institutions of higher education in the state.

Pursuant to N.J.S.A. 15C-15, the Office of the New Jersey State Comptroller (OSC) is charged with providing technical assistance and training to state agencies "regarding best practices in developing and implementing financial management systems that will strengthen internal control procedures and prevent misuse of public funds." Consistent with that statutory mandate, the Governor's Office has appointed OSC as one of the lead agencies that will provide technical assistance, training, and guidance to state agencies concerning their establishment of a fundamental framework for effective compliance,

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monitoring, and oversight of CARES Act funds. The OSC is in the process of providing such technical assistance, training, and guidance to OSHE staff concerning their administration of the GEER funds.

Once applications are evaluated and approved, GEER funding grant agreements will be developed by the OSHE and sent to institutions for signature. These GEER grant agreements will outline the allowable use of the funds, required documentation of expenditures, and reporting requirements. The OSHE will request a final budget for review and approval before the release of the GEER funds, based on the institution's award allocation. Any modifications to institutional budgets for spending GEER funds would need to be submitted to OSHE for amendment.

Once the grant agreements are countersigned by OSHE, the funds will be released. The OSHE will serve as a resource to institutions if there are questions about requirements or compliance for the grant award. Any institution receiving over \$750,000 will further be required to follow New Jersey's standard [audit requirements](#).

As a general practice, all New Jersey institutions receiving a grant award must sign a master contract annually. The master contract is the overarching contract for grant agreements, and includes detailed information on compliance, availability of funds, procurement standards, allowable costs, project contract modifications, and financial reporting, among other topics.

The OSHE adheres to all state and federal government circulars in ensuring grant compliance and has established internal controls to ensure risks are minimized and that staff as well as grantees are knowledgeable about fraud, waste, or abuse of funding.

The OSHE will reconcile the GEERF account to ensure all funds are accounted for and drawn as appropriate using the G5 system.

- 3. If GEER funds are being awarded or used for payments to SEA or IHE administrators, executives, and/or state or local teachers' unions or associations, please describe your process for reporting the amount of funds used for this purpose, and how the funds are consistent with allowable uses of funds under section 18002(c) of the CARES Act.***

New Jersey will not be using its GEER funds for payments to SEA or IHE administrators, executives, and/or state or local teachers' unions or associations.

- 4. If you intend to provide GEER funds to LEAs, please describe the process you will use to ensure that LEAs receiving GEER funds provide equitable services to students and teachers in non-public schools located within the LEA in the same manner as provided under section 1117 of the ESEA.***

New Jersey will not be using its GEER funds to support LEAs.