



**POST PANDEMIC RISK MANAGEMENT  
"THOUGHTFULLY NEARING THE FINISH LINE"**

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OFFICE OF FINANCE AND OPERATIONS

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**OBJECTIVE OF TODAY'S BRIEFING**

- Reflect on the past four years.
- Where are we now?
- Preparing for the future.
- Crossing the finish line.

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**REVISIT THE STARTING LINE**



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## THE STARTING LINE

### HOW WE GOT HERE

- Congress and two administrations passed multiple pieces of legislation during the last few years to combat the affects of the COVID-19 pandemic.
  
- Unprecedented amounts of funding for relief efforts.
  
- By comparison:
  - American Recovery and Reinvestment Act of 2009 (ARRA).
    - ✓ **\$831 Billion (\$663B in actual outlays; \$168B unused).**
  - COVID Relief - **\$5 Trillion = ~6X ARRA funding!**

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## THE STARTING LINE

### BREAKOUT OF FUNDING FLOW

- TOTAL COVID Related Funding - **\$5 Trillion**
- Coronavirus Aid, Relief, and Economic Stability Act ("CARES Act"); signed March 27, 2020 - **\$2.2 Trillion.**
  - Coronavirus Response and Relief Supplemental Appropriations Act of 2021 ("CRSSA") - **\$900 Billion** of the \$2.3 Trillion Consolidated Appropriations Act, 2021 (H.R. 133 aka the FY 2021 Federal Budget); signed December 27, 2020.
  - American Rescue Plan Act of 2021 ("ARP"); signed March 11, 2021 - **\$1.9 Trillion.**

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## ED'S ENTRY IN THE RACE

### U.S. DEPARTMENT OF EDUCATION COVID RELIEF FUNDING

- CARES Act - **\$30.75 Billion**
    - ESSER I - \$13.2 Billion
    - GEER I - \$ 3-4.05 Billion
    - HEERF I - \$1.4 Billion
  - CRSSA - **\$81.88 Billion**
    - ESSER II - \$54.3 Billion
    - GEER II - \$ 1.3 Billion
    - HEERF II - \$21 Billion
    - CRSSA EANS - \$2.75 Billion
  - ARP Act - **\$122 Billion**
    - Initial States Allocations - \$81 Billion
- TOTAL ED Program Funding - **\$234.63 Billion\***
- \*Upward of \$277 Billion**

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## WHILE THE RACE WAS GOING ON...

- Oversight Organizations and Agencies have increased their oversight of the use of the Covid Relief Funds:
  - ED's Office of Inspector General
  - General Accountability Office
  - State and Local Auditors
  - News and Press
  - Law Enforcement Agencies – FBI and Others

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## WHERE ARE WE NOW?



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## CFDA 84.425 EDUCATION STABILIZATION FUNDS REMAINING BALANCES PER G5 GRANT SYSTEM AS OF NOVEMBER 20, 2023

CFDA	Title	Authorized	Available Balance	% Balance
84.425E	CARES Act - Higher Education Emergency Relief Fund (HEERF) - IHEs Emergency Financial Aid to Students	\$30,129,567,234	\$112,961,412	0.4%
84.425F	CARES Act - HEERF - IHEs - Institutional Support	\$38,210,495,638	\$615,795,835	1.6%
84.425M	CARES Act HEERF - Strengthening Institutions Program (SIP)	\$757,890,195	\$16,065,290	2.1%
84.425N	CARES Act HEERF - PIPSE	\$235,700,510	\$8,907,286	3.8%
84.425L	CARES Act HEERF Minority Serving Institutions	\$1,449,574,842	\$66,545,199	4.6%
84.425S	Supplemental Assistance to Institutions of Higher Education Program	\$113,485,680	\$3,949,701	3.2%
84.425D	CARES Act - Elementary and Secondary Schools Emergency Relief Fund	\$67,540,909,000	\$3,787,072,660	5.6%
84.425C	CARES Act - Governor's Emergency Education Relief Fund	\$4,236,267,313	\$278,815,598	6.6%
84.425Q	Priority Institution Grant Funds for Students	\$59,293,917	\$7,596,137	6.9%
84.425T	CARES Act HEERF - PIPSE Connective (CSARP)	\$197,922,850	\$18,021,762	9.1%
84.425A	CARES Act - Outlying Areas	\$400,520,000	\$34,497,345	12.1%
84.425J	CARES Act - HEERF HBCU, HHSU and HBCU Masters	\$115,100,000	\$45,137,398	14.7%
84.425B	Emergency Assistance for Non-Public Schools	\$2,750,000,000	\$53,787,457	20.3%
84.425K	CARES Act HEERF Tribally Controlled Colleges and Universities	\$275,756,022	\$38,727,845	14.0%
84.425H	Governor's Education Stabilization Fund Education for Outlying Areas	\$112,830,000	\$18,307,164	16.3%
84.425P	Institutional Resilience and Expanded Postsecondary Opportunity	\$112,510,304	\$41,388,108	36.8%
84.425G	Education Stabilization Fund - Reimagining Workforce Preparation (ESF-RWP)	\$126,665,808	\$56,669,064	44.7%
	American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund (ARP-ESSER)	\$121,974,800,000	\$56,010,874,061	45.9%
84.425B	CARES Act - Education Stabilization Fund Discretionary Grants	\$180,562,096	\$86,052,748	47.6%
	American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund - Homeless Children and Youth (ARP-HCY)	\$299,000,000	\$512,389,161	64.1%
84.425V	American Rescue Plan - Emergency Assistance to Non-Public Schools	\$2,750,000,000	\$1,805,508,364	65.7%
84.425X	American Rescue Plan - Outlying Areas SEA (ARP-OA SEA)	\$800,000,000	\$571,266,476	71.2%
<b>Total</b>		<b>\$277,964,598,969</b>	<b>\$165,287,238,188</b>	<b>59.5%</b>

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**AS YOU NEAR THE FINISH LINE...**



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**WHAT DOES IT LOOK LIKE ON THE OTHER SIDE?**



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**IMPACT ON LEARNING ENVIRONMENT**

**LEARNING**  
DURING A PANDEMIC



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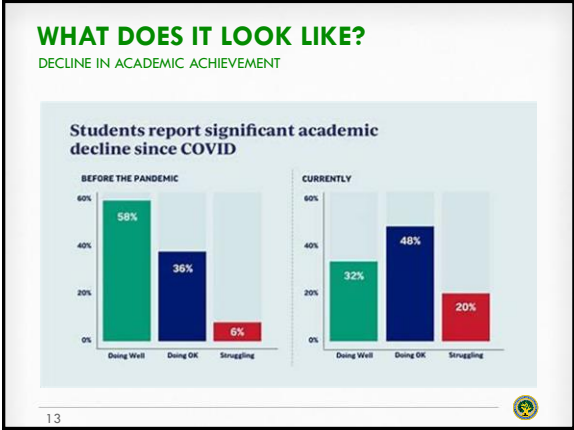
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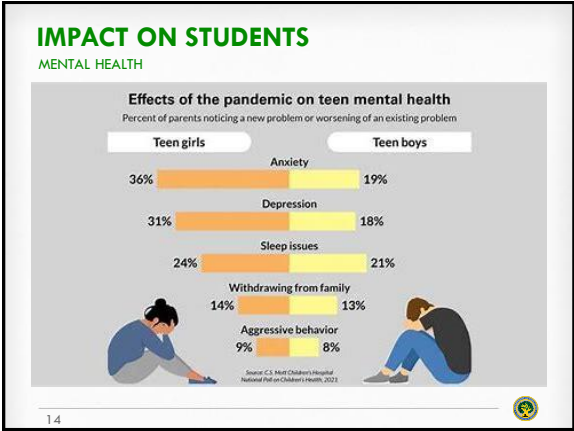
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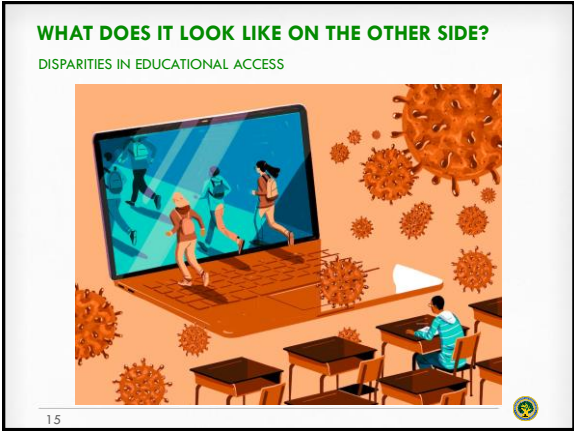
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## IMPACT AT HOME!



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## LOOKING TO THE FUTURE...



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## LEVERAGING REMAINING FUNDS FOR THE FUTURE

### RISK MITIGATION STRATEGY

- Over the years, there have been continuous needs for infusion of federal stimulus to recover from various events (i.e. natural disasters, economic collapses, etc.)
- History shows, more than likely, ***IT WILL HAPPEN AGAIN!***

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## HISTORY OF ECONOMIC STIMULUS/RECOVERY

Stimulus/Crisis	Major Programs Enacted	Purpose/Why	When	Total Amount
The Great Depression & the New Deal	Within the first days of the Roosevelt administration, banking reform laws, emergency and work relief programs, as well as agriculture programs were passed: <b>The First New Deal</b> (1933-1934) handled the pressing banking crisis through the <b>Emergency Banking Act and the Banking Act of 1933.</b>	To promote economic recovery after the Great Depression of the 1930s while providing jobs, advancing infrastructure, and implementing social programs. The programs launched to address the crisis were collectively called "The New Deal."	1930s	\$41.7 billion in then current dollars according to a 2015 study by Price Fishback and Valentina Kachanovskaya. That translates to \$793 billion today.

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## HISTORY OF ECONOMIC STIMULUS/RECOVERY

Stimulus/Crisis	Major Programs Enacted	Purpose/Why	When	Total Amount
The Great Depression & the New Deal	Within the first days of the Roosevelt administration, banking reform laws, emergency and work relief programs, as well as agriculture programs were passed: <b>"The Second New Deal"</b> (1935-1936), which was a series of programs referred to as "alphabet soup." Programs created that remain today include SSA, SEC, FHA, FCC, FDIC, FCA, and TVA.	To promote economic recovery after the Great Depression of the 1930s while providing jobs, advancing infrastructure, and implementing social programs. The programs launched to address the crisis were collectively called "The New Deal."	1930s	\$41.7 billion in then current dollars according to a 2015 study by Price Fishback and Valentina Kachanovskaya. That translates to \$793 billion today.

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## HISTORY OF ECONOMIC STIMULUS/RECOVERY

Stimulus/Crisis	Major Programs Enacted	Purpose/Why	When	Total Amount
The Great Depression & the New Deal	Within the first days of the Roosevelt administration, banking reform laws, emergency and work relief programs, as well as agriculture programs were passed: Additional legislation passed included the Social Security Act, union protection programs, and programs to aid farmers and migrant workers.	To promote economic recovery after the Great Depression of the 1930s while providing jobs, advancing infrastructure, and implementing social programs. The programs launched to address the crisis were collectively called "The New Deal."	1930s	\$41.7 billion in then current dollars according to a 2015 study by Price Fishback and Valentina Kachanovskaya. That translates to \$793 billion today.

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## HISTORY OF ECONOMIC STIMULUS/RECOVERY

Stimulus/Crisis	Major Programs Enacted	Purpose/Why	When	Total Amount
Recession – November 1973 to March 1975	President Ford's tax stimulus passed in March 1975	Tax policy to dispel the "economic malaise" that had come over the U.S. in the first half of the 1970s. At that time, an OPEC oil embargo, a currency crisis caused by the U.S. abandoning the gold standard, plus other economic troubles started the U.S. into a long recession that lasted from November 1973 to March 1975.	1975	Gave all taxpayers a \$30 tax credit (worth around \$140 in today's dollars), increased the standard deduction and also provided a refundable earned income tax credit

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## HISTORY OF ECONOMIC STIMULUS/RECOVERY

Stimulus/Crisis	Major Programs Enacted	Purpose/Why	When	Total Amount
9/11 Terrorist Attacks & Financial Aid to Airlines	Air Transportation Safety and System Stabilization Act (ATSSSA) in Sept 2001	\$ 5 billion in immediate and direct payments to airlines to compensate them for losses resulting from the federal ground stop order during the first four days after the attack, and for further losses that the airlines were expected to incur as a result of reduced air traffic from September 23 through December 31, 2001. And federal credit instruments, such as direct loans or loan guarantees, totaling up to \$10 billion, to assist air carriers whose financial survival was put at risk by the terrorist attacks and the subsequent collapse in air traffic	2001	Total \$15 billion

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## HISTORY OF ECONOMIC STIMULUS/RECOVERY

Stimulus/Crisis	Major Programs Enacted	Purpose/Why	When	Total Amount
2008-2009 Financial Crisis also known as the Great Recession of 2008	Economic Stimulus Act in 2008 - \$152 billion  Troubled Asset Relief Program (TARP) - Congress initially authorized \$700 billion for TARP in October 2008, that authority was reduced to \$475 billion by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) (total disbursed \$443.5 billion)  American Recovery and Reinvestment Act (ARRA) in Feb 2009 – (\$831 billion)	Several programs created to help stabilize the U.S. financial system, restart economic growth, and prevent avoidable foreclosures.	2008-2009	Approx \$1.4 trillion

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## HISTORY OF ECONOMIC STIMULUS/RECOVERY

Stimulus/Crisis	Major Programs Enacted	Purpose/Why	When	Total Amount
Covid-19 Pandemic	<p>Coronavirus Aid, Relief, and Economic Security Act (CARES) in March 2020 (\$2.2 Trillion)</p> <p>Coronavirus Response and Consolidated Appropriations Act 2021 in December 2020 (\$900 Billion in Covid Aid)</p> <p>American Rescue Plan Act of 2021 in March 2021 (\$1.9 Trillion)</p>	To address the economic fallout of the world-wide health crisis presented by Covid-19 pandemic.	2020-2021	Approx. \$5 Trillion

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## HISTORY OF ECONOMIC STIMULUS/RECOVERY



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## WILD FIRES



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## HURRICANES AND TYPHOONS



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## EARTHQUAKES



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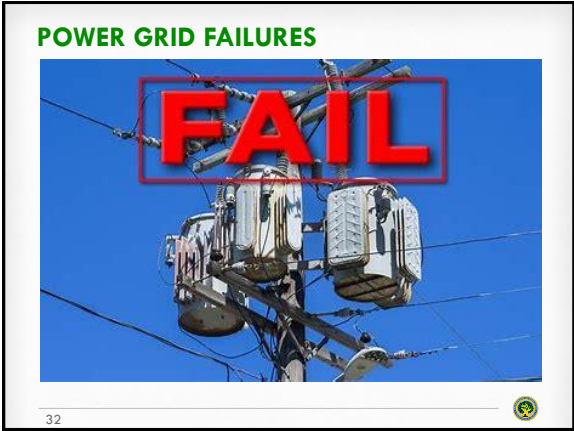
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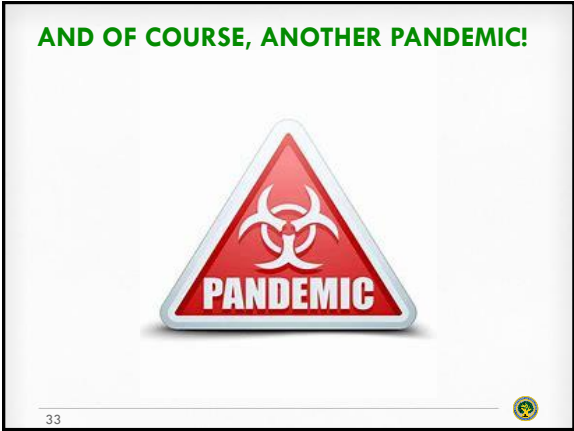
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## AS WE CROSS THE FINISH LINE...



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## POST-PANDEMIC TRENDS IN RISK MANAGEMENT

### RISK MANAGEMENT EVOLUTION

- Risk management was put under pressure to include learnings from the pandemic to deliver more accurate scenarios for the future.
- Consequently, the risk management function has been forced to focus on future business RESILIENCE and AGILITY.
- Risk management is a multi-faceted process in organizations. It applies to operational processes, strategic development, the IT environment and beyond.
- While routine risks necessitate management to provide transparency to address compliance, recent events have compounded existing risk management strategies and exposed new vulnerabilities.

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## POST-PANDEMIC TRENDS IN RISK MANAGEMENT

### RISK MANAGEMENT EVOLUTION

- In response, a new category, summarized as "Novel Risks," [1] has been divided into three subcategories:
  - **Black Swan events:** Previously not considered threats that escalate to unexpected levels. Consistent scenario analysis is a good approach to mitigate Black Swan event impacts, at least partially.
    - **Example: 9/11 and Hollywood**
  - **Perfect Storm:** A combination of two, three or more events (often technology-driven events) happening at the same time. An example of this is the Boeing 737—while simultaneously implementing many technology changes, a new flight control software immobilized the pilots' ability to react responsively.
  - **Mega events:** Can happen with unprecedented speed and force, generating situations which are difficult to prepare for. Consider the earthquake in March 2011 that caused a tsunami and led to the Fukushima nuclear powerplant explosion.

[1] "Novel Risks", Harvard Business School, Working Paper 20-094, Robert S. Kaplan, Herman B. Leonard, Anette Milkes, May 2020 <https://www.hbs.edu/faculty/Pages/item.aspx?num=57892>

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## POST-PANDEMIC TRENDS IN RISK MANAGEMENT

### RISK MANAGEMENT EVOLUTION

- To manage these Novel Risks, companies will have to detect and respond rapidly, while continual programs run by crisis management handle the worst consequences.
- Building resilience programs to run in parallel to daily "business as usual" (BaU) operations.
- Strengthening the agility of business response to economic and environmental uncertainty.
- Strive for rapid, agile responses to unexpected events in the future.

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## AS WE CROSS THE FINISH LINE...

### SUMMARY

- Grantees should expect that these events will continue to occur periodically in the future, occasionally resulting in some form of stimulus.
- Every time these sorts of stimulus programs are available, grantees should think about how to use the funds to not just address the immediate need, but...
- Prudent to also consider, HOW DO WE PREPARE OURSELVES FOR THE **NEXT** ONE!
- If allowable, how the funds might be used to also improve, fortify, and "harden" your infrastructure and operations to hopefully minimize the impact and to ensure resilience when future situations do arise.

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## AS WE CROSS THE FINISH LINE...

### SUMMARY

- Include this scenario development in your Contingency and Continuity of Operations planning.
- Share proposed scenarios for use of funds for Novel Risks with your ED program office contacts for guidance and approval.
- Going forward, resilience programs will eventually become part of a company's normal business operations, parallel to Business as Usual, continuously maintained and updated.

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**QUESTIONS & COMMENTS**



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**Further Questions or Need Assistance:**

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[christine.jackson@ed.gov](mailto:christine.jackson@ed.gov)

**THANK YOU!**

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