

Higher Education Emergency Relief Fund Report – Emergency Financial Aid Grants to Students

June 2, 2020

Medspa Academies, Inc. d/b/a National Institute of Medical Aesthetics or “NIMA” (OPE ID: 04210300) received education stabilization funds under Section 18004(a)(1) of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), Public Law No: 116-136. This Fund Report applies to the student portion received under the Higher Education Emergency Relief Fund that is designated exclusively for emergency financial aid grants to students.

The institution appreciates that Congress and the President have made these critical funds available for eligible students who have expenses related to the disruption of campus operations due to the coronavirus pandemic. We take receipt of these federal funds seriously and are distributing them in accordance with the CARES Act and implementing guidance.

The institution is making the below information available for transparency purposes and in compliance with the U.S. Department of Education’s (“Department”) Electronic Announcement of May 6, 2020.¹ For questions or concerns regarding this Fund Report, please contact Matt Brinton, CEO at: mbrinton@nima.edu.

The institution signed and returned to the Department the Certification and Agreement for Emergency Financial Aid Grants to Students. 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.

1. The total amount of funds that the institution will receive or has received from the Department pursuant to the institution’s Certification and Agreement [for] Emergency Financial Aid Grants to Students is \$135,232.00.
2. The total amount of emergency financial aid grants distributed to students under Section 18004(a)(1) of the CARES Act as of the date of this Fund Report is \$0.00.
3. The estimated total number of students at the institution eligible to participate in programs under Section 484 in Title IV of the Higher Education Act of 1965, and thus eligible to receive emergency financial aid grants under Section 18004(a)(1) of the CARES Act, as of the date of this Fund Report is 268.
4. The total number of students who have received an emergency financial aid grant under Section 18004(a)(1) of the CARES Act as of the date of this Fund Report is 0.
5. The methods used by the institution to determine which students receive emergency financial aid grants and how much they would receive under Section 18004(a)(1) of the CARES Act are provided at Attachment A.
6. Any instructions, directions, or guidance provided by the institution to students concerning the emergency financial aid grants are provided at Attachment B.

¹ See: <https://ifap.ed.gov/electronic-announcements/050620HigherEdEmergencyReliefFundRptg>

Attachment A

On approximately April 14, 2020, NIMA learned about the education stabilization funds being disbursed to higher education institutions through the Higher Education Emergency Relief Fund (“HEERF”) created by the CARES Act. The announcement came with very little guidance on the process for disbursing the student portion of the funds (the “Student Funds”). NIMA management immediately began researching and gathering information from trusted sources, including:

- Resources from the U.S. Department of Education, Office of Postsecondary Education found [here](#).
- Resources and guidance from the American Association of Cosmetology Schools found [here](#).
- Publications and guidance from the National Association of Student Financial Aid Administrators found [here](#).
- Publications and guidance from the American Council on Education found [here](#).
- Publications and guidance from Career Education Colleges and Universities found [here](#).
- Communications with strategic partners and consultants.
- Communications with individual cosmetology and esthetics school owners in Utah and around the nation.

NIMA management decided to create an *ad hoc* board (the “HEERF Board”) composed of eight NIMA management and staff. The purpose of the HEERF Board was to:

1. Review information on the purpose of the HEERF Funds and guidance on student disbursement.
2. Assess student needs related to the disruption in campus operations and the students’ lives due to the COVID-19 pandemic.
3. Review various different possible methods for determining needs and disbursing Student Funds.
4. Determine NIMA’s formula for assessing needs and disbursing Student Funds.
5. Determine process for Student Funds disbursement.

The HEERF Board worked together and determined that NIMA will disburse the student portion of NIMA’s HEERF funds as follows:

1. 45 % of the Student Funds allocated equally among all Eligible Students.
 - a. An Eligible Student is defined as all NIMA students who:
 - i. were enrolled at NIMA;
 - ii. as of March 18, 2020 (the date on which NIMA was required to close its campus operations and migrate students to the online platform); and
 - iii. who are or could be eligible to participate in programs under Title IV of the Higher Education Act (“HEA”) by either:
 1. filing a Free Application for Federal Student Aid (FAFSA),
 - or

2. being eligible to file a FAFSA by: being a U.S. citizen or eligible noncitizen, having a valid Social Security number, filing with Selective Service (if applicable), and having a high school diploma, GED, or completion of high school in an approved homeschool setting.
 - b. 45% of the Student Funds divided by the number of Eligible Students as of March 18, 2020 = \$225.00 for each Eligible Student.
 2. 45% of the Student Funds allocated among all eligible students based on a per diem calculation.
 - a. An Eligible Student is as defined above.
 - b. The per diem calculation is a calculated payment per calendar day that the Eligible Student was actively enrolled at NIMA and accruing online theory hours yet unable to perform hands-on practical services because of the mandated school closure, and more specifically defined as follows:
 - i. The start day for all students is March 18, 2020 when NIMA was required to close campus.
 - ii. The end date is the date on which each NIMA campus opened and students were able to return to providing practical services.
 - c. 45% of the \$135,232 Student Funds = \$60,854.00 divided by the number of total accrued days that all Eligible Students were enrolled at NIMA and accruing hours online, yet unable to return to campus for practical hours because of the mandated closure to arrive at a per diem calculation of \$5 per calendar day.
 3. 10% of the Student Funds will be kept in reserve for future disbursement to future NIMA students in the event that a future COVID-19-related event requires the closure of school or any other similar impact on NIMA students. Use of the reserve funds will be determined as follows:
 - a. The HEERF Board will actively monitor for future COVID-19-related economic impacts on NIMA students (a “Future Event”) and determine an equitable disbursement policy based on past determinations and current guidance from trusted sources.
 - b. The reserve funds will be held in reserve until the earlier to occur of:
 - i. A Future Event, in which case the reserve funds will be disbursed as determined by the HEERF Board; or
 - ii. May 3, 2021, in which case all remaining reserve funds will be distributed equally, per capita, among the NIMA students receiving Student Funds in this initial round of disbursements.
 4. Student Funds disbursement will begin as early as June 3, 2020 via checks issued to Eligible Students and continue until the funds are disbursed as set forth above.

Attachment B

Detailed information about the methods used to calculate each eligible student's HEERF funds disbursement is contained in Attachment A. Funds disbursement will begin the week of June 1, 2020 and continue until the funds are disbursed per the outlined plan. No application is needed.