

# **Methodology for Calculating Allocations Under the American Rescue Plan Act of 2021 pursuant to Section 314(a)(2) of the Coronavirus Response and Relief Supplemental Appropriations Act, 2021**

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Of the funds available for the Higher Education Emergency Relief Fund (HEERF) under the American Rescue Plan (ARP) Act (Pub. L. 117-2), 7.5 percent (\$2.97 billion) is allocated pursuant to section 314(a)(2) of the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) for additional awards to eligible institutions under parts A and B of titles III and V and subpart 4 of part A of title VII of the Higher Education Act of 1965, as amended (HEA). As under CRRSAA, these ARP funds must be allocated across these programs proportionally based on the relative share of funding these programs received in the Further Consolidated Appropriations Act, 2020 (Public Law 116-94). The 11 grant programs that are covered by the named parts of the HEA and which were funded for fiscal year 2020, are described further below.

## **Allocation Methodology**

### **Strengthening HBCUs and HBCU Masters Programs**

Section 314(a)(2)(A) of CRRSAA established a new formula for distribution of funds to institutions eligible under the Strengthening Historically Black Colleges and Universities (HBCUs) program authorized by part B of title III of the HEA and the HBCU Masters program authorized by subpart 4 of part A of title VII of the HEA. Section 2003(3) of the ARP amended the formula described in 314(a)(2)(A)(iii) to stipulate that any HBCU “that has a total endowment size of less than \$1,000,000 (including an institution that does not have an endowment) shall be treated by the Secretary as having a total endowment size of \$1,000,000.”

For each of these two funding streams (the \$1.27 billion provided for the Strengthening HBCUs program and the \$38.9 million provided for the HBCU Masters program), the formula distributes 70 percent of funding according to each institution’s relative share of Pell Grant recipients in attendance at the end of the school preceding the beginning of the most recent fiscal year, 20 percent according to each institution’s relative share of total students enrolled at the end of that school year, and 10 percent according to an endowment factor using a ratio of the total sum of HBCU endowments to each institution’s endowment. The Department used the data HBCUs reported for CRRSAA to calculate allocations.

In accordance with 2003(3) of the ARP, and consistent with the approach the Department adopted for HBCU allocations under CRRSAA 314(a)(2) through the [final rule](#) published April 22, 2021, the Department assigned an endowment value of \$1,000,000 to any HBCU reporting an endowment value of less than \$1,000,000. The Department then generated ratios for each eligible institution equivalent to the sum of all HBCU endowments divided by each institution’s

endowment value. Then the Department calculated each HBCU's share of the sum of these endowment ratios. This share was then multiplied by the total amount allocated to this factor.

### HBGIs

As provided under CRRSAA section 314(a)(2)(B), to calculate awards for Historically Black Graduate Institutions (HBGIs) identified in section 326 of the HEA, the Department calculated each institution's total share of funding provided to HBGIs in the Further Consolidated Appropriations Act, 2020, and applied that percentage to the amount of funding allocated to the HBGI program under CRRSAA section 314(a)(2) as modified by section 2003(2) of the ARP (\$328.3 million) to determine each institution's HBGI award.

### TCCUs

As provided in section 314(a)(2)(C) of CRRSAA, the Department used the formula described in section 316(d)(3) of the HEA to calculate awards for eligible institutions under the American Indian Tribally Controlled Colleges and Universities (TCCU) program. The Department used data reported by TCCUs to calculate these allocations – the same data used to calculate their awards under CRRSAA.

### MSI/SIP

For the other seven programs funded under ARP pursuant to section 314(a)(2) of CRRSAA, the statute directs the Department to use the allocation formula in section 314(a)(1) of the CRRSAA. This formula methodology is described in detail [here](#). The formula was applied separately to each of the amounts provided for the seven programs (shown in the chart below) to determine allocations for each eligible grantee. Institutions that receive allocations under more than one of these programs will receive a total award that aggregates the amounts the institution is to receive from each program. As under the Department's methodology under section 18004(a)(2) of the CARES Act and section 314(a)(2) of CRRSAA, the Strengthening Institutions Program (SIP) formula awards are reserved for institutions that are eligible only for SIP. Please see the chart below for a more detailed explanation.

### Eligibility Rules

Eligibility rules for each of the 11 programs are described below:

- **HBCUs**: For the three programs that support Historically Black Colleges and Universities (HBCUs) (the green rows in the chart below), eligible entities are limited to institutions that meet certain specific statutory definitions and that do not receive their own direct appropriation under ARP. The allocations based on the formulas described in sections 314(a)(2)(A) and 314(a)(2)(B) of CRRSAA are combined into a single grant. The grant amounts awarded to institutions that meet the requirements for these 3 programs do not include amounts from any of the other eight grant programs discussed in the other bulleted paragraphs.

- **TCCUs:** As directed in section 314(a)(2)(C) of CRRSAA, for the program that supports American Indian Tribally Controlled Colleges and Universities (TCCUs) (the blue row in the chart below), the Department distributed funding to institutions based on the formula described in section 316(d)(3) of the HEA. Section 314(a)(2) grant amounts awarded to TCCUs do not include amounts from any of the other 10 programs discussed in the other bulleted paragraphs. Eligibility to participate in this program is limited to those institutions named in statute (the Equity in Educational Land-grant Status Act of 1995) or that receive funding under the Tribally Controlled Colleges and Universities Assistance Act of 1978.
- **MSIs:** For the six programs in which eligibility is based, in part, on meeting a specific minority enrollment threshold (the orange rows in the chart below), the Department identified the universe of eligible institutions from the Department’s Minority Serving Institution (MSI) Grant Eligibility Matrix 2021. The Eligibility Matrix identifies institutions that have been designated for Fiscal Year (FY) 2021 as eligible under the titles III and V programs and that meet the minority enrollment threshold for particular programs. For the institutions that meet the requirements for more than one program, allocations are combined into a single grant made available under this subsection. The section 314(a)(2) grant amounts awarded to institutions that meet the requirements for these six programs do not include amounts from any of the other five grant programs discussed in the other bulleted paragraphs.
- **SIP:** For the Strengthening Institutions Program (SIP) (the gray row in the chart below), the universe of eligible entities was limited to those institutions that have been designated as an eligible institution in FY 2021 under the titles III and V grant programs under the HEA and that did not receive any section 314(a)(2) funding through any of the other 10 grant programs discussed in the other bulleted paragraphs.

### **Data Notes**

As with the HEERF grant program authorized under the CARES Act and CRRSAA, and with the funds provided to all IHEs under section 2003 of the ARP pursuant to section 314(a)(1) of the CRRSAA, awards allocated under section 314(a)(2) are generally calculated at the 6-digit OPEID level. Therefore, branch campus enrollment is reflected in the awards of eligible parent institutions. However, these allocations also include awards for the MSIs and SIP institutions that are branch campuses whose parent institutions are not eligible for section 314(a)(2) funding and that submitted the requisite data to receive awards under the funds reserved under section 18004(a)(2) of the CARES Act. The Department did not reserve section 314(a)(2) funds under the MSI and SIP formulas. Please note that the ARP provides an additional \$197.9 million to be allocated pursuant to section 314(a)(3) of the CRRSAA -- for institutions of higher education that the Secretary determines have, after allocating other funds available under the other sections of 2003 of the ARP, the greatest unmet needs related to coronavirus. This will include eligible MSI and SIP branch campuses that did not, nor did their parent institutions, otherwise receive an allocation under section 314(a)(2) of the CRRSAA.

<b>Program</b>	<b>2003(2) Funding Level</b>	<b>Eligibility Criteria<sup>1</sup></b>
Strengthening Historically Black Colleges and Universities (Strengthening HBCUs) Program	\$1,270 million	“Part B” institutions as described in section 322(2) of the HEA, excluding institutions receiving their own direct appropriation under ARP
Master's Degree Programs at Historically Black Colleges and Universities (HBCU Master's) Program	\$38.9 million	Institutions named in section 723(b)(1) of the HEA
Strengthening Historically Black Graduate Institutions (HBGIs) Program	\$328.3 million	Institutions named in section 326(e)(1) of the HEA
American Indian Tribally Controlled Colleges and Universities (TCCUs) Program	\$143.2 million	Institutions that qualify for funding under the Tribally Controlled College or University Assistance Act of 1978 or the Navajo Community College Assistance Act of 1978; are cited in section 532 of the Equity in Educational Land Grant Status Act of 1994; or are designated as eligible for funding by the Bureau of Indian Education
Predominantly Black Institutions (PBIs) Program - Formula Grants	\$51.6 million	Institutions designated as eligible in FY 2021 for titles III and V programs and that have enrollment of undergraduate students that is at least 40 percent black American, and that have at least 1,000 undergraduate students
Alaska Native and Native Hawaiian Serving Institutions (ANNH) Program	\$71.6 million	Institutions designated as eligible in FY 2021 for titles III and V programs and that have enrollment of undergraduate students that is at least 20% Alaska Native or 10% Native Hawaiian students
Asian American- and Pacific Islander-serving Institutions (AANAPISI) Program	\$17.4 million	Institutions designated as eligible in FY 2021 for titles III and V programs and that have an enrollment of undergraduate students that is at least 10% Asian American and Native American Pacific Islander
Native American-Serving Nontribal Institutions (NASNTI) Program	\$17.4 million	Institutions designated as eligible in FY 2021 for titles III and V programs and that have an enrollment of undergraduate students that is at least 10% Native American
Developing Hispanic-Serving Institutions (DHSI) Program	\$559.3 million	Institutions that have been designated as eligible in FY 2021 for titles III and V programs and that have an enrollment of undergraduate students that is at least 25% Hispanic
Promoting Postbaccalaureate Opportunities for Hispanic Americans (PPOHA) Program	\$50.2 million	Institutions designated as eligible in FY 2021 for titles III and V programs and that have an enrollment of undergraduate students that is at least 25% Hispanic and that offer a postbaccalaureate program
Strengthening Institutions Program (SIP)	\$421.6 million	Institutions designated as eligible in FY 2021 for titles III and V programs and that did not receive 314(a)(2) grant awards as a result of not meeting the requirements for the Strengthening HBCUs, HBGIs, HBCU Master's, TCCUs, PBIs, ANNH, AANAPISI, NASNTI, DHSI, and/or PPOHA programs

<sup>1</sup> Any reference to requirements established in specific HEA programs do not include those programs' concurrent funding limits or waiting period requirements, which are generally not being applied for the purposes of the section 314(a)(2) grant awards.