

Methodology for Calculating Allocations for Section 18004(a)(2) of the CARES Act (revised as of May 22, 2020¹)

The CARES Act provided \$13.95 billion for the Higher Education Emergency Relief Fund (HEERF) under Section 18004. Section 18004(a)(2) of the Act allocates 7.5% of that amount (\$1.05 billion) 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). The CARES Act further stipulates that the \$1.05 billion must be allocated across these programs proportionally based on the allocations 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 in the chart below.

In distributing funding to institutions under the programs, except the American Indian Tribally Controlled Colleges and Universities (TCCU) program, referenced in Section 18004(a)(2), the Department adopted the same formula used to distribute the first 90% of the HEERF funding in Section 18004(a)(1)

(<https://www2.ed.gov/about/offices/list/ope/heerf90percentformulaallocationexplanation.pdf>).

The formula was applied separately to all eligible grantees within each of the 10 program funding amounts. An institution that would be eligible to receive grant funds under the eligibility criteria/requirements for several of the 10 programs, notwithstanding any limits in those programs that would exist for those grant awards on concurrent funding and waiting periods, will receive a Section 18004(a)(2) grant award that aggregates the amounts the institution would receive under the formula for each program, following the rules described in the bullet points and chart further below.

The Department originally applied the same methodology to determine the grant awards for institutions eligible by way of their eligibility for the TCCU program. However, based on the request and unanimous support of all 35 eligible grantees for the TCCU program, the Department has revised its methodology to use the formula described in Section 316 of the HEA to distribute Section 18004(a)(2) grant awards to eligible institutions under the TCCU program. The Department believes that this change is reasonable, as the statutory formula was the product of careful negotiations between the Federal and Tribal governments and aligns with the TCCUs' shared cultural priorities of community and equity – in this case, that each TCCU first receive a base award of an equal amount and that the remainder of the funding is distributed based on each TCCU's total Indian student count. This formula is important to the TCCUs because it ensures that even small institutions receive an award sufficient to address each institution's needs. The formula recognizes the unique needs of small, rural, or remote institutions serving students who often live across very large Indian reservations (several of which are larger than five states).

¹ This document has been revised to reflect changes in how the Department is allocating funds among American Indian Tribally Controlled Colleges and Universities (TCCUs), for reasons explained in the document.

The change in the methodology for institutions whose section 18004(a)(2) grant award is based upon their eligibility for the TCCU program does not affect the 18004(a)(2) grant award amounts for institutions whose eligibility for these grant awards are based on the other 10 grant programs.

The rules for grant awards are as follows:

- **HBCUs**: For the 3 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. For HBCUs that receive funding under more than one HBCU program, allocations were combined into a single Section 18004(a)(2) grant. The Section 18004(a)(2) grant amounts awarded to institutions that meet the requirements for these 3 programs do not include amounts from any of the other 8 grant programs discussed in the other bulleted paragraphs.
- **TCCUs**: For the program that supports American Indian Tribally Controlled Colleges and Universities (TCCUs)(the blue row below), the Department distributed funding to institutions based on the formula described in Section 316 of the HEA. Section 18004(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 6 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 2020. The Eligibility Matrix identifies institutions that have been designated for Fiscal Year (FY) 2020 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 18004(a)(2) grant amounts awarded to institutions that meet the requirements for these 6 programs do not include amounts from any of the other 5 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 2020 under the titles III and V grant programs under the HEA and that did not receive any Section 18004(a)(2) funding through any of the other 10 grant programs discussed in the other bulleted paragraphs.
- Under each of the programs in which the eligible entities are not specifically named in statute (in the orange and gray rows of the chart below) , the Department has reserved 2% of the funding so that institutions that believe they are eligible, including eligible

branch campuses whose parent institution is not eligible for Section 18004(a)(2) grants, may request funding and submit the requisite data. The Department will provide information on how to request funds from this reserve in the near future.

Program	18004(a)(2) Funding Level (inclusive of 2% reserve amounts in select programs)	Eligibility Criteria ²	Number of Eligible Institutions ³
Strengthening Historically Black Colleges and Universities (Strengthening HBCUs) Program	\$447.5 million	“Part B” institutions as described in section 322(2) of the HEA	96
Strengthening Historically Black Graduate Institutions (HBGIs) Program	\$115.7 million	Institutions named in section 326(e)(1) of the HEA	24
Master's Degree Programs at Historically Black Colleges and Universities (HBCU Master's) Program	\$13.7 million	Institutions named in section 723(b)(1) of the HEA	18
American Indian Tribally Controlled Colleges and Universities (TCCUs) Program	\$50.5 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	35

² Any reference to requirements established in specific HEA programs do not include those programs' concurrent funding limits or waiting period requirements, which are not being applied for the purposes of the Section 18004(a)(2) grant awards.

³ There may be some overlap in these totals, due to some institutions' eligibility for allocations related to more than one of the 11 HEA programs within each applicable group of programs (HBCUs and TCCUs, MSIs, or SIP). Please also note that the totals in this column may change as the Department updates its knowledge as to the schools eligible for Section 18004(a)(2) funds, such as updates to account for closed institutions. Please refer to the allocation table for the Section 18004(a)(2) funds for current totals and listings of schools.

Predominantly Black Institutions Program - Formula Grants (PBIs)	\$18.2 million	Institutions designated as eligible in FY 2020 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	80
Alaska Native and Native Hawaiian Serving Institutions (ANNH) Program	\$25.2 million	Institutions designated as eligible in FY 2020 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	16
Asian American- and Pacific Islander-serving Institutions (AANAPISI) Program	\$6.1 million	Institutions designated as eligible in FY 2020 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	160
Native American-Serving Nontribal Institutions (NASNTI) Program	\$6.1 million	Institutions designated as eligible in FY 2020 for titles III and V programs and that have an enrollment of undergraduate students that is at least 10% Native American	29
Developing Hispanic-Serving Institutions (DHSI) Program	\$197.1 million	Institutions that have been designated as eligible in FY 2020 for titles III and V programs and that have an enrollment of undergraduate students that is at least 25% Hispanic	419
Promoting Postbaccalaureate Opportunities for Hispanic Americans (PPOHA) Program	\$17.7 million	Institutions designated as eligible in FY 2020 for titles III and V programs and that have an enrollment of undergraduate students that is at least 25%	183

		Hispanic and that offer a postbaccalaureate program	
<p style="text-align: center;">Strengthening Institutions Program (SIP)</p>	<p style="text-align: center;">\$148.6 million</p>	<p>Institutions designated as eligible in FY 2020 for titles III and V programs and that did not receive 18004(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</p>	<p style="text-align: center;">1,027</p>