

Methodology for Calculating Allocations per Section 18004(a)(1) of the CARES Act

Of the funds available for the Higher Education Emergency Relief Fund, 90% (\$12,557,254,500.00) of the funds will be awarded to IHEs based on two formula factors: (1) 75% of the funds will be awarded to IHEs based on each IHE's share of full-time equivalent (FTE) enrollment of Pell Grant recipients who were not enrolled exclusively in distance education prior to the coronavirus emergency, relative to the total FTE enrollment of such individuals in all IHEs; and (2) 25% of the funds will be awarded to IHEs based on each IHE's share of FTE enrollment of students who were not Pell Grant recipients and who were not enrolled exclusively in distance education prior to the coronavirus emergency, relative to the total FTE enrollment of such individuals in all IHEs. The first factor primarily allocates funds based on undergraduate enrollment since Pell Grant eligibility is limited to undergraduates and students in postbaccalaureate teacher education programs. The second factor allocates funds based on undergraduate and graduate enrollment.

Because limitations of available data preclude calculating precise amounts for the factors, the U.S. Department of Education (the Department) approximated the factors using the best available data from ED's Integrated Postsecondary Education Data System (IPEDS) and Pell Grant Volume data provided by the Office of Federal Student Aid (FSA).

The first factor was approximated as follows. The number of undergraduate students awarded Pell grants as reported in IPEDS was adjusted based on the institution's share of total Pell recipients as reported by FSA for the 2018/19 award year. The FTE enrollment of these Pell recipients was approximated by looking at the ratio in IPEDS between 2017/18 FTE undergraduate enrollment and 2017/18 undergraduate headcount enrollment. In order to approximate FTE enrollment of Pell Grant recipients who were not enrolled exclusively in distance education, the estimated FTE enrollment of Pell Grant recipients was multiplied by the percentage of fall 2018 undergraduate degree/certificate-seeking students not enrolled exclusively in distance education as reported in IPEDS.

The second factor was estimated by subtracting the approximated FTE enrollment of Pell Grant recipients (if any) from the total 2017/18 FTE enrollment of students as reported in IPEDS and then multiplying the difference by the percentage of fall 2018 undergraduate, graduate, and professional students not enrolled exclusively in distance education as reported in IPEDS.

The Department acknowledges the limitations of this data, and therefore has reserved \$50 million to be provided in a subsequent award.

Some additional points to note:

- The data used to determine distance education participation are based on a fall unduplicated enrollment which is different from FTE enrollment and, in the case of the total FTE enrollment, also different from FTE enrollment for a 12-month period. The unduplicated enrollment is a simple headcount of students enrolled in classes; whereas the FTE enrollment counts part-time students in accordance with their enrollment rate.
- Allocation amounts were calculated at the 6-digit OPEID.
- Some OPEID information was adjusted based on information provided by FSA regarding change of ownership or affiliation.
- For some IHEs, the approximated FTE enrollment of Pell Grant recipients exceeded the total FTE enrollment. For these IHEs, the total non-Pell FTE enrollment was set to \$0, making the IHE ineligible for the second factor.

- The ratio of FTE undergraduate enrollment to undergraduate headcount enrollment was capped at 100 percent.
- Schools that are currently ineligible or were not participating in Title IV per the IPEDS data are excluded.
- There may be some currently participating and eligible schools which may be excluded from this formula. For this reason, a reserve of \$50 million has been set aside in part to address such institutions.