

Methodology for Calculating Allocations for Section 18004(a)(3) of the CARES Act

The CARES Act provides \$13.95 billion for the Higher Education Emergency Relief Fund (HEERF). Section 18004(a)(3) of the CARES Act allocates 2.5% of this funding (\$348.8 million) for Part B of Title VII of the Higher Education Act of 1965, as amended, for institutions of higher education (IHEs) the Secretary determines to have the most unmet need related to coronavirus. Section 18004(d) of the CARES Act further directs the Secretary to prioritize institutions of higher education that did not receive at least \$500,000 combined under the awards provided through Sections 18004(a)(1) and 18004(a)(2) of the CARES Act. To that end, the Department is using the funds available under Section 18004(a)(3) to ensure that all public and private nonprofit institutions of higher education that are eligible under Part B of Title VII of the HEA receive at least \$500,000 through their combined allocations under the HEERF.

After allocating 90% of the HEERF funding to all IHEs, and an additional 7.5% to eligible institutions under the programs specified in Section 18004(a)(2) of the CARES Act, the Department identified 981 public and private nonprofit institutions of higher education that had received less than \$500,000. Of the \$348.8 million available for awards under Section 18004(a)(3), \$321.7 million is being used to raise all public and private nonprofit IHEs up to the \$500,000 level. The Department will announce its plans for allocating the remaining funding available under Section 18004(a)(3) of the CARES Act for additional awards to public and private nonprofit IHEs demonstrating the greatest unmet need due to coronavirus at a coming date.