

Illinois CARES Act Fund Distribution for Higher Education Institutions

Formula Funding to All Eligible Institutions

Illinois higher education institutions will receive \$429.7 million in funding under the CARES Act to help address the financial impact of COVID-19. Half of this funding, \$214.9 million, has been released to help provide assistance to students. The remaining funding goes to individual schools to cover refunds and losses related to the COVID-19 response. This is part of the \$13.953 billion provided for higher education under the CARES Act, section 18004.

- This initial funding announcement is tied to the 90% of funding under Section 18004 of the CARES Act for all schools serving students receiving Pell funds for low income students.
- The calculations are based on three factors:
 - 75% of funds are based on the full-time equivalent number of Pell eligible students.
 - 25% of funds are based on the full-time equivalent number of non-Pell eligible students.
 - For both groups, students who are studying completely through distance learning are subtracted from the totals.
- Schools must use the student funding to provide cash supports directly to students through direct deposits into their accounts or through debit cards.
- Schools cannot distribute funds through student accounts.
- There is no restriction on how students use the funds they receive.
- Schools do have discretion in how they they allocate the funds to students. So, the amount students receive may differ due to their circumstances.
- The remaining 50% of funding can be used to cover COVID-19 related expenses experienced by schools, including refunds of room and board, other fee refunds, and refunds due to cancelled events. For most schools, anticipated losses far exceed the funding they will receive.
- The Department of Education has issued FAQ documents to provide guidance on the use of these funds. More guidance is anticipated on cost reporting.
- The Department of Education provided a single, national allocation to for-profit schools with a national footprint. To approximate the portion for Illinois, we used estimates made initially by the American Council on Education.

Minority Serving Institutions (MSI) Funding

In addition to the initial round of funding, 7.5% of Section 18004 funds are to go to support Minority Serving Institutions (MSIs). A total of 71 Illinois schools will receive \$12 million under this program. The total national allocation was \$1.04 billion, distributed to 1,761 schools who receive funding from at least one of 11 programs.

- 34 Illinois schools which meet one or more of the criteria to qualify as an MSI will receive a total of \$8.8 million while 37 schools who receive funding under the Strengthening Institutions program will receive \$3.2 million
- 55.6% of all program funding goes to Historically Black Colleges and Universities (HBCUs). Most states, including Illinois, do not have an HBCU.
- Illinois serves 3.4% of the nation's minority students but its allocation only amounts to 1.2% of funding under this program, largely due to the heavy distribution to HBCUs.