
FISCAL UPDATE Article

Fiscal Services Division

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CARES ACT HIGHER EDUCATION RELIEF FUNDING — IMPACT ON IOWA'S PUBLIC INSTITUTIONS

Education Stabilization Fund. The federal Coronavirus Aid, Relief, and Economic Security (CARES) Act ([HR 748](#)) includes \$30.750 billion for an Education Stabilization Fund, the majority of which is split between K-12 and postsecondary institutions.

Higher Education Relief. Higher education's share of the funding is \$13.953 billion, of which 90.0% (\$12.558 billion) will be allocated directly to institutions through the Title IV distribution system "to prevent, prepare for, and respond to coronavirus." The allocation includes the following:

- The allocation bases 75.0% of the funding on the percentage of full-time equivalent (FTE) enrollment of Pell students and 25.0% on the percentage of FTE enrollment of non-Pell students.
- Students who were exclusively enrolled in online education prior to the COVID-19 outbreak are excluded from the enrollment calculation.
- Each institution must use at least 50.0% of the funds to provide direct emergency aid to students, including "grants to students for food, housing, course materials, technology, health care, and childcare."
- Institutions receiving funds must retain current employees to the maximum extent practicable.

The remaining 10.0% of the funding is reserved for minority-serving institutions (\$1.047 billion) and for grants to institutions particularly impacted by COVID-19 (\$349.0 million), with priority given to smaller institutions that receive less than \$500,000 under the allocation formula and still have significant unmet need.

Estimates for Iowa Public Institutions. The American Council on Education (ACE) has provided a [summary](#) of the higher education provisions in the CARES Act and a [preliminary analysis](#) and "simulated distribution" of how the U.S. Department of Education might distribute the funding. The following table shows the amounts for Iowa's Regents universities and community colleges:

	CARES Act ACE Estimate
University of Iowa	\$16,630,000
Iowa State University	22,917,000
University of Northern Iowa	8,172,000
	<u>\$47,719,000</u>
Northeast Iowa Community College	\$ 1,784,000
North Iowa Area Community College	1,362,000
Iowa Lakes Community College	939,000
Northwest Iowa Community College	425,000
Iowa Central Community College	2,795,000
Iowa Valley Community College	1,344,000
Hawkeye Community College	1,880,000
Eastern Iowa Community College	3,008,000
Kirkwood Community College	5,919,000
Des Moines Area Community College	7,152,000
Western Iowa Tech Community College	2,033,000
Iowa Western Community College	3,084,000
Southwestern Community College	701,000
Indian Hills Community College	2,370,000
Southeastern Community College	1,234,000
	<u>\$36,030,000</u>

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