

ED Announces CARES Act Funding for MSIs and IHEs With Greatest Unmet Need

On April 30, the U.S. Department of Education (ED) **announced** the availability of \$1.04 billion in funding for Minority-Serving Institutions (MSI) and \$349 million for institutions of higher education (IHEs) with the greatest unmet need through the Education Stabilization Fund created under the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136). The CARES Act reserved 7.5% (MSI funding) and 2.5% (IHEs with unmet need) of the funding through the Education Stabilization Fund for these purposes. ED **notes** in its cover letter that IHEs receiving funds through either of these funding streams do not need to spend at least 50 percent on emergency student grant aid, but encourages IHEs to use such funds for grants to students. ED also notes that these funds may be used to defray institutional expenses, including lost revenue, reimbursement for expenses already incurred, technology costs associated with the transition to distance education, faculty and staff training, and payroll.

The funding for MSIs will be distributed through MSI programs in the Higher Education Act (HEA) in the same proportion as funding was provided for those programs in the Fiscal Year 2020 appropriations bill. MSIs will have to fill out and submit a **Certification and Agreement** to receive funds, and allocations that MSIs will receive can be found on this [webpage](#).

The funding for IHEs with the greatest unmet need will be distributed to public and nonprofit IHEs (ED is not making this funding available to for-profit IHEs) that received less than \$500,000 in other Education Stabilization Funds so that such IHEs receive \$500,000. The allocations for IHEs can be found [here](#), and the methodology for calculating allocations can be found [here](#). To receive funds, IHEs must fill out and submit a **Certification and Agreement**. Bringing all public and nonprofit IHEs up to \$500,000 in Education Stabilization Funding leaves \$15 million of the \$349 million remaining, which ED will use for a competitive grant competition for IHEs with the greatest unmet need, to be announced at a later date.